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Town Hall, Upper Street, London, N1 2UD

AGENDA FOR THE EXECUTIVE

Members of the Executive are summoned to attend a meeting to be held in the Council Chamber, Islington Town Hall, Upper Street, London N1 2UD on **11 January 2024 at 7.00 pm.**

Enquiries to : Mary Green
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Despatched : 3 January 2024

Membership

Councillor Kaya Comer-Schwartz
Councillor Diarmaid Ward

Councillor Una O'Halloran
Councillor Rowena Champion

Councillor John Woolf
Councillor Santiago Bell-Bradford
Councillor Nurullah Turan
Councillor Michelline Safi Ngongo

Councillor Roulin Khondoker

Portfolio

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

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.

A. Formal matters

1. Apologies for absence
2. Declarations of Interest
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B. Budget, performance and monitoring matters

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C. Child-friendly Islington

6.	Proposals on the future of Blessed Sacrament RC Primary School	147 - 214
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D. Community Wealth Building

7.	Community Wealth Building Strategy	215 - 284
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E. A safe place to call home

8.	Procurement strategy: Supply of building and construction materials	285 - 300
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9.	Procurement strategy for testing and maintenance of fire protection, fire detection and emergency lighting	301 - 344
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10.	Report of the Housing Scrutiny Committee: Strategic Review of Overcrowding in Islington	345 - 380
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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. Confidential / exempt items for information

H. Exclusion of the press and public

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

I. Urgent exempt matters

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

The next meeting of the Executive will be on 8 February 2024

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 6 months. A copy of it will also be retained in accordance with the Council's data retention policy.

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London Borough of Islington

Executive - 30 November 2023

Minutes of the meeting of the Executive held in the Council Chamber, Islington Town Hall, Upper Street, London N1 2UD on 30 November 2023 at 7.00 pm.

Present: **Councillors** Diarmaid Ward, Una O'Halloran, Rowena Champion, John Woolf, Santiago Bell-Bradford, Nurullah Turan and Roulin Khondoker

Also Present: **Councillors** Caroline Russell, Flora Williamson and Jilani Chowdhury

Councillor Diarmaid Ward in the Chair

170 APOLOGIES FOR ABSENCE

Received from Councillors Kaya Comer-Schwartz and Michelline Safi Ngongo.

171 DECLARATIONS OF INTEREST

None.

172 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 19 October 2023 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

173 BUDGET MONITORING 2023/24 - QUARTER 2

RESOLVED:

(a) To note the breakdown of the forecast General Fund outturn by variance at Appendix 1 and service area at Appendix 2 of the report of the Executive Member for Finance, Planning and Performance.

(b) To note the forecast 2023/24 General Fund position.

(c) To approve a one-off budget virement which created an income budget and a corresponding expenditure budget due to the announcements of the Market Sustainability and Improvement Fund Workforce fund from the Department of Health and Social Care.

(d) To note, and where necessary agree, the virements of budgets between directorates.

(e) To note the Collection Fund forecast for council tax and National Non-Domestic Rates.

(f) To note progress on delivering the 2023/24 agreed budget savings.

(g) To note the Housing Revenue Account forecast.

- (h) To note the capital expenditure forecast for Quarter 2.
- (i) To approve capital slippage to future financial years and to note that there was a risk of further slippage over the remainder of the financial year.
- (j) To agree the latest earmarked reserve allocations and forecast drawdowns for 2023/24.

Reasons for the decision – to ensure the financial resilience of the Council

Other options considered – none

Conflicts of interest / dispensations granted – none

174 **LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW PERFORMANCE REPORT 2022-2023**

RESOLVED:

(a) To note the Local Government and Social Care Ombudsman Annual Review letter 2022-23 dated 19 July 2023, attached to the report of the Executive Member for Finance, Planning and Performance.

(b) To note that, of the seventeen cases investigated, twelve were upheld decisions with the remaining five cases not upheld.

(c) To note that two out of the twelve upheld cases received a satisfactory remedy before Ombudsman involvement.

(d) To note that six out of the six cases with compliance outcomes during 1 April 2022 to 31 March 2023, complied with the Ombudsman recommendations.

(e) To note that, separate to the complaints investigated by the Local Government and Social Care Ombudsman reported in the Annual Review Letter, six upheld decisions during the period in question (finding of maladministration) were decided by the Housing Ombudsman, as detailed in Appendix 2 of the report.

Reason for the decision – To ensure that all parties were informed about complaints that had been reviewed by the Local Government and Social Care Ombudsman and Council action to address these.

Other options considered – none

Conflicts of interest / dispensations granted – none

175 **TREASURY MANAGEMENT OUTTURN REPORT 2022/23**

RESOLVED:

(a) That the activities of the Council's Treasury Management function for the year to 31 March 2023, as detailed in the report of the Executive Member for Planning, Finance and Performance, be noted.

(b) That Resources officers be thanked for their work.

Reasons for the decision – To comply with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code

of Practice, which required approval of treasury management semi-annual and annual reports.

Other options considered – none

Conflicts of interest / dispensations granted – none

176 **GENERAL FUND FEES AND CHARGES REVIEW**

RESOLVED:

(a) To agree the fees and charges policy and the General Fund fees and charges detailed at Appendix A1-3 of the report of the Executive Member for Finance, Planning and Performance.

(b) To note that the Acting Corporate Director of Homes and Neighbourhoods had undertaken to brief Councillor Russell on the rationale for parking charges.

Reasons for the decision – Annual increases to fees and charges across a range of General Fund functions were to be increased by the September 2023 CPI rate (6.7%) on 1 January 2024, unless otherwise stated, in the context of sustained, historically higher levels of inflation and the resultant increased costs of service provision.

Other options considered – none

Conflicts of interest / dispensations granted – none

177 **REPORT OF THE POLICY AND PERFORMANCE SCRUTINY COMMITTEE - COST OF LIVING CRISIS**

Councillor Flora Williamson, Chair of the Policy and Performance Scrutiny Committee, introduced the report, highlighting the fact that this scrutiny had been led by her predecessor, Councillor Jenny Kay. She thanked Councillor Kay for her work on the scrutiny report.

RESOLVED:

(a) That the report of the Policy and Performance Scrutiny Committee on “The Cost of Living Crisis” be received.

(b) That it be noted that the Executive Member’s response would be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Committee’s recommendations.

(c) That the Policy and Performance Scrutiny Committee be thanked for their report.

Reasons for the decision – The overall aim of the scrutiny review was to identify the way in which residents were experiencing hardship in the current cost of living crisis, and to examine how the Council could best support residents’ security and resilience in the home and in work.

Other options considered – none

Conflicts of interest / dispensations granted – none

178 **PROCUREMENT STRATEGY FOR RENEWAL OF MAIN PARKING CONTRACT(S)**

RESOLVED:

(a) To approve the procurement strategy for parking services, detailed as Option 5 - competitive tender exercise using the open procedure - as outlined in the report of the Executive Member for Environment, Air Quality and Transport

(b) That the Acting Corporate Director of Homes and Neighbourhoods, following liaison with the Executive Member for Environment, Air Quality and Transport, be authorised to award the contract for an initial period of four years, with optional contract extensions of an additional four years and an additional 2 years (total contract term 10 years).

(c) That officers be thanked for their work on this procurement.

Reasons for the decision – The current parking contract was due to expire on 31 August 2024 and it would be necessary to ensure that a new contract was in place to ensure continuity of service.

Other options considered – five options in total were considered.

Conflicts of interest / dispensations granted – none

179 **REPORT OF THE ENVIRONMENT AND REGENERATION COMMITTEE - NET ZERO CARBON 2030 STRATEGY, FOCUSING ON THE CIRCULAR ECONOMY AND GREEN JOBS**

The Executive noted apologies for absence received from Councillor Tricia Clarke, Chair of the Environment and Regeneration Scrutiny Committee.

RESOLVED:

(a) That the report of the Environment and Regeneration Scrutiny Committee be noted.

(b) That it be noted that the Executive Member's response would be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Environment and Regeneration Scrutiny Committee's recommendations

(c) That the Committee be thanked for their report.

Reasons for the decision – The overall aim of the scrutiny was to review how the Council was taking the lead on encouraging sustainable development, developing policies to encourage sustainable economic development, and working to identify ways to support a circular economy in Islington, with residents and businesses, to help achieve this goal.

Other options considered – none

Conflicts of interest / dispensations granted – none

180

PROCUREMENT STRATEGY FOR COUNCIL ENERGY CONTRACTS

RESOLVED:

(a) To approve a procurement strategy to appoint a Public Buying Organisation under a competitive process to procure the Council's electricity and gas supply contracts for the period 1 April 2025 to 31 March 2027, with an option to extend these contracts by a further two years to 31 March 2029.

(b) To delegate authority to the Corporate Director of Community Wealth Building, following consultation with the Corporate Director of Resources and the Executive Member for Environment, Air Quality and Transport, to sign an access agreement and award energy contracts through a Public Buying Organisation chosen by the methodology set out in the report of the Executive Member for Environment, Air Quality and Transport.

Reasons for the decision – Using a Public Buying Organisation was the recommended option as it brought Islington in line with other local authorities' energy purchasing, outsourcing the risk element of trading amid ongoing energy market volatility

Other options considered – a total of four options were considered.

Conflicts of interest / dispensations granted – none

181

REPORT OF THE HEALTH AND CARE SCRUTINY COMMITTEE - ADULT SOCIAL CARE TRANSFORMATION

The report was introduced by Councillor Jilani Chowdhury, Chair of the Health and Care Scrutiny Committee.

RESOLVED:

(a) That the report of the Health and Care Scrutiny Committee on Adult Social Care transformation be noted.

(b) That it be noted that the Executive Member's response would be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Health and Care Scrutiny Committee's recommendations.

(c) That the Committee be thanked for their report and that officers in Adult Social Care and Public Health be thanked for their work.

Reasons for the decision – the aim of the Scrutiny report was to consider the impacts of the new Health and Social Care Act 2022, the challenges and opportunities for transforming services and to review the vision and plans for transforming Council services.

Other options considered – none

Conflicts of interest / dispensations granted – none

182 **PROCUREMENT STRATEGY FOR OFFICE FURNITURE**

RESOLVED:

(a) To approve the use of the new Hertfordshire County Council framework agreement for the supply of office and commercial furniture for Islington's purposes.

(b) To designate the use of the framework agreement as a corporate contract which all Islington staff were mandated to use for office furniture

Reasons for the decision – The Hertfordshire County Council framework agreement provided access to experienced office furniture suppliers who had undergone a stringent process to qualify to be on the framework agreement.

Other options considered – A total of four options were considered.

Conflicts of interest / dispensations granted – none

The meeting closed at 7.40 pm

Report of: Executive Member for Finance, Planning and Performance

Meeting of: Executive

Dates: 11 January 2024

Ward(s): All

Draft Budget Proposals 2024/25 and Medium-Term Financial Strategy (Post-Settlement)

1. Synopsis

- 1.1. The principal purpose of this report is for the Executive to agree draft proposals in respect of the council's 2024/25 budget, the estimated level of council tax and the latest assumed medium-term financial position.
- 1.2. The budget setting process for the 2024/25 financial year has been particularly challenging due to the national cost-of-living and energy crisis, and the ongoing economic and political uncertainty. The long-term economic impact of COVID-19 and global conflicts, have contributed towards the current cost-of-living crisis with inflation, as measured by the Consumer Prices Index (CPI), high throughout 2023 and only recently falling, with the latest figure 3.9% in November 2023.
- 1.3. The cost-of-living crisis is still having a significant impact on Islington residents and businesses, and the council. High, prevailing inflation has resulted in significant budget pressures in respect of energy and fuel costs, pay inflation and significant levels of contract inflation for key service areas.
- 1.4. Very high demand pressures have been evident in the 2023/24 budget monitoring reports, including significant demographic pressures within key services such as Adult Social Care and Children's Services. These pressures are anticipated to continue into the 2024/25 financial year and to grow further over the medium term.
- 1.5. The scale of the current demographic pressures are unprecedented over recent times, and when added to the huge challenge of persistently high inflation, the result is council financial health that is very delicately positioned. Local government finance settlements, although slightly improved in recent years, are still not keeping pace with inflation and do nothing to address the historic under funding of the local government sector since the austerity budgets commenced in 2010.
- 1.6. The 2024/25 and medium-term budget setting process started with a very significant funding gap to close. To set a balanced budget in 2024/25, the council is proposing savings of £10.820m in 2024/25. A further £7.061m of savings are planned over 2025/26 to 2026/27 towards the medium-term gap. The underlying, structural financial position is extremely challenging, exacerbated by the in-year financial position in 2023/24, with a gross General Fund (GF) overspend at Quarter 2 (Q2) of £17.729m. The estimate of the net budget gap for 2025/26 is approximately £34m at this stage in the medium-term planning cycle and around £25m for 2026/27. Over a 5-year financial planning cycle, the level of the budget gap stretches to over £100m. If there is not a significant increase in

local government funding settlements, other revenue sources or a reduction in assumed budget pressures, then the savings requirement in 2025/26 alone will be over three-times the level of GF savings being proposed for 2024/25 in this budget report. This will require very difficult decisions as regards expenditure in order for the council to maintain a sustainable and robust financial position going forward.

- 1.7. Despite the very challenging financial position, the Council continues to protect and enhance the vital council services that residents rely on. The 2024/25 budget enables the delivery of the principles and priorities set out in the council's Strategic Plan – [Islington Together 2030](#). Budget proposals include growth to support manifesto commitments and continued transformation funding to put strategic principles into practice.
- 1.8. The current council tax assumption in the 2024/25 budget report is for an increase of core council tax by the maximum amount (2.99%) and a further 2% Adult Social Care (ASC) precept. The assumptions were confirmed in the Provisional Local Government Finance Settlement (the 'settlement') on 18 December 2023. For the average (Band D) property, the proposed 4.99% increase in the basic 2024/25 Islington council tax (excluding the GLA precept) equates to an increase of around £1.32 per week for full council taxpayers.
- 1.9. The Mayor of London is due to publish the draft GLA consolidated budget, capital spending plan and provisional council tax precept for 2024/25 on 17 January 2024, following a budget consultation period.
- 1.10. The Policy and Performance Scrutiny Committee will review the budget proposals on 18 January 2024 and its comments will be considered in finalising the budget proposals and proposed level of council tax for recommendation by the Executive on 8 February 2024 and agreement by Full Council on 29 February 2024.
- 1.11. The Council is inviting comments from residents and business rates payers (and representatives) in Islington on the draft 2024/25 budget proposals set out in this report. The consultation period runs for 21 days from 4 January 2024 to 24 January 2024. Any comments received will be considered by the council before the final budget proposals for consideration by the Executive on 8 February 2024 and Full Council on 29 February 2024.
- 1.12. The contents of the report are summarised below:
 - **Section 2** sets out the recommendations.
 - **Section 3** summarises the assumptions within the GF Medium-Term Financial Strategy (MTFS) and sets out the 2024/25 net revenue budget, fees and charges.
 - **Section 4** sets out the reserves and balance sheet strategy, reserves analysis including key risks and mitigations, and the CIPFA Financial Management (FM) Code assessment.
 - **Section 5** covers the Housing Revenue Account (HRA) and includes HRA savings, rents, service charges and other fees and charges.
 - **Section 6** summarises the 2024/25 to 2026/27 capital programme and funding, and the latest indicative programme up until 2032/33. In the final version of the budget report, which goes to the Executive on 8 February 2024 and Full Council on 29 February 2024, the Capital Strategy, Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Investment Strategy will also be included here.

- **Section 7** provides an overview of work the council is doing in respect of climate action and its Greener, Healthier Islington Mission.
- **Section 8** will include the detailed, statutory council tax calculations and any matters relating to retained business rates in the final version of the budget report which goes to the Executive on 8 February 2024 and Full Council on 29 February 2024.
- **Section 9** details the matters to formally consider in setting the final budget, namely the comments of the Section 151 Officer and the Monitoring Officer, a cumulative Equality Impact Assessment (EQIA) of the budget proposals and budget consultation requirements.

2. Recommendations

The General Fund Budget 2024/25 and MTFS (Section 3)

- 2.1. To agree and recommend to Full Council the latest assumed MTFS and 2024/25 budget, including the underlying MTFS principles, in-year monitoring position (to date) and the budget assumptions. (**Paragraphs 3.7-3.8, Table 1, and Appendix A**)
- 2.2. To agree and recommend to Full Council the proposed 2024/25 net budgets by directorate. (**Paragraph 3.9, Table 2, and Appendix A**)
- 2.3. To agree the annual budget for the London Councils Grants Committee and proposed Islington contribution, following consideration by the London Councils Leaders' Committee on 12 December 2023, and to note that this will be reported (for noting purposes) to the Voluntary and Community Sector (VCS) Committee on 30 January 2023. (**Paragraph 3.26**)
- 2.4. To agree and recommend to Full Council the 2024/25 savings and note that individual savings may be subject to individual consultation before they can be implemented. (**Paragraphs 3.28-3.31, Table 4, and Appendix B**)
- 2.5. To note the funding assumptions following the announcement of the Provisional Local Government Settlement on 18 December 2023. (**Paragraphs 3.37-3.48**)
- 2.6. To note that the fees and charges policy and the GF fees and charges from 1 January 2024 are as agreed by Executive on 30 November 2023. (**Paragraph 3.59**)
- 2.7. To agree that a green garden waste chargeable service is introduced from 1 April 2024. (**Paragraph 3.61**)
- 2.8. To agree and recommend to Full Council that the Section 151 Officer is delegated responsibility for any technical adjustments required for the 2024/25 budget (in line with the council's Financial Regulations).
- 2.9. To agree and recommend to Full Council that centrally held demographic growth be allocated to service budgets in-year once a more evidenced assessment is available and has been approved by the Section 151 Officer. (**Paragraph 3.19**)

Reserves and Balance Sheet Strategy & CIPFA Financial Management Code Assessment (Section 4)

- 2.10. To agree and recommend to Full Council the Reserves and Balance Sheet Strategy, including proposed minimum reserves levels, and agree the movements to/from earmarked reserves assumed as part of the 2024/25 revenue budget. (**Paragraphs 4.1-4.14 and Table 8**)
- 2.11. To note the assessment of compliance against the CIPFA Financial Management Code and that this will be re-visited annually as part of the budget process, with any actions or recommendations implemented on an ongoing basis. (**Paragraphs 4.15-4.17 and Appendix E1**)
- 2.12. To note the balance sheet analysis, which provides a snapshot of the council's financial position detailing assets, liabilities, and reserves, and aids understanding of the underlying financial position of the council. (**Paragraphs 4.18-4.20 and Appendix E2**)

The HRA Budget and MTFs (Section 5)

- 2.13. To agree and recommend to Full Council, the balanced HRA 2024/25 budget and note the latest estimates over the 3-year MTFs period. (**Paragraphs 5.1-5.9, Table 9, and Appendix D1**)
- 2.14. To agree the HRA rents and other HRA fees and charges for 2024/25. (**Paragraphs 5.10-5.44, Tables 11-13, and Appendix D2**)
- 2.15. To agree and recommend to Full Council the 2024/25 savings and note that individual savings may be subject to individual consultation before they can be implemented. (**Table 9, and Appendix D3**)
- 2.16. To note that the HRA 30-year business plan is currently being updated to reflect latest government policy (**Paragraph 5.2**)
- 2.17. To agree to delegate authority to the Corporate Director of Homes & Neighbourhoods in consultation with the Executive member for Housing and the Corporate Director of Resources to amend the heating and hot water charges, in year, between budget setting cycles.

Capital Investment and Treasury and Investment Management (Section 6)

- 2.18. To agree and recommend to Full Council, the proposed 2024/25 to 2026/27 capital programme and latest indicative capital programme for 2027/28 to 2033/34. (**Paragraphs 6.1-6.4, Tables 14-15, and Appendix F**)
- 2.19. To agree and recommend to Full Council the funding of the 2024/25 to 2033/34 capital programme and to delegate authority to the Section 151 Officer, where necessary, to apply capital resources to fund the capital programme in the most cost-effective way for the council. (**Paragraphs 6.5-6.7 and Table 16**)
- 2.20. To note that the final version of the budget report to the Executive on 8 February 2024 and to Full Council on 29 February 2024 will include the Capital Strategy, Minimum Revenue Provision (MRP) Policy Statement, Treasury Management Strategy, and Investment Strategy. (**Paragraph 6.2**)

Council Tax and Retained Business Rates (Section 8)

- 2.21. To note that the detailed, statutory council tax calculation and the recommendations for the final 2024/25 council tax, including the GLA precept, will be included for agreement in

the final budget report to the Executive on 8 February 2024, and Full Council on 29 February 2024. (**Paragraph 8.1-8.3**)

- 2.22. To agree that authority be delegated to the Section 151 Officer to finalise the council's 2024/25 NNDR1 (detailed business rates) estimate ahead of the 31 January 2024 statutory deadline. (**Paragraphs 8.4-8.5**)

Matter to Consider in Setting the Budget (Section 9)

- 2.23. To have regard to the Section 151 Officer's report on the robustness of the estimates included in the budget and the adequacy of the proposed financial reserves when making decisions about the budget and the level of council tax, as required under Section 25(2) of the Local Government Act 2003. (**Paragraphs 9.1-9.9**)
- 2.24. To note the Monitoring Officer comments. (**Paragraphs 9.10-9.15**)
- 2.25. To note the Equality Impact Assessment (**Paragraphs 9.22-9.24** and **Appendix G**) and to take fully account of it in approving the overall budget and related proposals.
- 2.26. To note that the council is inviting residents and business rate payers (or representatives of business rate payers) in Islington to comment on the draft 2024/25 budget proposals in this report, as required under Section 65 of the Local Government Finance Act 1992. (**Paragraphs 9.25-9.27**)
- 2.27. To agree and recommend to Full Council the Retail Relief Scheme for 2024/25 (**Appendix H** and **Paragraph 9.28**)

3. General Fund MTFs and 2024/25 Revenue Budget

The Budget and Islington Together 2030 Plan

- 3.1. In the 2030 Plan, Islington Together, the ambition was set to create a more equal Islington where everyone is able to thrive. The council has set five missions to create a more equal future for Islington in 2030. These are:
- Child-friendly Islington
 - Fairer Together
 - A Safe Place to Call Home
 - Community Wealth Building
 - Greener, Healthier Islington
- 3.2. Islington is a unique borough with specific demographic requirements:
- Islington is the most densely populated local authority area in England and Wales.
 - There has been a population increase of approximately 19% since 2011.
 - Socially rented properties make up 35% of the borough.
 - The pattern of deprivation differs to other London boroughs with affluent areas being immediately next to deprived areas.
- 3.3. To deliver on these missions, we are committed to put communities at the heart of everything we do. This includes how we manage and spend our finances.

- 3.4. The council's funding will drive these five missions, with new investment already in place to ensure we achieve our objectives. Budgets will be set with a strong focus on mission delivery. Examples of this include:
- A safe place to call home: Continuing to deliver new genuinely affordable homes as part of the council's commitment to build 750 new council homes by 2027.
 - Greener, healthier borough: Continued investment of more than £10m for School Streets and Liveable Neighbourhoods to reduce air pollution, and make it easier to walk, cycle and scoot. This includes work on Liveable Neighbourhoods for Mildmay, The Cally, Barnsbury and Laycock, Bunhill and Dartmouth Park, and school streets across Islington including secondary schools. Almost £6m investment in electric vehicles for council services, and £1.8m to create more electric charging points.
 - A fairer local economy: Continuing to support thousands of residents into work by protecting investment in our pioneering iWork services and investing in affordable workspaces.
 - Child-friendly Islington: Protecting an extra £500,000 investment, first begun in 2019, to tackle serious youth violence and opening our third Family Hub.
 - Help and support where and when people need it: Continuing to fund new Access Islington hubs that bring together help and support under one roof and maintain funding support key voluntary sector partners.
- 3.5. The council can put residents at the heart of our work in lots of different ways, including by changing the way we do things. For example [Let's Talk](#) Islington aims to work with communities to fundamentally change the way we work to tackle inequality over the next decade.
- 3.6. In the context of the challenges we face, providing genuine power for residents and local businesses to influence decisions and deliver on key issues impacting their lives can fundamentally change and transform the relationship between state and citizen. It is an essential component to enable us to realise our ambition of a more equal Islington. This includes developing initiatives such as participatory budgeting pilots allowing residents to decide how money is spent in their local area.

Summary of MTFS 2024/25 to 2026/27

- 3.7. The latest assumed budget position for 2024/25 and over the medium term is summarised in **Table 1** and detailed at **Appendix A**, with a balanced budget position in 2024/25. There is a remaining estimated £34m gap in 2025/26 and £25m in 2026/27, as set out below.

Table 1 – Summary Budget Gap 2024/25 to 2026/27

	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Pay and pension inflation	5.695	6.200	6.000	17.895
Non-pay/contract inflation	13.070	6.819	5.146	25.036
Demographic growth	8.866	11.468	12.602	32.936
Base budget adjustments/growth	4.297	0.928	0.286	5.511
Corporate levies/capital financing costs	6.145	6.596	5.527	18.268
Transfer to/(from) reserves movement	(0.991)	4.000	0.000	3.009
Inflation, energy & demand contingency	(5.000)	5.000	0.000	0.000
Government funding	(12.671)	1.240	0.000	(11.431)
Gross Budget Gap	19.411	42.251	29.562	91.224
Proposed savings	(10.820)	(5.457)	(1.604)	(17.881)
Business rates inflation funding	(3.412)	0.000	0.000	(3.412)
Assumed council tax base decrease/(increase)	0.487	(0.570)	(0.584)	(0.666)
Budget Gap (Before Council Tax Increases)	5.667	36.225	27.374	69.265
Assumed Council Tax Increase	(3.396)	(2.385)	(2.445)	(8.226)
Assumed ASC precept increase	(2.272)	0.000	0.000	(2.272)
Remaining Budget Gap to Close	0.000	33.840	24.929	58.768

MTFS Principles

3.8. The proposed 2024/25 budget is under-pinned by the following key principles.

- Compliance with the CIPFA Financial Management Code.
- Setting a balanced budget for the year ahead and working up robust estimates and funding scenarios over a 3-year period, as well as longer-term horizon scanning.
- Fully budgeting for ongoing budget pressures, and as a general rule not applying one-off funding to bridge ongoing funding gaps. If one-off funding is used, to ensure that any residual, ongoing budget gap is resolved using ongoing savings over the medium term and that one-off funds are restored.
- Reflecting the ongoing revenue cost of the capital programme (both the cost of interest and prudently setting aside enough to repay debt principal) in the revenue budget, in particular considering the potential for interest rate volatility.
- Not assuming additional funding from central government until it is confirmed and developing exit plans for specific funding streams that are due to come to an end.
- Increasing the level of council tax in line with the government's expectations in local government finance settlements to avoid an ongoing shortfall in the base budget.
- Budgeting for sufficient contingency provision for in-year budget risks and using available one-off funding to strengthen financial resilience in reserves for hardening budget risks over the medium term.
- Maintaining a minimum balance in the Core Funding Reserve to mitigate against a potential fall in retained business rates funding to the government safety net level.

Summary Net Revenue Budget 2024/25

- 3.9. **Table 2** summarises the 2024/25 net revenue budget by directorate (cash-limited budgets). The table is subject to change based on the final settlement and January 2024 Collection Fund Forecast.
- 3.10. A breakdown of the movement between the 2023/24 and 2024/25 budget is shown in **Appendix A**. Movement in the table below is broken down by:
- Inter-Directorate Changes - Representing virements and structural adjustments between council directorates (e.g., due to restructures that transfer responsibilities between directorates). These inter-directorate changes net off to nil across the council.
 - Growth and Base Budget Adjustments – Representing any agreed growth, management actions such as contract efficiencies or new funding allocations as a result of specific grant funding or additional forecast income.
 - Savings – Representing the total of savings proposed as part of the 2024/25 process. A further breakdown can be found at **Table 4**.

Table 2 – Net Revenue Budget 2024/25

	2023/24 Net Budget £m	Inter- Director ate Changes £m	Growth/ Base Budget Adjs. £m	Savings £m	2024/25 Net Budget £m
Adult Social Care	52.232	7.085	1.414	(1.965)	58.767
Chief Executive's Directorate	1.327	(1.284)	0.000	0.000	0.043
Children and Young People	87.594	(2.801)	2.681	(0.577)	86.897
Community Engagement and Wellbeing	8.563	4.918	0.609	(0.764)	13.326
Community Wealth Building	21.312	0.100	(0.115)	(1.513)	19.784
Environment and Climate Change	0.496	(4.200)	5.510	(2.867)	(1.061)
Homes and Neighbourhoods	7.888	4.616	1.317	(0.787)	13.034
Public Health (fully grant funded)	0.000	0.000	0.000	0.000	0.000
Resources	35.146	(1.518)	0.741	(0.150)	34.219
Central Costs	29.944	(6.916)	17.490	(2.197)	38.322
Net Cost of Services	244.502	0.000	29.647	(10.820)	263.329
General Contingency	5.000	0.000	0.000	0.000	5.000
Inflation, Energy and Demand Contingency	5.000	0.000	(5.000)	0.000	0.000
Transfer to/(from) Earmarked Reserves	13.518	0.000	(7.225)	0.000	6.293
Non-Specific Grants	(3.530)	0.000	2.290	0.000	(1.240)
Net Budget Requirement	264.490	0.000	19.712	(10.820)	273.382
Settlement Funding Assessment	(116.967)	0.000	(6.534)	0.000	(123.501)
Business Rates Growth	(24.770)	0.000	(3.412)	0.000	(28.182)
Collection Fund (Surplus)/Deficit	(9.714)	0.000	6.234	0.000	(3.480)
Council Tax Requirement	113.039	0.000	16.001	(10.820)	118.220

Budget Monitoring Position 2023/24 – Q2 Budget Monitoring

- 3.11. The estimated outturn position for the current financial year (2023/24) is reported through the Executive at quarterly intervals throughout the financial year and on to the Policy and Performance Scrutiny Committee. Where there are significant variances to the financial

position, management actions are identified and detailed within the report, with the intention of bringing the anticipated year-end position back to target. Any ongoing impact on budgets beyond the current financial year, that would remain even after management actions have been implemented, is considered within the budget planning process for the forthcoming financial year and over the medium term. Where such ongoing variances are identified late in the budget process, then there can be a knock-on impact to future financial year budget gaps if the pressures are not fully closed by ongoing savings.

- 3.12. High inflation and low economic growth have created a very uncertain backdrop to the 2023/24 financial year. When combined with significant demand pressures within services and the ongoing effect of 13 years of central government under-funding of council services, the 2023/24 financial position presents a challenge to keep in balance even after using available inflation energy and demand and general contingencies as at the Q2 2023/24 financial position reported to the Executive on 30 November 2023.
- 3.13. The Q2 2023/24 financial position estimates significant, adverse outturn variances in the three main spending directorates of Adult Social Care (£4.911m), Children and Young People (£2.480m), and Environment and Climate Change (£9.084m). In total at Q2 the financial position shows a £17.729m gross GF overspend. This is partly mitigated by applying the inflation, energy and demand, and general contingencies. It is possible that there will be a further erosion of earmarked reserves at year end as a result of the estimated outturn GF overspend. This follows a £37m reduction in earmarked reserves in the 2022/23 financial year. A significant proportion of the 2023/24 GF overspend has been factored into the ongoing GF budget in 2024/25 and over the medium term. This is reflected in the MTFs at **Appendix A** and the significant budget gaps presented in this budget report for the financial years 2025/26 (£34m) and 2026/27 (£25m).
- 3.14. Maintaining sufficient earmarked reserves and contingencies for future budgetary pressures and risks is a key component of a council's overall financial resilience. Earmarked reserves can only be used once. They cannot sustainably be used to fund recurrent expenditure. Persistent and significant in-year overspends are very damaging to the council's ongoing financial health and when coupled with significant budget gaps over the medium term bring into question financial sustainability over a medium to longer term forecast period if not addressed.
- 3.15. Taking forward the strategic implications of the in-year budget monitoring position into the medium-term budget planning process is a crucial aspect of the overall budget monitoring process. This can take the form of:
 - Ensuring that ongoing budget implications of in-year gross and net expenditure are fully reflected in base budgets, informing future budget processes.
 - Reviewing base savings proposals for deliverability in-year and over the medium term and assessing overall savings requirements for future budget processes as far in advance of the next budget setting cycle as possible.
 - Working up new savings proposals in the context of financial and performance monitoring data analysed within the in-year budget monitoring process.
 - Reviewing reserve positions in light of any drawdown in-year to ensure that there are sufficient reserves to provide financial resilience going forward, and measures to replenish earmarked reserves and contingency budgets over the medium term.

Key Revenue Budget Cost Pressures

- 3.16. The MTFSS assumes a 3% pay award in 2024/25 (and budget provision for the final 2023/24 pay settlement) and 3% over the remainder of the medium term.
- 3.17. The MTFSS provides for contract and non-pay inflation that cannot be managed within existing budgets. Where it is possible to do so, management actions are taken to reduce contract inflation additions to the budget. This includes:
- Adults Social Care Pay Contracts – The council contracts staff to provide social care provision across the borough and is required to pay National and London Living Wages as part of these contracts. This is set by Living Wage foundation annually and the council bears the additional cost.
 - Temporary Accommodation (TA) and No-Recourse to Public Funds (NRPF) – The combination of high inflation on private sector rents and energy bills impacts the Council's expenditure on TA and NRPF. Attempts are made to control this through representation in the London council Inter-Borough Temporary Accommodation agreement.
 - Parking NSL Staffing Contract – Inflationary growth is required to meet pressures existing from 2023/24 and forecast in 2024/25 as a result of high-CPI levels, London Living Wage announcement and Cost-of-Living pay claims contributions.
 - Children Looked After Placements – Inflationary growth for Residential and Independent Fostering Agency Placements. There is a programme of management actions in place to reduce placement cost pressures.
- 3.18. A further, significant cost pressure for the council is the increasing quantum and complexity of demand for council services. Based on latest estimates, the MTFSS assumes demographic budget growth of £11m in 2024/25 and on average £12m per annum over the remainder of the medium term. This is the net growth requirement after planned management actions to mitigate cost increases. There is considerable uncertainty around these estimates, in particular due to the unknown lasting impact of the pandemic on demand.
- 3.19. It is recommended that demographic growth, as in previous financial years, is held centrally and allocated to service budgets in-year once a more evidenced assessment is available and has been approved by the Section 151 Officer.
- 3.20. The number of residents requiring adult social care has risen over the past number of years. This demand is driven by:
- An ageing population with people living longer with multiple of complex needs requiring social care.
 - Increased prevalence of learning disabilities or physical or mental illness among working-age adults over recent years.
 - Significant backlogs and longer waits in the NHS have exacerbated demand.
- 3.21. The demographic growth for Adult Social Services is split into the following client groups:
- Mental Health Service Users
 - Learning Disability Service Users
 - Memory, Cognition and Physical Support Service Users

3.22. The demographic growth for Children’s Services relates to the following service areas:

- Children Looked After (Under 18/18+)
- SEND Transport
- Short Breaks and Personal Budgets

Levies

3.23. The council is required to pay levies to various external organisations, estimated to total £21m in 2024/25. The most significant levies are the council’s contribution to Transport for London (TfL) for the cost of concessionary fares (London Freedom Pass) and the North London Waste Authority (NLWA) levy towards the disposal of household waste in partnership with six other north London boroughs.

3.24. The estimated levies for 2024/25 are shown in **Table 3**.

Table 3 – Levies 2024/25

	2023/24 Budget £m	2024/25 Estimate £m	Increase/ (Decrease) £m
Concessionary Fares	8.341	10.475	2.134
NLWA Household Levy	5.497	8.305	2.808
Inner North London Coroner's Court	0.510	0.520	0.010
London Pensions Fund Authority (LPFA)	0.493	0.493	0.000
Traffic and Control Liaison Committee	0.296	0.243	(0.053)
Lee Valley Regional Park Authority	0.208	0.212	0.004
Environment Agency (Thames Region)	0.194	0.198	0.004
London Boroughs Grants Scheme	0.184	0.164	(0.020)
Total Levies	15.723	20.611	4.888

3.25. Islington’s two largest levies are forecast to increase by 36% in 2024/25. The NLWA is reporting increased charges relating to operating costs and interest charge increases. Costs are forecast to increase over the medium term but likely to remain moderate compared to other waste authorities.

3.26. The London Boroughs Grants Committee contributes towards the funding of many London-wide organisations providing a wide range of services. These services are accessible by Islington residents and contribute towards the council’s priorities including tackling homelessness, dealing with violence against women and girls and support people with no recourse to public funds.

3.27. The London Councils Grant Committee report was considered by the London Councils Leaders’ Committee on 12 December 2023 and will be reported to the VCS Committee on 30 January 2024 for information. The report proposes an overall level of expenditure in 2024/25 of £6.732 million, which requires borough contributions of £6.668m, the same level of contribution as for 2023/24, and a transfer from the Premises Transition Reserve of £64,000. Two-thirds of boroughs need to agree the grants budget by the third Friday in January. Islington’s contribution in 2024/25 will be £164,317 compared to £183,779 in 2023/24, a reduction of £19,462.

Revenue Savings

3.28. The 2024/25 revenue budget assumes the delivery of savings totalling £17.881m in 2024/25 (**Appendix B**). This is summarised by directorate in **Table 4**.

Table 4 – General Fund Budget Savings Proposals by Directorate

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Adult Social Care	1.965	1.601	-	3.566
Children & Young People	0.577	0.212	0.165	0.954
Cross-Cutting	2.197	1.112	1.358	4.667
Community Wealth Building	1.498	0.469	-	1.967
Community Engagement & Wellbeing	0.764	0.504	-	1.268
Environment & Climate Change	3.112	0.588	0.081	3.781
Homes and Neighbourhoods	0.557	0.511	-	1.068
Public Health	-	0.060	-	0.060
Resources	0.150	0.400	-	0.550
Total	10.820	5.457	1.604	17.881

3.29. It should be noted that some savings may be subject to individual consultation before they can be implemented. In the event that any savings do not proceed as planned following consultation, any in-year pressure would need to be funded from the corporate contingency budget and the ongoing implications considered as part of the next budget process.

3.30. The identification and delivery of savings gets more challenging every year. This is particularly the case for cross-cutting savings. In order to enhance delivery of cross cutting savings in the 2024/25 budget it is imperative that all cross-cutting savings are applied to directorate cash limited budgets at the earliest opportunity post budget setting and in advance of the 2024/25 financial year.

3.31. Updates on the delivery of the 2024/25 budget savings will be provided as part of the budget monitoring process, reported up through the Executive and scrutinised by the Policy and Performance Committee.

Economic Forecasts

3.32. The Chancellor of the Exchequer announced the Autumn Statement ('the Statement') on 22 November 2023. The Office for Budget Responsibility's (OBR) economic forecasts were published alongside the Statement.

3.33. Looking further ahead over the medium term, prospects for local government finance settlements look very bleak with expected real-terms funding cuts for unprotected departmental spending, including most of local government. This could equate to cash flat local government funding settlements, or even cash cuts given that inflation is estimated to fall over the government's forecast period. Islington's core spending power has been cut by 45% since 2010 and is highly likely to be cut further. The Resolution Foundation has estimated that unprotected departments' core spending power is set to be cut by 16% between 2022/23 and 2027/28.

3.34. The negative local government funding outlook is reinforced by the Chancellor setting out his aim in the Statement that growth in public sector spending should be lower than the growth in the wider economy (in theory to indicate an improvement in public sector productivity) over the forecast period.

- 3.35. Living standards, as measured by real household disposable income (RHDI) per person, are forecast to be 3.5% lower in 2024/25 than their pre-pandemic level and are not forecast to recover to the pre-pandemic level until 2027/28. This represents the largest reduction in real living standards since Office for National Statistics began in the 1950s.
- 3.36. The fiscal forecasts by 2027/28 improved by £27bn since the Spring Budget in March 2023 due to higher tax receipts offset by higher interest rates and inflation. However, the Autumn Statement spends nearly all of this net fiscal improvement on a 2% cut in employee National Insurance Contributions (NICs), permanent corporation tax write-offs for business investment, and welfare and health reforms aimed at boosting employment.

Funding Announcements (Provisional Local Government Finance Settlement)

- 3.37. The settlement for 2024/25 was announced on 18 December 2023. The final settlement is due to be announced in early February 2024.
- 3.38. The settlement was broadly in line with expectations following the Autumn Statement 2023 announcement in November, except for the scale of the cut to the Services Grant (£2.9m). The Services Grant is an unringfenced (general) grant first introduced in the 2022/23 settlement, cut in 2023/24 and now being further cut in 2024/25. This will further reduce the council's capacity in the 2024/25 budget to absorb additional budget pressures or risks and makes a further call on reserves over the next financial year more likely. The £2.9m cut is partially offset by small favourable movements in other grants in the settlement totalling £0.8m and an estimated £1.1m favourable movement in 2023/24 pay award estimates compared to previous budget assumptions.
- 3.39. This settlement is for one-year only, representing the final year of the current spending review period. The next spending review announcement is expected in Autumn 2024 which will set out government spending forecasts for the financial planning period from 2025/26. It is conceivable however that the next spending review and the 2025/26 settlement could subsequently be amended by the outcome of the next General Election.
- 3.40. Based on the government's methodology, Islington's Core Spending Power (CSP) will increase by 6.54% in 2024/25, broadly in line with the England average. CSP is the government's measure of a local authority's resources available to fund service delivery. It mainly consists of income from retained business rates, grants, and council tax (assuming that council tax is increased by the maximum allowed without a referendum).
- 3.41. In calculating Islington's CSP the government has applied the council's average annual growth in taxbase between 2019/20 and 2023/24 to project growth in taxbase for 2024/25. However, based on local knowledge, Islington's taxbase is currently estimated to fall by 0.39% in 2024/25. This means that the government is over-estimating Islington's council tax raising ability in 2024/25 by approximately £1.4m.
- 3.42. Islington's Settlement Funding Assessment (SFA) is made up of a Baseline Funding Level under the partial (30%) business rates retention system (comprising a business rates baseline amount and a 'top-up' grant) and Revenue Support Grant. This is summarised in **Table 5** below.
- 3.43. The increase in SFA announced in the 2024/25 settlement does not fully keep pace with the inflationary pressures underpinning the 2024/25 budget and headline increase in CSP, and so represents a real-terms funding cut. Furthermore, it does not address the historical funding shortfalls since 2010 whereby Islington's spending power decreased by 45% in real terms between 2010/11 and 2023/24.

Table 5 – Settlement Funding Assessment

	2023/24 £m	2024/25 £m	Change £m	Change %
Business Rates Baseline	79.160	82.453	3.290	4.16%
Top-Up Grant	9.284	10.355	1.070	11.54%
Baseline Funding Level	88.444	92.808	4.364	4.93%
Revenue Support Grant	28.523	30.412	1.890	6.62%
Settlement Funding Assessment	116.967	123.220	6.253	5.35%

- 3.44. Islington does not benefit from the government's minimum funding guarantee because the council's CSP increase is already higher than 3%.
- 3.45. Previous announcements of additional social care grant funding in 2024/25 were confirmed at authority level, as shown in **Table 6** below. This includes £80m nationally that was diverted to the Social Care Grant from elsewhere in the settlement.

Table 6 – Social Care Funding (Ringfenced)

	2023/24 £m	2024/25 £m	Change £m
Improved Better Care Fund	14.501	14.501	-
Social Care Grant	23.690	28.147	4.457
Adult Social Care Discharge Fund	2.033	3.388	1.355
Market Sustainability and Improvement Fund	4.967	5.626	0.659
Total Social Care Funding	45.191	51.662	6.472

- 3.46. The Services Grant is an unringfenced (general) grant first introduced in the 2022/23 settlement, cut in 2023/24 and now being further cut in 2024/25. The Services Grant will be cut nationally from £483m in 2023/24 to £77m in 2024/25 to fund other parts of the settlement. For Islington, this equates to a £2.905m funding cut on the 2023/24 allocation of £3.448m. Whilst a cut in this grant was anticipated after the Autumn Statement, the cut is significantly higher than expected. The government intends to hold back a proportion of the Services Grant as contingency to cover any unexpected movement, such as adjustments to New Homes Bonus allocations.
- 3.47. The settlement confirmed that the New Homes Bonus grant will continue for an additional year. Islington's allocation, based on housing growth in the borough over the past year, is £0.697m (£0.615m higher than the 2023/24 allocation of £0.082m).
- 3.48. Service specific grants outside of the settlement such as the Public Health and Homelessness Prevention have not yet been confirmed but are currently expected to be in line with forecasts.

Dedicated Schools Grant (DSG) Funding and Schools Balances

- 3.49. The following analysis is based on funding announcements from the Department for Education (DfE) following the settlement.
- 3.50. The table below shows a summary of the DSG funding by various blocks. The total DSG funding for 2024/25 of £177.748m is an increase of £12.304m (7.4%) as compared to the 2023/24 position.

Table 7 – DSG Funding by Block

Blocks	2024/25 (£m)	2023/24 (£m)	Variance (£m)	%
Schools	107.626	102.643	4.983	4.9%
Central	1.319	1.379	-0.060	-4.3%
High Needs	43.902	42.429	1.473	3.5%
Early Years	24.900	18.992	5.909	31.1%
Total	177.748	165.443	12.304	7.44%

- 3.51. An increase of per-pupil funding for primary and secondary schools is being provided for in the Schools Block in 2024/25 of 5.5% and 5.8% respectively when compared to the 2023/24 funding rates. This is expected to be equivalent to an increase in funding of £4.983m (4.9%) after allowing for the 2.2% reduction in pupil numbers from October 2022 to October 2023. Had pupil numbers not reduced, then a further £2.533m in funding would have been received for schools. The School's Block is the main source of funding for mainstream schools, over 96% of which is based on pupil numbers.
- 3.52. There will be a further reduction in the historic duties' element of Central Schools Services Block funding for Council services provided to mainstream schools of £0.067m (20%) in 2024/25. This follows a 20% reduction in each of the last four years, in line with the DfE's plans to phase out this funding for local authorities by 2026/27. Funding for ongoing duties is increasing by £0.008m (0.7%). The net reduction in funding is £0.059m (4.3%).
- 3.53. There is a year-on-year increase of £1.473m (3.5%) in the High Needs Block after recouplement following the provision of additional funding for high needs nationally. The High Needs Block provides funding for special schools, funding for children and young people with Special Educational Needs and Disabilities in other settings, and related local authority services. Demand for education health and care plans is increasing by an average of 8% per annum, therefore funding is not keeping pace with demand.
- 3.54. Early Years Block funding is provided for the statutory entitlements to early education and childcare. Funding is has increased by £5.909m (31.1%) in 2024/25. This is an initial position based on the January 2023 headcount. It will be updated by the DfE for the January 2024 headcount when they become available and will form part of the June / July DSG updated allocations from the DfE. The hourly funding provided to local authorities for 2-year-olds provision has increased by 47.1%, while the 3- and 4-year-old rate has increased by 1.0%. There will be further growth in the provisional settlement for the new entitlements for free early education and childcare that come in from April and September 2024.
- 3.55. A recent survey by London Councils that was responded to by 31 boroughs (including Islington) showed forecast accumulated surplus / deficits as a percentage of their DSG allocation range from -17% to +5% in 2023/24 (Islington +2.3%). The London average stood at -3%. Islington is forecast to enter into an accumulated DSG deficit in 2025/26 across all spending blocks due to High Needs funding allocations from the DfE not keeping pace with demand and falling pupil numbers. This is being addressed through the Council's SEND strategy.
- 3.56. Schools Balances are forecast to enter a net accumulated deficit overall in 2024/25 based on current spending plans from schools due to falling pupil numbers and increasing cost

pressures. 23% of maintained schools in London are forecast to be in deficit by the end of 2023/24, just below the forecast percentage in Islington of 25%.

- 3.57. A school organisation plan is being put in place to reduce surplus capacity in schools and bring schools back onto a more sustainable financial footing. The first two phases of this plan have been agreed by the Executive that will reduce the forecast deficit, but further significant actions are required to eliminate the forecast deficit and bring balances back into surplus overall.

Fees and Charges

- 3.58. Some fees and charges are prescribed by statute and are not within the council's power to vary locally, others are discretionary and set as part of the annual budget suite of papers, including the fees and charges report. The fees and charges policy considers the current level of inflation in the economy as well as the level of inflation expected to prevail over the forthcoming financial year.
- 3.59. It was agreed by Executive on 30 November 2023 that all discretionary fees and charges be increased by an average 6.7% (based on CPI) from 1 January 2024, unless a variation was otherwise stated.
- 3.60. Any increase in fees and charges income that has not already been included separately as part of the budget savings proposals is fully factored into the overall budget planning assumptions for the relevant services to cover corresponding inflation in costs incurred by the council.
- 3.61. It is recommended to agree that a chargeable green garden waste fortnightly recycling service is introduced from 1 April 2024. The current free green garden waste weekly recycling service would no longer be offered to residents after 31 March 2024. A separate green garden waste collection schedule will be implemented to collect from subscribed customers. The weekly charge would be set at an initial charge equivalent to £1.44 per week, or £2.88 per collection, payable as an annual fee.
- 3.62. HRA fees and charges are considered in the **Section 5** of this report.

4. Reserves and Balance Sheet Strategy & CIPFA Financial Management Code Assessment

Reserves and Balance Sheet Strategy

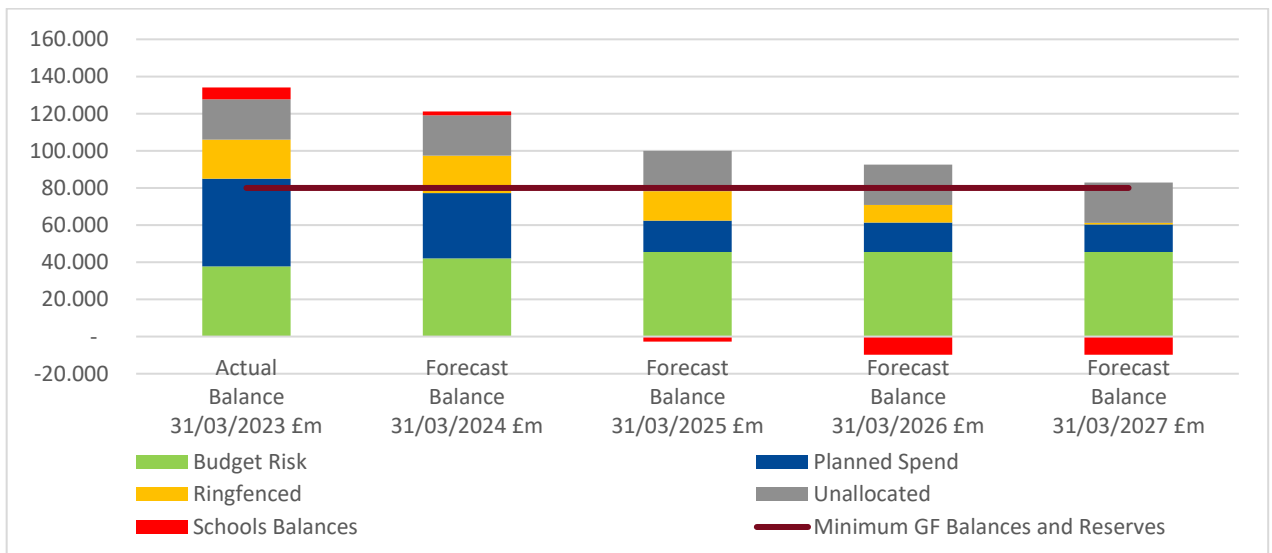
- 4.1. A fundamental element in assessing the robustness of the council's annual budget and MTFs is the level of contingency budget(s), earmarked reserves, and GF balance, as determined by the Section 151 Officer. The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specified minimum level of reserves that an authority should hold. It is the responsibility of the Section 151 Officer and the Members of the Council to determine the level of reserves and to ensure that there are procedures for their initial formation and use.
- 4.2. Historically Islington has had comparatively low reserves with similar authorities. There was also a higher-than-average decrease in reserves at 2022/23 outturn. In addition, the significant expenditure pressures and income shortfalls incurred as a result of COVID-19, the high levels of inflation and the sustained economic downturn have highlighted the underlying level of risk inherent in the council's budget position.

- 4.3. There are different types of reserve held across the Council which are split between usable and unusable reserves. Unusable Reserves are used to hold unrealised gains or losses for assets not yet disposed of and accounting adjustments, which are required by statute. These reserves cannot be used to fund capital or revenue expenditure.
- 4.4. The different categories of usable reserves are broken down below:
- General Balances (GF or HRA) are unallocated funds which do not have any restrictions on their use. They cushion the impact of uneven cash flows, offset budget requirements, if necessary, or can be held in case of unexpected events or emergencies. These are split between GF and HRA.
 - Earmarked Reserves - these must be held for genuine and intended purposes. Earmarked funds within the GF are categorised into:
 - **Budget Risk** – These are held to protect the council against the significant and wide-ranging budget risk within the MTFS. This includes to:
 - Mitigate specific budget risks, particularly the impact of delayed savings delivery.
 - Protect against wider, external events and the impact of this on the council's budget e.g., Economic events and forecasts such as inflation and interest rate announcements and future Local Government Funding Settlements and announcements.
 - Mitigate the impact of business rates and council tax income fluctuations and timing differences.
 - Provide resilience for business continuity in the event of exceptional circumstances such as a cyber-attack.
 - **Planned Spend** – This comprises reserves that are earmarked to fund one-off expenditure. This includes to:
 - Provide for agreed Transformation projects and other agreed one-off budget growth.
 - Set aside funds for specific projects such as the potential direct and indirect costs of the non-recent child abuse support payment scheme.
 - **Ringfenced** – This comprises ring-fenced grants and contributions such as Dedicated Schools Grant (DSG) and Public Health grant where the funds cannot be used to resource anything other than the specified purpose due to funding or legal restrictions.
 - The HRA also holds earmarked reserves.
 - Other Capital Reserves – these are broken down between:
 - Major Repairs Reserve – Applies to the HRA only and is used to build up capital sums that can be used to finance the capital programme and repayment of housing debt.
 - Capital Receipts Reserve – Holds funds received from sales of non-current assets (primarily receipts from the sale of property). The use of receipts is normally restricted to funding other capital expenditure or paying off debt.

- Capital Grants Unapplied – Holds capital grants that have been received in advance of the associated expenditure being incurred. They are not available for revenue purposes.

- 4.5. Islington’s current GF balance (£21.7m, excluding balances held on behalf of schools) equates to just over one week of gross expenditure. It is recommended that a minimum GF balance is set at £20m, broadly in line with the current GF balance which is widely viewed as being low, it representing, for example, just one week of the council’s gross annual GF expenditure in the current financial year, and is still at only half of the level of the MTFFS GF balance target of £40m.
- 4.6. It is proposed that any underspend on the GF and contingency budget at the end of each financial year is used to increase the GF balance (excluding schools balances) from the current level towards the target level of £40m GF balance over the medium term. It is the view of the Section 151 Officer that this remains a reasonable proxy, subject to annual review, for the level of unquantifiable risk in the council’s budget, and therefore the target GF balance needed to deal with economic shocks and insulate the council from potential compensating cuts to key services that could arise in a given financial year.
- 4.7. Decreasing reserve levels are a key indicator of financial distress in councils. It is important that the medium-term budget makes provision to sustain reserve levels. It is recommended that an absolute Minimum GF Earmarked Reserves Level is set at £60m (combined with the proposed £20m General Balances minimum level). This is set out in **Figure 1** below, which illustrates that GF reserves are currently forecast to fall significantly over the medium term.

Figure 1 – General Fund Earmarked Reserves and Balances Forecast



- 4.8. The above graph shows that the 2025/26 and 2026/27 forecast reserves balances are close to breaching the recommended absolute minimum of £80m GF Balances and Earmarked Reserves Level. Remaining above the minimum level and replenishing reserves over the forecast period will require the following:

- Delivering balanced in-year budget positions. A repeat of the £17.729m Q2 gross GF overspend in 2024/25 and over the medium term would deplete reserves further to balance the year-end position.

- Fully closing the forecast, significant GF budget gaps over the medium term, as set out in this budget report, with ongoing savings. Use of any reserves to close an ongoing budget gap will further push the council towards breaching the Minimum GF Balances and Earmarked Reserves Level, and simply push the budget gap to later financial years, potentially unsustainably.
- Receiving adequate, above inflation funding settlements from central government over the next Spending Review period commencing 2025/26, which would enable the council to meet the unprecedented inflationary, demographic and demand pressures faced over recent financial years and forecast to continue over the financial planning period. Adequate funding settlements would assist the council in restoring reserves to more sustainable levels.

4.9. Ongoing and significant budget savings of a level not seen in recent budget processes will need to be delivered over the medium term to ensure the adequacy and robustness of reserves is at least maintained and, as an objective, significantly strengthened.

Reserve Movements, Budget Risks and Contingencies

4.10. The pressures across councils have resulted in increasing numbers of local authorities issuing Section 114 (S114) notices. A S114 notice puts spending controls in place and prohibits all new expenditure by a council, other than that required to provide statutory services. A council's Chief Financial Officer (CFO) has a statutory duty to issue a S114 notice if they believe the council will be unable to meet its expenditure commitments from its income. The CFO does not need councillors' consent to issue this notice. The rising numbers of S114 notices highlight how difficult it is becoming for all councils to set a balanced budget and this is going to become even more challenging if service demands increase further and funding continues to be outstripped by inflation.

4.11. Use of reserves to balance ongoing budget gaps is not advised for a number of significant reasons:

- The level of the medium-term budget gap would stay the same, with the relevant budget gap merely pushed to the following financial year.
- Future budget gaps tend to widen as the budget process for that financial year is approached – a combination of an expanding prior year budget gap and an underlying gap to close for the following financial year would be extremely difficult to balance in a single budget year.
- It would reduce flexibility to use reserves in-year for any unforeseen events (e.g., to fund local risks such as a cyber-attack that would be unlikely to be funded by the government) or to resource one-off requests such as transformational costs.
- It would essentially be a 'sticking plaster' to deal with a long-term budget problem – potentially leading to much bigger problems down the line, as evidenced with recent high profile council failures.

4.12. There have been GF savings made consistently in recent years, including those proposed as part of this budget. However, sources of savings become harder to find each year without impact local services. Furthermore, when savings are identified, the delivery of savings is more difficult to manage.

4.13. The 2024/25 budget includes an ongoing, general corporate contingency budget of £5m per annum, unchanged from 2023/24. A contingency budget is an ongoing budget intended

to be applied on a one-off basis only against unforeseen expenditure in-year. If it were to be applied on an ongoing basis against ongoing expenditure pressures, then the budget would not be available for future financial years. The contingency budget is viewed as a last resort for in-year budget pressures that cannot be funded from compensating underspends elsewhere and is subject to approval in line with the council's Financial Regulations. Directorates agree cash limited budget allocations and take responsibility for delivering a balanced budget unless a business case, presenting an exceptional circumstance, for contingency or reserve funding is agreed. Given the level of gross in-year overspends in recent financial years, a £5m contingency budget is at the very low end of acceptability in terms of providing assurance against unanticipated or unexpected expenditure over and above budget. The Inflation, Energy and Demand contingency budget available in the 2023/24 budget has been removed from the 2024/25 budget as part of the measures to set a balanced budget. The MTFs assumes that this additional Inflation, Energy and Demand contingency budget is restored at the earliest opportunity, given the risk in removing from the 2024/25 budget on a one-off basis. It forms part of the estimated budget gap for 2025/26.

4.14. The estimated level of usable reserves, reflecting current known movements is shown in **Table 8** and detailed by individual reserve at **Appendix C**. This reflects known reserves movements including:

- Previous budget reports have made provision of £4m earmarked to be transferred to GF Earmarked Reserves. Due to the pressures faced in 2024/25 this has been removed for one year only to resource the pressures and growth required to set a balanced budget. As a result, it is forecast that Earmarked Reserves will fall further in 2024/25, reducing the council's financial resilience.
- It is expected that additional movements to/from reserves will be brought forward for agreement once there is greater clarity on their timing and amount. This includes reserves movements related to the finalisation of the 2023/24 financial outturn after the end of the current financial year.

Table 8 – Forecast Usable Reserves

Reserve Category	31/03/23 Actuals £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m
Budget Risk*	37.851	42.030	45.510	45.510	45.510
Planned Spend	47.076	35.150	16.866	15.866	14.866
Ringfenced	21.145	20.168	15.804	9.458	0.780
Total GF Earmarked Reserves**	106.073	97.348	78.181	70.834	61.156
General Fund	21.718	21.718	21.718	21.718	21.718
Schools Balances***	6.292	2.151	-2.677	-9.745	-9.745
Total General Balances	28.01	23.869	19.041	11.973	11.973
HRA Earmarked Reserves	32.424	45.696	47.514	66.535	82.075
HRA Balances	17.521	17.521	17.521	17.521	17.521
Total HRA Earmarked Reserve and Balances	49.945	63.217	65.035	84.056	99.596
Capital Grants Unapplied	24.807	TBC	TBC	TBC	TBC
Capital Receipts	49.988	45.171	44.354	31.092	20.680
Major Repairs	0.921	11.872	4.290	12.111	17.370
Total Capital Reserves	75.716	57.043	48.644	43.203	38.050
Total Usable Reserves	258.824	229.605	206.611	197.955	193.405

*Core Funding Reserve movements are subject to potentially significant change following completion of the NNDR1 and Council Tax Forecast in January 2024. This will be updated in the final version of the budget report.

**These reserve forecasts do not assume use of the approved Flexible Use of Capital Receipts policy, which will be determined by the Section 151 Officer based on the overall reserves position at the end of the financial year. Utilising the flexibility would result in a reduced fall in GF earmarked reserves, but higher borrowing and revenue costs of borrowing.

***Schools balances forecasts will be updated as required for the final version of the budget report.

CIPFA Financial Management Code Compliance Assessment

- 4.15. An initial compliance analysis against the CIPFA Financial Management Code has been undertaken as part of the 2024/25 budget assurance work. The CIPFA Financial Management Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the Code requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities, and circumstances. Each local authority should demonstrate that the requirements of the CIPFA Financial Management Code are being satisfied.
- 4.16. Demonstrating this compliance with the CIPFA Financial Management Code is a collective responsibility of elected members, the Section 151 Officer, and professional colleagues in the leadership team.
- 4.17. The annual compliance analysis is included at **Appendix E1** and shows that the council achieves a high level of compliance against the vast majority of the CIPFA Financial Management Code statements of standard (or best) practice. Where there is only a medium level of compliance, actions are suggested that would take the council to high

level. The compliance analysis should be seen as an organic piece of work, re-visited at least annually as part of the budget process, with any actions or recommendations implemented on an ongoing basis.

Balance Sheet Analysis

- 4.18. The balance sheet provides a snapshot of the council's financial position detailing assets, liabilities, and reserves. The balance sheet shows the complex and closely interlinked relationship between revenue, capital, borrowing and other existing and emerging risks. Analysing the council's balance sheet on a regular and ongoing basis (and not just at financial year-end) is key to understanding the underlying financial position of the council. Effective balance sheet analysis is very useful as a measure to indicate whether or not a local authority is showing signs of financial stress currently and over time within an overall direction of travel.
- 4.19. To be effective, balance sheet analysis needs to look at a wide range of measures to enhance overall understanding of financial resilience and direction of travel.
- 4.20. Detailed balance sheet analysis can be found at **Appendix E2**. In summary, the analysis has found that:
- The council has been able to build reserves, and therefore financial resilience, over the previous 6 years, partly due to additional transitory income received during the COVID-19 pandemic. However, the recent significant decrease in reserves demonstrates the importance of strengthening and maintaining sufficient levels of the reserves where the council is able to do so.
 - Furthermore, the council has been able to defer external borrowing, despite the increasing need to borrow, by using its own resources to finance capital expenditure. However, if reserves continue to decline and the need to borrow continues to rise, the council will be required to externally borrow and will risk paying high interest rates.

5. Housing Revenue Account

- 5.1. The HRA is a ringfenced account covering the cost of managing and maintaining council-owned housing stock, servicing both existing debts taken on as part of self-financing and new debt taken on to support the delivery of the new build and property acquisitions programmes, the funding of which comes primarily from rents and tenants' and leaseholders' service charges.
- 5.2. The draft updated HRA 30-year business plan is planned to be reported to the Executive on 8 February 2024 and Full Council on 29 February 2024.
- 5.3. The proposed HRA budget includes the balance of the savings package identified as part of the 2023/24 budget process and the continuation of these savings in 2026/27 totalling £3.646m (detailed at **Table 10** and **Appendix D3**). In addition, the draft HRA 30-year business plan assumes that the new build programme will continue towards attempting to meet the Council's manifesto commitment of delivering an additional 750 social rented homes (with a start on site by December 2027).
- 5.4. The current challenging economic climate, which includes much higher interest rates as compared to recent years and increased construction costs, means that the interest charges on the borrowing required to balance the financing of new schemes can no longer be fully funded from the net rent generated from the new council homes. As such the HRA

30-year business plan includes subsidised new build borrowing of £34.2m to take 180 new council homes through to completion and a further provision of £20.2m to continue developing a pipeline programme of 570 new council homes through to Planning stage. This new build programme budget pressure has been met by reducing the budget provision available to the major works and improvement capital programme for investment in existing council homes, by 5% (or £2.8m) per year over 30 years.

- 5.5. It should also be noted that whilst the draft HRA 30-year business plan balances this is achieved by limiting the budget provision for the investment in existing council homes. There remains an investment gap of; £933m (over 30 years) when comparing this budget limited provision to a “replacement of life expired components” investment model and £1.829b (over 30 years) when comparing this budget limited provision to a “traditional” investment model.
- 5.6. Whilst within the limited budget provision included in the HRA 30-year business plan, priority will be given to building safety works & meeting statutory compliancy, the shortfall in available resources will inevitably reduce the Council’s capacity to invest in maintaining the condition of existing homes and over time will lead to significant deterioration in our housing stock, with our non-decency levels rising.
- 5.7. The major works capital programme investment gap referred to above is driven in significant part because of past Government interventions in relation to Local Authority rent setting which include the minus 1% rent reduction applied over the 4 years 2016/17 - 2019/20 and the 7% rent cap applied in 2023/24, these interventions led to a loss in rental income over 30 years of £1.7b.
- 5.8. Consideration of options and measures to bridge the investment gap is currently underway.
- 5.9. The proposed HRA budget for 2024/25 and latest estimates for the medium term, including HRA reserves estimates, is set out at **Appendix D1**. The movement between the approved 2023/24 budget and the proposed 2024/25 budget is summarised in **Table 9**.

Table 9 – Summary of HRA Budget Changes 2023/24 to 2024/25

Expenditure	£m
Pay and pensions inflation	6.213
HRA savings proposals (See Table 10)	(1.443)
Increase in contributions to HRA reserves	8.181
Contractual inflationary increases and other budgetary changes	4.955
Reduction in the cost of communal gas and electricity	(4.062)
Increase in Leaseholder property insurance costs	3.171
Increased funding for New Build Pipeline programme	14.412
Decrease in bad debt provision resulting from a reduction in energy prices	(0.997)
Capital related items (borrowing, RCCO and depreciation charges)	(0.201)
Total Expenditure Increase	30.229
Income	£m
Rent and Tenant charges	(26.775)
Heating charges (Tenants and Leaseholders)	1.010
Leaseholder annual service charges	(3.073)
Other income net increases	0.227
Change in interest receivable on HRA balances	(1.618)
Total Income Increase	(30.229)

Table 10 – Summary of HRA Savings 2024/25 to 2026/27

Savings type	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Efficiency	0.530	0.150	0.220	0.900
Service reconfiguration	0.853	0.500	1.038	2.391
Income generation	0.000	0.295	0.000	0.295
Budget Realignment	0.060	0.000	0.000	0.060
Total	1.443	0.945	1.258	3.646

Rental Income and Other HRA Fees and Charges

- 5.10. The Welfare Reform and Work Act 2016 required local authorities to reduce the rents, in respect of all properties (excluding PFI managed properties) held in the HRA, by 1% each year for 4 consecutive years between 2016/17 and 2019/20.
- 5.11. In February 2019, the Government issued a policy statement on rents for social housing effective from April 2020.
- 5.12. Compliance with this policy is effectively mandatory, for the first time the government has included local authority social housing within the remit of the Social Housing Regulator (previously the Regulator’s remit was limited to private registered providers of social housing only (i.e., housing associations). The Regulator is required by “direction” from the secretary of state for the Dept. of Levelling-Up Housing & Communities (DLUHC) to have regard to the government’s policy statement referred to above and as such, the Regulator issued the first rent standard effective from April 2020. The rent standard was subsequently updated with effect from April 2023 to reflect the Government’s “direction” which capped existing tenant rent increases to a maximum of +7% in 2023/24.
- 5.13. The rent standard has not yet been updated in respect of 2024/25 rent setting. However, the Council has been advised by DLUHC that 2024/25 rent setting policy will revert to previous long-term Government rent setting policy i.e., a maximum increase of September 2023 CPI + 1% which equates to +7.7%.
- 5.14. A review of new build rent setting policies has been carried out to align existing tenant & re-let rents over a period of 3 years from 2023/24 to 2025/26 to ensure a consistent approach across all new build rents.
- 5.15. The Social Housing Regulator has advised that all properties that are currently or that were previously managed under a private finance initiative (PFI) arrangement are exempt from the rent standard.

Islington Council Managed General Needs Properties (excluding New Build and current plus ex PFI properties)

- 5.16. **Table 11** sets out the average rent in 2024/25 for existing tenancies. The maximum 2024/25 permitted rent is the prior year (2023/24) actual rent plus 7.7% (Sept.23 CPI +1%)
- 5.17. However, if the maximum rent exceeds the lower of the 2024/25 national rent cap (for the relevant bed size) or the property’s 2024/25 national target rent then the 2024/25 rent will be the higher of A or B:
 - A. The lower of 2024/25 national target rent or the 2024/25 national rent cap or
 - B. The 2023/24 actual rent plus 7.7%

- 5.18. All the council's general needs properties will be subject to the maximum rent increase in 2024/25 of plus 7.7% as their maximum rents in 2024/25 do not exceed the lower of the 2024/25 national target rents or the 2024/25 national rent caps.
- 5.19. 1% (215) of the council's general needs properties have a national target rent greater than the national rent cap.

Table 11 – Existing Tenancies Average Weekly Rent 2024/25

Average Weekly Rent 2023/24	£126.13
Increase (£)	£9.71
Increase (%)	7.70%
Average Weekly Rent 2024/25	£135.84

- 5.20. General needs properties will be re-let at the lower of the 2024-25 national rent cap (for the relevant bed size) or their 2024-25 national target rent. As 99% of Islington Council general needs properties have a national target rent below the national rent cap, it is likely that re-lets will be at national target rent.
- 5.21. In accordance with DLUHC advice 2024/25 national target rents will reflect an increase of CPI (Sept. 2023) plus 1% and the 2024/25 national rent caps will reflect an increase of CPI 6.7% (Sept. 2023) plus 1.5%.
- 5.22. **Table 12** sets out the likely average rent in 2024/25 for re-let properties.

Table 12 – Re-Let Properties Likely Average Weekly Rent 2024/25

Average Weekly National Target Rent 2023/24	£136.85
Increase (£)	£10.53
Increase (%)	7.70%
Average Weekly National Target Rent 2024/25	£147.38

Islington Council Managed General Needs New Build Properties

- 5.23. 2024/25 new build existing tenants' rents will increase by an average of 5.5% as compared to revised 2023/24 rents. This reflects the proposal referred to above which seeks align all new build rents, over 3 years commencing in 2023/24, to ensure a consistent approach.
- 5.24. 2024/25 re-let and first-let new build rents will, like the LBI managed general needs stock, be based on the lower of the 2024/25 national rent cap or the 2024/25 national target rent.
- 5.25. 27% of existing new build national target rents are greater than the national rent cap (for the relevant bed size), hence these re-let rents will be set at the national rent cap.

LBI Managed Property Acquisitions used for Temporary Accommodation (TA) (including reception centres and general needs properties assigned to TA clients)

- 5.26. Existing tenancies and re-let rents in 2024/25 will be set on the same basis as general needs properties referred to above, with the exception that for reception centres the plus 5% flexibility has been applied to the national target rent calculation.

LBI Managed Property Acquisitions - purchased using right to buy 141 receipts or GLA Grant

- 5.27. Existing Tenancies – 2024/25 rents will be set at the lower of:
- A) The 2023/24 rent plus 7.7% or

B) The lower of; Bi) the relevant 2024/25 local housing allowance rate (noting that the Chancellor's 2023 Autumn Statement indicates that LHA rates will be updated to reflect the 30th percentile of local market rents to be effective from April 2024) or Bii) 80% of the relevant market rent.

5.28. Re-lets and first-lets in 2024/25 will be set at the lower of:

A) The relevant 2024/25 local housing allowance rate (noting that the Chancellor's 2023 Autumn Statement indicates that LHA rates will be updated to reflect the 30th percentile of local market rents to be effective from April 2024) or

B) 80% of the relevant market rent

LBI Managed Property Acquisitions - purchased using DLUHC grant

5.29. Existing Tenancies – 2024/25 rents will be set at the lower of:

A) The 2023/24 rent plus 7.7% or

B) 80% of relevant market rent

5.30. Re-lets and first-lets in 2024/25 will be set at 80% of the relevant market rent

Properties Currently Managed (PF1) and Properties Previously (Until April 2022) Managed (PF2) under a Private Finance Initiative (PFI) Contract by Partners for Islington

5.31. Properties that were previously or are currently managed under a PFI contract are exempt from the government rent setting policy and as such the 1% rent reduction relating to the period 2016/17 to 2019/20 was not applied to these property rents. The council is now seeking to align PFI rents, over time, with standard social rents as they apply to the rest of the housing stock.

5.32. To move towards achieving this alignment, existing tenants 2024/25 rents for properties that continue to be managed by Partners for Islington under the PFI (1) contract and properties that returned to Council management from 4th April 2022, that were previously managed by Partners for Islington under the PFI (2) contract will be based upon the prior year 2023/24 rent plus 7.7% minus 50p per week towards convergence with standard social rents.

5.33. Re-Lets will be based on the outgoing tenants' rent as set out above.

5.34. **Table 13** sets out the average rent in 2024/25 for existing tenancies and likely average rent in 2024/25 for re-lets for current PFI (1) properties and ex PFI (2) properties.

Table 13 – Existing Tenancies + Re-Lets – PFI (1) current contract and PFI (2) returned to Council management - Average Weekly Rent 2024/25

Average Weekly Rent 2023/24	£177.30
Increase (£)	£13.18
Increase (%)	7.43%
Average Weekly Rent 2024/25	£190.48

Shared Ownership Rents

5.35. Rent charged with effect from 1 April 2024 in respect of the unsold equity in relation to shared ownership properties will be based on the prior year rent plus the lower of:

A) CPI (2 months before the rent increase review date) +1% or

B) RPI (2 months before the rent increase review date) +0.5%

Other HRA Fees and Charges

- 5.36. Other HRA fees and charges are set out at **Appendix D2** and summarised below.
- 5.37. Caretaking/Cleaning and Estate Services - Caretaking and Estate Service Charges will reduce by £0.84 (-4.2%) per week as compared to the 2023/24 Charges. This £0.84 reduction per week primarily reflects the net impact of; the reduction in the weekly charge for communal electricity that has come down because of fall in energy prices in 2024/25 as compared to 2023/24, and the increase in staffing related costs covering the increase in the 2023/24 pay award, and the estimated 2024/25 pay award.
- 5.38. Digital TV Maintenance - Charges have remains unchanged at 22p per week in 2024/25 reflecting the cost of the provision of this service.
- 5.39. Heating and Hot Water - Gas prices are forecast to reduce in 2024/25, together with a forecast reduction in consumption, weekly heating charge have come down by 41% as compared to 2023/24 charges. The average weekly heating and Hot Water charge in 2024/25 will be £17.28 per week. Unlike, Caretaking, Estate Service and Concierge charges, Heating and Hot Water charges are not covered by housing benefit or universal credit.
- 5.40. Concierge Service Charges - These have increased by 6.3% this increase relates primarily to the increase in staffing costs.
- 5.41. Estate based Parking and Storage Charges - Charges in respect of facilities used for vehicles i.e., Garages, parking spaces and car cages increase by 6.7% in line with September 2023 CPI.
- 5.42. Diesel Surcharge (Off Street) - This charge has increased by £10 per year in 2024/25 in line with September 2023 CPI Sept.
- 5.43. Home Ownership Administration costs - Increase by 6.7% in line with September 2023 CPI to reflect inflationary cost pressures whilst also acknowledging the cost-of-living pressures facing leaseholders.
- 5.44. Carpet Charges - Increase by 2% in line with the agreed annual contractual uplift.

6. Capital Programme

- 6.1. The council takes a strategic, long-term approach to managing and enhancing our community asset base through the setting of a 10-year capital programme. The 10-year programme comprises the current year approved programme, a proposed 3-year programme, followed by an indicative programme for the final 6 years.
- 6.2. The final version of the budget report to the Executive on 8 February 2024 and Full Council on 29 February 2024 will include for agreement the Capital Strategy that underpins the capital programme, as well as the inter-linked Treasury Management Strategy, MRP Statement and Investment Strategy. The Capital Strategy will be fully aligned with the council's Strategic Asset Management Plan.
- 6.3. The proposed 2024/25 to 2026/27 capital programme as well as indicative estimates for 2027/28 to 2033/34, totalling £1,150.287m of capital investment in the Borough, are summarised by directorate and council priority in **Tables 14 and 15** below and detailed by scheme at **Appendix F**.

Table 14 - Capital Programme 2024/25 to 2033/34 Summarised by Directorate

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	2024/25 - 2026/27 Total £m	2027/28 - 2033/34 £m	Total Future Years £m
Community Wealth Building	28.119	20.052	24.784	72.955	18.986	91.941
Environment	19.708	10.251	13.014	42.973	77.741	120.714
Housing General Fund	20.081	44.629	40.541	105.251	5.416	110.667
General Fund Total	67.908	74.932	78.339	221.179	102.143	323.322
HRA Total	238.741	109.637	97.336	445.714	381.251	826.965
Total Capital Programme	306.649	184.569	175.675	666.893	483.394	1,150.287

Table 15 - Capital Programme 2024/25 to 2033/34 by Strategic Priority

Strategic Priority	2024/25 £m	2025/26 £m	2026/27 £m	2024/25 - 2026/27 Total £m	2027/28 - 2033/34 £m	Total Future Years £m
A Safe Place to Call Home	260.376	154.266	137.877	552.519	388.067	940.586
Child-Friendly Islington	11.574	3.862	3.628	19.064	8.400	27.464
Community Wealth Building	11.506	16.590	21.406	49.502	18.986	68.488
Fairer Together	1.000	1.000	1.150	3.150	-	3.150
Greener, Healthier Islington	22.193	8.851	11.614	42.658	67.941	110.599
Total	306.649	184.569	175.675	666.893	483.394	1,150.287

6.4. The council's capital investment plans recommended in this report have been drawn up in accordance with the CIPFA Prudential Code framework and have been demonstrated to be prudent, affordable and sustainable. The proposed programme is currently set at an overall affordable level and the increased revenue costs associated with additional borrowing are considered manageable within the assumptions of the MTFs. However, it is important to note that there are significant budgetary risks around the funding of this ambitious capital programme, including:

- Inflation rates provide a risk to the delivery of the capital programme to budget. If inflation rises, the cost of materials and labour will increase which can lead to overspends within the capital programme. This risk will be mitigated to some extent by contingency built into scheme budgets.
- Increasing interest rates in turn increase the revenue impact of borrowing to fund the capital programme. Future iterations of this report will include sensitivity analysis to illustrate the impact that this risk has on the affordability of the programme overall.
- The funding of some capital schemes is linked to delivery of the scheme's asset and may be subject to timing differences between expenditure being incurred and receipt of the funding, particularly regarding housing open market sale properties. In these instances, alternative interim funding will be applied such as short-term

borrowing, with additional short-term revenue cost implications, or the use of HRA reserves.

- As the ambition for the capital programme increases, it is important that project delivery is monitored and managed to ensure appropriate profiling of the programme in future years and robust budget setting to provide assurance on affordability of the programme. In recent years, there has been significant in-year reprofiling of the capital programme to later in the MTFs period. This has been due to various internal and external factors such as COVID-19 restrictions, capacity constraints, the global supply chain and more recently economic uncertainty affecting project viability assessments.
- As part of the ongoing management of the capital programme and its affordability, in addition to the regular budget management it is proposed to conduct a more detailed review of the capital programme in Summer 2024. This will be a review of projects' performance delivering to schedule, to budget and of their associated funding across all years of the programme.

6.5. **Table 16** summarises the funding of the capital programme by funding source, with this detailed at scheme level at **Appendix F**.

Table 16 - Capital Financing 2024/25 to 2033/34

	2024/25 £m	2025/26 £m	2026/27 £m	2024/25 - 2026/27 Total £m	2027/28 - 2033/34 £m	Total Future Years £m
Grants	6.290	4.029	4.028	14.347	8.400	22.747
S106/Local CIL	3.555	-	-	3.555	0.600	4.155
Strategic CIL	-	-	1.276	1.276	-	1.276
Capital Receipts	20.081	44.629	40.541	105.251	5.416	110.667
Revenue Contributions and Other	0.470	0.560	-	1.030	1.500	2.530
Borrowing	37.512	25.714	32.494	95.720	86.227	181.947
Total General Fund Financing	67.908	74.932	78.339	221.179	102.143	323.322
Grants	57.801	-	-	57.801	-	57.801
S106/Local CIL	2.478	-	-	2.478	-	2.478
Strategic CIL	5.174	3.200	-	8.374	-	8.374
Capital Receipts	26.060	46.588	25.423	98.071	21.315	119.386
Revenue Contributions and Other	18.590	29.033	32.326	79.949	334.056	414.005
Borrowing	128.638	30.816	39.587	199.041	25.880	224.921
Total HRA Financing	238.741	109.637	97.336	445.714	381.251	826.965
Total Capital Financing	306.649	184.569	175.675	666.893	483.394	1,150.287

6.6. Over the life of the proposed and indicative capital programme, there is a total borrowing requirement of £406.868m, of which £181.947m relates to the GF. There will be GF revenue implications from this borrowing in the form of interest costs and the statutory Minimum Revenue Provision (MRP) that the GF is required to make towards the repayment of debt. These revenue costs need to be provided for and managed within the MTFs, in addition to the borrowing costs associated with the council's current and prior year capital

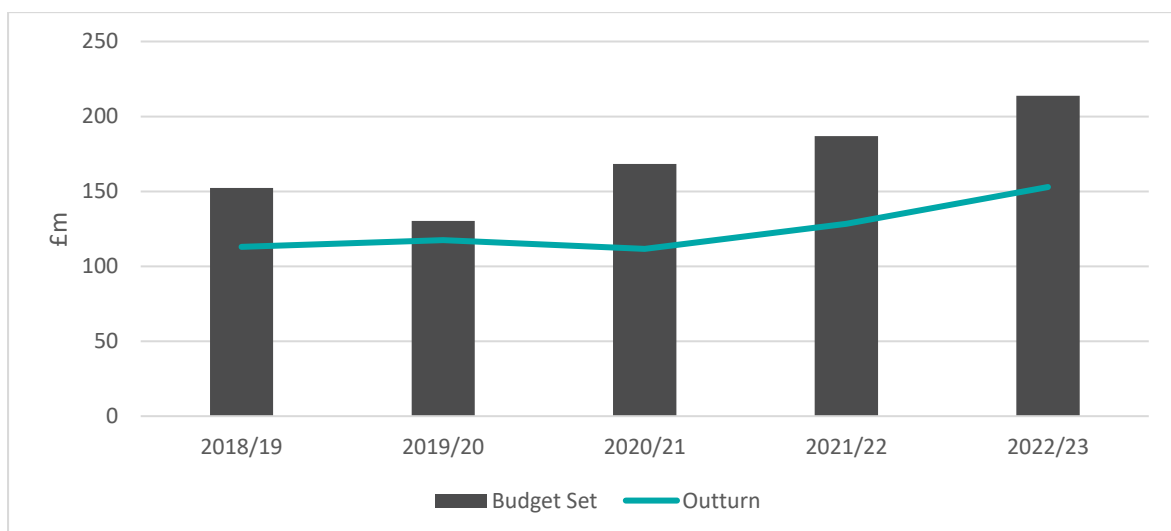
programme. **Table 17** shows the estimated GF revenue impact of the proposed new borrowing. Interest costs have been prudently modelled for budget setting purposes at 4.82% which was the annuity certainty rate on a 50-year loan from the Public Works Loan Board on the afternoon of 20th December 2023.

Table 17 – General Fund Revenue Borrowing Implications of the Proposed 3-Year Capital Programme

	2024/25 £m	2025/26 £m	2026/27 £m	2024/25 - 2026/27 Total £m
New Interest Charge (4.82%)	2.290	1.498	1.403	5.190
New MRP Charge	1.349	1.153	1.172	3.673
Total Additional Revenue Charge	3.638	2.651	2.574	8.863

- 6.7. It is recommended that delegated authority is given to the Section 151 Officer, where necessary, to apply capital resources to fund the capital programme in the most cost-effective way for the council.
- 6.8. It is typical for there to be slippage in the capital programme where works delivered, and so spend incurred, fall below what is expected at budget setting. Capital spend has been increasing in recent years at the council, by 35% since 2018/19, however the average delivery on the programme set in the budget has remained consistent at 74%. **Figure 2** below shows historic trends of outturn compared to budget set. Robust budget monitoring in-year will identify where these slippages are occurring and with timely raising and reporting management actions can be taken to adjust the borrowing requirements and associated revenue charges.

Figure 2 – Analysis of Capital Budgets to Outturn

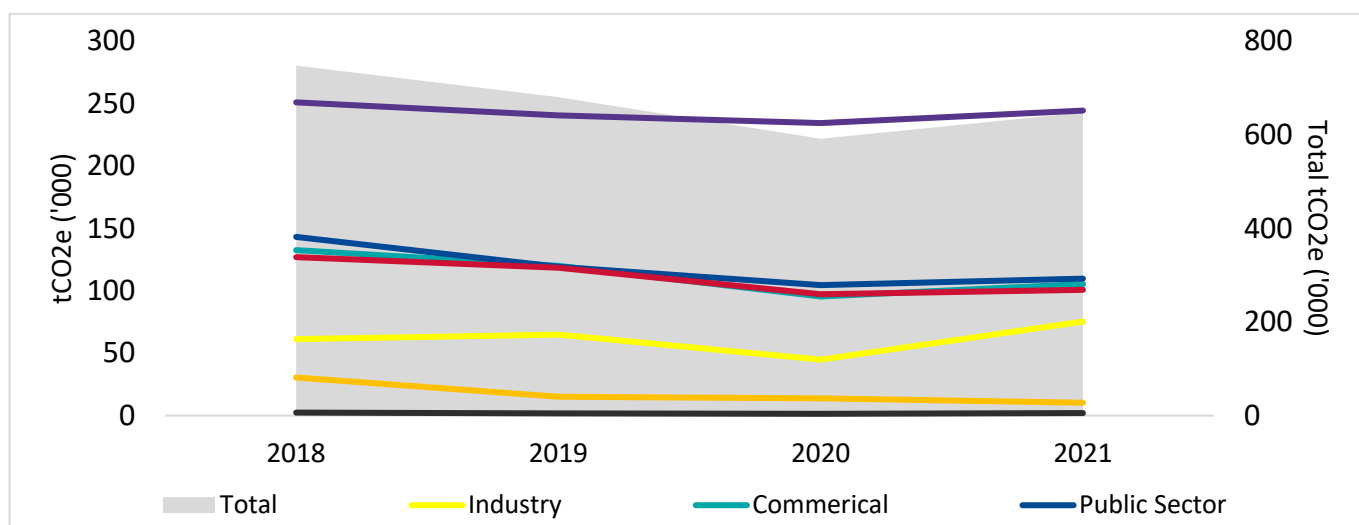


7. Climate Action

- 7.1. The council first declared a climate emergency in June 2019, and it set out its approach to achieving a net zero borough in 'Vision 2030 Building a Net Zero Carbon Islington by 2030'. In this strategy we established our Net Zero Carbon (NZC) programme which coordinates and delivers our commitments to deliver change with eight multi-disciplinary workstreams

- 7.2. Recent polling from London Councils (September 2022) states that 84% of Londoners are concerned about climate change and 62% believe their day-to-day life in London has been impacted by the changing climate. Current projections suggest that by 2070 summers in the UK could be anywhere up to 6°C warmer and up to 60% drier (Met Office). Islington is one of the six London boroughs most at risk to climate change (Bloomberg) affecting the health and wellbeing of our residents including for example from flooding and heat deaths. We are increasingly looking at what we can do to adapt and improve our resilience to the impacts of climate change (subject to council resources) and in October 2023 we renamed (and repurposed) our Net Zero Carbon Programme Team to a new 'Climate Action Team'.
- 7.3. Performance against all our commitments is monitored through the Climate Action Steering Board and Climate Action Executive Board together with Environment and Regeneration Scrutiny Committee which is a public meeting. The council also holds an annual scrutiny meeting on engaging local stakeholders on the climate emergency.
- 7.4. Our boroughwide greenhouse gas emissions (tCO₂e) (at July 2023) shows an overall 10% increase from 2020 to 2021 which is mainly attributable to the easing of the nationwide lockdowns post COVID-19. Our emissions in 2021 are still approx. 13% lower in Islington compared to our baseline of 2018 (648,000 tCO₂e vs 748,000 tCO₂e).

Figure 3 – Islington Greenhouse Gas Emissions 2018-2021 (UK local authority and regional greenhouse gas emissions national statistics (BEIS and DESNZ))



- 7.5. We continue to invest in our buildings including a new heat pump installation at Bevin Court (commencing 2024) and solar PVs at a number of sites including Islington Ecology Centre. We are on track to deliver our 600th Electric Vehicle Charging Point before March 2024 and in November 2023 we chaired a discussion panel at the Net Zero Festival in Angel.
- 7.6. We have also cut direct emissions from our pension fund by 40% between 2021 and 2023 as we continue to strive to make our £1.7 billion pension fund net zero by 2050 (or earlier).
- 7.7. The council has been working closely with partners and stakeholders including the Anchor Institutions Network and is committed to continued local government collaboration through the London Councils' climate programme. We have also been working on a new 'Net Zero Neighbourhood' proposal for Arsenal and Finsbury Park Wards with Arsenal Football Club and London Metropolitan University to help stimulate both public and private investment in Islington. 3Ci (Cities Commission for Climate Investment) included our proposal in their prospectus which was showcased at COP28 (United Arab Emirates) in November 2023.

- 7.8. In 2024/25 we will further engage with our residents and businesses on climate action. We have direct control over only 4% of the carbon emissions in the borough (and a further 5% as a landlord) so we must lead the way in supporting others to reduce their impact.
- 7.9. For the first time in 2024/25 the Climate Action Team worked with officers from Finance to complete a qualitative assessment of the NZC Impact of each new savings proposal in this budget report from 'Very Positive' to 'Very Negative'. A number of proposals are expected to have a 'Positive' or a 'Very Positive' NZC Impact (see Environmental Implications) and these assessments help to ensure both members and officers consider the environmental implications of their decision making.
- 7.10. The council is now an active member of a new Climate Budgeting Working Group with The Mayor (GLA), London Councils and select London Boroughs and is committed to reporting on how the organisation plans to achieve net zero carbon across our operations including both the funded and unfunded measures required to meet these commitments. This is work in progress but for 2025/26 the council endeavours to complete a quantitative assessment of the capital programme incorporating estimates of annual and lifetime greenhouse gas emissions savings.
- 7.11. Further ahead our ambition is to track our greenhouse gas emissions alongside the budget setting process to ensure spending plans are consistent with our climate goals. Oslo has published a climate budget since 2017 and it supported The Mayor (GLA) on proposals for @2023/24. Our work with The Mayor (GLA) on Local Area Energy Planning (LAEP) will help us identify the unfunded measures required between now and 2030 and we are part of a new Subregional LAEP to help develop data-driven, collaborative and cost-effective action plans. Islington is also part of the Advanced Zoning Pilot (AZP) and North London Heat Study. The AZP has produced a Heat Network Zone for London which will mandate most new and existing developments to connect to a network as part of the Energy Act 2023.
- 7.12. The council's budget proposes continued investment in the Climate Action Team over the current MTFS period and the capital programme proposes investment of £29.959m (including grants and income) as part of its Greener, Healthier Islington Mission. This does not include additional funding for council building decarbonisation, and it reflects wider economic pressures impacting on council funding (e.g. cost inflation, interest rates). Additional borrowing requires a c. 10% increase in revenue budgets for interest and MRP. The Finance & Investment workstream continues to investigate green finance opportunities including from The GLA (Mayor) and UKIB as well as alternative delivery model.

Table 18 – Proposed Revenue and Capital Investment in Climate Action

	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Revenue Investment	0.740	0.740	0.740	2.220
Capital Investments	13.070	7.451	9.438	29.959

- 7.13. Nationally there has been recent relaxation of net zero targets (September 2023) including on the ban of the sale of new petrol and diesel cars and vans (was 2030, now 2035) and on the phasing out of gas boilers (was 100% by 2035, now 80% by 2035). UK Government is also committed to expansion of fossil fuel production. Combined with the latest Climate Change Committee (CCC) Progress Report (June 2023) indicating a 'lack of urgency' in the policy framework for net zero and climate action this is concerning.

- 7.14. One of the key recommendations from the CCC is 'clearer, simpler and longer-term funding and resourcing of local authority delivery of net zero.' UK Government acknowledges that 'green and growth go hand in hand' (Powering Up Britain Report, 2023) and 'the costs of global inaction significantly outweigh the costs of action' (Net Zero Review Report, 2021). The climate emergency and health inequalities are intrinsically linked (Strategic Plan 2021) and the changes to our climate make it harder to create a more equal future for residents and businesses. The council campaigns at a local and national level for longer-term policy and funding certainty to adapt and improve our resilience to the impacts of climate change.

8. Council Tax and Retained Business Rates

Council Tax Forecast 2023/24

- 8.1. The detailed, statutory council tax calculation and the recommendations on 2024/25 council tax, including the GLA precept, will form part of the final budget report to the Executive on 8 February 2024, for onward recommendation to Full Council on 29 February 2024.
- 8.2. This will also incorporate the level of the council taxbase due to be set by Audit Committee on 29 January 2024 and the statutory forecast of the surplus/deficit on the Collection Fund as at 15 January 2024 (the Local Government Finance Act 1992 requires the council as the Billing Authority to calculate a Collection Fund estimate by 15 January each year for council tax).
- 8.3. The GLA final draft budget is scheduled to be considered at the London Assembly on 22 February 2024. Following this, the Mayor will confirm formally the final precept and GLA group budget for 2024/25.

Retained Business Rates

- 8.4. The council's 2023/24 NNDR1 (detailed business rates) estimate is currently being worked up ahead of the 31 January 2023 statutory submission deadline to central government. This will be reflected in the final version of the budget report to the Executive on 8 February 2024 and Full Council on 29 February 2024.
- 8.5. In line with previous years, it is recommended that authority be delegated to the Section 151 Officer to finalise the council's 2023/24 NNDR 1 (detailed business rates) estimate ahead of the statutory deadline.

9. Matters to Consider in Setting the Budget

- 9.1. This section contains the Section 151 Officer's comments on the robustness of the estimates included in the budget and the adequacy of the proposed financial reserves, as required under Section 25(1) of the Local Government Act 2003. Section 25(2) of the same Act requires the authority to have regard to this report of the Section 151 Officer when making decisions about the budget and the level of council tax.
- 9.2. Developing the budget estimates for a given financial year is an ongoing, iterative process within the medium-term financial planning cycle. This is a council-wide process involving all spending departments whereby estimates are worked up, challenged, and refined as further information becomes available. It considers the most recently available budget monitoring information and the latest assumptions for the forthcoming financial year. In particular, the proposed savings have been reviewed and signed off as deliverable by key stakeholders across the organisation. The thoroughness of this process is a source of

assurance in determining that overall estimates in the budget are robust and that financial reserves, whilst needing to be significantly strengthened over the medium term, are adequate for the 2024/25 budget.

- 9.3. The 2024/25 budget report and MTFFS has been compiled against a backdrop of continued and significant macro-economic uncertainty with the national cost-of-living crisis continuing to severely impact residents and the council. High inflation has remained for a period way beyond initial government forecasts. This has impacted council pay settlements, major contract inflation costs and other costs of service provision. Alongside this has been an unprecedented level of service demand in key services such as Adult Social Care and Children and Young People. Further, there have been significant challenges in income budgets partly due to the sustained economic downturn, with parking income particularly badly impacted in the 2023/24 in-year financial position. The latest (Q2) forecast is a £17m gross GF overspend in 2023/24. Any residual, ongoing impact of this forecast gross GF overspend for 2023/24 will impact the council's budget in 2024/25 and over the medium term. In addition, any residual overspend at the end of 2023/24 will be a further drain on the council's earmarked reserves.
- 9.4. The significant recurrent budget impact of the in-year financial position has meant that there has been greater use made of the council's financial sustainability mechanisms, such as contingency budgets, in delivering a balanced budget for 2024/25. These financial sustainability mechanisms must be restored at the very earliest opportunity, in the 2025/26 budget round. In total, £11m is factored into the 2025/26 budget forecast to restore previously held contingency, financial resilience, and capital financing budgets. As it stands the MTFFS only contains a £5m ongoing, general contingency budget in 2024/25 to be applied against unforeseen expenditure in-year and on a one-off basis. This level of contingency cover is only barely adequate against a £274m 2024/25 net budget requirement on the GF and given the level of unforeseen service pressures in the current financial year.
- 9.5. The medium-term local government funding outlook is very negative following the Autumn Statement and settlement, with expected real-terms funding cuts (and potentially cash cuts) for unprotected departmental spending, including most of local government. Added to this are potential government funding reforms (including 'fair funding' and a business rates reset) on the horizon that could have a significant, negative impact on funding levels in the next Spending Review period (commencing 2025/26). All of this means that additional government funding is highly unlikely to be a route to restoring the council to a sustainable financial footing.
- 9.6. The budget report includes a commentary and analysis on the financial health of the council's balance sheet and the level of the council's earmarked reserves. A recommended Minimum GF Balance and Earmarked Reserves Level of £80m is proposed within this budget report. This is the absolute minimum level of GF balance and reserves that the council cannot sustainably breach and is strictly not a target. The target, albeit extremely challenging in the current environment, should be to restore earmarked reserves to a level well in excess of the 2023/24 opening position, and to increase the GF balance over time. In order to take steps towards this target, the council will need to return to delivering on or under budget and to fully close future year budget gaps with robust ongoing savings. This will require early and sustained engagement from all stakeholders to make the difficult service and financial decisions critical to the financial resilience of the council.

- 9.7. Schools' budget plans submitted in the summer term indicated that schools would have a significant and widening medium-term deficit due to falling pupil numbers and increasing cost pressures. This represents a significant risk, as even with current plans to reduce surplus capacity agreed by the Executive, further proposals are required to bring school budgets onto a more sustainable financial footing and bring forecast balances back into surplus overall.
- 9.8. The 2024/25 Housing Revenue Account (HRA) budget has been prepared based on robust estimates and adequate reserves for next financial year. The HRA Business Plan presents a balanced position over the next 30 years, which is an essential framework in safeguarding the HRA from on-going pressures. Balancing the HRA budget has become more challenging due to the turbulent macro-economic environment, changing legislative requirements, government restrictions on the council's ability to increase rents, and the growing demand for increasingly costly resources. This has resulted in the proposed reduced investment in Major Works improvements to existing council dwellings from 2024/25, which is a risk to the Decent Homes commitment, as we balance corporate priorities by subsidising New Build schemes with external borrowing. The medium-term impact of these risks is under continual review. Measures to bridge the investment gap are being considered through quarterly budget monitoring and financial challenge. Understanding the changing economic and service-specific environments, adopting best practice, and lobbying central government on key issues are essential in maintaining a balanced and viable HRA Business Plan in future.
- 9.9. It is concluded that the estimates are sufficiently robust for the purposes of the calculation and setting of the 2024/25 budget and to ensure the adequacy of the proposed financial balances and reserves in 2024/25. It should be highlighted, as stated in this report, that recent years' budgets have made provision of £4m annually to be transferred to GF earmarked reserves. Due to the significant expenditure pressures and income shortfalls encountered in setting a balanced 2024/25 budget, this has been removed for one year, along with some previously held contingency budgets. As a result, it is forecast that earmarked reserves will fall further in 2024/25 than they otherwise would have. In addition, there is a real risk of spending pressures coupled with real-terms government funding cuts over the medium term causing a further, significant depletion of reserves. This trend will need to be reversed, with a commitment from all stakeholders to agree to a course of action in the 2025/26 and medium-term budget setting process. This will be necessary for the council to remain on a sound financial footing going forward.

Comments of the Monitoring Officer

- 9.10. Local authorities are under an explicit statutory duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This report set out the basis upon which a recommendation will be made for the adoption of a lawful budget and the basis for the level of the council tax for 2024/25. s25 Local Government Act 2003 sets a specific duty on an Authority's Chief Financial Officer to make a report to the authority for it to take into account when it is considering its budget and funding for the forthcoming year. This report outlines the council's current and anticipated financial circumstances, including matters relating to the GF budget and MTFs, the HRA, the capital programme and borrowing and expenditure control.
- 9.11. Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. There is an ongoing need to

prepare for contingencies including maintaining sound risk management and level of reserves which enables the authority to be prepared to deal with risks, contingencies, and its future strategic vision.

- 9.12. By law a local authority is required under the Local Government Finance Act 1992 to produce a 'balanced budget'. The setting of the budget and council tax by Members involves their consideration of choices through the provision of adequate evidence on which to base their decisions on the level and quality at which services should be provided. No genuine and reasonable options should be dismissed without robust consideration and Members must consider their fiduciary duty to the council taxpayers of Islington.
- 9.13. Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably. Whenever there are proposals for the closure or discontinuance of a service or services, there will be a need for appropriate consultation, with consideration of the Equality Act 2010 and the Public Sector equality duty.
- 9.14. All decisions must be lawfully exercised, and the council must not come to a decision which no reasonable authority could come to; balancing the nature, quality, and level of services which they consider should be provided against the costs of providing such services.
- 9.15. Under the constitutional arrangements, the setting of the council budget is a matter for the council, having considered recommendations made by the Executive. Before the final recommendations are made to the council, the Policy and Performance Scrutiny Committee must have been given the opportunity to scrutinise these proposals and the Executive should take into account its comments when making those recommendations.

Environmental Implications and Contribution to Achieving a net zero carbon (NZC) Islington by 2030

- 9.16. The council's budget can influence the behaviour of residents and businesses which can result in both positive and negative environmental implications. The budget proposals and MTFS affects various services across the council and have been developed in line with our new Islington Together 2030 Plan to create a more equal future for our borough in tandem with Vision 2030 - Building a Net Zero Carbon Islington by 2030.
- 9.17. For 2024/25 the Climate Action Team worked with officers from Finance to complete a new qualitative assessment of the NZC Impact of each new saving proposal from 'Very Positive' to 'Very Negative'. A number of proposals for Parking are expected to have a 'Very Positive' NZC Impact and should increase levels of active travel and/or use of public transport. Only one proposal could have a marginally 'Negative' NZC Impact (new green garden waste collection subscription charge) as residents may send more green waste to landfill. These assessments help to ensure both members and officers consider the environmental implications of their decision making.
- 9.18. For 2025/26 the council endeavours to complete a quantitative assessment of the capital programme (see Climate Action section) which will incorporate estimates of annual and lifetime greenhouse gas emissions (tCO₂e) savings.
- 9.19. Services were also asked to consider environmental implications on all GF fees and charges. These were included in a report to Executive dated 30 November 2023 and all the proposed fees and charges were approved by the Executive.

- 9.20. The council's budget proposes continued investment in the Climate Action Team and the capital programme as part of its Greener, Healthier Islington Mission.
- 9.21. The council is committed to considering the environmental impact of all its decision making to align with our climate action commitments and improve our resilience to the impacts of climate change.

Equalities Impact Assessment

- 9.22. 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.
- 9.23. After more than a decade of significant budget savings, it is difficult to make new savings without any impact on residents. There will inevitably be some impact on particular groups, including those with protected characteristics as defined by the Equality Act. The council is not legally obligated to reject savings with negative impacts on any particular groups but must consider carefully and with rigour the impact of its proposals on the Public Sector Equality Duty, take a reasonable and proportionate view about the overall impact on particular groups and seek to mitigate negative impacts where possible.
- 9.24. The cumulative EQIA assessment of the budget proposals was completed on 9 November 2023. The main findings are that there is a potential neutral impact as a result of the budget proposals. The cumulative EQIA is set out at **Appendix G**. It is supplemented at a departmental level by detailed EQIAs of major proposals. These demonstrate that the council has met its duties under the Equality Act 2010 and has taken account of its duties under the Child Poverty Act 2010.

Budget Consultation

- 9.25. Section 65 of the Local Government Finance Act 1992 requires the council each financial year to consult persons or bodies representative of business ratepayers about expenditure proposals.
- 9.26. The council must make available the information described in the Non-Domestic Ratepayers (Consultation) Regulations 1992/3171, including:
- Details of proposals for expenditure in the financial year to which the consultation relates.
 - Estimates of expenditure in the preceding financing year.
 - Particulars of significant changes in the level of proposed expenditure between the two years.
- 9.27. The council will be inviting comments from residents, business rates payers and representatives of business rates payers in Islington on the draft 2024/25 budget proposals set out in this report. The consultation period will run for 21 days from 4 January 2024 to 24 January 2024. Any comments received will be considered by the council before the final budget proposals for consideration by the Executive on 8 February 2024 and Full Council on 29 February 2024.

Retail Relief Policy

9.28. In the 2018 Budget, the Government introduced a new relief scheme for retail properties and these 'retail relief' schemes have existed, albeit with some variations, since the 2019/20 financial year. **Appendix H** addresses the need to adopt the government's scheme variation, for the financial year 2024/25. The adoption of the local policy described in Appendix H is recommended, which will award Retail Relief in accordance with the Discretionary Rate Relief powers as contained within Section 47 of the Local Government Finance Act 1988 (as amended), for the year 2024/25. The Islington Retail Relief Scheme proposed reflects the Government's guidance.

Appendices

Appendix A: General Fund Medium-Term Financial Strategy 2024/25 to 2026/27

Appendix B: General Fund Proposed Savings 2024/25 to 2026/27

Appendix C: Earmarked Reserves Balances

Appendix D1: HRA MTFS 2024/25 to 2026/27

Appendix D2: HRA Fees and Charges 2024/25

Appendix D3: HRA Proposed Savings 2024/25 to 2026/27

Appendix E1: CIPFA Financial Management Code Compliance Assessment

Appendix E2: Balance Sheet Analysis

Appendix F1: Capital Programme 2024/25 to 2033/34

Appendix G: Budget Cumulative Equality Impact Assessment 2024/25

Appendix H: Retail Relief Policy 2024/25

Background papers: None

Signed by:		
	Executive Member for Finance, Planning and Performance	Date

Responsible Officers:

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Appendix A: Medium-Term Financial Strategy 2024/25 to 2026/27

	2023/24	2024/25					2025/26					2026/27			
	Budget	Virements/ Structural Adjs	Inflation/ Demography	Adjustments / Growth	Savings	Budget	Inflation/ Demography	Adjustments / Growth	Savings	Estimate	Inflation/ Demography	Adjustments / Growth	Savings	Estimate	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Adult Social Care	52.232	7.085	10.335	(8.921)	(1.965)	58.767	5.609	(0.300)	(1.601)	62.475	4.573	(0.600)	0.000	66.448	
Chief Executive's Directorate	1.327	(1.284)	0.000	0.000	0.000	0.043	0.000	0.000	0.000	0.043	0.000	0.000	0.000	0.043	
Children and Young People	87.594	(2.801)	2.551	0.130	(0.577)	86.897	0.840	1.508	(0.212)	89.033	0.409	(0.393)	(0.165)	88.884	
Community Engagement and Wellbeing	8.563	4.918	0.000	0.609	(0.764)	13.326	0.000	0.000	(0.504)	12.822	0.000	0.000	0.000	12.822	
Community Wealth Building	21.312	0.100	0.000	(0.115)	(1.513)	19.784	0.000	0.000	(0.469)	19.315	0.000	0.000	0.000	19.315	
Environment and Climate Change	0.496	(4.200)	1.382	4.128	(2.867)	(1.061)	0.500	(0.290)	(0.588)	(1.439)	0.500	0.250	(0.081)	(0.770)	
Homes & Neighbourhoods	7.888	4.616	1.312	0.005	(0.787)	13.034	0.000	0.000	(0.511)	12.523	0.000	0.000	0.000	12.523	
Public Health (net nil as wholly grant funded)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Resources	35.146	(1.518)	0.658	0.083	(0.150)	34.219	0.000	(0.075)	(0.400)	33.743	0.000	(0.150)	0.000	33.593	
Central Costs	29.944	(6.916)	17.539	(0.048)	(2.197)	38.322	24.134	2.086	(1.172)	63.370	23.794	1.179	(1.358)	86.985	
NET COST OF SERVICES	244.503	(0.000)	33.777	(4.129)	(10.820)	263.329	31.083	2.929	(5.457)	291.884	29.276	0.286	(1.604)	319.842	
General Contingency	5.000					5.000				5.000				5.000	
Inflation, Energy and Demand Contingency	5.000			(5.000)		0.000		5.000		5.000				5.000	
Transfer to/(from) Earmarked Reserves	13.518			(7.225)		6.293		1.520		7.813				7.813	
Transfer to/(from) General Balances	0.000					0.000				0.000				0.000	
New Homes Bonus Grant	(0.082)			(0.615)		(0.697)		0.697		0.000				0.000	
Services Grant	(3.448)			2.905		(0.543)		0.543		0.000				0.000	
NET BUDGET REQUIREMENT	264.491	(0.000)	33.777	(14.064)	(10.820)	273.382	31.083	10.689	(5.457)	309.697	29.276	0.286	(1.604)	337.655	
Revenue Support Grant	(28.523)			(1.889)		(30.412)				(30.412)				(30.412)	
Business Rates Baseline	(79.160)			(3.293)		(82.453)				(82.453)				(82.453)	
(Top-Up)/Tariff	(9.284)			(1.352)		(10.636)				(10.636)				(10.636)	
SETTLEMENT FUNDING ASSESSMENT	(116.967)	0.000	0.000	(6.534)	0.000	(123.501)	0.000	0.000	0.000	(123.501)	0.000	0.000	0.000	(123.501)	
Additional business rates related income	(24.770)			(3.412)		(28.182)				(28.182)				(28.182)	
Collection Fund (Surplus)/Deficit:															
- Business Rates	(6.381)			0.553		(5.828)		5.828		0.000				0.000	
- Council Tax	(3.333)			5.681		2.348		(2.348)		0.000				0.000	
COUNCIL TAX REQUIREMENT	113.040	(0.000)	33.777	(17.776)	(10.820)	118.220	31.083	14.169	(5.457)	158.014	29.276	0.286	(1.604)	185.972	

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Appendix B: General Fund Proposed Savings 2024/25 - 2026/27

No.	Directorate	Proposal Title	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
1	Adult Social Care	The introduction of a 7 day 'Recovery Model' of home care to reduce the demand for ongoing care services.	0.939	0.563	-	1.502
2	Adult Social Care	The introduction of the new in-house re-ablement service will increase available capacity, increase face to face resident contact, increase the potential to maximise more peoples independence through a greater emphasis on strength based practise, reduce care packages and therefore reduce the demand for ongoing care services.	0.356	0.213	-	0.569
3	Adult Social Care	Review of Mental Health contracted services to deliver good outcomes for residents and value for money.	0.125	-	-	0.125
4	Adult Social Care	Review housing related floating support contract to reduce inefficiencies such as duplication of provision and deliver value for money.	0.120	-	-	0.120
5	Adult Social Care	Refresh of older people's day services to provide more choice to residents and therefore reducing the need for homecare during the day.	-	0.100	-	0.100
6	Adult Social Care	Review, redesign & re-procurement of Housing Related Support Services	-	0.100	-	0.100
7	Adult Social Care	Review, re-design & re-procurement of Mental Health Early Intervention and prevention offer.	0.050	0.150	-	0.200
8	Adult Social Care	Review, redesign and re-procurement of the Adult Social Care Wellbeing Service.	0.050	-	-	0.050
9	Adult Social Care	Commission fewer beds at Hilldrop Road Care Home	-	0.100	-	0.100
10	Adult Social Care	Introduction of charging for use of Assistive Technology	0.125	0.125	-	0.250
11	Adult Social Care	Implement eligibility and charging policies for people receiving legacy Supporting People services.	0.200	0.250	-	0.450
12	Children and Young People	Pupil Services:1) Elective Home Education - charging of general fund post to the DSG. 2) SEND transport	0.080	-	-	0.080
13	Children and Young People	Review of operating model in Children's Services to make efficiency savings by realigning the service to meet service needs at lower cost	0.077	0.027	-	0.104
14	Children and Young People	Reduction in scale of the motivational practice model in line with reduction in demand and budget and realignment of model to better reflect need and meet the requirements of the Children's Social Care Review once in force.	0.420	0.020	-	0.440
15	Children and Young People	Repurpose school premises houses	-	0.165	0.165	0.330
16	Community Engagement & Wellbeing	Redirecting money from commissioning budgets into the new Voluntary & Community Sector (VCS) grants programme to ensure local and more efficient delivery of services through our local VCS organisations	-	0.150	-	0.150
17	Community Engagement & Wellbeing	Reduced call volumes	0.330	-	-	0.330
18	Community Engagement & Wellbeing	Merging Call Centres	0.434	0.354	-	0.788
19	Community Wealth Building	Council Tax Support (CTS) - banded scheme.CTS is currently based on a discount of up to 95% for working age households. The Council proposing moving to a banded scheme for working age households, offering varying levels of discount linked to financial need. This will allow the CTS scheme to be better targeted on households most in need. A banded scheme would also be simpler to administer, generating a cost saving. All changes to CTS require public consultation and Full Council approval.	0.250	-	-	0.250
20	Community Wealth Building	New administrative fee for adult social care self-funders who secure social care via the council. Introducing a new charge would require public consultation, so the full year income target would be achieved by 2024/25	0.040	-	-	0.040
21	Community Wealth Building	New administrative charge for Appointeeships, where the council manages benefits income on behalf of adult social care users. Introducing a new charge would require public consultation, so the full year income target would be achieved by 2024/25	0.040	-	-	0.040
22	Community Wealth Building	The Council is developing its long term approach to flexible and hybrid working - the FutureWork Programme. This work has identified excess office space which will be released to generate both cost savings and additional income, as well as creating opportunities to build new Council homes.	0.793	0.069	-	0.862
23	Community Wealth Building	Restructure corporate landlord services	0.375	-	-	0.375
24	Community Wealth Building	Additional income from commercial estate	-	0.400	-	0.400
31	Community Wealth Building	Increase in statutory Pavement License Fees in line with central government legislation.	0.015	-	-	0.015
25	Cross Cutting	Corporate Transformation Review	0.235	0.449	0.088	0.772
26	Cross Cutting	Simplifying and automating administrative processes	0.172	0.539	1.270	1.981
27	Cross Cutting	Encouraging Apprenticeships	0.290	0.124	-	0.414
28	Cross Cutting	Enhanced Business Efficiency and Redundancy Scheme	1.000	-	-	1.000
29	Cross Cutting	Challenge Panels and Agency Levy: Reducing Overtime, Additional Payments & Agency Staffing	0.500	-	-	0.500
35	Environment and Climate Change	Revise Street Cleansing and Enforcement operations to meet the needs of the borough.	0.379	-	-	0.379
36	Environment and Climate Change	Additional enforcement operations to increase the level of littering enforcement and other environmental enforcement.	0.478	-	-	0.478
37	Environment and Climate Change	Improve debt recovery of Penalty Charge Notices. This will be achieved by strengthening the debt management function, enabling the council to review debt cases more effectively and efficiently before they are passed to the council's specialist parking debt recovery contractors, reducing council costs.	0.025	0.025	-	0.050
38	Environment and Climate Change	Integration of the appeals processing and correspondence staff into the parking services contract, with the saving generated from improved productivity as part of a larger 'back-office' operation and reduced accommodation costs.	0.075	-	-	0.075

Appendix B: General Fund Proposed Savings 2024/25 - 2026/27

39	Environment and Climate Change	Accelerated vehicle purchases funded from the existing capital programme to reduce hire/leasing costs charged to the revenue account.	0.140	0.140	-	0.280
40	Environment and Climate Change	Implementation of a commercial waste and recycling strategy to increase commercial customers and recycling.	-	0.250	-	0.250
41	Environment and Climate Change	Increasing Controlled Parking Zones (CPZ) controllable hours on a Saturday in 11 CPZ areas.	0.120	-	-	0.120
42	Environment and Climate Change	Reducing energy consumption and costs in Street lighting by replacement of older technology street lights.	0.010	-	-	0.010
43	Environment and Climate Change	Introduce a Green garden waste chargeable service	0.045	0.083	0.081	0.209
44	Environment and Climate Change	Environment & Climate Change Business Support	0.500	-	-	0.500
45	Environment and Climate Change	Extended Controlled Parking Zone Hours	0.394	-	-	0.394
46	Environment and Climate Change	Parking Pay and Display Peak Charging	0.214	-	-	0.214
47	Environment and Climate Change	Removal of Evening Pay & Display Concessions for CPZ Zone C	0.035	-	-	0.035
48	Environment and Climate Change	Increase Maximum Pay and Display Parking Charges for Electric Vehicles	0.452	-	-	0.452
30	Homes and Neighbourhoods	Align the operations of the out of hours Anti-Social Behaviour service and the commissioned Patrolling and ASB Enforcement service (currently operated by Parkguard) to achieve efficiency savings	0.030	0.040	-	0.070
32	Homes and Neighbourhoods	Reconfigure and target the Out of Hours, Anti-Social Behaviour and Noise Service, changing the service timings.	0.100	-	-	0.100
33	Homes and Neighbourhoods	Secure additional compliance funding for Town Centre Management arrangements in Nags Head and Archway town centres.	0.050	0.050	-	0.100
34	Homes and Neighbourhoods	Improving night-time waste crime enforcement.	0.050	-	-	0.050
49	Homes and Neighbourhoods	Temporary Accommodation (TA) a range of measures to be put in place that aim to both reduce the cost of the provision of TA (e.g. by using lower cost accommodation) and managing demand by expanding homelessness prevention strategies.	0.407	0.511	-	0.918
50	Homes and Neighbourhoods	Income from Selective Licensing scheme	0.050	-	-	0.050
51	Homes and Neighbourhoods	Revised management of Civic Services	0.100	-	-	0.100
52	Public Health	Introduce targeted offer of oral health fluoride varnish within Children's Centres and Primary Schools.	-	0.060	-	0.060
53	Resources	Reduced costs of the Finance service, through the consolidation of systems, improvements in processes and development of staff to deliver a more efficient service.	0.050	0.300	-	0.350
54	Resources	Additional Legal income from s.42 Notices (leaseholder lease extensions and other requests), s.106 Agreements (covering development contributions) and Right to Buy applications.	0.050	0.050	-	0.100
55	Resources	Reduced costs of the Human Resources service, by improving systems and processes.	0.050	0.050	-	0.100
		TOTAL	10.820	5.457	1.604	17.881

Appendix C: Earmarked Reserve Balances

Category	Reserve Name	Actual Balance 31/03/2023 £m	2023/24 Movement	Forecast Balance 31/03/2024 £m	2024/25 Movement	Forecast Balance 31/03/2025 £m	2025/26 Movement	Forecast Balance 31/03/2026	2026/27 Movement	Forecast Balance 31/03/2027
Planned Projects	BSF PFI 1 reserve	4.748	0.504	5.252	0.490	5.742	0.000	5.742	0.000	5.742
Budget Risk	Budget Risk and Insurance	18.070	(3.373)	14.697	0.000	14.697	0.000	14.697	0.000	14.697
Planned Projects	Budget Strategy	18.604	(5.877)	12.727	(12.247)	0.480	9.000	9.480	(1.000)	8.480
Budget Risk	Business Continuity	10.000	0.000	10.000	0.000	10.000	0.000	10.000	0.000	10.000
Planned Projects	Capital Financing	1.806	(1.237)	0.569	0.000	0.569	0.000	0.569	0.000	0.569
Planned Projects	Care Experience	18.527	(2.000)	16.527	(6.527)	10.000	(10.000)	0.000	0.000	10.000
Planned Projects	Community Infrastructure Levy	0.029	0.000	0.029	0.000	0.029	0.000	0.029	0.000	0.029
Budget Risk	Core Funding	9.781	7.552	17.333	3.480	20.813	0.000	20.813	0.000	20.813
Ringfenced	Dedicated Schools Grant	5.083	(0.079)	5.004	(2.072)	2.932	(4.055)	(1.123)	(6.386)	(7.509)
Planned Projects	Digital Transformation Projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Planned Projects	Islington Assembly Hall Restoration Levy	0.047	0.000	0.047	0.000	0.047	0.000	0.047	0.000	0.047
Ringfenced	Joint Cemeteries Trading Account	1.715	0.000	1.715	0.000	1.715	0.000	1.715	0.000	1.715
Planned Projects	Levies	3.315	(3.315)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ringfenced	Pooled Schools Budgets	1.167	(0.828)	0.339	0.000	0.339	0.000	0.339	0.000	0.339
Ringfenced	Public Health	1.522	(0.070)	1.452	0.000	1.452	0.000	1.452	0.000	1.452
Ringfenced	Restricted Grants & Contributions	11.458	0.000	11.458	(2.292)	9.166	(2.292)	6.875	(2.292)	4.583
Ringfenced	Street Markets	0.201	0.000	0.201	0.000	0.201	0.000	0.201	0.000	0.201
TOTAL EARMARKED RESERVES		106.072	(8.724)	97.348	(19.167)	78.181	(7.347)	70.834	(9.678)	61.156

Below are narrative descriptions for each of the earmarked reserves held in the General Fund:

- Building Schools for the Future (BSF) PFI Smoothing reserve – The annual costs of PFI schemes fluctuate over the lifecycle of the schemes. This reserve helps to smooth the budgetary impact of PFI costs across financial years.
- Budget Risk and Insurance reserve – This reserve is set aside to mitigate budget risks, particularly the impact of delayed savings delivery, and for one-off expenditure commitments that span more than one financial year.
- Budget Strategy reserve – This reserve provides one-off funding for expenditure related to the delivery of the medium-term financial strategy (e.g., transformation projects, one-off growth, redundancy costs).
- Business Continuity – This reserve mitigates the risk of disruption to key council services and systems, including cyber security risks.
- Capital Financing – This reserve helps to smooth the potential budgetary impact in future financial years of an increased revenue cost of financing the capital programme, in the context of rising interest rates and a very uncertain interest rate outlook.
- Care Experience – This reserve provides for the potential direct and indirect costs of the non-recent child abuse support payment scheme.
- Cemeteries reserve – The council operates a shared cemeteries service with the London Borough of Camden, and any surplus at the end of each financial year is carried forward through this reserve.
- Community Infrastructure Levy (CIL) reserve – This reserve is the balance of CIL funding earmarked for administration costs in future financial years.
- Core Funding – This reserve comprises the one-off financial gain from the former London Business Rates Retention Pilot Pool, and up-front government grant income that will fund Collection Fund losses that will come out of future year budgets (due to Collection Fund accounting timing differences). The remaining balance not relating to Collection Fund losses has been set aside for risks around taxation income and government funding streams.
- Dedicated Schools Grant – This reserve is the balance of Dedicated Schools Grant held by the council that will be spent in future financial years.
- Digital Transformation Projects - This reserve holds budget provision for Digital Transformation projects to smooth the impact of expenditure across the Council. There are a variety of digital and technology related projects to enhance and modernise the council's systems and processes planned over the medium term. This is a live reserve with matching transfers to and drawdowns from the reserve.
- Islington Assembly Hall Restoration Levy – This reserve earmarks income from the Islington Assembly Hall Restoration Levy on events ticket sales towards funding restoration works in future financial years.
- Levies – This reserve holds funds as a result of the North London Waste Authority rebate and mitigates the significant uncertainty around levies estimates over the medium term, particularly concessionary fares, and the North London Waste Authority levy.
- Pooled Schools Budgets – This reserve holds the unspent balance of pooled schools' budgets that will be spent in future financial years.

- Public Health – This reserve is the balance of ring-fenced public health grant funding carried forward to spend in future financial years.
- Social Care - This reserve mitigates significant uncertainty in social care demographic growth estimates and earmarks funding for one-off social care expenditure.
- Street Markets – The council operates three street markets at Chapel Market, Whitecross Street and Exmouth Market. Under laws governing the operation of these markets, any surplus at the end of each financial year is carried forward through this reserve for the future costs of operating the markets.

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Appendix D1: HRA MTFS 2023/24 to 2026/27

	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Indicative Estimate £m	2026/27 Indicative Estimate £m
<u>HRA INCOME</u>				
Tenant Rents	181.341	208.372	214.623	221.062
Tenant Service Charges	23.270	23.013	23.446	23.942
Sub-Total Income from Dwellings	204.611	231.385	238.069	245.004
Commercial Income	1.384	1.015	1.310	1.310
Heating Charges (Tenants & Leaseholders)	4.584	3.574	3.574	3.574
Sub-Total Other Income	5.968	4.589	4.884	4.884
Leaseholder Annual Service Charges	15.542	18.614	18.985	19.362
Leaseholder Major Works Charges	3.500	3.500	3.500	3.500
Sub-Total Leaseholder Charges	19.042	22.114	22.485	22.862
Other Charges for Services & Other Income	2.764	2.907	2.953	2.999
PFI - Government Subsidy	6.140	6.140	6.140	6.140
Interest Receivable	0.643	2.261	1.435	1.800
Transfer from the General Fund for Shared Services	0.816	0.816	0.816	0.816
Gross Income	239.984	270.212	276.782	284.505
<u>HRA EXPENDITURE</u>				
General Management	63.751	86.062	92.937	96.894
Special Services	33.309	31.286	32.225	33.191
PFI Payments	14.598	15.120	15.573	16.041
Repairs & Maintenance	45.115	48.789	49.603	49.951
Rent, Rates & Other Charges	1.024	1.024	1.054	1.086
Sub-Total	157.797	182.281	191.392	197.163
Interest Charges on Borrowing	17.932	24.269	28.137	30.218
Revenue Contributions to fund Capital Expenditure	15.215	8.050	0.000	0.000
Depreciation - Contribution to the Major Repairs Reserve to fund the Major Works Capital Prog.	35.511	36.138	36.854	37.585
Sub-Total Capital Financing Costs	68.658	68.457	64.991	67.803
Increase in Bad Debt Provision	3.247	2.250	2.250	2.250
Contingency	7.962	7.824	6.949	7.008
Contribution to Reserves	2.320	9.400	11.200	10.281
Gross Expenditure	239.984	270.212	276.782	284.505
NET	0.000	0.000	0.000	0.000
<u>RESERVES</u>				
Opening Balance	49.945	63.217	65.035	84.056
Movement in the Major Repairs Reserve	10.952	(7.582)	7.821	5.259
Movement in Risk Equalisation Reserve	2.320	9.400	11.200	10.281
Closing Balance	63.217	65.035	84.056	99.596

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Appendix D2: HRA Fees and Charges 2024/25

Tenant Service Charges and Digital TV Charges

	Proposed weekly charge or compensation sum
Caretaking and Cleaning	£12.93
Estate Services (estate lighting, communal estate repairs and grounds maintenance)	£ 6.38
Tenant Service Charge	£19.31
Digital TV (maintenance only)	£0.22
Compensation for loss of caretaking service	£3.41 per day (after 5 consecutive days of lost service)
<p>Note: The weekly tenant service charge for caretaking and estate services reduces by £0.84 (-4.2%) per week from £20.15 per week to £19.31 per week.</p> <p>The overall Tenant Service Charge reduction of £0.84 per week (-4.2%) primarily relates to a reduction in electricity prices partially offset by an increase in staffing costs as compared to 2023/24.</p> <p>Caretaking compensation has increased in line with caretaking charges.</p> <p>Digital TV maintenance only have remained unchanged at 22p per week.</p>	

Heating and Hot Water Charges

	Bedsit Weekly Charge £	1-Bed Weekly Charge £	2-Bed Weekly Charge £	3-Bed Weekly Charge £	4-Bed Weekly Charge £
General:					
Heating and Hot Water	12.87	14.25	16.90	19.88	22.52
Heating Only (60% of Full Charge)	7.72	8.55	10.14	11.93	13.51
Heating Only (60% of Full Charge + 15%) All Year heating (Braithwaite)			11.66		
Bunhill Energy Network Heat & Hot Water (St Luke's, Stafford Cripps, Redbrick & Kings SQ. excl. Turnpike House)	11.59	12.82	15.21	17.89	20.27
Bunhill Energy Network Heating Only (60% of Full Charge) (Turnpike House Kings SQ.)	6.95	7.69	9.13		
<p>Compensation has been frozen at 2023/24 levels (after 5 consecutive days or more of lost service, backdated to the start of the heating loss period):</p> <p>Heating and Hot Water £16.97 per day</p> <p>Heating only £15.82 per day</p> <p>Hot Water only £2.06 per day</p>					
<p>Note: Underlying gas prices are forecast to reduce in 2024/25, together with a forecast reduction in consumption, as such weekly heating charges have been reduced by 41% as compared to 2023/24 charges. For example, the charge to tenants in a 2-bed property receiving heating and hot water will see their weekly charge reduce from £28.63 per week in 2023/24 to £16.90 per week.</p>					

Estate Parking Charges

Carbon Emission and Engine Size	Emission Bands and Charges			
	Band A	Band B	Band C	Band D
Carbon CO2 Rating G/km (Grams per kilometre)	0-120	121-150	151-185	186+
Engine Size CC (Cylinder Capacity)	Up to 1100	1101-1399	1400-1850	1851+
	Weekly Charge £	Weekly Charge £	Weekly Charge £	Weekly Charge £
Rent & Service Charge Payers:				
- Garage	11.93	23.86	23.86	26.25
- Car Cage	5.58	11.16	11.16	12.27
- Parking Space	3.05	6.08	6.08	6.69
- Integral Garage	8.23	16.44	16.44	18.09
Non-Rent & Service Charge Payers:				
- Garage	26.82	53.56	53.56	58.89
- Car Cage	12.57	25.04	25.04	27.55
- Parking Space	7.37	15.70	15.70	21.60
				£
Garages Used for Non-Vehicle Storage – Rent & Service Charge Payers				26.25
Garages Used for Non-Vehicle Storage – Non-Rent & Non-Service Charge Payers				54.61
Diesel Surcharge - applies to both Rent/Serv. Charge Payers & Non- Rent/Serv. Charge Payers in respect of all parking facilities				170.00 per Year or 3.27 per Week

A 50% or 100% discount is offered on all vehicle parking charges to Islington Council residents that hold a disability parking blue badge issued by either Islington Council or another Local Authority.

VAT will be added to the above charges where applicable.

Note:

Vehicle charges

All vehicle charges increase by 6.7% in line Sept.23 CPI.

For example, the charge to an LBI Tenant or Leaseholder for a garage with a band B vehicle increases by £1.49 per week from £22.37 to £23.86 per week.

Electric Car users: Rent & Service Charge payers will continue to have free access to all council estate parking facilities and Non-Rent & Service payers will continue to be charged at Band A rates.

Concierge Service Charges

	Weekly Charge £
Category A (Concierge Office in Block)	19.45
Category B (Concierge Office in Estate)	14.60
Category C (Concierge Office – Remote multiple cameras)	8.77

Category D (Concierge Office – Remote a small number of cameras)	2.75
Note: The weekly tenant charges have increased by 6.3%. Concierge costs are primarily linked to staffing as such the increase reflects the latest 2023/24 pay award and the estimated 2024/25 pay award. For example, the charge to tenants who receive a Category B service increases by £0.86 per week from £13.74 to £14.60 per week.	

Parking Charges

Penalty Charge Notices issued on-street and on some council estates (where Traffic Management Orders have been introduced) - the Council charges between £80 and £130 depending on the seriousness of the offence (discounts apply if paid within 14 days)

Storage Units

	Weekly Charge £
Rent & Service Charge Payers	2.13
Non-Rent & Service Charge Payers	4.29
Note: Charges increase by 6.7% in line with Sept. 23 CPI. The charge to Rent & Service Charge Payers has increased by 13p from £2.00 to £2.13 per week and that for Non-Rent & Service Charge Payers has increased by 27p from £4.02 to £4.29 per week.	

Floor Coverings (including underlay, carpets & fitting):

Covering the Bedroom(s), Front Room, Hallway & Staircase

2024/25 charges to tenants commencing the scheme WEF 2017/18 reflects a more robust/substantial underlay. Increased in line with the latest negotiated contract price plus 2%		
No of Beds	2024/25 Charge £	Weekly Charge to Tenants over 5 years £
1	788	2.98
2	1,154	4.35
3	1,518	5.73
4	1,821	6.87

Home Ownership Unit Charges:

Fees increase by 6.7% in line with Sept.23 CPI

1. Lease Holder Fees in respect of Structural Alterations & Additions:

		Home Ownership Fees 2024/25	Technical Property Services Fees 2024/25
a	Minor alterations (e.g.: flues, extractor fans)	£105 – letter of consent	None
b	Deed of variation for windows	£291	None
c	Minor structural alterations	£105	£234
d	Major structural alterations (e.g. roofs, conservatories)	£127	£234 – technical inspections £70 per hour if additional technical work required
e	Retrospective consent	a/b/c/d +£368	£469 – technical inspections £70 per hour if additional technical work required
f	Re-drawing lease plans	£62	£532
g	Purchase of land/space e.g. garden/loft/basement	£130	£703 and any additional inspections £70 per hour, £587 valuation fee

2. Lease Holder Miscellaneous Fees:

		Home Ownership Fees 2024/25
a	Sub-let Registration	£50
b	Assignment pack	£227 L/Holder £98 F/Holder
c	Re-mortgage pack	£162 L/Holder £83 F/Holder
d	S146 costs	£328
e	Copy of lease	£32
f	Letter of Satisfaction	£65
g	Copy of service charge invoice	£32
h	Breakdown of charges for a previous year	£32
i	Notice of assignment or charge	£80
j	Combined notice of assignment and charge	£160
k	Removal of Land Registry charge	£134
l	Details of planned major works	£64
m	Postponement charge	£255
n	Major works extended payment plan – legal charge	£255
o	Removal of Land Registry charge for major works extended payment plan	£134
p	Letter before legal action	£48

Appendix C3: HRA Savings Proposals 2024/25

Option Title	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Commercial letting of storage space in disused car park	-	0.295	-	0.295
Staffing review of the Housing Strategic Business Planning and Investment team and the Integrated Services team	0.053	-	0.038	0.091
Insource more voids work - thereby reducing more expensive contractor costs	-	0.400	-	0.400
Remodelling of the Repairs and Maintenance fleet strategy	-	-	0.320	0.320
Completed multi-skills training program completed – budget no longer required	0.260	-	-	0.260
Driving efficiencies into the housing procurement process where synergies between housing & corporate contracts can be identified	0.050	0.050	0.100	0.200
Diversify funding and provision of apprenticeships	-	0.100	-	0.100
Staffing review of the Homes and Neighbourhoods management team	-	-	0.080	0.080
Review Floating Housing Related Support contract	0.120	-	-	0.120
Review of the Repairs and Maintenance team hand tools procurement strategy	-	-	0.600	0.600
Following the return to the Council of the PFI2 stock a review/re-assessment of the budget provision required in respect of the repairs service indicates that the service can be provided at a lower cost than initially anticipated	0.800	-	-	0.800
Staffing review of the Repairs Service	0.100	0.100	0.120	0.320
Budget realignment relating to service support recharges	0.060	-	-	0.060
Total HRA Savings	1.443	0.945	1.258	3.646

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Appendix E1: CIPFA Financial Management Code Compliance Assessment 2024/25

1. Objectives and Principles

1.1. The CIPFA Financial Management Code (CIPFA FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The CIPFA FM Code sets a standard of financial management for local authorities.

1.2. The Code is based on a series of principles supported by specific standards and statements of practice to provide the strong foundation to:

- Financially manage the short, medium and long-term finances.
- Manage financial resilience to meet foreseen demands on services.
- Financially manage unexpected shocks in financial circumstances.

1.3. Each local authority must demonstrate that the requirements of the Code are being satisfied. Demonstrating this compliance with the CIPFA FM Code is a collective responsibility of elected members, the Chief Finance Officer and professional colleagues in the leadership team.

1.4. The CIPFA FM Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances. Good financial management is proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services.

1.5. The principles focus on an approach which will assist in determining whether, in applying standards of financial management, an authority is financially sustainable:

- Organisational leadership - demonstrating a clear strategic direction based on a vision in which financial management is embedded into culture (A/B/O)
- Accountability - based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs (D/P/Q)
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making (L/M)
- Adherence to professional standards is promoted by the leadership team and is evidenced. (H/J/K)
- Sources of assurance are recognised as an effective tool mainstreamed into financial management and includes political scrutiny and the results of both external audit, internal audit and inspection. (C/F/H)
- The long-term sustainability of local services is at the heart of all financial management process and is evidenced by prudent use of public resources. (E/G/I)

2. Process

- 2.1. The council has a duty under the Local Government Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the economy efficiency and effectiveness. The FM Code provides guidance for the good and sustainable management of the council.
- 2.2. The FM code compliance assessment is updated annually to consider any changes that had happened within the council and to assess the level of compliance and look to future improvements that can be made to ensure that the council continues to maintain a high level of compliance with the code. By complying with the principles and standards in the code the council strengthens financial resilience and to meet unexpected and complex demands.
- 2.3. The council sets and monitors an annual budget and rolling three-year medium term financial strategy (MTFS). Local authorities must set a balanced budget in accordance with the Local Government Finance Act 1992. This process involves all departments within the council whereby estimates are worked up, challenged, and refined. It includes the most recently available budget monitoring information and the latest view on budget assumptions for the forthcoming financial year. The overall budget setting process is considered by the Section 151 (S151) officer in the assessment of the robustness of the council's budget estimates.
- 2.4. The council also considers information from external sources to remain well informed, able to react to changes and to ensure that the systems and models used by the council remain effective.
- 2.5. Red/Amber/Green ratings are used to illustrate where the council's level of compliance and where improvements can be made:
- Red – Low level of compliance – in need of review and change
 - Amber – Medium level of compliance
 - Green – High level of compliance

3. Compliance Assessment

	Guidance	Current Treatment	Further actions	R/ A/ G
1: The responsibilities of the chief finance officer and leadership team				
A: The leadership team is able to demonstrate that the services provided by the authority provide value for money.	The council has a clear and consistent understanding of what value for money means with mechanisms and processes to promote value for money.	Compliance is demonstrated by the application of other Standards and Statements in the FM Code. The Governance Framework set out in the Annual Governance Statement references ensuring value of money as a key responsibility of the council when conducting business with public money. A Value for		

		<p>money assessment is carried out by the council's external auditors.</p> <p>The Leadership structure is made up of Councillors, Executive Councillors, Council Leader, Chief Executive and Scrutiny Committees. The Senior Leadership Structure under the Chief executive is set out in the Councils constitution.</p> <p>The Executive has established a Voluntary and Community Sector Committee. Part of their responsibilities is to ensure value for money and fairness in the allocation of council resources to the sector and consider the management, use and disposal of council owned buildings occupied by voluntary and community sector organisations. This is set out in the council's constitution.</p>		
<p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) in Local Government.</p>	<p>1: The CFO in a public service organisation is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.</p> <p>2: The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and in alignment with the organisation's MTFS.</p>	<p>The Corporate Director of Resources (CDR, S151) is a key member of the Corporate Management Board.</p> <p>All key and material financial decisions that require the approval of senior officers or Members must have first been considered by the CDR.</p>	<p>Keep under constant review and seek continuous improvement to processes and practice.</p>	

	<p>3: The CFO must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded and used appropriately, economically, efficiently and effectively. The CFO should regularly review the skill sets of elected members and all officers with budget/financial management responsibility and ensure appropriate support is provided.</p>	<p>Good financial management is promoted throughout the authority via regular communication. All managers with budgetary responsibility receive financial training from finance teams and there are regular Member training sessions/briefings. A business partnering approach is used to help ensure the development of successful, long term strategic relationships and can in turn help to ensure good financial management. Business partners engage with both internal and external audit to ensure their recommendations are implemented.</p> <p>The decision-making structure and a comprehensive listing of responsibilities of officers and committees in relation to financial management is contained within the council's constitution. Where officers have specific financial responsibilities, these are set out in the Financial Regulations.</p>	<p>Keep under constant review and seek continuous improvement to processes and practice.</p> <p>The council is in the process of launching a tender for a financial system contract, but this will not be completed until Autumn 2025. The council will ensure that any new financial system meets the needs of the organisation and is an improvement on the processes and procedures currently in place</p>	
	<p>4: The CFO must lead and direct a finance function that is resourced to be fit for purpose. The CFO should regularly review the skillsets of all finance staff with senior budget/financial management responsibility and ensure ongoing appropriate support is provided. The ratio of qualified staff as a proportion of total finance staff ensures that the finance function has the necessary financial competence.</p>	<p>The Finance function was fully reviewed and deemed fit for purpose in 2022. The revised structure was largely based around core competencies against which job descriptions and recruitment decisions are made.</p> <p>There are many qualified staff who are invested in and helped to gain the appropriate qualifications through the FUSE scheme, graduate and apprenticeship programs that encourage growth, continuous learning and development with an aim to help support future service needs.</p> <p>There is a high proportion of permanent staff to agency with 95% percent of positions being</p>	<p>Maintain and develop records around training and staff qualifications. A qualifications register is currently being drafted.</p>	

		held by permanent staff members in the Financial Management division.		
	5: The CFO must be professionally qualified and suitably experienced. The CFO must be able to demonstrate adherence to professional CPD requirements on an annual basis.	The CDR is CCAB qualified with extensive experience in local government finance. CPD is demonstrated as part of CCAB membership obligations.		
	6: The CFO should promote the highest standards of ethical behaviour in the conduct of financial management. Professionally qualified staff should evidence an ongoing commitment to the principles of objectivity, integrity professional behaviour, professional competence, due care and confidentiality.	Professionally qualified staff are required to adhere to the ethical standards of their professional bodies. Finance staff are also bound by ethical requirements in their job description and those within the council's code of conduct. The council is an accredited employer with CCAB bodies. Islington is a platinum level employer under the CIPFA Employer Accreditation Scheme. The accreditation reflects the council's commitment to continuing personal development		
	7: To enable financially informed decision making: The CFO should be able to provide the leadership team with sound advice on the key principles of local government finance; and The CFO should be able to demonstrate a sound system which ensures the authority has access to high standards of technical financial advice.	The CDR is an integral part of the leadership team and provides sound advice as part of this role. The authority employs a capable and experienced workforce and also has access to technical advice through external experts for funding, taxation, audit and pensions, as well as many forums to discuss London and national issues.		
	8: The CFO should report explicitly on the affordability and risk associated with the Capital Strategy and where appropriate have access to specialised advice	The affordability and risk of the capital strategy is an integral part of the budget and MTFS. Capital budget monitoring is included in the quarterly monitoring reports.		

	to enable them to reach their conclusions.	The CDR and Director of Finance attend Corporate Asset Development Board meetings.		
	9: The CFO must establish the reporting and monitoring processes and integrate the treasury management indicators into the overall financial planning process.	There is an established process for reporting and monitoring. Treasury Indicators are approved annually as part of the Treasury Management Strategy Statement alongside the budget papers each year. There is a year-end and mid-year Treasury Management review reported through to Members.	There is ongoing work to include the Treasury forecasts in the budget monitoring reports and give a more complete view of the council's financial position	
	10: The Chief Finance Officer of Local Government Pension Scheme (LGPS) administering authorities satisfies the requirements of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills (2013 edition).	Fully complies. This organisation recognises the importance of ensuring that it has the necessary resources to discharge its pensions administration responsibilities and that all staff and Members charged with financial administration, governance and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them. Training is held quarterly for members, and they are advised of external training opportunities. A log of training provided is recorded.		
2: Governance and financial management style				
C: The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	The council has a clear framework and high standards for governance and internal control. The leadership has effective arrangements for assurance, internal audit, and internal accountability. Nurturing a culture of effective governance and robust	CMB have hosted sessions on good financial management. An organisation wide internal controls board and Good Governance Group were established, and internal controls are tested annually as part of the work of Internal Audit.	In mid-2022, the council commissioned a comprehensive review of the council's governance arrangements. This review made several recommendations, which resulted in a programme	

	<p>internal controls across the authority.</p>	<p>The Audit and Risk Committee is the body responsible for providing an independent focus on the adequacy of governance arrangements, other than Member conduct issues which are the responsibility of the Standards Committee. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors.</p> <p>The council has adopted a code of governance which is consistent with the seven principles of the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).</p> <p>The Annual governance statement sets out Islington Council's governance framework. Set out in the council's constitution is a clear outline of the controls and framework of good governance within the council. The Constitution defines the roles and responsibilities of the executive, non-executive, scrutiny and chief officer functions. It sets out how decisions are made and the procedures which are followed to ensure efficiency, transparency, and accountability to residents.</p>	<p>of work starting in January 2023.</p>	
<p>D: The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</p>	<p>1: The authority maintains an effective audit committee.</p> <p>2: The audit committee receives and monitors the implementation of internal and external audit recommendations. When threats to the financial sustainability of the authority are identified by auditors the audit committee should ensure</p>	<p>The Audit and Risk Committee meets at regular stages throughout the financial year. It has two knowledgeable and experienced independent members.</p> <p>The Audit and Risk Committee receives details of all recommendations made by External Audit. The Committee receive an overview of assurance of all internal audit reports and the implementation progress of those. The Annual Governance Statement is reported to the audit committee annually. It provides a self-</p>	<p>A practice of referring all financial sustainability related recommendations to management and the consideration of their</p>	

	<p>that the recommendations are communicated to the leadership team and that the committee are informed of the effectiveness of the leadership team's response.</p>	<p>assessment of how the council has met the Good Governance principles in the framework.</p> <p>Referring financial recommendations to management for consideration is an ongoing process. Internal Audit bring two reports to the Audit and Risk Committee updating on the delivery of the audit plan each year – one in January and one in September. These reports each include an appendix updating on progress of implementation of audit recommendations. Responsibility for implementation sits with the service area that was audited (e.g. Parking, Housing, Finance etc). There are mechanisms in place to escalate the lack of implementation of recommendations.</p>	<p>response will be put in place.</p> <p>Continue to stay abreast of any new developments and, if an opportunity to enhance/improve arises, the internal audit team will seek to include in their processes.</p> <p>Provide regular updates to the Audit and Risk Committee on progress in implementing the recommendations made in the Annual Governance Statement.</p>	
	<p>3: The authority has a PSIAS (Public Sector Internal Audit Standards) conformant internal audit function</p>	<p>Fully complies. An update of implementation of the EQA recs are on the council's democracy pages. The service overall has a continuous improvement agenda and networks with groups such as London Audit Group (LAG) and the Cross Council Assurance Service (CCAS) to stay abreast of new developments and best practice.</p>	<p>We will implement any recommendations from the External Quality Assessment (EQA).</p>	
<p>E: The financial management style of the authority supports financial sustainability.</p>	<p>1: The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the political leaders, elected members to</p>	<p>Financial Regulations and Instructions provide a clear and understandable framework for financial accountability.</p>	<p>There is room to improve how the Financial Regulations are applied in schemes of authorisation and processes that are</p>	

	directors, finance officers and front-line service managers.	The MTFS process ensures a balanced budget and involves engaging with service managers, directors, finance, and councillors. There is regular financial reporting to CMB, the Executive, and full council.	consistent and widely understood at an operational level.	
	2: Finance teams and the organisation they support are actively committed to continuous improvement focused on efficient and effective delivery and organisational performance.	Finance act as effective business partners, working closely with budget managers and Corporate Directors.		
	3: Enabling transformation: the finance team have input into strategic and operational plans taking into account proactive risk management, clear strategic directions and focus-based outcomes	Finance act as effective business partners, working closely with budget managers and Corporate Directors. Transformation colleagues work closely with their finance counterparts.		
	4: Managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Financial literacy is diffused throughout the organisation so that decision takers understand and manage the financial implications of their decisions.	Budgets and financial cash limits are clearly delegated to cost centre managers. Business partners and budget holders ensure implications of decisions are understood and that departments /managers are responsible for those decisions. Budget manager job descriptions set out their responsibilities for financial management.		
	The financial management of the authority has been critically evaluated	Internal Audit reviews core financial controls and systems on a cyclical basis. There have been 11 audits conducted within the finance department since 2022. Seven of these pertain to key financial systems. Some key findings marked as high risk in the pensions system and accounts receivable system audits regarding operational effectiveness. As well as some concerns of the		

		<p>control design and operational effectiveness of the banking reconciliation system</p> <p>The Internal Audit service continued to benefit from ongoing networking and benchmarking across the Cross Council Assurance Service (a consortium of London boroughs drawing on the same framework agreement for co-sourced assurance services).</p> <p>The internal audit opinion is given, and any risks found are designated as either high, medium, or low risk and actions are recommended for how to mediate the risk which are agreed by the Action Owner who will then have to implement the actions. This will be followed up by the internal audit team establishing whether it has been partially or fully implemented or not implemented at all. If partially or not implemented the internal audit team will have to follow up again and my revise the action text.</p>		
3: Long to medium-term financial management				
<p>F: The authority has carried out a credible and transparent financial resilience assessment</p>	<p>1: Financial resilience is tested against best- and worst-case scenarios which cover a wide range of financial demographic and social challenges.</p>	<p>Financial resilience is tested against key risk scenarios when planning the MTFS. The budget setting process includes scenario planning and sensitivity analysis in working up budget forecasts and proposals.</p>	<p>Potential to use scenario planning and sensitivity analysis more effectively in the budget setting process.</p>	
	<p>2: The authority uses independent objective quantitate measures to assess the risks to its financial sustainability.</p>	<p>Key quantitative measures are used to assess financial stability and risks. For example, analysing the level of general fund balances and reserves.</p> <p>The annual CIPFA resilience index shows Islington of being relatively low risk in terms of financial stability. Reserve markers suggest lower risk profiles. However, the children social</p>		

		care ratio and adult social care ratio suggest higher risks.		
	3: Decision making by the authority demonstrates a sound understanding of the risks associated with its strategic business partners.	Key partners are evaluated before entry into formal arrangements.	Potential to review and strengthen especially since the impact of the pandemic on partners.	
G: The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members. Page 71	1: The authority has an asset management plan that reviews the condition, sufficiency and suitability of assets in the light of business needs, and ambitions of the Medium to Long Term Financial Strategy. The plan should evidence rigorous assessment of asset portfolio in relation to service delivery.	Fully embedded within the rolling MTFS and long-term capital programme. The council operates a corporate landlord model and is constantly evaluating the best use of its assets. A condition survey is carried out on a regular basis by external consultants, which provides a total cost and prioritisation to inform the capital programme and strategy. The Capital Strategy sets out the long-term investment plans.		
	2: The authority maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action.	Information regarding whole-life cost of assets is maintained within the financial system and accounts.		
H: The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	The council has prepared a suitable capital strategy and has a set of prudential indicators in line with the Prudential code. And mechanisms for monitoring its performance against said indicators.	Compliance is reported annually within the budget report. The council is compliant. This is also reported on with the Treasury Management Strategy Statement. The council has a set of prudential indicators that performance is monitored against as part of the Treasury management strategy. Capital strategy, Investment, Minimum Revenue Provision and Treasury Management Strategy are developed annually in conjunction with the MTFS process		

<p>I: The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</p>	<p>1: The Medium-Term Financial Plan should make reference to other organisational plans (e.g. workforce planning) and performance measures to demonstrate an alignment between service and financial planning.</p>	<p>The MTFS is approved and updated annually within the budget report for a 3-year period.</p> <p>Whilst other plans (e.g., workforce planning) are central to the MTFS, this link isn't explicit in published documents.</p>	<p>Explicit and written linking of the MTFS to all key organisational plans is recommended going forward.</p>		
	<p>2: The authority has benchmarked the performance of its services against appropriate comparators.</p>	<p>The Authority uses CIPFA and other benchmarking services to analyse financial and service performance. The council utilises CFOInsights which is a benchmarking tool supported by Grant Thorntons. There are other datasets used such as Adults use data collected by the Association of Directors for adult social care (ADASS). Other resources external to the organisation are used to help provide further insights such as LGImprove who provide balance sheet benchmarking information.</p>			
	<p>3: To inform the Leadership Team's decisions the authority has a single document tracking progress in the delivery of planned savings over the period of the Medium-Term Financial Plan.</p>	<p>A savings tracker is maintained and monitored regularly as part of in-year budget monitoring with ongoing implications picked up in the rolling MTFS.</p>			
	<p>4: The authority publishes its plans for the use of reserves over the period of the Medium-Term Financial Plan</p> <p>The level of reserves at 31st March in any one year should not fall below the level previously agreed.</p> <p>The authority should demonstrate adherence to the most recent guidance on reserves from</p>	<p>The Authority has an approved Reserves document that details plans for reserves over the period of the rolling MTFS - compliant with CIPFA guidance.</p>			

	CIPFA's Local Authority Accounting Panel			
4: The Annual Budget				
<p>J: The authority complies with its statutory obligations in respect of the budget setting process.</p>	<p>The council is aware of its statutory obligations in respect of the budget-setting process. The Council has set a balanced budget for the current year.</p>	<p>All statutory obligations are fulfilled within the annual budget report.</p>		
	<p>The budget report includes an assessment of its consistency with the current medium term financial plan and long-term financial strategy. The annual report proposing the budget includes an analysis of the success/failures in achieving the spending plans of the previous year and of departures from the planned use of reserves and balances.</p>	<p>This is monitored and reported on an ongoing basis with reporting picked up in the budget report as appropriate where it relates to the rolling MTFS. The budget report addresses the long-term impact of in year variances. There is a clear linkage between the in-year budget monitoring process and the medium-term financial planning process, with the strategic implications of in-year monitoring taken forward in the future year budget process. This process is clearly set out in the council's budget report.</p>		
<p>K: The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.</p>	<p>The council's most recent budget report includes a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves. The report accurately considers the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case. The council has sufficient reserves to ensure financial sustainability for the foreseeable future.</p>	<p>This is included within the annual budget report.</p> <p>The MTFS reflects key budget pressures, planned contingency balances to address budgetary pressures, estimates and assumptions. Where estimates are made, they are stated clearly, and details are provided on when they are likely to be confirmed.</p> <p>The 2024/25 budget report includes a Reserves and Balance Sheet Strategy and a full balance sheet analysis. The budget report recommends a Minimum Level of Earmarked GF Reserves and considers the strategy to build back earmarked reserves over the medium term.</p>		

5. Stakeholder engagements and business plans

<p>L: The authority has engaged with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.</p>	<p>The council has been effective in its engagement with stakeholders and has plans to improve engagement with key stakeholders.</p>	<p>The annual budget report and rolling MTFS is subject to full consultation including with key stakeholders (e.g. officers, political leadership and the business community).</p> <p>Let's talk Islington engage with community and create an annual Community Engagement report which outlines the ways in which the council has engaged with the local community through workshops, surveys etc. and outlines the types of responses given.</p>		
<p>M: The authority uses a documented option appraisal methodology to demonstrate the VFM of its decisions</p>	<p>1: Option appraisal complies with IFAC/PAIB Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal.</p>	<p>There is a well-established and documented option appraisal process taking in to account the 5-case model and other elements of the Treasury Green Book.</p>	<p>This will be reviewed on an ongoing basis to ensure that the process continues to be robust going forward.</p>	
	<p>2: The accounting treatment of material decisions is considered and demonstrated as part of the formal option appraisal process.</p>	<p>The accounting treatment and impact is determined and documented within formal financial implications. Reports contain appropriate information and evidence to support decision making and out like options under consideration. Projects are progressed when they have been appropriately reviewed and it is ensured that they are in line with the councils' priorities.</p>		

6: Monitoring financial performance

<p>N: The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p>	<p>1: Timely financial and performance information is available to managers via the appropriate systems. The systems are engineered to provide relevant data at a sufficiently accurate level. The organisation ensures that information is appropriately</p>	<p>Managers are able to access information on demand. Reports have been developed with budget holders to provide them with the correct level of information.</p> <p>Maintaining a risk register forms part of the risk management strategy and framework. The risk register incorporates financial and operational risks.</p>		
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	tailored and streamlined to avoid the risk of 'data overload'.			
	2: All Financial monitoring reports include: The name of the budget holder responsible for the information presented; accruals based financial information; include the approved budget against which monitoring is taking place; a forecast for the remainder of the budget period and; service performance information	Complies with the exception of the inclusion of budget holder names. These are maintained on the financial system but are not routinely included in monitoring reports. The council's quarterly financial monitoring report includes performance information. The Corporate Performance Manager is embedded within the Finance Business Partner management structure to further align reporting.		
	3: Financial monitoring reports for high-risk budgets are: •Scrutinised by the leadership team of the organisation on a quarterly basis. Financial monitoring reports for steady state/low risk budgets are: •Received by budget holders on a monthly basis Received (in aggregate) by the leadership team on a regular basis (in aggregate) by the leadership team.	Fully compliant. Reports are written to a standard format and are clear and accurate.		
	4: The authority has arrangements which allow annual service budgets to be recalibrated in response to unforeseen developments.	In-year budget realignments can be approved in line with the council's financial regulations.		
	5: At the financial monitoring period end the leadership team receives a set of financial statements with forecast outturn for the year ahead	Fully compliant.		
	6: There are appropriate arrangements in place for	Yes, to the appropriate officer and Member meetings/bodies.		

	reporting and managing the financial performance of each of the organisation's delivery partnerships and collaborative arrangements.			
	7: There are appropriate arrangements in place for the project management and cost control of capital projects.	Capital projects and programme are reported on a quarterly basis to the Capital Asset Delivery Board and then through to CMB and the Executive in the quarterly monitoring report,		
O: The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability Page 76	1: Unplanned and planned use of reserves are reported [quarterly] to the management team of the organisation and to council.	Picked up on a regular basis as part of in-year budget monitoring. The corporate performance report goes quarterly to CMB and elements of it then go quarterly to scrutiny.		
	2: Management accounts include either a full balance sheet or an appropriate level of balance sheet information to meet business needs and evidence of monitoring of material items	Yes – where appropriate.		
7: External financial reporting				
P: The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code.	The council leadership are aware of the CFOs responsibilities in terms do the preparation of annual financial statements including their role descriptions and personal objectives. The financial statements must be prepared and in accordance with the Code of practice.	The annual accounts are reviewed and signed by the CDR. They follow a common format prescribed by CIPFA's Code of Practice on Local Authority Accounting. External audit have consistently provided an unqualified audit opinion on the statement of accounts in previous years. The draft statement of accounts for the year 22/23 was published on time and made available for public inspection.		

		The CFO includes an introduction in the statement of accounts setting out the missions for the council to create a more equal future for Islington in 2030.		
Q: Presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	The reports support strategic focus on information that presented effectively and is of interest and relevant to the leadership team in order to support in strategic financial decision making.	An annual report is presented that informs strategic decision making.	Regularly seek feedback to ensure that the reporting remains high quality.	

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Appendix E2: Balance Sheet Analysis

1. Synopsis

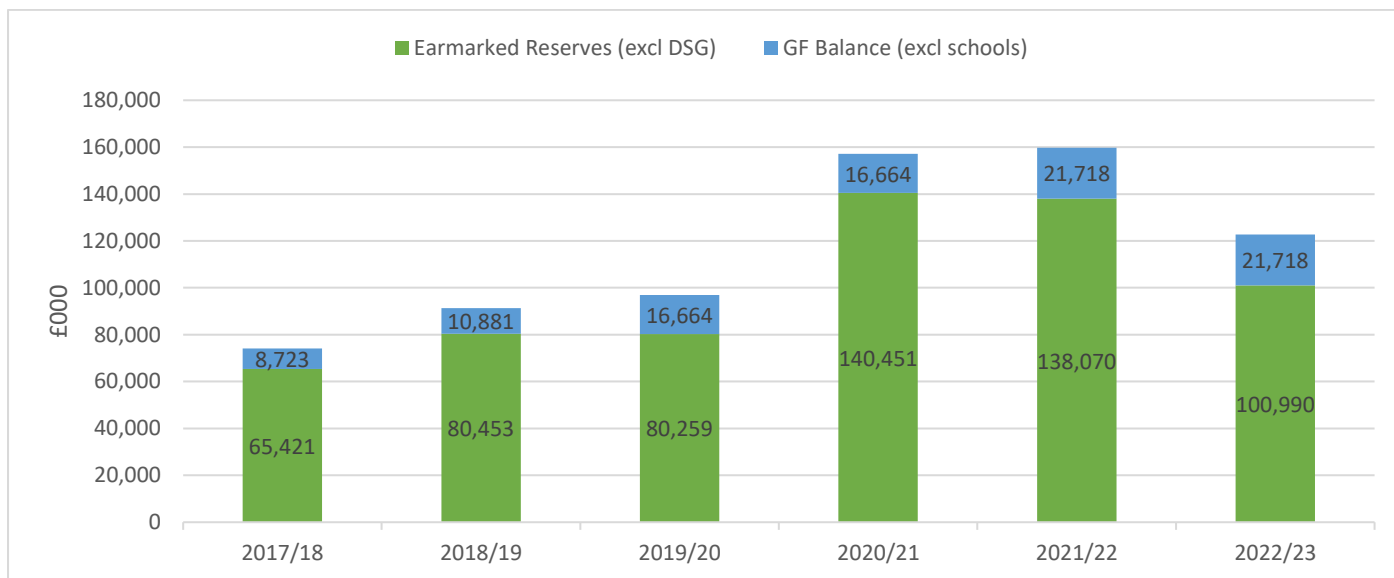
- 1.1. The balance sheet provides a snapshot of the council's financial position detailing assets, liabilities, and reserves. The balance sheet shows the complex and closely interlinked relationship between revenue, capital, borrowing and other existing and emerging risks. Analysing the council's balance sheet on a regular and ongoing basis (and not just at financial year-end) is key to understanding the underlying financial position of the council. Effective balance sheet analysis is very useful as a measure to indicate whether or not a local authority is showing signs of financial stress currently and over time within an overall direction of travel.
- 1.2. To be effective, balance sheet analysis needs to look at a wide range of measures to enhance overall understanding of financial resilience and direction of travel. A number of key measures which are set out below, with an analysis of Islington's comparative position to benchmark authorities.
- 1.3. Summary of key points:
 - Islington council has been able to build reserves, and therefore financial resilience, over the previous 6 years. This was partly due to transitory, additional income received during the COVID-19 pandemic (which is now largely reversed out), but also because of a deliberate medium-term financial strategy to bolster the council's overall reserves position. However, the recent significant decrease in reserves demonstrates the importance of strengthening and maintaining sufficient levels of reserves when the council is able to do so. **(Section 2)**
 - The council has strengthened its long-term financial sustainability by increasing the value of its net assets. **(Section 3)**
 - The council has deterred external borrowing, despite the increasing need to borrow, by using its own resources to finance capital expenditure. **(Section 4)**
 - However, if reserves continue to decline and the need to borrow continues to increase, the council will be required to externally borrow and will risk paying high interest rates. **(Section 4)**
 - Investment properties make up only a small part of the council's assets and the council is not dependent on investment income to provide vital services. **(Section 4)**

2. Reserves

- 2.1. Councils hold reserves to manage risk and set aside funding for future expenditure. There is no specified minimum level of reserves for a council to hold as it depends on its particular risks and planned future expenditure.
- 2.2. Previous audits of the council's financial position have noted the comparatively low level of reserves. The council currently has had a target to increase general fund balances to £40m over the medium term to build financial resilience.
- 2.3. Declining reserve balances are a sign of financial stress as reserves will eventually deplete to an unsustainable level. Furthermore, recurrent drawdowns from reserves due to budget overspends could suggest that structural issues exist within the authority, putting an unsustainable strain on the council's reserves position over the longer term.
- 2.4. Council reserves can be split into unusable and useable reserves. Unusable reserves are used to hold unrealised gains or losses for assets not yet disposed of and accounting adjustments which are required by statute. Unlike useable reserves, unusable reserves cannot be used to fund capital or revenue expenditure. Hence key financial indicators focus on the level of useable revenue reserves to demonstrate the level of financial health.

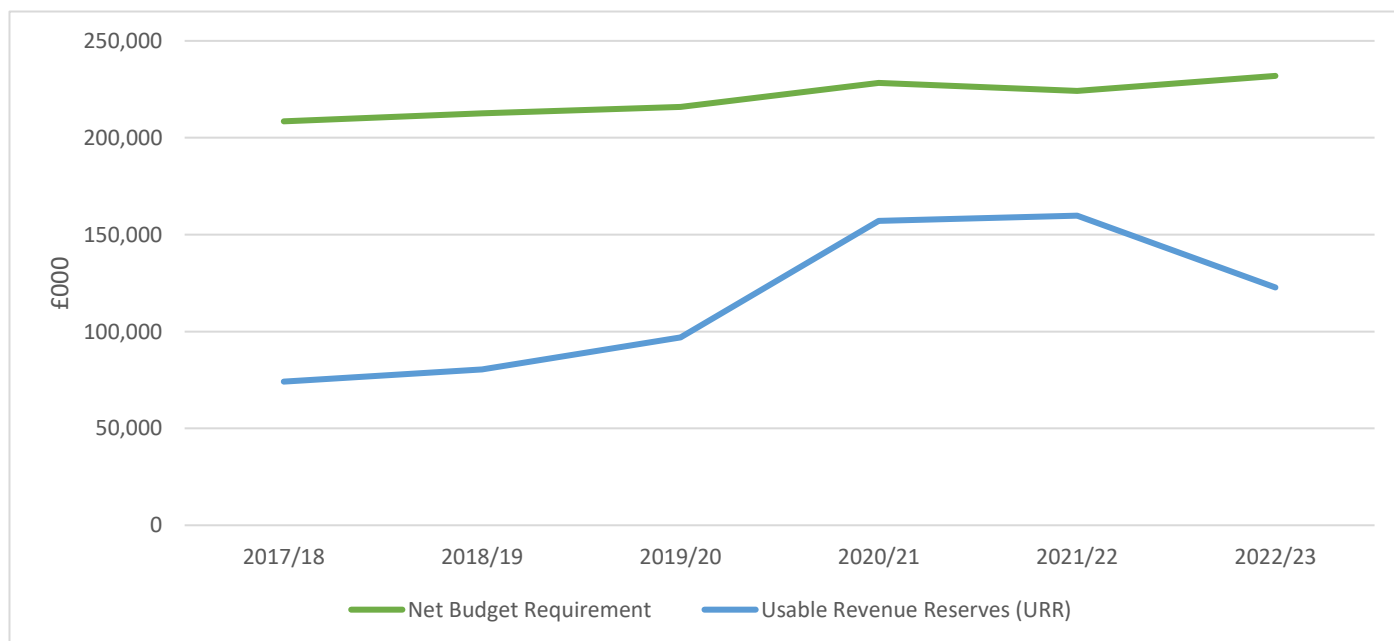
- 2.5. Useable revenue reserves can be split into ‘Earmarked’ and ‘General’. Earmarked reserves are reserves which have been set aside for the specific purpose. The specific purpose is sometime set by statute e.g. Public Health reserves can only be spent on public health activities. The specific purpose can also be set by the council. For instance, Islington Council has a ‘Business Continuity’ reserve to mitigate the risk of disruption to key council services and systems, including cyber security risks.
- 2.6. General Fund balances are reserves which have not been set aside for a specific purpose and are used to mitigate the risks of unexpected events and emergencies.
- 2.7. The figures below analyse the balance of useable revenue reserves over the period from 2017/18 to 2022/23.

Figure 1: Useable Revenue Reserves (Earmarked & General) 2017/18 to 2022/23



- 2.8. As shown in **Figure 1**, in 2022/23 Islington had £100.990m earmarked reserves representing a 54% increase over the 6-year period. The council had £21.718m of General Fund reserves which is a 149% increase since 2017/18.

Figure 2: Useable Revenue Reserves and Net Budget Requirement 2017/18 to 2022/23

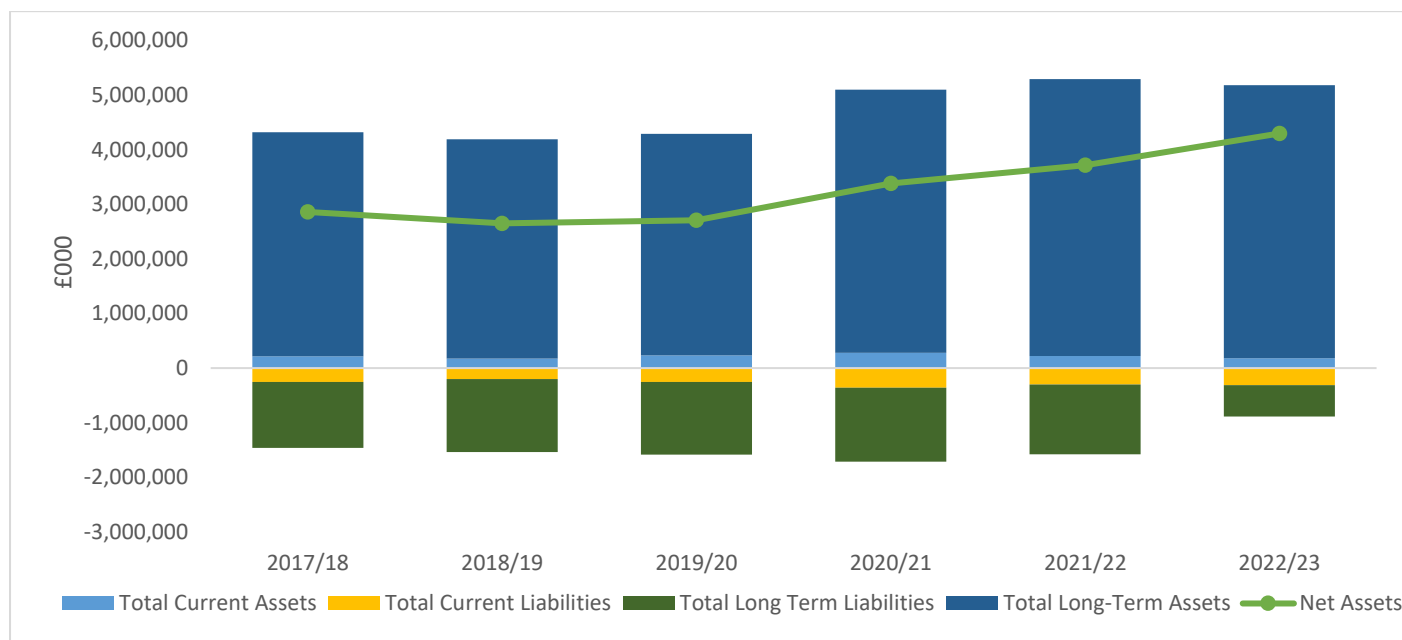


- 2.9. As shown in **Figure 2**, at 31 March 2023 useable revenue reserves were 53% of the council's 2022/23 net budget requirement. This is a decrease from 2021/22 where useable revenue reserves were the equivalent of 71% of the net budget requirement.
- 2.10. The council experienced a recent drop in useable earmarked reserves from 2021/22 to 2022/23. Useable earmarked reserves fell by 27% (£37.08m). This is predominantly due to a collection fund related transfer from reserves of £23.800m that will be replenished in 2023/24 and 2024/25, but also due to a greater budget demands in-year – a trend that has continued into 2023/24.
- 2.11. The above indicators suggest that the council has been able to build financial resilience by contributing to reserves between 2017/18 to 2021/22. Additionally, the council has successfully built-up General Fund balances to £21.718m which will provide more resilience in the case of unexpected events or emergencies.
- 2.12. However, it should be noted that the council received transitory, additional government funding in the years from 2020/21 to 2021/22 due to the impact of the COVID-19 pandemic. Although this led to an uptick in reserves in the short term, it should be noted that since 2021/22, the council has not received additional funding for COVID-19 pressures but significant additional cost and demand pressures have continued.
- 2.13. **The recent decline in reserves demonstrates the importance of maintaining (as a minimum) and enhancing levels of reserves (as a preferred strategy) when the council is able to do so, to mitigate the impact of drawdowns when financial circumstances dictate this.**
- 2.14. Decreasing reserve levels are a key indicator of financial distress in councils. It is important that the medium-term budget makes provision to sustain reserve levels. As recommended in the 2024/25 Budget Report, an absolute Minimum GF Earmarked Reserves Level is set at £60m (combined with the proposed £20m General Balances minimum level).

3. Assets and Liabilities

- 3.1. Assets and liabilities provide information on how financially resilient the council may be in the longer term. Councils tend to have more assets than liabilities due to the prevalence of fixed assets (e.g. buildings) which appreciate in value over time. However, council assets are not always easy to liquidate as public assets (e.g. roads, parks) are seldom sold. Surplus assets have the potential to generate income. For example, investment property is an asset held for this purpose.
- 3.2. Liabilities on the other hand represent a cost to the council. For example, interest to finance debt will need to be paid off. Therefore, high levels of liabilities imply a future revenue cost.
- 3.3. The liability related to the defined benefit pensions scheme is usually the most significant liability for the council. The liability predominantly relates to pension owing to past employees. However, pension liabilities change depending upon the latest assumptions on the value of the fund's asset and liabilities. The Pension Fund is set to continue its trajectory of an improving funding level for the 2025 triennial valuation. As a result, there are no anticipated additional pressures in future years resulting from the Pension Fund deficit recovery plan. There could be a small benefit to the MTFs position in 2026/27, but currently this is uncertain.
- 3.4. Net assets measure an organisation's assets minus its liabilities which includes both long-term and short-term assets and liabilities.

Figure 3: Total Assets and Liabilities 2017/18 to 2022/23



3.5. **Figure 3** shows that the value of Net Assets has increased by 62% over a 6-year period. The liability related to defined benefit pension scheme fell by 76% from 2021/22 to 2022/23. This is predominantly due to an actuarial gain from changes in financial assumptions.

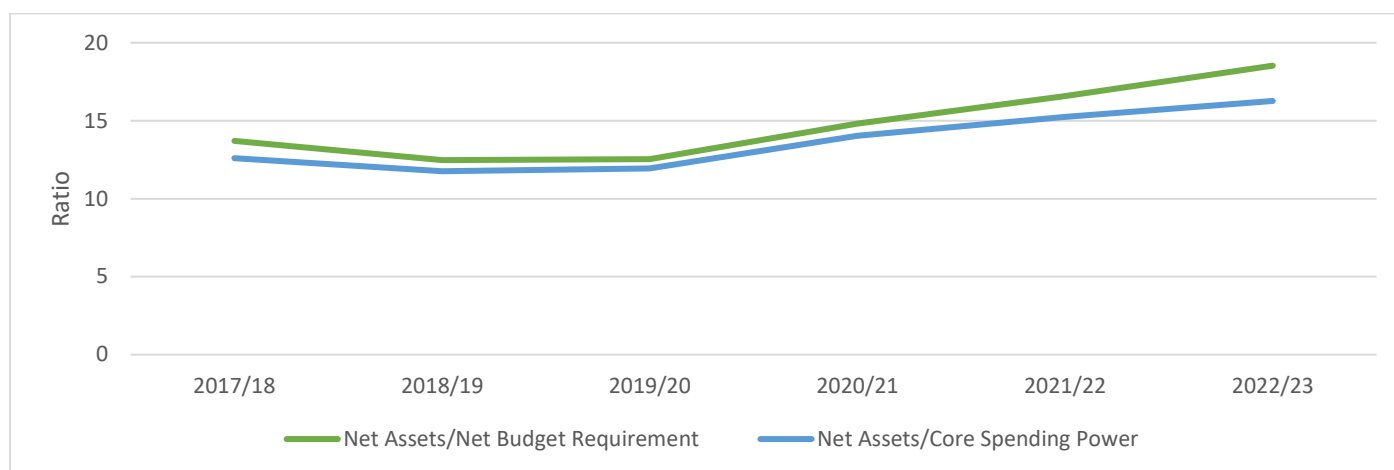
3.6. Assets and liabilities can be split into ‘current’ (short-term) or ‘non-current’ (long-term). Consequently, they can provide different information on the short-term and longer-term financial health of an organisation. **Table 1** and **Figure 4** below assess the short-term and long-term sustainability of the council’s finances.

Table 1: Current Ratio for 2017/18 to 2022/23

Financial Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Current Ratio	0.86	0.87	0.90	0.78	0.73	0.58

3.7. Current assets and liabilities can provide insight into the liquidity position of the council. The current ratio of less than 1 could suggest the council will struggle to meet current obligations from its current assets. The ratio of current assets to current liabilities (current ratio) is consistently less than 1 and has declined in the last 4 years. External analysis suggests that the 2022/23 Inner London borough average is 1.22. This is partly linked to the council deferring external borrowing by using cash resources to finance capital expenditure.

Figure 4: Ratio of Net Assets to Net Budget Requirement and Core Spending Power

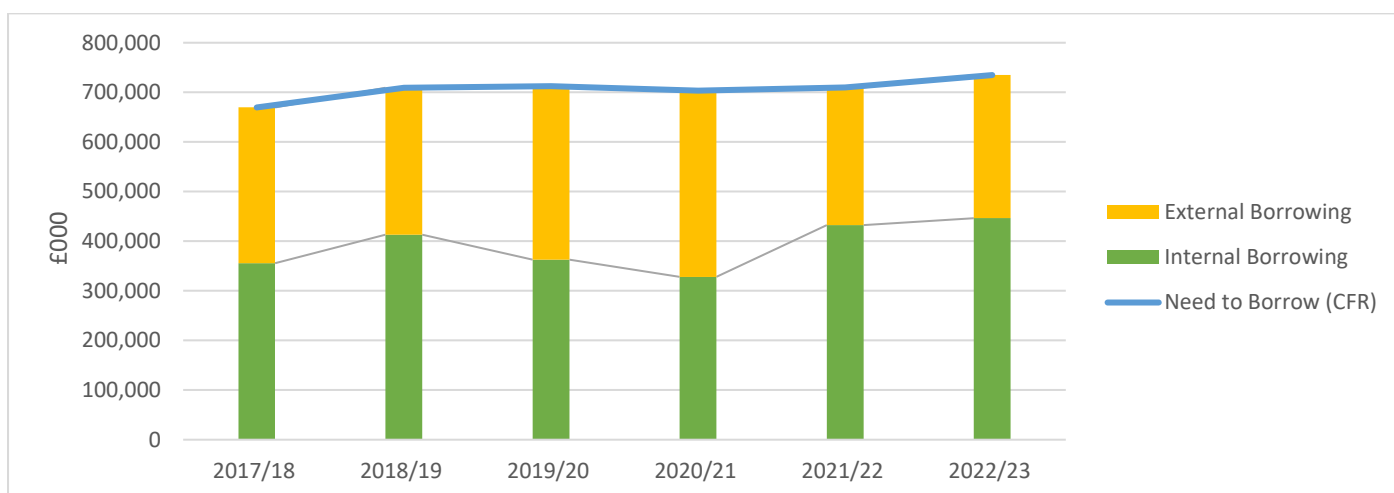


- 3.8. The Net Assets to Net Budget Requirement and the Net Assets to Core Spending Power indicators provide insight into the longer-term financial sustainability of an organisation, as they show the number of times the budget and available revenue can be funded through the council's net assets or vice versa.
- 3.9. The ratio of Net Assets to Net Budget Requirement for 2022/23 is 18.53 compared to 16.57 in 2021/22. This has consistently increased over 5-year period. The ratio of Net Assets to Core Spending Power is 16.27 for 2022/23, an increase from 15.25 in 2021/22.
- 3.10. Overall, **Figure 3** and **Figure 4** suggest that the council has been able to increase the value of its net assets over the 6-year period, which will support its longer-term financial sustainability. Islington council has seen an increase in the value of its long-term assets, particularly investment properties and property, plant, and equipment, and a decrease in its largest long-term liability in the defined benefit pension liability. If this trend continues, this will help to strengthen the council's longer-term financial sustainability and support its ability to provide vital services.
- 3.11. **Table 1** demonstrates that Islington council consistently has a current ratio of less than 1, and this ratio has been declining over a 4-year period. **If this trend continues, the council may need to borrow to manage its cash position which will expose it to high interest rates. This is a risk going forwards.**

4. Borrowing and other long-term borrowing

- 4.1. Councils can borrow to finance capital expenditure which is vital to the provision of services such as schools, roads, libraries, and leisure centres. The level of borrowing that a council has depends upon many individual funding decisions taken in previous financial years.
- 4.2. The capital financing requirement (CFR) measures the historic capital expenditure incurred by the council which has yet to be financed. It represents the council's underlying need to borrow. However, councils can delay external borrowing by temporarily using their own resources to finance the capital expenditure (known as internal borrowing).

Figure 5: Capital Financing Requirement Funded by Internal and External Borrowing



- 4.3. The CFR has increased by 10% over 6-year period and the extent of internal borrowing has risen by 25% over 6-year period. Internal borrowing as a proportion of CFR in 2022/23 is 61%. External modelling suggests that the Inner London average is 63%.
- 4.4. Debt gearing is an indicator which represents the council's ability to support the CFR. High debt gearing implies that a council may have difficulty supporting their borrowing. Moreover, high levels of debt have been seen in several councils which have issued S114 notices, notably Woking and Thurrock. **Table 2** shows the debt gearing of Islington council for 2017/18 to 2022/23

Table 2: Debt Gearing from 2017/18 to 2022/23

Financial Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Debt Gearing	16.43%	17.74%	17.61%	14.64%	14.03%	14.73%

- 4.5. External analysis indicates that the Inner London borough average debt gearing in 2022/23 is 20%.
- 4.6. Overall, the analysis above demonstrates that the council has been able to delay external borrowing despite the increase in CFR. This is partly due to the council utilising internal borrowing to fund the unfinanced capital expenditure. **However, if the CFR continues to increase combined with declining reserve balances (described in Section 3), the council will be required to externally borrow a greater proportion. This is a significant risk as interest rates are currently at a historic high.**

5. Investments and Investment Property

- 5.1. Councils typically invest for three reasons:
- Investing surplus cash to earn a return and manage the council's cash balance (e.g. when income is received in advance of expenditure)
 - Investing to support local services (e.g. local businesses, charities, loans to employees)
 - Investing to earn investment income (e.g. purchasing shops or office space which generate rental income, also known as investment property)
- 5.2. Councils investing in investment property can allow them to generate income from a range of sources. A higher total value of investment property indicates more opportunity to raise income. However, return on investment can vary depending on the type of investment and an investment strategy.

- 5.3. A number of councils that have issued S114 notices after over-borrowing to fund investment properties or after making risky commercial investments, notably Woking, Thurrock, Slough and Croydon. Hence, analysing the investment activities of a council can provide insight into the financial position and potential risks facing the council.
- 5.4. Islington council has seen a 40% increase in the value of investment properties over the 6-year period from 2017/18 to 2022/23. However, this increase is mostly due to the increase in the value of currently owned properties rather than the purchasing of new investment properties. The council has not purchased new commercial properties, nor does it plan to in the medium term. **Furthermore, investment properties accounted for only 0.87% of Islington's long-term assets in 2022/23 and generated approximately £1.7m in rental income in 2022/23, demonstrating that investment income only accounts for a small part of Islington's revenue income.**

6. Data

	17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	6-year Trend
Balance Sheet Data							
Property, Plant & Equipment	4,044,359	3,965,375	4,012,229	4,773,583	5,019,139	4,941,918	
Heritage Assets	487	487	487	487	487	487	
Investment Property	31,227	32,675	33,178	32,633	39,259	43,641	
Long Term Investments	10,696	10,752	5,843	813	10,794	10,749	
Long Term Debtors & Prepayments	16,433	8,687	8,498	12,582	6,724	6,158	
Total Long-Term Assets	4,103,202	4,017,976	4,060,235	4,820,098	5,076,403	5,002,953	
Short Term Investments	122,695	85,482	90,452	152,097	95,661	30,676	
Short Term Assets Held for Sale	-	-	-	281	476	1,439	
Inventories	760	1,118	2,183	1,295	1,201	1,769	
Short Term Debtors	76,321	65,737	84,723	116,941	107,147	133,894	
Cash and Cash Equivalents	16,663	20,791	54,206	6,889	14,713	13,651	
Total Current Assets	216,439	173,128	231,564	277,503	219,198	181,429	
Short Term Creditors	142,346	119,530	126,274	184,948	202,727	196,767	
Short Term Borrowing	67,347	30,375	72,888	112,246	31,803	46,006	
Cash and Bank Overdrawn	22,458	24,523	26,474	-	-	26,615	
Short Term Provisions	8,114	12,058	12,452	26,216	27,341	21,439	
Short Term Grants Receipts in Advance	12,185	12,682	18,135	34,175	39,666	19,879	
Total Current Liabilities	252,450	199,169	256,224	357,586	301,538	310,707	
Long Term Provisions	12,119	20,341	21,020	13,001	12,154	19,549	
Long Term Borrowing	246,222	266,109	276,609	263,275	245,604	242,481	
Liability Related to Defined Benefit Pensions Scheme	802,883	916,402	911,488	973,521	916,793	219,084	
Other Long Term Liabilities	123,899	111,188	96,041	82,988	81,841	74,591	
Long Term Grants Receipts in Advance	23,875	26,650	24,218	22,978	23,292	20,643	
Total Long Term Liabilities	1,208,998	1,340,690	1,329,376	1,355,763	1,279,684	576,348	
Net Assets	2,858,193	2,651,245	2,706,199	3,384,252	3,714,379	4,297,327	
Usable Reserves	285,035	284,991	281,145	303,595	313,903	258,824	
Unusable Reserves	2,573,158	2,366,254	2,425,054	3,080,657	3,400,476	4,038,503	
Total Reserves	2,858,193	2,651,245	2,706,199	3,384,252	3,714,379	4,297,327	

*Typically, an upwards trend in long-term assets and reserves and a downwards trend long-term liabilities can be interpreted as the council strengthening its financial position, especially as demand for council services and service costs continue to rise. However, it is worth noting that significantly high levels of reserves could indicate that a council is not effectively using taxpayer's money to provide services and taxpayers are not getting value for money. A balance needs to be struck between providing value for money to current service users and ensuring services can continue to be provided for future service users.

Other Data	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Net Revenue Requirement (Budget Reports)	208,481	212,546	215,839	228,303	224,096	231,923
Current Resources	284,659	287,370	284,329	272,580	290,690	263,894
Core Spending Power (CSP)	226,982	225,420	226,734	241,173	243,547	264,182
Need to Borrow (CFR)	669,593	709,315	712,411	703,721	709,796	734,849
Capital Equity	3,406,480	3,289,222	3,333,483	4,103,263	4,349,565	4,252,636
External Borrowing	313,569	296,484	349,497	375,521	277,407	288,487
Internal Borrowing	356,024	412,831	362,914	328,200	432,389	446,362
Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Internal Borrowing % of Need to Borrow (CFR)	53.17%	58.20%	50.94%	46.64%	60.92%	60.74%
Internal Borrowing/Current Resources	125.07%	143.66%	127.64%	120.41%	148.75%	169.14%
Debt Gearing	16.43%	17.74%	17.61%	14.64%	14.03%	14.73%
CFR/CSP	295.00%	314.66%	314.21%	291.79%	291.44%	278.16%
CFR/Current Resources	2.35	2.47	2.51	2.58	2.44	2.78
Net Assets/CSP	12.59	11.76	11.94	14.03	15.25	16.27
Current Resources/CSP	1.25	1.27	1.25	1.13	1.19	1.00
Marked reserves (GF)/Net Budget Requirement	31.38%	32.73%	37.18%	61.52%	61.61%	43.54%
IRR/Net Budget Requirement	35.56%	37.85%	44.91%	68.82%	71.30%	52.91%
IRR/CSP	32.67%	35.69%	42.75%	65.15%	65.61%	46.45%
Current Ratio (Current Assets/Current Liabilities)	0.86	0.87	0.90	0.78	0.73	0.58
Net Assets/Net Budget Requirement	13.71	12.47	12.54	14.82	16.57	18.53

7. Glossary

Indicator	Calculation	Definition
Current Resources	Total Useable Reserves (MIRS) - Collection Fund Adjustment (Unusable Reserves Note) + Financial Instruments RR (Unusable Reserves Note) - Accumulated Absences Account (Unusable Reserves Note)	Current Resources measures the useable revenue and capital reserves, and the reserves balances for collection fund
Useable Revenue Reserves (URR)	General Fund balances + Earmarked General Fund Reserves - Dedicated School Grant Reserve	Reserves which can be used to fund future revenue expenditure
Unusable Reserves	Unusable Reserves	Unusable Reserves are used to hold unrealised gains or losses for assets not yet disposed of and accounting adjustments, which are required by statute. These reserves cannot be used to fund capital or revenue expenditure.
Core Spending Power (CSP)	Derived from Local Government Finance Settlement	CSP is the government's measure of a local authority's resources available to fund service delivery. It mainly consists of income from retained business rates, grants, and council tax (assuming that council tax is increased by the maximum allowed without a referendum).
Capital Financing Requirement (CFR)	Derived from Capital Expenditure and Capital Financing note in accounts	This is a measure of the capital expenditure incurred historically by the council which has yet to be financed. This can give an indication of the underlying need to borrow.
Capital Equity	Property, Plant, & Equipment + Heritage Assets + Investment Property + Short term Assets held for sale	The value of fixed assets
Net Budget Requirement	Derived from budget reports	The amount of expenditure which needs to be funded from council tax and general support from central government
External Borrowing	Short Term borrowing + Long term borrowing	The value of short-term and long-term borrowing at 31st March
Internal Borrowing	Capital Financing Requirement - External Borrowing	Internal borrowing arises when the council delays borrowing externally by temporarily using cash it holds for other purpose e.g., earmarked reserves
Internal Borrowing % of Need to Borrow (CFR)	(Internal Borrowing/Capital Financing Requirement) x 100	Shows the proportion of the capital financing requirement which is being financed from internal resources. A high proportion indicates that the council has been able to deter external borrowing.

Indicator	Calculation	Definition
Internal Borrowing/Current Resources	$(\text{Internal Borrowing}/\text{Current Resources}) \times 100$	Measures the ability of the council to fund internal borrowing from the useable revenue and capital reserves. A higher percentage indicates that the council has fewer resources to enable internal borrowing and may indicate a greater need to externally borrow.
Debt Gearing	$(\text{Capital Financing Requirement}/\text{Capital Equity}) \times 100$	Compares the underlying need to borrow against the value of fixed assets. A higher percentage indicates a high level of potential borrowing which needs to be supported.
CFR/CSP	$(\text{Capital Financing Requirement}/\text{Core Spending Power}) \times 100$	Compares the underlying need to borrow against the core revenue funding available to the council. A higher percentage indicates a that there is less revenue available to support the capital expenditure.
CFR/Current Resources	Capital Financing Requirement/Current Resources	Compares the underlying need to borrow against the useable revenue and capital reserves. A higher percentage indicates that there are fewer resources available to support the capital expenditure.
Net Assets/CSP	Net Assets/Core Spending Power	Counts the number of times net assets can be funded by the core revenue funding made available to the council, or vice versa. This can be used to indicate the long-term financial health.
Current Resources/CSP	Current Resources/Core Spending Power	Compares the useable revenue and capital reserves to the core revenue funding made available to the council. A higher ratio indicates that there are more resources available to cover the available revenue.
Earmarked reserves (GF)/Net Budget Requirement	$[(\text{Earmarked GF Reserves} - \text{Dedicated School Grant Reserve})/\text{Net Budget requirement}] \times 100$	Shows how much of the net budget requirement can be covered by the earmarked general fund reserves. A higher percentage indicates that the council has a greater ability to cover budget shortfalls.
URR/Net Budget Requirement	$(\text{Useable Revenue Reserves}/\text{Net Budget Requirement}) \times 100$	Compares the useable revenue reserves to the expenditure needed to be funded from council tax and general government support. A higher percentage indicates a greater ability to cover budget shortfalls.
URR/CSP	$(\text{Useable Revenue Reserves}/\text{Core Spending Power}) \times 100$	Compares the useable revenue reserves to the core revenue funding made available to the council. A higher percentage indicates a greater ability to cover budget shortfalls
Current Ratio	Current Assets/Current Liabilities	The current ratio can be used to measure an organisation's ability to meet its short-term obligations from its current assets. A higher ratio indicates a greater ability to meet short-term obligations.
Net Assets/Net Budget Requirement	Net Assets/Net Budget Requirement	Counts the number of times net assets can be funded by the amount of funding provided by council tax and general government support, or vice versa. This can be used to indicate the long-term financial health.

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Appendix F: Capital Programme (2024/25 Budget Report)

Scheme Title	Strategic Priority	Expenditure Budget						Funding						
		23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	27/28 - 33/34 Budget	Total	Grant Funding	S106/ Local CIL	Strategic CIL	Capital Receipts	Revenue Contributions & Other	Borrowing	Total Funding
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
16-18 Hornsey Road	Fairer Together	0.330	-	-	-	-	0.330	-	-	-	-	-	(0.330)	(0.330)
Adventure Playgrounds - Cornwallis Adventure Playground	Child-Friendly Islington	0.299	-	-	-	-	0.299	-	-	-	-	-	(0.299)	(0.299)
Adventure Playgrounds - Martin Luther King	Child-Friendly Islington	0.177	-	-	-	-	0.177	-	-	-	-	-	(0.177)	(0.177)
Early Years and Children's Centres	Child-Friendly Islington	0.068	-	-	-	-	0.068	-	-	-	-	-	(0.068)	(0.068)
Hayward Adventure Playground	Child-Friendly Islington	0.025	1.409	-	-	-	1.434	(0.295)	(0.283)	-	-	-	(0.856)	(1.434)
High Needs Provision Allocation	Child-Friendly Islington	0.310	2.229	2.229	2.228	-	6.996	(6.996)	-	-	-	-	-	(6.996)
Schools - Tufnell Park School Expansion	Child-Friendly Islington	0.020	-	-	-	-	0.020	-	-	-	-	-	(0.020)	(0.020)
Lift Building Development	Community Wealth Building	0.477	-	-	-	-	0.477	-	-	-	-	-	(0.477)	(0.477)
Packington Nursery Expansion	Child-Friendly Islington	0.180	0.240	-	-	-	0.420	-	-	-	-	-	(0.420)	(0.420)
New River College SEND/Eithorne	Child-Friendly Islington	1.894	1.896	-	-	-	3.790	(1.717)	-	-	-	-	(2.073)	(3.790)
Prior Weston Primary School Playground Redevelopment	Child-Friendly Islington	0.070	0.318	-	-	-	0.388	-	(0.388)	-	-	-	-	(0.388)
Schools - Schools Condition Schemes	Child-Friendly Islington	2.500	2.669	1.400	1.400	8.400	16.369	(14.573)	-	-	-	-	(1.796)	(16.369)
The Zone Youth Club	Child-Friendly Islington	0.158	-	-	-	-	0.158	-	(0.108)	-	-	-	(0.050)	(0.158)
Toffee Park & Radnor St Gardens	Child-Friendly Islington	0.123	2.813	0.233	-	-	3.169	-	(1.513)	-	-	-	(1.656)	(3.169)
Finsbury Leisure Centre Redevelopment	Community Wealth Building	1.200	1.728	10.922	16.342	2.369	32.561	-	(0.426)	(1.276)	-	-	(30.859)	(32.561)
Adult social care commissioned services	Greener, Healthier Islington	0.028	-	-	-	-	0.028	-	-	-	-	-	(0.028)	(0.028)
Compliance and Modernisation	Community Wealth Building	3.000	2.188	1.938	1.937	7.970	17.033	-	-	-	-	-	(17.033)	(17.033)
Fully Funded Small S106/CIL Schemes	Greener, Healthier Islington	4.586	-	-	-	-	4.586	-	(4.586)	-	-	-	-	(4.586)
Disability/Accessibility Works	Fairer Together	0.850	1.000	1.000	1.150	-	4.000	-	-	-	-	-	(4.000)	(4.000)
Future Work Phase 2	Community Wealth Building	3.147	-	-	-	-	3.147	-	-	-	-	-	(3.147)	(3.147)
Libraries - Islington Museum and Local History Centre	Community Wealth Building	0.100	0.174	-	-	-	0.274	-	-	-	-	-	(0.274)	(0.274)
Libraries - South Library	Community Wealth Building	0.307	-	-	-	-	0.307	-	-	-	-	-	(0.307)	(0.307)
Libraries Modernisation	Community Wealth Building	0.048	0.050	0.069	-	-	0.167	-	-	-	-	-	(0.167)	(0.167)
Mildmay Library	Community Wealth Building	0.300	0.550	-	-	-	0.850	-	-	-	-	-	(0.850)	(0.850)
Vorley Road Library	Community Wealth Building	0.084	1.054	2.261	1.727	0.247	5.373	-	-	-	-	-	(5.373)	(5.373)
Chapel Market	Community Wealth Building	1.076	-	-	-	-	1.076	(1.055)	(0.021)	-	-	-	-	(1.076)
Greenspaces - Barnard Park Renewal	Greener, Healthier Islington	1.300	2.798	-	-	-	4.098	-	(2.248)	-	-	-	(1.850)	(4.098)
Greenspaces - Bingfield Park (including Crumbles Castle legacy)	Greener, Healthier Islington	0.570	0.070	-	-	-	0.640	-	(0.319)	-	-	-	(0.321)	(0.640)
Greenspaces - Highbury Bandstand/Highbury Fields	Greener, Healthier Islington	0.034	1.428	-	-	-	1.462	-	(0.245)	-	-	-	(1.217)	(1.462)
Greenspaces - Park Improvements	Greener, Healthier Islington	0.029	-	-	-	-	0.029	-	-	-	-	-	(0.029)	(0.029)
Isledon Road Gardens	Greener, Healthier Islington	0.424	-	-	-	-	0.424	-	(0.424)	-	-	-	-	(0.424)
Wray Crescent Cricket Pavilion	Greener, Healthier Islington	0.412	1.143	-	-	-	1.555	(0.150)	(0.055)	-	-	-	(1.350)	(1.555)
29-33 Old Street	Community Wealth Building	0.400	3.600	-	-	-	4.000	-	-	-	-	-	(4.000)	(4.000)
Automated Public Toilets	Community Wealth Building	0.200	0.762	-	-	-	0.962	-	-	-	-	-	(0.962)	(0.962)
Community Wealth Building Total		24.726	28.119	20.052	24.784	18.986	116.667	(24.786)	(10.616)	(1.276)	-	-	(79.989)	(116.667)
Bunhill Energy Centre Phase 2	Community Wealth Building	0.796	-	-	-	-	0.796	-	-	-	-	-	(0.796)	(0.796)
Clerkenwell Green	Community Wealth Building	1.055	-	-	-	-	1.055	-	(1.055)	-	-	-	-	(1.055)
Corporate CCTV Upgrade	A Safe Place to Call Home	1.200	1.554	-	-	1.400	4.154	-	-	-	-	-	(4.154)	(4.154)
Energy - Decarbonisation Schemes	Greener, Healthier Islington	4.546	3.986	-	-	-	8.532	(3.032)	-	-	-	-	(5.500)	(8.532)
External S106/CIL Schemes	Greener, Healthier Islington	0.404	-	-	-	-	0.404	-	(0.404)	-	-	-	(0.000)	(0.404)
Greening the Borough	Greener, Healthier Islington	0.400	0.760	-	-	-	1.160	-	-	-	-	-	(1.160)	(1.160)

Appendix F: Capital Programme (2024/25 Budget Report)

Scheme Title	Strategic Priority	Expenditure Budget						Funding							
		23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	27/28 - 33/34 Budget	Total	Grant Funding	S106/ Local CIL	Strategic CIL	Capital Receipts	Revenue Contributions & Other	Borrowing	Total Funding	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
GreenSCIES (New River Heat Network)	Greener, Healthier Islington	0.094	-	-	-	-	0.094	(0.094)	-	-	-	-	-	-	(0.094)
Greenspaces - 3G Football Pitch Replacement	Greener, Healthier Islington	-	-	-	0.781	-	0.781	-	-	-	-	-	(0.781)	(0.781)	
Greenspaces - New River Walk	Greener, Healthier Islington	0.103	-	-	-	-	0.103	-	-	-	-	-	(0.103)	(0.103)	
Highways - Highways	Community Wealth Building	1.423	1.400	1.400	1.400	8.400	14.023	-	-	-	-	-	(14.023)	(14.023)	
Islington Heat Networks	Greener, Healthier Islington	-	-	-	-	19.241	19.241	-	-	-	-	-	(19.241)	(19.241)	
Leisure - Floodlight Upgrades	Greener, Healthier Islington	-	-	-	0.095	-	0.095	-	-	-	-	-	(0.095)	(0.095)	
Leisure - Sobell Leisure Centre	Greener, Healthier Islington	0.428	-	-	-	-	0.428	-	-	-	-	-	(0.428)	(0.428)	
Leisure - Strategic Provision	Greener, Healthier Islington	1.115	1.299	-	0.500	4.500	7.414	-	-	-	-	-	(7.414)	(7.414)	
Leisure - Tufnell Park all-weather pitch	Greener, Healthier Islington	0.196	-	-	-	-	0.196	-	-	-	-	-	(0.196)	(0.196)	
People Friendly Streets - Liveable Neighbourhoods, Low Traffic Neighbourhoods & School Streets	Greener, Healthier Islington	2.368	3.653	3.252	3.500	12.650	25.423	-	(0.396)	-	-	-	(25.027)	(25.423)	
Public Realm - Fortune Street Area	Greener, Healthier Islington	0.592	-	-	-	-	0.592	-	-	-	-	-	(0.592)	(0.592)	
Public Realm - Kings Square Shopping Area Public Space	Greener, Healthier Islington	0.597	-	-	-	-	0.597	-	(0.597)	-	-	-	-	(0.597)	
Public Realm - Old Street/Clerkenwell Road	Greener, Healthier Islington	0.200	0.200	0.600	-	-	1.000	-	(0.250)	-	-	-	(0.750)	(1.000)	
Public Realm - St Johns Street Public Realm Improvements	Greener, Healthier Islington	1.004	0.300	-	-	-	1.304	-	(1.304)	-	-	0.000	-	(1.304)	
Recycling Site Improvement & Estate Recycling and Refuse Bin Storage	Greener, Healthier Islington	-	-	-	-	0.600	0.600	-	(0.600)	-	-	-	-	(0.600)	
Street Lighting - LED upgrades	Greener, Healthier Islington	0.198	-	-	-	-	0.198	-	-	-	-	-	(0.198)	(0.198)	
Traffic & Parking - Cycle Schemes	Greener, Healthier Islington	0.450	0.450	0.450	0.450	2.700	4.500	-	-	-	-	-	(4.500)	(4.500)	
Traffic & Parking - Electric Vehicle Charging Points	Greener, Healthier Islington	0.215	0.653	0.560	0.560	0.960	2.948	(1.293)	-	-	-	-	(1.655)	(2.948)	
Traffic & Parking - Safety Schemes	Greener, Healthier Islington	0.455	0.500	0.500	0.500	3.000	4.955	-	-	-	-	-	(4.955)	(4.955)	
Traffic & Parking - Traffic Enforcement/Parking	Greener, Healthier Islington	0.290	0.300	0.300	0.300	1.800	2.990	-	-	-	-	-	(2.990)	(2.990)	
Parking - Extension of CPZ	Greener, Healthier Islington	-	1.085	-	-	-	1.085	-	-	-	-	-	(1.085)	(1.085)	
Vehicle fleet electrification (infrastructure)	Greener, Healthier Islington	0.999	0.629	0.629	1.953	-	4.210	-	-	-	-	-	(4.210)	(4.210)	
Vehicle Replacement	Greener, Healthier Islington	2.908	1.969	2.000	2.000	20.990	29.867	-	-	-	-	-	(29.867)	(29.867)	
Mull Walk & Pritchard Court - Welfare facilities upgrade	Greener, Healthier Islington	0.052	-	-	-	-	0.052	-	-	-	-	-	(0.052)	(0.052)	
People-friendly Streets borough-wide roll out - Camera enforcement	Greener, Healthier Islington	0.400	0.470	0.560	0.975	1.500	3.905	-	-	-	-	(2.930)	(0.975)	(3.905)	
Food Waste Collection for Flats	Greener, Healthier Islington	-	0.500	-	-	-	0.500	-	-	-	-	-	(0.500)	(0.500)	
Environment Total		22.487	19.708	10.251	13.014	77.741	143.201	(4.419)	(4.606)	-	-	(2.930)	(131.246)	(143.201)	
Current New Build Programme - General Fund Open Market Sales Units	A Safe Place to Call Home	5.309	7.400	1.062	-	-	13.771	-	-	-	(13.771)	-	-	(13.771)	
Pipeline New Build Programme - General Fund Open Market Sales units	A Safe Place to Call Home	2.633	12.681	43.567	40.541	5.416	104.838	-	-	-	(104.838)	-	-	(104.838)	
Housing General Fund Total		7.942	20.081	44.629	40.541	5.416	118.609	-	-	-	(118.609)	-	-	(118.609)	
General Fund Total		55.155	67.908	74.932	78.339	102.143	378.477	(29.205)	(15.222)	(1.276)	(118.609)	(2.930)	(211.235)	(378.477)	
Thriving Neighbourhoods Scheme	A Safe Place to Call Home	3.641	5.174	3.200	-	-	12.015	-	-	-	(12.015)	-	-	(12.015)	
Major Works and Improvements	A Safe Place to Call Home	48.675	53.198	53.198	53.198	375.502	583.771	-	(4.228)	-	(87.404)	(385.306)	(106.833)	(583.771)	

Appendix F: Capital Programme (2024/25 Budget Report)

Scheme Title	Strategic Priority	Expenditure Budget						Funding						
		23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	27/28 - 33/34 Budget	Total	Grant Funding	S106/ Local CIL	Strategic CIL	Capital Receipts	Revenue Contributions & Other	Borrowing	Total Funding
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Current New Build Programme - HRA Social Rented Units	A Safe Place to Call Home	40.092	35.879	2.589	0.350	-	78.910	-	-	-	(9.317)	(40.041)	(29.552)	(78.910)
Pipeline New Build Programme - HRA Social Rented Units	A Safe Place to Call Home	3.364	15.257	50.650	43.788	5.749	118.808	-	-	-	(50.896)	(13.217)	(54.695)	(118.808)
Property Acquisitions	A Safe Place to Call Home	71.802	129.233	-	-	-	201.035	(89.507)	-	-	-	-	(111.528)	(201.035)
HRA Total		167.574	238.741	109.637	97.336	381.251	994.539	(89.507)	(4.228)	(12.015)	(147.617)	(438.564)	(302.608)	(994.539)
Total Capital Programme		222.729	306.649	184.569	175.675	483.394	1,373.016	(118.712)	(19.450)	(13.291)	(266.226)	(441.494)	(513.843)	(1,373.016)

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Appendix F: Budget 2024/25 Cumulative Equalities Impact Assessment

1. Purpose of Report

This report assesses the equalities impacts of the savings proposals set out in the Council's Budget for 2024/25.

It provides an assessment of the likely impacts of the budget savings on residents and employees with 'protected characteristics' as defined by the Equality Act 2010. It also considers the impacts on those who could be considered at a disadvantage in accessing opportunities or services (such as people with language difficulties or from low-income households), which is also a consideration in Islington's Equality Impact Assessment process.

The report assesses the overall impacts of the suite of savings proposals (cumulative impact) set out in the 2024/25 budget on residents and staff. It also provides a more detailed review – by specific groups and by directorate – of the cumulative impacts of previously agreed savings set out last year, and in this new budget, on specific groups, and the actions to reduce or mitigate these impacts.

There are significantly fewer savings proposals this year than there were last year, as the identification and delivery of savings gets more challenging every year.

2. Context

Our commitment to fairness and equality

Our [Islington Together 2030](#) strategy sets out the Council's vision to make Islington a more equal place – to create a place where everyone, whatever their background, has the same opportunity to reach their potential and enjoy a good quality of life.

Challenging inequality, racism and injustice is mission critical for Islington. We cannot realise our vision of creating a more equal borough for all our residents without tackling the inequality that continues to hold back some communities. Our 'Challenging Inequality Programme' sets out our long-term ambition for challenging inequality, inequity, racism and promoting inclusion. We are determined to improve life chances for our residents and staff, ensuring no-one is left behind.

We want to challenge inequality in every capacity available to us, taking advantage of our position as an employer, strategic leader and as a service provider/ commissioner.

Our EQIA Process

Equality impact assessments are an important part of ensuring our services are responsive to the needs of our diverse communities and help tackle inequality, creating a fairer more equal borough for all.

In Autumn 2021, we introduced a new EQIA process to improve efficiency and quality assurance. Each of the savings' proposals set out in this budget have been considered through an equalities lens, with initial screening of all proposals completed via our EQIA Screening Tool. Where the screening tool identified significant potential (or perceived) negative or positive impacts, a full

Equalities Impact Assessment was completed to mitigate any risks or maximise potential benefits. The Equalities Team was closely involved in all aspects of this process, working with services to identify potential or perceived impacts.

These individual assessments have been used to inform this overall cumulative assessment of the impacts of our budget savings proposals on residents and staff and on any specific group.

Our priorities

Over the next decade we will maintain a relentless focus on tackling inequality and eradicating poverty in our borough. To bring this vision to life, we have five clear missions outlined in our Islington Together 2030 Plan:

- Child Friendly Islington: Islington is a place where all children and young people are rooted in a community where they feel safe, can thrive and are able to be part of and lead change.
- Fairer Together: everyone in Islington who needs extra help can access the right support for them at the right time and in the right place.
- Safe Place to Call Home: everyone in Islington has a safe, decent affordable place to call home.
- Community Wealth Building: there is a sustainable inclusive, and locally rooted economy in Islington, where wealth is fairly-shared and residents and businesses feel they have a stake in their community.
- Greener, Healthier Islington: people in Islington can live healthy and enjoy London's greenest, cleanest and healthiest neighbourhoods.

Our legal duties

Under Section 149 of the Equality Act 2010, the Council has a legal duty to have “due regard” to the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity and
- foster good relations between different groups.

The precise wording of the Public Sector Equality Duty (PSED), together with a list of the ‘protected characteristics’ defined in the Act, is set out at **Annex A**.

We are required to demonstrate fulfilment of our duty to pay ‘due regard’ in the decision-making process and, as such, we need to understand the effect our policies and practices have on equality. Although the Council is not legally obligated to reject savings or growth proposals that could have negative impacts on any particular groups, it must carefully and with rigour consider the impact of its proposals on the PSED, take a reasonable and proportionate view about the overall impact on particular groups, and seek to mitigate negative impacts where possible.

In addition, at Islington we go above and beyond our legal duties to consider impacts on those who could be considered at a disadvantage in accessing opportunities or services. This includes people from low-income households, carers, migrants, refugees and people with No Recourse to Public Funds (NRPF), and those with low literacy levels.

Our diverse population

Islington is an Inner London borough with a diverse population. Data from our 2022 [State of Equalities](#) report paints a profile of Islington as a place and of our diverse communities:

- **Population:** The population of Islington is estimated to be 245,827 in 2022. This is an increase of approximately 19% (39,189 people) since 2011. It is estimated that our population will grow by a further 2.7% (6,600 people) over the next 10 years. Islington is the most densely populated local authority area in England and Wales, with 16,699 people per square km. This is almost triple the London average and more than 38 times the national average.
- **Age:** Islington has a relatively young population: 9% of the population is aged over 65, compared with an average of 12% in London and 19% in England. Twenty-eight per cent of children under 16 live in low income households, and 61% of secondary school pupils are eligible for the deprivation Pupil Premium, a grant aimed at raising the attainment of disadvantaged pupils.
- **Ethnicity:** Islington is a diverse borough, with Black, Asian or Minority Ethnic groups accounting for 32% of our population. 32% of residents are estimated to be born outside of the UK, compared to a national average of 14%.
- **Children growing up in Black, Asian or Minority Ethnic households in Islington are more likely to be living in poverty in comparison to white children.**
- **Sex:** The proportion of men and women in the borough is roughly 50/50. However, there are variations in life expectancy between men and women. Life expectancy at birth for men in Islington is 79.5 years, whilst women in Islington have a longer life expectancy of 83.2 years.
- **93% of lone parents with dependent children are female. This is significant because unemployment rates among lone parents are far higher than the wider population - this is likely to affect household income and therefore deprivation levels. In Islington 56% of lone parents are not in employment while just 21% are in full-time employment – half the figure for the wider population.**
- **Disability:** In May 2021, there were 5,157 Disability Living Allowance claimants in Islington. The estimated number of Islington residents with a disability in 2022 is 34,416, or 14% of the population. There are 3930 people in Islington living with a serious mental illness, the fourth highest prevalence of serious mental illness in London.
- **National research has demonstrated that disabled jobseekers need to apply for 60% more jobs than their non-disabled counterparts.**
- **Socio-economic:** Islington is the most deprived borough in London for income deprivation affecting children, and fourth highest for income deprivation affecting older people. Poverty is an issue in every part of the borough: almost every ward includes one of the most deprived LSOAs in Islington. Finsbury Park is the most deprived ward. As mentioned above, children in Black and Minority Ethnic households or in lone parent households, and households with a disabled person, are more likely to be living in poverty.
- **Housing:** Islington has a relatively high proportion of social housing. Those in social housing are more likely to be on low income, though increasingly we are seeing households in the private rented sector struggling. Both social and private sector tenants who have moved to Universal Credit have seen increased levels of debt, which may put their tenancies at risk.

The impact of the cost-of-living crisis

The cost-of-living crisis has put further pressure on households who were already struggling. In Islington there are more than 11,500 families living in fuel poverty, and 27,400 people in households receiving housing benefit or council tax support. Many households who are just about managing will also soon start to see a decrease in their financial resilience.

Businesses in Islington are closing at the fastest rate since 2017, faced with uncertainty on energy bills and soaring costs for services, labour, and raw materials. In addition, some businesses are already experiencing a drop in consumer spend (e.g., delivery food items) and this is only expected to increase as households reduce discretionary spend. At the same time, the number of businesses carrying debt has more than doubled, initially because of the pandemic, and now increasing because of increased supply and borrowing costs.

In September 2022, the Council declared a “cost of living emergency” and pledged to do all it can to help the tens of thousands of residents likely to be hit hardest by spiralling energy and food costs and soften the blow for local small and medium-sized businesses.

Despite ongoing pressures on local authority funding, the Council continues to provide a comprehensive range of support for vulnerable and low-income households and to support local businesses and communities. In addition to the core support offer, a range of additional support is being delivered or planned, including ensuring any government grants are targeted as effectively as possible in support of the cost-of-living crisis and distributed as quickly as possible.

[Islington’s response to the cost-of-living crisis](#) sets out the full range of actions which Islington is taking to protect residents and businesses.

The scale of the challenge

This year, as in previous years, we have made every endeavour to protect those in greatest need and at most risk. Where possible, savings focus on optimising efficiencies in service delivery. However, some reductions in services have been unavoidable. Where this is the case, we have assessed the potential impact on groups with protected characteristics. In Islington, with high levels of poverty and deprivation, we also consider socio-economic disadvantage when assessing the impacts of changes to policies and services.

3. Equalities Impacts: overall cumulative impact

The overall assessment is that there is a **potential neutral impact** because of the budget savings proposals for 2024/25. Much of this is due to the current climate we find ourselves in with the cost-of-living crisis impacting the lives of our residents. Whilst many of these decisions are taken nationally by government, it is the council that feels the brunt of them with even less funding to support those most in need.

The Chancellor’s Autumn statement will be presented on the 22nd of November 2023, with measures that will impact citizens throughout the United Kingdom; however, the nature of these impacts are yet to be determined. The savings proposed as part of this budget are essential to be able to continue to deliver services to the most vulnerable. But within this challenging context any savings impacting residents are likely to exacerbate their difficult circumstances.

The budget sets out **24** new proposals, which will deliver savings of around **£5.551m** in 2024/25. This is in addition to **£5.269m** savings for 2024/25 agreed in last year’s budget.

The majority of savings for this year will come from council tax and tariff fee rises or changes, service restructures, maximising use of the various funding streams the Council has access to, and making better use of technology. These will result in 'back office' changes with small impacts on staff. Whilst we do not expect residents to be significantly impacted, there may be knock on impacts produced by these changes.

The majority of these impacts were not deemed significant enough to progress to a full EQIA, or had robust enough mitigation in place to mitigate fully against any negative impacts. However, 8 of the new savings proposals submitted for 2024/25 progressed to a full EQIA, and 2 will require a full EQIA at a later stage.

The 8 full EQIAs identified potential negative impacts on:

- Residents
- Service users
- Staff

Impacts on residents

There are a small number of changes to universal services and charges, and these have the potential to affect all residents. The key proposals are:

- Extend controlled parking zone enforcement
- Extend controlled parking zone hours
- Council Tax and Adult Social Care precept increase
- Contact Centre Rationalisation

The proposal to extend parking zone enforcement involves increasing the maximum parking charge for electric vehicles from £2 to £4. It also involves reversing a decision to provide free visitor vouchers and flat rate parking charges in two controlled parking zones (CPZ) and adding a £1 surcharge to all short stay parking sessions purchased during 10am to 1pm in all CPZ's except those with part day restrictions. The times that parking controls are active also being extended in 3 CPZ's in the south of the borough, from 6.30pm to midnight.

These proposals will affect all residents but will disproportionality impact residents that are reliant on cars as a means of travel. The Environment and Commercial Operations Division will mitigate the impact of extending parking zone enforcement and parking controls by signposting residents to the resident voucher scheme. Residents with parking permits will also be exempt from paying additional fees.

Residents will see a small increase in their Council Tax, including the Adult Social Care precept. However, the most vulnerable residents will continue to be protected. Older people and those on low incomes remain eligible for subsidised Council Tax through our Council Tax Support Scheme, and Islington's Resident Support Scheme continues to provide a safety net for those in crisis and facing severe financial hardship.

Residents who contact Islington Council should hopefully have a better customer experience because of the contact centre rationalisation project, which seeks to merge all three contact centres into one. Running parallel to this, staff members within Access Islington will be upskilled to

deal with enquiries relating to different subject matter so residents can be effectively signposted to the correct support if they are not automatically directed to the relevant department.

The council has also taken steps to protect vulnerable residents through its response to the cost of living crisis, which has included work with voluntary sector partners to maximise the borough's collective offer, including the rollout of warm spaces, a communications campaign to increase awareness and take up of the support which is available to residents, and a core offer of financial and other support (e.g., the work of the Income Maximisation team).

Impacts on specific service users

Most of the proposed changes will have no impact on service users, as the savings focus on contracts, 'back office' staffing, the deletion of vacancies, changes to funding sources, and the removal of excess budgets where there is currently an underspend.

However, four proposals could impact specific groups of service users. The proposals are:

- Review, re-design and re-procurement of the Adult Social Care Wellbeing Service
- Introduction of a charging policy for Assistive Technology
- Implement eligibility and charging policies for people receiving legacy Supporting People services
- Repurpose school premises houses

The proposal to review and re-design the Wellbeing Service will have a positive impact on services users within Islington, specifically those over the age of 50 as the service will focus on this group; however, the service will continue to be open to all adults over the age of 18. The proposal seeks to enhance these benefits by aligning with existing Early Intervention and Prevention offers and becoming more outcomes focused.

Both, the introduction of a charging policy for assistive technology and legacy supporting people services will ultimately have a negative impact on service users. To access these services, service users will now have to undergo a financial means assessment to determine their ability to pay for services that they receive from Islington. Depending on income, savings and disability related expenditure, this may be more than what they were previously paying, and they may lose access to specific services that were previously free if they decide to not pay for them.

Whilst these policies will negatively impact users, the financial means assessment is designed to ensure that income-deprived service users are still able to access the services they require from the council at a rate that is affordable to them. This is made possible due to the charging scale implemented in both policies, which charge residents based on their relative material circumstances.

The proposal to repurpose school premises houses will have a positive impact on service users who are comprised of foster carers and children in care, with black and global majority children being of particular benefit to this proposal due to their overrepresentation within the care system. The proposal will benefit service users by keeping children in care closer to their local area and services, whilst providing them with suitable and supportive foster carers and accommodation.

Impacts on staff

Most staff savings and efficiencies will come from deleting / not recruiting to vacant posts, so there will be no direct impact on most staff or specific protected characteristics. One proposal could lead to redundancies; however, this would be voluntarily agreed with staff who will be compensated accordingly. These staffing changes are subject to consultation and are not expected to have any negative impacts on protected groups.

Of the proposals that did not progress to a full EQIA, there were potential impacts – with mitigating action in place – on the following groups:

- Service users
- Residents
- Staff

The potential impacts experienced by staff have been elaborated on in Section 6: Staffing Impacts, of this report. However, as these impacts were not significant enough to progress to a full EQIA, they have been outlined in section 5 in the summary of all proposals.

Overall equalities impact assessment

Looking at the totality of the savings to be delivered in 2024/25, the impacts on Islington residents and service users are assessed as follows:

- The proposals could negatively impact residents who are more likely to face parking zone enforcement and parking controls, which will increase the cost of parking for residents. Additionally, residents will be impacted by the council increase the council tax rate. These impacts will be mitigated through parking vouchers to reduce the impact of higher parking fees, and vulnerable residents will also be signposted to the Council Tax Support Scheme, Resident Support Scheme, and other initiatives to help mitigate costs and maximise income.
- The proposals may also positively impact service users, specifically adults over the age of 50 and black and majority global children, who are likelier to acquire the needs to of the Wellbeing Service and are overrepresented within the care system, respectively. Other proposals will have a negative impact on service users through introducing charging policies on assistive technology and legacy supporting people services. Service users may have to pay for services that they previously acquired for free; however, due to a charging scale being implemented, service users who have lower salaries and less savings will pay less than those who have more.
- Considering the extremely challenging fiscal situation and the need for services to remain financially sustainable, the conclusion is that the Council's proposals for achieving savings are considered reasonable and have shown due regard to the Public Sector Equality Duty.

4. Equalities groups impacted by savings proposals

This section looks in more detail at the impacts of specific proposals on protected characteristics and on socio-economic disadvantage. It includes proposals from this year's budget that have a potential equalities impact.

Based on individual Equalities Impact Assessments the following protected characteristics are **potentially negatively impacted** by one or more of the savings proposals for 2024/25:

Characteristic	Proposal	Directorate
Age (older people)	<ul style="list-style-type: none"> • Introduction of a charging policy for Assistive Technology • Implement eligibility and charging policies for people receiving legacy Supporting People services 	<p>Adult Social Care</p> <p>Adult Social Care</p>
Disability	<ul style="list-style-type: none"> • Introduction of a charging policy for Assistive Technology • Implement eligibility and charging policies for people receiving legacy Supporting People services 	<p>Adult Social Care</p> <p>Adult Social Care</p>
Socio-economic	<ul style="list-style-type: none"> • Introduction of a charging policy for Assistive Technology • Implement eligibility and charging policies for people receiving legacy Supporting People services 	<p>Adult Social Care</p> <p>Adult Social Care</p>

There are no disproportionate impacts relating to:

- Race and ethnicity
- Religion or belief
- Maternity or pregnancy
- Marriage and civil partnership
- Sexual orientation
- Gender reassignment

5. Savings proposals and impacts – by directorate

This section provides a detailed assessment by Directorate of those savings proposals – both new and existing - that will potentially impact specific groups. This includes proposals that necessitated full EQIAs as well as proposals that only necessitated completion of an EQIA screening tool – i.e. the proposal did not demonstrate a significant (negative or positive) equalities impact.

a) Council wide

New savings:

Three cross-cutting proposals were submitted, none of which will require a full EQIA.

Efficiencies through Automation of Processes

This proposal is about a 3-year automation programme aimed at optimising council processes by deploying Robotics Process Automation and other process automation tools. These solutions can work across multiple IT systems, or multiple data sets, to process work at a faster rate and in greater volumes than a human computer user can achieve. They can also continue to work 24/7, which can support the delivery of work and services to residents out of hours.

The implementation of automation tools, such as RPA, is expected to deliver cashable savings for the council. The exact amount of savings will depend on the scale and efficiency of the automation initiatives. Cashable savings can be realised through the optimisation of processes, reducing manual labour, and streamlining workflows. However, it is essential to note that the actual realisation of these savings will be contingent upon other parts of the organisation implementing change plans to reconfigure and release resources. The programme aims to deliver cumulative savings of c£929k over three years. This is a net saving inclusive of the resources and technology required to deliver this target.

The EQIA notes that the benefits of RPA are well-founded. RPA has been shown to boost productivity, improve efficiency, deliver returns-on-investment, eliminate human error, elevate security, increase compliance, and transform operating models.

This programme will affect council staff, digital services, change management functions across the organisation, senior management and council leads as well as stakeholders including residents who will experience improved services and greater efficiency from the council. No impacts on protected groups have been identified in the initial screening tool; however, the projects that arise out of this programme will each require individual EQIA's which may identify impacts on protected groups.

Encouraging Apprenticeships

This proposal is about the Council's apprenticeship programme. The Council is offering apprenticeships to young people, care leavers, and career changers. Currently, there are 122 unfilled junior positions across the Council that could be replaced by apprenticeship roles. This could save some budget and help with recruitment and succession planning. The saving is conservative because automation and resident experience may reduce the need for junior roles; however, this proposal will produce an estimated saving of £250,000.

Enhanced Business Efficiency and Redundancy Scheme

This proposal is about the council's scheme for staff to voluntarily leave on redundancy or business efficiency grounds. The scheme will last for about a month before the next financial year and will delete the posts or make equivalent savings. The scheme will be fair and consistent to all employees, regardless of their personal characteristics. The Council will analyse the impact of the scheme on equality.

The scheme aims to save £1m with less than 1% of staff leaving. There may be an extra £5k enhancement as in the previous round. The scheme ran successfully in 2022-23 with 58 staff taking voluntary redundancy.

Challenge Panels and Agency Levy: Reducing Overtime, Additional Payments & Agency Staffing

The council is spending approximately £8.5m on overtime and additional payments, and around £37m on agency staff and interims, a figure that is on the rise. To address this, a new approach involving Challenge Panels led by the Head of Paid Service is proposed. These panels will scrutinise local practices and the use of agency staff, aiming to identify opportunities for cost reduction and efficiency improvements.

To discourage the use of agency workers, a levy is proposed on all agency charges, which will be used to offset corporate pressures and contribute to building reserves. The Challenge Panels plan to work with the Senior Management Teams of each directorate to analyse current agency, overtime, and allowances usage and propose new ways to provide the same services with a more permanent base of employees. Consultations will be held with staff and trade unions if any changes to employees' terms and conditions are proposed.

Future savings will be produced through proposals produced by the Challenge Panels.

b) Adult Social Care

New savings:

The budget for 2024/25 sets out six savings proposals, two of which were assessed to have no significant equalities impacts at the screening stage, with the other three progressing to full EQIA, and one requiring a full EQIA in the future.

Introduction of a charging policy for Assistive Technology (Full EQIA)

This EQIA is for a proposal that commenced on the 1st April 2015, and involved the introduction of a weekly charge for Assistive Technology (AT) in Islington. AT is a service that provides equipment that helps people to live independently and safely at home. The charge was set to be in line with other boroughs and the Care Act statutory guidance, which established the rules for charging for Adult Social Care and support services.

The proposal would affect two groups of people: those who only receive AT from Adult Social Care, and those who receive other services and have the financial resources to pay for more.

The charge would be based on a financial assessment that considers the person's capital assets, income, living costs, housing costs, and disability related expenses with the proposal aiming to ensure fairness, sustainability, wellbeing, personalization, and social inclusion for the people who use AT. The need for charging for AT arose due to the increasing costs and sophistication of technology, as well as the national transition from analogue to digital phone lines. The proposal also lists the types of care and support that are provided for free, such as intermediate care, community equipment, and after-care services under the Mental Health Act.

Implement eligibility and charging policies for people receiving legacy Supporting People services (Full EQIA)

This proposal involves charging certain residents who receive support services that were previously funded by the Supporting People Programme (SPP), meeting the Care Act 2014 eligibility criteria for care and support. The proposal aims to follow the national guidance and the council's charging policy, and to ensure fairness and consistency among all residents who

have eligible needs for care and support. The proposal also expects to generate £200,000 of income for the first year, and £250,000 for the second year.

The proposal states that some residents who receive services that were historically included in the SPP, such as supported living and accommodation for various groups, were exempt from the council's charging policy. This created a disparity with other residents who receive similar services and are charged according to their financial assessment. The proposal also notes that some residents may need a new or updated Care Act assessment before they can be financially assessed.

The proposal also described the main features and principles of the council's charging policy, which is based on the Care Act 2014 and the Care and Support Statutory guidance. The policy aims to ensure that people are not charged more than they can afford, that public subsidy is available for those who need it, and that personalisation, wellbeing, and social inclusion are promoted.

The EQIA highlights how the proposal will impact residents and, particularly, service users, who will be asked to complete a financial means assessment to ascertain whether they need to pay for support.

Review, re-design and re-procurement of the Adult Social Care Wellbeing Service (Full EQIA)

The proposal outlines a new Wellbeing Service for adults in Islington, based on a strategic review and stakeholder engagement. The service aims to provide various levels of support for residents' physical, mental, and emotional health, utilizing strength-based approaches and outcome measures to enhance residents' overall wellbeing.

The current Wellbeing Service offers information, advice, access to activities, and short-term enablement support to prevent or reduce the need for care and support. Through the strategic review and stakeholder engagement, residents' preferences and gaps in the existing service were identified. To ensure that the new service meets residents' desires and requirements, the service specification will be co-produced with residents and partners.

The budget allocated for the new Wellbeing Service is estimated to be £3,493,280 for the entire contract duration. This estimate is based on an annual budget of £436,660. Notably, this represents a reduction of £50,000 from the current annual contract value.

The EQIA identified that re-designing the Wellbeing Service will have a positive impact on residents, particularly those over the age of 50.

Review and re-model of Hilldrop Road Care Home (requires full EQIA in the future)

This proposal discusses council plans to save £100k in 2025/26 by re-modelling the Hilldrop Road Care Home, which provides residential care for men over 45 with alcohol misuse, homelessness, and mental illness.

The Council will review each resident's needs and support some of them to move to more independent living options, such as supported living. This will reduce the number of beds funded by the Council from 15 to 12.

The EQIA shows positive and negative impacts on the residents and the care home provider. The primary negative impact outlined within the proposal is a breakdown in service users mental health following a change in provider and/or location. This will be mitigated through collaborative management of the transition, between Islington Council and the provider, to ease service user anxiety. This involves creating personalized transition plans for each resident, with involvement from service users, carers, family members, and advocates. Communication will be timely, and residents and their families will participate in social care reviews and decisions about their future care and support.

Redesign of Floating Support Contract

This proposal outlines the council plan to save £100k in 2025/26 by re-procuring the Multi-Disciplinary Team Floating Support Service, which helps vulnerable tenants avoid homelessness. The current service, delivered by the Single Homeless Project, has been extended until 2024 with £240k savings agreed for 2024/25.

A strategic review and benchmarking of the service will be done in 2023/24 to inform the re-procurement. The Council expects to achieve more savings as there are other support options available in the borough and the service model can be improved. The savings for 2024/25 will not affect the service quality or availability as they are from vacant posts and redeployments.

The EQIA shows no impact on protected groups.

Review and re-design of Mental Health Recovery Pathway and wider early intervention and prevention offer

This proposal outlines the council plan to save £275k by 2025/26 by reviewing and re-designing the Mental Health Recovery Pathway and other VCS community mental health services.

These services, delivered by Islington MIND, help residents with mental health needs. The reviews will be completed in July 2023 and will identify opportunities to improve outcomes and value for money by delivering more flexible and strengths-based support in the community. The savings will be achieved by joining up VCS contracts, re-designing the Mental Health Reablement offer, and reviewing the use of under-utilized day service sites.

The EQIA screening tool says that no decisions have been made yet and a full EQIA will be done after the reviews. There may be negative impacts depending on the changes to the service providers or locations.

c) Community Engagement and Wellbeing

New savings

The budget for 2024/25 sets out one saving proposals which required a full EQIA:

Contact Centre Rationalisation (Full EQIA)

The proposal is part of the Resident Experience Programme, which aims to improve the online services and channel shift for residents, while reducing the cost-of-service provision and meeting the Council's strategic objectives.

The proposal has two phases: Phase 0 and Phase 1. Phase 0 is already in progress and involves reducing the staff headcount of Access Islington, the main front door for residents to access council services, by 15 FTE due to a reduction in call volumes. This is achieved by implementing a new Interactive Voice Response (IVR) system that directs calls more efficiently and reduces abandonment rates. Phase 0 has been completed, with the programme now shifting to Phase 1.

Phase 1 involves creating a single contact centre by unifying the three existing contact centres: Access Islington, Housing Direct, and Homes and Community Safety. This will be enabled by a new omnichannel solution called 8x8, which will allow the council to handle interactions with customers from multiple channels, such as telephone, email, webchat, and face to face. The omnichannel solution will also provide a workforce management tool that will optimise the scheduling, performance, and quality of the contact centre operatives. Operatives will be cross-skilled to handle a range of queries and provide solutions right first time. Phase 1 will also involve creating a single management structure and harmonising the opening hours of the contact centre.

The main beneficiaries of the proposal are the residents and taxpayers in the borough, who will experience shorter queue wait times, lower abandoned call rates, a wider range of channels, and more opportunities to provide feedback. The proposal will also free up the time of officers to have longer conversations with those residents with the most complex needs and allocate more resource to the Access Islington Hubs.

The amount of money expected to be saved by the proposal is £1.118 million over two years (24/25 and 25/26). This is broken down as follows:

- £337,947 from Phase 0 (reducing Access Islington staff headcount) in 24/25
- £434,000 from Phase 1 (creating a single contact centre) part year savings in 24/25
- £354,000 from Phase 1 full year savings in 25/26

d) Environment

New savings:

The budget for 2024/25 sets out 8 savings proposals. Of these nine saving proposals, 6 were consolidated into 2 full EQIA's due to their similar subject matter. Of the other two EQIA's, only one progressed to full EQIA with the final one not requiring a full EQIA due to no or little negative impact.

Extend controlled parking zone enforcement (consolidated – full EQIA)

The saving above is the result of three EQIA's combined into one, all of which have been summarised below:

Increase Maximum Pay & Display Parking Charges for Electric Vehicles

This proposal involves increasing the maximum parking charge for electric vehicles from £2 to £4, which would generate an additional £100,000 in revenue. The proposal also argues that this would recognise the benefits of electric vehicles over combustion engines, but also encourage people to use more sustainable transport modes such as cycling, walking or public transport.

Removal of Evening Concessions for CPZ Zones C&K

This proposal proposes to reverse a previous decision to provide free visitor vouchers and flat rate parking charges in the evenings in two CPZs, which would generate an income of £60,000 per annum. The proposal also states that this would reduce vehicular traffic and promote active travel and health.

Parking Pay & Display Peak Charging

This proposal to add a £1 surcharge to all short stay parking sessions purchased during the busiest period 10am to 1pm in all CPZs except those with part day restrictions, which would generate a saving of £0.21m. The proposal also asserts that this would reduce vehicular traffic during the peak time, and promote active travel and health.

These projects may result in residents being charged more for parking within the borough, in certain areas within Islington. However, residents are able to apply for parking permits (if they live locally) and blue badge holders are eligible for free parking. Additionally, residents throughout Islington are eligible to receive parking vouchers meaning they can park at a discounted rate.

Extended CPZ Hours (full EQIA)

This proposal discusses extending parking controls from 6:30pm to midnight Monday to Saturday in 3 CPZs located in the South of the borough, which would generate a surplus of £394,000 in the second year. The proposal also states that this would manage the parking of vehicles within the night-time economy and encourage people to use other modes of sustainable travel.

Green garden waste chargeable service

The Council plans to introduce a chargeable green garden waste collection service from April 2024, which will generate an estimated income of £209,000 by 2026/27.

The service will replace the current free service, which is not a statutory requirement. The service will cover 51,000 kerbside properties with gardens and will charge £80 per year for a fortnightly collection. The Council expects to have 3,000 subscribers in the first year, 4,000 in the second year, and 5,000 in the third year.

The costs of staff, vehicles, bags, and communications for the service are estimated at £194,678 in the first year. The net income of the service will increase from £45,322 in the first year to £209,868 in the third year.

e) Homes and Neighbourhoods

New savings

The budget for 2024/25 includes 2 savings proposal, one of which required a full EQIA:

Selective Licensing (full EQIA)

This proposal aims to extend property licensing to three wards in the borough of Islington, namely Finsbury Park, Tollington and Hillrise. Property licensing is a tool that can be used to improve housing conditions and management standards in the private rented sector.

The proposal is based on data from various sources, including council and census data, private renters' complaints and enforcement. The data shows that 29% of residents in Islington live in private rented accommodation, and that many of them face poor housing conditions, high rent costs and insecure tenancies. The data also suggests that in at least 43% of properties covered by the proposed schemes, some improvement is needed in terms of property and management standards.

There are three types of property licensing schemes currently operating in the borough:

- Mandatory Licensing: for large HMOs (5 or more households)
- Additional Boroughwide Licensing: for HMOs for 3 or 4 households
- Selective Licensing: for all one and two person households in the private rented sector

The proposal is to introduce selective licensing in Finsbury Park, Tollington and Hillrise wards, which would cover all one and two person households in the private rented sector in these areas. The selective property licensing scheme is a 5-year licensing scheme intended to improve conditions for tenants renting private accommodation.

If the scheme is implemented, landlords would have to:

- apply for a property licence
- demonstrate that they are able to manage rented accommodation and do not have any relevant criminal convictions that could present a risk to the health, safety and welfare of tenants
- comply with requirements concerning the management, use and occupation of their rented property

Landlords will pay an application fee, currently set at £500 per property (estimated £50,000 in income per annum) for a five-year licence. The licensing income is used to cover the cost of administering the scheme, including inspecting properties and enforcing compliance. The scheme is designed to be self-financing, with 100% income generated covering the cost of setting up and implementing the licensing scheme.

Revised Management of Civic Services

This proposal aims to save £100,000 by removing the vacant Assistant Director of Civic Services post, as well as the occupied Head of Islington and Camden Cemetery Service post. The serving Head of Service will be ringfenced into the new permanent Head of Civic Service role to ensure the continuity and high-quality of services. The proposal also seeks to retain the

current Civic Service structure, aligning key life event services, to improve resident services and efficiency.

f) Children's Services

New savings

The budget for 2024/25 sets out 1 savings proposals which progressed to a full EQIA:

Repurpose school premises houses (full EQIA)

This proposal describes a programme to increase in-house fostering capacity and to reduce reliance on expensive independent foster agency placements in the borough. The programme aims to keep more children local and reduce overspend of the placements budget. The proposal is seeking to do this through re-housing and housing adaptations for existing or potential foster carers, such as loft conversions, extensions, garden rooms, or moving to larger properties within the council or housing association stock. The programme also involves moving grown up birth children into council housing to free up bedrooms.

The programme has been underway since April 2020 and has assessed 20 carers and provided 15 with a housing solution. The programme has created 6 additional placements and prevented the loss of 5 more. The programme has also supported circa 8 Children in Need families and kinship carers with their housing challenges. The programme has delivered in-year savings of £317k and a total estimated saving over 7 years of £1.2m.

The programme impacts children, particularly those within the care system, and their foster parents positively, by providing them with support and capacity to look after the children.

g) Community Wealth Building

New savings

Efficiencies from restructuring the Corporate Landlord Service (requires full EQIA in the future)

The establishment of a new Corporate Landlord Service began in 2020, with teams gradually integrated over time. The service aims to deliver new affordable council homes, undertake major works and repairs, provide operational buildings, offer professional property advice, and ensure successful delivery of new homes and capital delivery programmes. The goal is to create a permanent management structure, realign ad-hoc arrangements, address budget pressures, and deliver a 5% saving to the General Fund (£373k) from 2024/25.

The benefit of this proposal is a service that can deliver ambitious new build targets and perform the duties of an effective Corporate Landlord service. The service will also lead on the development of a new Strategic Asset Management Plan to maximise and maintain assets, enabling the delivery of the overarching vision and five missions set out in Islington Together 2030. There will be no significant changes to the services provided or impacts on residents.

The main impacts will be on staff, with the creation of new posts, re-evaluation of existing posts, and some changes in line management. Some posts will be deleted to achieve savings,

prioritising vacant posts to minimise impact on staff. Redundancies are anticipated to be low, with 10-15 expected across a service of around 270 staff. Formal staff consultation is planned for September 2023, with implementation by April 2024.

Additional Income from Commercial Estates

The Council owns several properties that it rents out commercially, managed by the Corporate Asset Management Team. This rental income supports the delivery of services. The rent roll has already increased from £3.2m to £3.8m due to completed lease renewals and rent reviews. The target of £4.2m will be pursued over the next 12 months through further rent reviews, lease renewals, and letting of vacant units.

An additional £400k of rental income is expected to be generated by active asset management and letting of former operational space, particularly the release and letting of 7NBW, from 2025/26. This proposal aims to maximise commercial income from the Council's assets, with no negative impact on any communities. The additional income will support the delivery of key Council services and priorities.

h) Resources

There were no new savings proposals submitted for Resources.

i) Public Health

There were no new savings proposals submitted for Public Health.

6. Staffing Impacts

As summarised in section 3, some proposals will have staffing implications. While the significant majority will come from deleting / not recruiting to vacant posts, some proposals will have implications which may include changes to current roles or a potential risk of redundancy (for a very limited number of staff).

The impacts of these proposals on staff with protected characteristics cannot yet be fully determined but as numbers are low and spread across a number of services / types of roles there are unlikely to be any groups disproportionately impacted. Any changes to staffing structure will require consultation with staff unions in accordance with the council's reorganisation policy and procedures.

Our established organisational change process ensures we support all of our staff through this change. Where restructures are proposed we carry out a comprehensive Staffing Impact Assessment that identifies the implications for those with protected characteristics and finds ways to mitigate accordingly.

Where a redundancy situation is possible, we will take a number of steps including:

- not filling vacancies in advance of a restructure so as many opportunities as possible are available to our existing staff
- using our redeployment process to help staff at risk find suitable alternative employment within the council

- considering alternative options to redundancy such as early retirement, flexible working or other 'working differently' options.
- stress management support and counselling services will be offered to staff through the Employee Assist Programme to help them cope with the additional pressures that structural change may bring.

We have an ongoing commitment to making Islington an employer of choice and are Timewise accredited, supporting flexible working opportunities available where possible, including condensed hours, flexible start and end times and part time working.

The Council is committed to a workforce that is representative of the borough at all levels and will continue to look for new ways to improve progression routes for staff and equip them to be senior managers of the future. We will continue to promote our staff equality forums as a way of engaging with staff and working together to continually improve their experience of working in Islington.

7. Human Rights and Safeguarding

Human Rights

It is unlawful for the council to act in a way that is incompatible with a European Convention right (unless the council could not have acted differently as a result of a statutory provision).

An interference with a qualified right (e.g. the right to respect for private and family life) is not unlawful if the council acts in accordance with the law and the interference is necessary in a democratic society.

In deciding whether the interference is necessary, the law applies a proportionality test, including whether a fair balance has been struck between the rights of the individual and the interests of the community.

Safeguarding

Implications for safeguarding in Adult Social Care

Proposals outlined in this document build on the Council's work on Making Safeguarding Personal (MSP). MSP is enshrined in the Care Act (2014) and the Pan London Safeguarding Adults Policies and Procedures.

MSP puts the person at risk of harm or abuse at the centre of decisions and actions about them. Just like the Strengths Based Practice approach for general social work activities, MSP respects that adults often bring ideas and solutions which will work best for them and the outcomes they need support in achieving.

This means that safeguarding adults continues to be integral in the work we are undertaking to really embed strengths-based practice. Ensuring vulnerable adults are safe and focusing on wellbeing is a core element of strengths-based practice and ensures there is consistency in approach whether we are working with a vulnerable person on a support plan or a safeguarding plan.

Implications for safeguarding in Children's Services

Safeguarding children is about protecting them from maltreatment, preventing their health and development being impaired, ensuring that they grow up in environments which provide safe and effective care and taking action to enable all children to have the best outcomes.

The mitigation identified for each proposal reduces very significantly the risk of poor safeguarding practice. The council's mitigation should include not adopting any policy where safeguarding practice is adversely affected.

The proposals put forward have been tested against effective safeguarding practice. A broad range of quality assurance measures are already in place and will continue to be monitored and responded to robustly.

8. Monitoring

This year, the Equalities Team has reviewed the equalities impacts from current savings to screen for any unexpected impacts as the projects have progressed – this process will continue.

Each individual proposal will continue to be reviewed and updated as required. Consultation will be carried out where required to seek the views of residents and service users. The lead officer for each proposal will be responsible for ensuring that equality considerations remain at the forefront of decision making as each of these proposals are progressed.

Annex A: Public Sector Equality Duty

Section 149 of the Equality Act 2010 provides that:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to —
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- (2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).
- (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to —
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- (4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- (5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to —
 - (a) tackle prejudice, and
 - (b) promote understanding.
- (6) Compliance with the duties in this section may involve treating some persons more favorably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.
- (7) The relevant protected characteristics are —
 - age

- disability
- gender reassignment, including non-binary and gender-fluid identification
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation.

(8) A reference to conduct that is prohibited by or under this Act includes a reference to —

(a) a breach of an equality clause or rule;

(b) a breach of a non-discrimination rule.

(9) Schedule 18 (exceptions) has effect.

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Appendix H - Retail Relief Scheme 2024/25

1. Introduction

- 1.1. In the 2018 Budget, the Government introduced a new relief scheme for retail properties and these 'retail relief' schemes have existed, albeit with some variations, since the 2019/20 financial year. This paper addresses the need to adopt the government's scheme for the financial year 2024/2025.
- 1.2. To this end, we recommend the adoption of the local policy described in Section 6 below, to award Retail Relief in accordance with the Discretionary Rate Relief powers as contained within Section 47 of the Local Government Finance Act 1988 (as amended), for the year 2024/2025.
- 1.3. The Islington Retail Relief Scheme proposed in Section 6 reflects the Government's guidance.
- 1.4. For the avoidance of doubt the Government have not changed their guidance from the previous year. Their guidance is identical to the current year's 2023/2024 retail relief scheme including the discount rate of 75%. The Government has simply carried over the 2023/2024 scheme in its entirety to also be applied in 2024/2025.

2. Islington Retail Relief Scheme 2024/2025

- 2.1. The Islington Retail Relief Scheme 2024/2025 will award Retail Relief to qualifying businesses equivalent to 75% of their daily rates charge in respect of chargeable days during the financial year 2024/25 subject to a cash cap of £110,000 per business and on the condition that the ratepayer for that chargeable day has not refused the relief for the eligible hereditament.
- 2.2. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2025. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

Which properties will benefit from relief?

- 2.3. Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
 - a. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - b. for assembly and leisure; or
 - c. as hotels, guest & boarding premises and self-catering accommodation
- 2.4. It is considered shops, restaurants, cafes and drinking establishments, cinemas and live music venues to mean:

<p>i.Hereditaments that are being used for the sale of goods to visiting members of the public:</p>	<ul style="list-style-type: none"> - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, - Off licences, chemists, newsagents, hardware stores, supermarkets, etc) - Charity shops - Opticians - Post offices - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors) - Car/caravan show rooms - Second-hand car lots - Markets - Petrol stations - Garden centres - Art galleries (where art is for sale/hire)
<p>ii.Hereditaments that are being used for the provision of the following services to visiting members of the public:</p>	<ul style="list-style-type: none"> - Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc) - Shoe repairs/key cutting - Travel agents - Ticket offices e.g. for theatre - Dry cleaners - Laundrette - PC/TV/Domestic - Funeral directors - Photo processing - Tool hire - Car hire
<p>iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:</p>	<ul style="list-style-type: none"> - Restaurants - Takeaways - Sandwich shops - Coffee shops - Pubs - Bars
<p>iv.Hereditaments which are being used as cinemas</p>	
<p>v.Hereditaments that are being used as live music venues:</p>	<ul style="list-style-type: none"> - Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly

	<p>used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).</p> <ul style="list-style-type: none"> - Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event). - There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.¹
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2.5. We consider assembly and leisure to mean:

<p>i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).</p>	<ul style="list-style-type: none"> - Sports grounds and clubs - Museums and art galleries - Nightclubs - Sport and leisure facilities - Stately homes and historic houses - Theatres - Tourist attractions - Gyms - Wellness centres, spas, massage parlours - Casinos, gambling clubs and bingo halls
<p>ii. Hereditaments that are being used for the assembly of visiting members of the public.</p>	<ul style="list-style-type: none"> - Public halls - Clubhouses, clubs and institutions

2.6. We consider hotels, guest & boarding premises and self-catering accommodation to mean:

<p>i. Hereditaments where the non-domestic part is being</p>	<ul style="list-style-type: none"> - Hotels, Guest and Boarding Houses
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¹ The statutory guidance can be accessed here:

<https://www.gov.uk/government/publications/explanatory-memorandum-revised-guidance-issued-under-s-182-of-licensing-act-2003>

<p>used for the provision of living accommodation as a business:</p>	<ul style="list-style-type: none"> - Holiday homes - Caravan parks and sites <p>To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.</p> <p>The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. There will also be mixed uses. However, it is intended to be a guide for businesses as to the types of uses that the Council considers for this purpose to be eligible for relief. The Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.</p> <p>The list below sets out the types of uses that the Council does not consider to be an eligible use for the purpose of this relief. The Council will determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.</p>
<p>ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:</p>	<ul style="list-style-type: none"> - Financial services (e.g. banks, building societies, cash points, bureaux de change, short term loan providers, betting shops, pawn brokers) - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors) - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents) - Post office sorting offices - Businesses whose main function is to rent out rooms or office space, conference centres, - Training facilities, remote working facilities - Businesses whose main function is to provide services or goods to the building industry, - Builders merchants, timber yards, plumbers merchants

2.7. In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.

2.8. Retail Relief will normally be awarded pro-actively by the Council using information it already holds about the rateable value and nature of the business. However, any business who considers themselves to qualify can apply for this relief by sending an email to

Business.Rates@islington.gov.uk asking for an assessment. The decision on any award is delegated to the Director of Finance who in turn can authorise officers in their service directorate to take such decisions on his behalf.

- 2.9. State Aid (De Minimis Regulations) and Subsidy Allowance rules will apply when granting Retail Relief and ratepayers will be required to declare any such Aid or Allowance either at the application stage or after the award is made if it is made proactively.
- 2.10. An appeal against a refusal to award on the grounds of whether it is occupied and is being wholly or mainly being used for one of the qualifying purposes in 6.2 can be made to the Council within one month of the Council's notification to the rate payer of this refusal. Any appeal will be considered by the Head of Revenues and Technical Services within a reasonable time period of its submission.
- 2.11. Retail Relief will be calculated in the same format as Business Rate charges and apportioned accordingly, if the occupation, other reliefs or rateable value of a premises, changes. Any award will be credited to the business rates account that is maintained by the Council.
- 2.12. Any award made in error, or applied for by the ratepayer or his representative fraudulently, may be recovered by the Council.

List of Appendices

Appendix A: Extract from Business Rates Information Letter (5/2023)

To: Chief Finance Officers of English Billing Authorities - For the attention of the Business Rates section

From: Non-Domestic Rates Team, LGF - Local Taxation, Department for Levelling Up, Housing and Communities (ndr@levellingup.gov.uk)

Date: 23 November 2023

Business Rates Information Letter (5/2023): Autumn Statement business rates measures

This is the fifth business rates information letter to be issued by the Department for Levelling Up, Housing and Communities this year.

See [previous letters](#) and [archived letters](#).

Autumn Statement 2023 business rates measures

At the Autumn Statement on 22 November, the Chancellor announced a package of support worth £4.3 billion over the next 5 years to support small businesses and the high street.

For 2024/25 the Chancellor announced, that:

- the **small business multiplier** will be frozen at 49.9p
- the **standard multiplier** will be updated in April by September's CPI figure (6.7%), increasing the multiplier from 51.2p to 54.6p
- the 2024/25 **Retail, Hospitality and Leisure (RHL) scheme** will be extended for a fifth year into 2024-25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business

These changes will have effect from 1 April 2024.

Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant Retail, Hospitality and Leisure relief in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting these reliefs via a section 31 grant from the government. No new legislation will be required to deliver this scheme.

The Department will shortly publish updated guidance for local authorities for the 2024-25 Retail, Hospitality and Leisure scheme. The existing scope of the scheme, percentage of support and cash cap will be retained.

The department expects councils to ensure that their systems are updated, including the implementation of any necessary software changes, and that bills issued for the 2024-25 tax year reflect the changes announced at the Autumn Statement.

End of Extract

Report of: Executive Member for Finance, Planning and Resources

Meeting of: Executive

Date: 11 January 2024

Ward[s]: All Wards

Subject: Procurement Strategy for Council Tax and Business Rates Collection Services

1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy for the Council Tax and Business Rates Collection Services in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. This report seeks approval to use an existing dynamic purchasing system (DPS) operated by Yorkshire Purchasing Organisation (YPO) to procure the services of four collection services contractors (known as enforcement agents) for the collection of unpaid council tax and business rates.

2. Recommendations

- 2.1. To approve the procurement strategy for Council Tax and Business Rates Collection Services as outlined in this report.
- 2.2. To delegate authority to award the contracts to the Corporate Director of Resources following consultation with the Executive Member for Finance, Planning and Performance.

3. Background

3.1. Nature of the service

- 3.1.1. The Council's Revenues Service is seeking to procure enforcement agents to recover unpaid council tax and business rates. This is one of the final stages of the collection process when all other avenues have been exhausted yet the charge remains unpaid.
- 3.1.2. Approximately 10% of unpaid charges reach this stage of the process, of which up to approximately 30% are recovered. After sending several statutory notices to residents or businesses who are liable to pay council tax or business rates, if the charge remains unpaid and residents or businesses have not engaged, nor made payments, the Council will obtain a liability order via the Magistrates Court for the unpaid sums. The Council will attempt to engage residents and businesses after this process and if unsuccessful such cases can legally be passed to an enforcement agent for collection.
- 3.1.3. If there is evidence of hardship, vulnerability or council tax support claimant, the Council will take this into account and work with internal partners such as the Income Maximisation Team with the intention of providing support.
- 3.1.4. The amount of council tax and business rates debt recovered from the current collection service contract is £5.3m per annum based on figures from 2022/23.
- 3.1.5. On receipt of cases from the Council the enforcement agent will engage with the resident or business via letter in accordance with Government guidelines under the "Taking Control of Goods (Fees) Regulations 2014". The resident or business will be given the opportunity to set up an affordable payment plan via telephone to a contact centre, a web or portal. In the event the resident or business does not engage or fails to meet the payment plan commitments, an enforcement agent will then visit the resident or business known address and attempt to agree a repayment plan and/or seek to record goods owned by the resident or business as security. At every stage of the process, the enforcement agent will assess the resident or business to determine whether they are of a vulnerable status.
- 3.1.6. There are many reasons why residents or businesses are unable to pay. These could include a change in personal circumstances, the debt rising high due to multiple debts, and people 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. Each case however is unique, and enforcement agents have in place robust, well tested policy, and procedures to help the vulnerable, as well as ensuring payment is made.

3.1.7. Enforcement Agents have trained welfare officers who can assist in cases of identified hardship and vulnerability. Enforcement Agents will suggest to residents to contact a Debt Advice Agency [i.e., Citizens Advice Bureau etc].

3.1.8. Collections must be conducted in a fair, transparent, and legally compliant manner and in accordance with Government rules under the "Taking Control of Goods (Fees) Regulations 2014". Islington officers will manage the performance of the enforcement agents to increase and maintain consistent recovery rates for this contract. There will be performance indicators set for collection rates which are monitored and reviewed at monthly performance meetings.

3.2. **Estimated value**

3.2.1. The total estimated turnover of the contracts for all enforcement agents is £5.544m per annum, £5m being income to the Council and £0.544m recuperated in fees by enforcement agents. This is based on figures from 2022/23.

3.2.2. There is no cost to the Council with enforcement agents being subject to a fixed fee structure implemented by the government. Fees are currently set at £75 per letter sent at compliance stage, and £235 per visit at enforcement stage. The new contracts will aim to improve pre-debt cleansing as well as reducing the age of debt creating an income stream for the Council against unpaid council tax and business rates each year.

3.2.3. The proposed maximum term of the contract is four years, an initial period of three years plus an option to extend for up to a further one year. The estimated total turnover of all contracts is £22.176m based on historical data from the last two years and factoring in the potential impact of the cost of living crisis.

3.3. **Timetable**

3.3.1. January 2024 – the Executive to approve the procurement strategy
January 2024 – further competition under YPO Enforcement Agency Services
DPS - 953
March 2024 – Approval to award the contracts
March 2024 – new contracts go live

3.3.2. Whilst there are no statutory deadlines, it is good practice for local authorities to act swiftly once the court grants liability orders for unpaid council tax and business rates. This mitigates any potential criticism from the ombudsman and reduces pressure on the Council's bad debt provision.

3.3.3. Internal consultation has been held with legal and procurement.

3.4. **Options appraisal**

3.4.1. The following options have been considered:

- Deliver the service in-house
- Do nothing
- Procure via advertising a competitive tender
- Procure via a further competition using an existing DPS.

3.4.2. The Council seeks to deliver services in-house wherever we reasonably can. Islington's Revenue Service does not currently have the capacity or relevant training, licences, and certificates to be able to deliver this service. Individuals providing these services must be registered enforcement officers and/or high court enforcement officers and comply with The Taking Control of Goods Regulations 2013, Taking Control of Goods Fees) regulations 2014 and The Certification of Enforcement Agents Regulations 2014 (including any amendments).

3.4.3. The collection of council tax and business rates provides the council with an important revenue stream. To do nothing would mean this income would be lost.

3.4.4. There is a known market for enforcement agents and due to the total value of the contracts it is anticipated that there could be significant interest in an advertised opportunity. This means the process could be time consuming and resource intensive.

3.4.5. The YPO Enforcement Agency Services DPS – 953 offers a simple, low cost efficient and effective method of procurement. It is anticipated that using the DPS will reduce procurement costs and time to conclude the process. The DPS assures supplier standards with all providers appointed onto the DPS having been prequalified regarding their general suitability. There are currently 24 providers on the DPS all of which can provide council tax and business rates enforcement which will facilitate competition to ensure best value.

3.4.6. There are no benefits from a collaborative approach with other local authorities as the fees are set so there are no opportunities for economies of scale.

3.4.7. Conducting a further competition exercise under the DPS is the recommended option.

3.5. **Key Considerations**

3.5.1. We will include a requirement to provide social value which may include initiatives such as, staff training on areas within the sector, and surgeries for residents and businesses that will provide information on debt management. Social value will be 50% of the evaluation criteria.

- 3.5.2. The London Living Wage will apply for enforcement agents recovering debt within the borough. The National Living Wage will apply for enforcement agents recovering debts outside of the borough.
- 3.5.3. 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 residents will be given the opportunity to seek independent advice before cases proceed to recovery. When our residents make contact for the first time, the enforcement agent will seek to identify whether a resident 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 resident 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).
- 3.5.4. There is no TUPE, pensions, or staffing implications. The standard practice at contract hand-over to a new contractor, the council would stop passing cases over to the incumbent contractors one month prior to the end of the contract term, to allow for a seamless transition to the new contractors.
- 3.6. **Evaluation**
- 3.6.1. Applicable charges are set out in law therefore evaluation of the tender responses will be based upon 100% quality.
- 3.6.2. The evaluation criteria for the further competition from the YPO Enforcement Agency Services DPS – 953 will be:
- 50% social value including environmental sustainability
 - 25% service delivery, maximising collections/recovery rates
 - 10% dealing with vulnerable customers
 - 10% innovation including technology
 - 5% continuous improvement, complaint handling and training
- 3.7. **Business risks**
- 3.7.1. The use of Enforcement Agents to recover council tax and business rates is a proven method within the sector to maintain and/or enhance good collection against residents or businesses who avoid paying their tax and to generate more income as the number of these caseloads increases. New contracts require a period transition to realise optimum recovery rates. There is a small risk that the current recovery rates will drop during this period which will affect income for the Authority, however, this risk is considered low.

- 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	Council Tax and Business Rates Recovery Services
2. Estimated value	See section 3.2 under “Estimated Value” reflecting estimated value of contract over the proposed four-year term
3. Timetable	See section 3.3 under “Timetable”
4. Options appraisal for tender procedure including consideration of collaboration opportunities	See section 3.4 under “Options Appraisal” recommending competition under a framework
5. Consideration of: <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions, and other staffing implications 	See section 3.5 under Key Considerations
6. Award criteria	See section 3.6 under Evaluation

7. Any business risks associated with entering the contract	See 3.7
8. Any other relevant financial, legal, or other considerations.	None

4. Implications

4.1. Financial Implications

- 4.1.1. The Council Tax and Business Rates Collection Services Concession Contract enables the council to recuperate further income into the Collection Fund.
- 4.1.2. The cost of recuperation is borne by the resident or business to which the debt has accumulated and therefore is at no additional cost to the council. It is estimated that this will total £0.544m per annum.
- 4.1.3. Based upon current performance it is estimated that the contract will provide an estimated revenue income stream of £5.000m per annum over the four years of the contract.
- 4.1.4. Therefore, the estimated annual value of the contract is £5.544m. The estimated total value over the maximum four-year period of the contract is £22.176m.
- 4.1.5. There are no LLW (London Living Wage) 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.
- 4.1.6. There is no TUPE, staffing or other implications as this is a concession contract.

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 £20m plus VAT exceeds the current relevant statutory threshold of £4m 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 if 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 Resources in consultation with the Executive Member for Finance, Planning and Performance 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. There are no implications in this regard.
- 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.
- 4.4.2. The council must have due regard to the need to tackle prejudice and promote understanding. 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].
- 4.4.3. 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.

4.4.4. Consideration have been given to regarding EIA (Equality Impact Assessment) under section 3.5.5 and it is recognised that the continued use of enforcement agents to recovery council tax and business rates will not negatively impact anyone with protected characteristics. Those identifying as vulnerable will be given additional support to manage payments or arrange a payment plan. The Council's Equalities Impact Assessment Screening Tool was completed on 10 October 2023. The full assessment is appended to this report.

5. Conclusion and reasons for recommendations

5.1. This report recommends agreement for the procurement strategy for the Council Tax and Business Rates Recovery Services. To ensure best value, a maximum of four enforcement agencies will be appointed via a further competition process to deliver these services. These services provide an important revenue stream for the Council whilst also ensuring residents, including vulnerable residents, are supported on matters related to debt management.

Appendices:

- Appendix 1 EA (Enforcement Agent) fees in table
- Appendix 2 Equalities Impact Assessment

Background papers:

- None

Final report clearance:

Authorised by: Executive Member for Finance, Planning and Resources

Date: 21 December 2023

Report Author: Duwaine Brown – Revenues Collection and Taxbase Manager
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Appendix 1

The Taking Control of Goods (Fees) Regulations 2014

Fee Stage	Fixed Fee	Percentage fee (regulation 7) percentage of sum to be recovered exceeding £1500
Compliance Stage	£75.00	0%
Enforcement Stage	£235.00	7.5%
Sale or disposal Stage	£110.00	7.5%

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Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	Procurement Strategy for Council Tax and Business Rates Collection Services
Reference number (if applicable)	
Service Area	Revenues and Technical Services
Date screening completed	10 October 2023
Screening author name	Duwaine Brown
Fairness and Equality team sign off	
Authorising Director/Head of Service name	Paul Clarke

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?

The objective of this proposal is to seek pre-tender approval for the procurement strategy in respect of Procurement Strategy for Council Tax and Business Rates Collection Services in accordance with Rule 2.8 of the Council's Procurement Rules. Approval is also sought to utilise an existing dynamic purchasing system (DPS) operated by Yorkshire Purchasing Organisation (YPO) to procure the services of four collection services contractors (known as enforcement agents) for the collection of unpaid council tax and business rates.

There is no cost to the Council.

The key groups of people that will be involved are resident

--

On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes/No

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

N/A

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 type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
Disability (include carers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
Race or ethnicity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
Religion or belief (include no faith)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Gender and gender reassignment (male, female or non-binary)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
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)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
children, people who are homeless or refugees)				

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
	Duwayne Brown	October 2024	A continuous review will be undertaken to assess whether there are any disproportionate impacts on any groups with protected characteristics.

Screening Decision	Outcome
Neutral or Positive – no full EQIA needed*.	Yes/No
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:	Yes/No
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.

Children's Services
222 Upper Street N1 1XR

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

Meeting of: Executive

Date: 11 January 2024

Ward(s): Caledonian

Subject: Proposal on the Future of Blessed Sacrament RC Primary School

1. Synopsis

- 1.1. Across Islington, 46% of schools are projecting deficit budgets by the end of 2025-26, potentially creating a £15 million deficit across schools in Islington if no action is taken. The Local Authority must take assertive action to remove some school places to reduce the projected large deficit as this will impact on the quality of education if not addressed.
- 1.2. The objective of this paper is to support the recommendation that Islington Council issue a statutory notice to close Blessed Sacrament RC Primary School.
- 1.3. Blessed Sacrament RC Primary School is in the Barnsbury Planning area which has the second highest vacancy rate in Islington, with 74 vacancies in Reception classes out of 245 places and 387 vacancies in total across all school years. One in three places are not taken at schools in this area. This figure is above both the Department for Education's recommendation of a 5% vacancy rate and the 10% vacancy rate used by most local authorities across London.
- 1.4. Blessed Sacrament RC Primary School is the smallest primary school in Islington and has been significantly impacted by falling rolls over a number of years. Based on the data from the October 2023 census, the school has 210 places from Reception to Year 6 but only 76 pupils, meaning 64% of places aren't filled. This year there are only 6 pupils in reception, 9 pupils in year 1 and 8 pupils in year 2.
- 1.5. Each surplus place is equivalent to a £5,700 loss of income and so this level of surplus creates financial pressure for the school, which may result in an inability to deliver quality education because resources are stretched. Less funding for the school creates a pressure on staffing budgets.

- 1.6. The responsibility for managing school budgets sits with Governing Bodies but without the plans and resources to achieve balanced budgets, ultimately, the deficit will fall to the Local Authority, creating additional pressure on an already pressurised budget.
- 1.7. No Local Authority wants to propose school closure, but like other London boroughs, Islington is impacted significantly by falling rolls which is exacerbated by the increased cost-of-living and Brexit which have contributed to an unsustainable school estate.
- 1.8. We have a sufficiency duty to plan for school places as set out in the Education Act, and in exercising this duty, a responsibility to ensure children attend good financially sustainable schools. This means that we must make some very difficult decisions.
- 1.9. By closing Blessed Sacrament RC Primary School, the children that currently attend will be dispersed to other schools (dependant on parental choice). This will contribute to the ongoing financial resilience of Islington's school estate. In this way, this proposal supports the council's ambition to strengthen the resilience of all our schools, ensuring that they are financially healthy and able to sustain a quality curriculum.
- 1.10. It is within this context that this paper is presented for decision.

2. Background

- 2.1. The School Organisation Plan approved by Islington Council's Executive on 13 October 2022 sets out how we will manage the high levels of surplus capacity in our schools to ensure the best outcomes for children and sustainable schools.
- 2.2. Phase Two of this plan was approved by the Executive on 19 October 2023, which agreed to launch an informal consultation on a proposal to close Blessed Sacrament RC Primary School.
- 2.3. This report details the process of the first stage consultation and the responses received for consideration by the Executive to determine whether to issue a statutory notice to close Blessed Sacrament RC Primary School.
- 2.4. The first stage consultation ran for five weeks from 7 November to 12 December 2023 with a series of consultation meetings held for parents and carers and staff at nearby venues.
- 2.5. Separate to this process, Blessed Sacrament RC Primary School has launched a consultation and application to the Department for Education to convert to an Academy and join the Cardinal Hume Academies Trust. The decision on whether to approve this application is made by the Secretary of State for Education advised by the London Advisory Board. Should Blessed Sacrament RC Primary School's application to convert to an academy be approved, the Local Authority would not be able to progress closure of Blessed Sacrament RC Primary School. However, we must proceed on the current legal status of the school, which is a voluntary aided school and Islington Council, as the local authority, has the power to propose the closure of voluntary aided schools.

3. Recommendations

- 3.1. To review and consider the responses to the consultation.

- 3.2. To recommend that the Executive proceed to the next stage and issue a statutory notice to close Blessed Sacrament RC Primary School on 31 July 2024. An outline draft statutory notice is attached as Appendix D.
- 3.3. Based on the feedback received during the consultation, this report recommends that the council also make the following commitments:
 - 3.3.1. To offer and provide individual support to pupils and their families with transition from the point a decision is taken through to the settling into a new school
 - 3.3.2. To work with local headteachers of nearby Islington schools, including Islington Roman Catholic primary schools, to provide support to the school and its families. There are places available for every child at Blessed Sacrament RC Primary School in nearby Islington schools, all of which would provide this support should the proposal to close proceed.
 - 3.3.3. To separately offer to all parents of current Year 5 pupils the option to move this class together to another school, either to join another Year 6 class in September 2024 or as a separate bulge class in another school. This is because this is the largest year group at Blessed Sacrament RC Primary School and will have only one year of primary schooling left. Moving the pupils together as a group would mitigate the impact of their transition ahead of a further transition when they move to Secondary School.
 - 3.3.4. To provide early dedicated professional support for pupils with Education, Health and Care plans to support all aspects of transition. The SEND team will work with individual children and their parents/carers to support their transition, including identifying a tailored list of alternative schools suitable to the child's needs as set out in their plans if required.

4. Introduction

- 4.1. Birth rates in Islington have reduced significantly and this decline is projected to continue. This is leading to falling rolls and a high level of surplus capacity in Islington's primary schools with vacancies in reception of 25% in October 2023. This has increased from 20% in October 2022.
- 4.2. The School Organisation Plan sets out our approach to confidently manage this surplus capacity in our schools to ensure the best outcomes for our children and young people and the long-term sustainability of our schools. The plan sets the strategic direction for pupil place planning across the borough and has been developed alongside the Education Plan. It ensures that the principles applied to managing our school estate reflect our corporate and political commitment to driving educational excellence through inclusive and sustainable schools and supports the delivery of a quality educational experience for all children and young people through a diverse curriculum offer.
- 4.3. We have a duty to ensure that sufficient schools are available at primary and secondary stages of education in the local area and for children with special educational needs. Decisions to change the organisation of Community and Voluntary aided schools are made by the council, and for academies, by the Secretary of State, advised by the Regional Schools Commissioner (RSC).
- 4.4. Reducing the number of school places in a planned way will support schools to manage change within their national funding formula allocations. Department for Education (DfE)

guidance on school closures includes a presumption not to close. Therefore, all options have been exhausted to avoid school closure but when there is no alternative, long-term option, this does have to be considered.

- 4.5. The specific proposals of the second phase of the School Organisation Plan agreed by Executive on 19 October 2023 were to: launch an informal consultation on a proposal to close Blessed Sacrament RC Primary School; a separate informal consultation on a proposal to amalgamate Duncombe and Montem Primary Schools; and a consultation on reducing the Published Admission Numbers (PAN) for Prior Weston, Rotherfield and Tufnell Park Primary Schools.
- 4.6. We ran an informal consultation on the proposal to close Blessed Sacrament RC Primary School from 7 November to 12 December 2023. This report provides the detail of the consultation and the responses to the consultation.

5. The Proposal

- 5.1. We are proposing to close Blessed Sacrament RC Primary School on 31 July 2024.
- 5.2. We plan school places by dividing Islington into six different planning areas. Blessed Sacrament RC Primary School is in Planning Area 4, Barnsbury, which currently has one of the highest levels of surplus capacity in the borough with 30% vacancies in reception as shown in Table 1.

Table 1: the number of vacancies by planning area

Vacancies by planning area for September 2023 based on offers	No. of places available	Vacancies	Vacancy rate
Planning Area 1: Holloway	465	108	23%
Planning Area 2: Hornsey	465	150	32%
Planning Area 3: Highbury	360	62	17%
Planning Area 4: Barnsbury	245	82	30%
Planning Area 5: Canonbury	340	72	21%
Planning Area 6: Finsbury	300	70	23%
Totals	2,175	536	25%

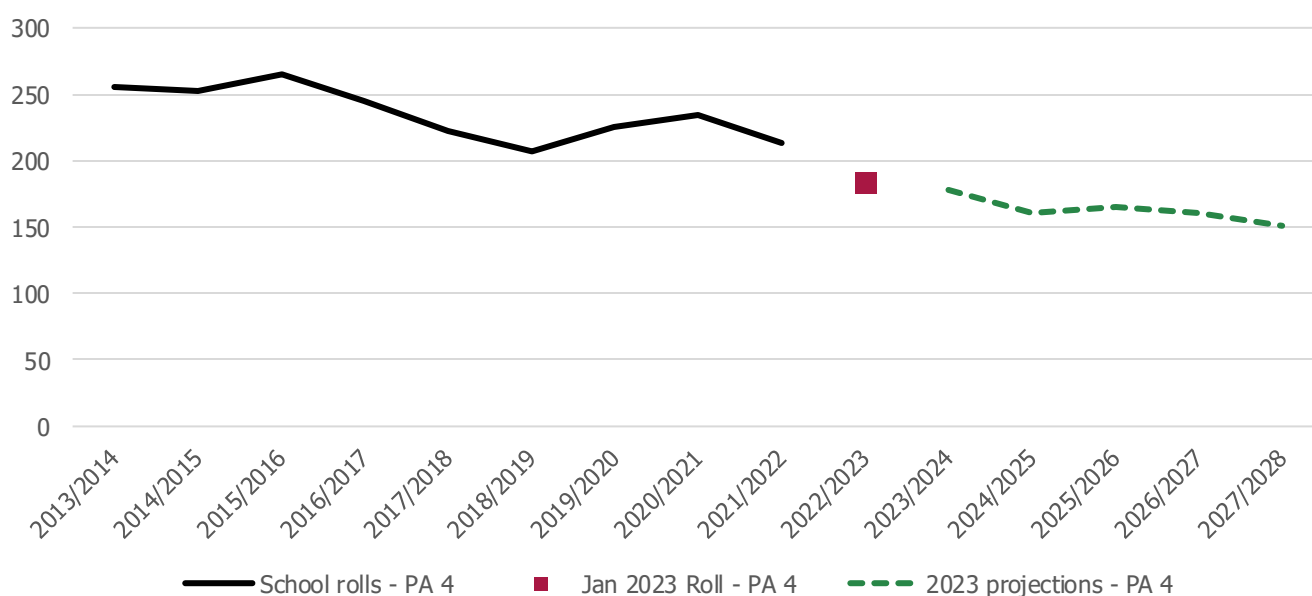
- 5.3. Blessed Sacrament RC Primary School has the most spare places in the Barnsbury area as shown in table 2. Further, Blessed Sacrament RC Primary School has the highest vacancy rate of all schools in Islington. As of October 2023, from Reception to Year 6 the school had 210 places but only 76 pupils, meaning 64% of places aren't filled. This number has continued to decline since this point.

Table 2: Spare places by school in the Barnsbury Planning area

School Name	Published Admission Number for Reception	Number of places taken in Reception (October 2023)	Percentage vacancy in Reception (October 2023)	Total number of pupils from Reception to Year 6
Blessed Sacrament	30	6	80%	76
Laycock	50	36	28%	254
St Andrews	30	22	27%	172
Thornhill	60	60	0%	415
Vittoria	45	20	56%	220
Winton	30	27	10%	191
Total for the planning area	245	171	30%	1,328

5.4. Roll projections for the Barnsbury Planning Area show a reduction in pupil numbers since 2015-16. This trend is expected to continue, with a further reduction projected each year in the coming years.

Chart 1: Roll projections for Planning Area 4 - Barnsbury, Reception year



5.5. There are several neighbouring Islington schools which have spare capacity which are within walking distance of Blessed Sacrament RC Primary School, including the recently

amalgamated Vittoria school which is immediately next door, and three Roman Catholic primary schools within 1.5 miles.

- 5.6. This means that all pupils will be guaranteed a school place at a good Islington school. It would be possible for groups of children and even whole year groups to move together due to the very high level of surplus places in the area.

6. The Consultation

6.1. The consultation process

- 6.1.1. We completed an informal consultation from 7 November to 12 December 2023 on a proposal to close Blessed Sacrament RC Primary School in line with the statutory guidance on Opening and closing maintained schools. The consultation document is at Appendix A.
- 6.1.2. Officers supported several consultation meetings for parents and staff. Unfortunately, the school and Roman Catholic Diocese did not support or cooperate with the consultation and meetings did not take place at the school. Instead, we organised meetings at nearby venues, including NRC Medical School (Half-Moon Crescent) and the Lewis Carroll Children's Library (Copenhagen Street). We also organised a public meeting at the Town Hall.
- 6.1.3. To ensure parents and carers were aware of the proposal, we wrote to them directly with information about the consultation and the meetings and sent a reminder letter one week in advance of the consultation closing.
- 6.1.4. We provided translated versions of the consultation document in Amharic and Turkish.
- 6.1.5. All documentation was also shared with statutory consultees including local schools, admission authorities, MPs, and other interested organisations. All the documentation was published online at a dedicated webpage. The consultation was reported on in the local press.
- 6.1.6. We held seven meetings for parent and carers and organised a public meeting. 10 people attended the parent and community meetings where they asked questions and fed back their views and concerns. No persons attended the public meeting.
- 6.1.7. 96 people completed the consultation questionnaire online. 29 (30%) of those said they currently had children at Blessed Sacrament RC Primary School.
- 6.1.8. Respondents to the questionnaire could make additional comments through a dedicated question. 71 respondents chose to leave additional comments.
- 6.1.9. We also invited respondents to send their comments to us by email to a dedicated mailbox. We received no comments by email.

6.2. Main themes from the consultation

- 6.2.1. 96 respondents completed the online consultation questionnaire. We asked respondents to select an option that described who they were. 34 respondents (35% of

the total) said they were parents of children at Blessed Sacrament RC Primary School. 7 respondents (7%) said they were staff members and 4 (4%) were governors. The remaining 51 respondents (53%) selected 'Other'.

- 6.2.2. As can be expected from a proposal of this nature, most respondents disagreed with the proposal to close Blessed Sacrament RC Primary School: 31% 'definitely agree' or 'somewhat agree' with the proposal to close Blessed Sacrament RC Primary School, 67% 'definitely disagree' or 'somewhat disagree' and 2% neither agreed or disagreed.
- 6.2.3. When filtering the responses to include only parents and carers from the school (34 respondents), 12% 'definitely agree' with the proposal and 88% 'somewhat disagree' or 'definitely disagree'.
- 6.2.4. 10 people attended the consultation meetings.
- 6.2.5. A report on the responses to the consultation are provided at **Appendix B**.
- 6.2.6. We received a dedicated response from the Diocese of Westminster.
- 6.2.7. The main themes from the consultation comments and meetings and our responses to them are set out as follows:

6.2.8. Response from the Diocese of Westminster

- 6.2.8.1. The Diocese of Westminster submitted a response to the consultation. The Diocese does not support the proposed closure of Blessed Sacrament Catholic Primary School on the following grounds:
 - 6.2.8.1.1. Blessed Sacrament has successfully been able to adapt their provision whilst maintaining standards, being rated 'Good' by its most recent Ofsted Inspection.
 - 6.2.8.1.2. 87% of applications to the school are first choice preferences.
 - 6.2.8.1.3. The school has returned a balanced budget because of the staffing and curriculum changes they have undertaken and is not projecting a financial deficit within the school's 3-year budget forecast.
 - 6.2.8.1.4. The Diocese wishes to maintain an education provision in the area and the Diocesan Academy Strategy launched in 2017 includes a plan to convert Blessed Sacrament RC Primary School into an academy.
- 6.2.8.2. **Response:** We are proposing closure of Blessed Sacrament RC Primary School due to falling numbers and projections showing no increase in these numbers. The 87% first choice preferences for the school that were made for September 2023 admission equates to 8 children, and only 6 children took up a place. Closing Blessed Sacrament RC Primary School will contribute to the ongoing financial resilience of Islington's school estate by dispersing the children to local schools. In this way, this proposal supports the council's ambition to strengthen the resilience of all our schools, ensuring that they are financially healthy and able to sustain a quality curriculum. Stretched staffing budgets can impact on the ability to provide a diverse and quality curriculum. Blessed Sacrament's last Ofsted inspection was in 2018. Blessed Sacrament RC Primary School is a voluntary aided school. Under section 15 of the Education and Inspections Act 2006, a local authority can propose

the closure of a community, foundation, voluntary, community special, foundation special or maintained nursery school. Parents will still be able to choose a Catholic school for their children as there are 3 other Roman Catholic schools within walking distance that can accommodate all existing and prospective pupils: St John Evangelist RC Primary School (0.9 miles), Sacred Heart RC Primary school (1.1 miles) and St Peter and St Paul RC Primary School (1.4 miles). Local Authorities cannot decide on whether schools are converted to Academies, this is determined by the Secretary of State for Education advised by the London Advisory Board.

6.2.9. Catholic provision and parental choice (19 comments)

6.2.9.1. Some respondents were concerned that closing Blessed Sacrament RC Primary School would limit parental choice due to few other Roman Catholic schools in the local area. One respondent commented that the school had lost its connection with the Catholic diocese and that not many Catholic families sent children to the school anymore.

6.2.9.2. **Response:** We are proposing closure of Blessed Sacrament RC Primary School due to falling numbers and projections showing no increase in these numbers. There are other schools within walking distance that have capacity for existing pupils at Blessed Sacrament RC Primary School. There are three other Roman Catholic schools nearby to Blessed Sacrament RC Primary School which have vacancies: St John Evangelist RC Primary School (0.9 miles), Sacred Heart RC Primary school (1.1 miles) and St Peter and St Paul RC Primary School (1.4 miles). Collectively, these three Catholic schools have 267 places which can easily accommodate all current pupils from Blessed Sacrament. The nearest Roman Catholic schools to Blessed Sacrament RC Primary School are St John Evangelist RC Primary School (0.9 miles) and Sacred Heart RC Primary School (1.1 miles) and as an example, these schools both have seven vacancies in Reception which could accommodate all current Reception pupils at Blessed Sacrament RC Primary School.

6.2.10. Academisation (16 comments)

6.2.10.1. The Roman Catholic Diocese and school leadership are opposed to closure and are instead advocating for the school to voluntarily convert to an academy and join the Cardinal Hume Academies Trust. Many respondents were in support of this suggestion and criticised the council for not explaining this option or explaining how this would avoid closure. Some comments said that the council should support the application for the join to join the Trust, because Department for Education guidance says that the presumption should be not to close a school. Some also criticised the decision to open another academy nearby and why this was allowed when pupil-numbers are decreasing.

6.2.10.2. **Response:** We do not have the power to convert schools to academies or to decide whether any new academies open in the local area and therefore cannot consult or comment on these points. We believe closing Blessed Sacrament RC Primary School is in the best interests of the pupils and the local community, as children will instead move to a nearby school which is financially viable with a more secure long-term future.

6.2.11. In support of the proposal (15 comments)

- 6.2.11.1. Some respondents left comments in support of the proposal and recognised that the proposal was necessary due to declining pupil numbers, falling birth rates in the local area, and because of the lack of funding for the school. Seven respondents criticised the current leadership.
- 6.2.11.2. **Response:** We are proposing closure of Blessed Sacrament RC Primary School due to significantly falling numbers and future projections showing no increase in these numbers.

6.2.12. Mental health and wellbeing (8 comments)

- 6.2.12.1. Some respondents were concerned what impact closure would have on staff and pupils' mental health and wellbeing and the stress associated with moving to another school.
- 6.2.12.2. **Response:** we recognise that closing the school will have a profound impact on the school community. Our Health and Wellbeing team in conjunction with the NHS will offer individual support to parents and children should the proposal proceed. We will also offer the option for children to move together with their friends to another nearby school.

6.2.13. Finance (5 comments)

- 6.2.13.1. Some respondents said that because Blessed Sacrament RC Primary School is a voluntary aided school with financial support from the Roman Catholic Diocese, it is not in deficit. They therefore don't understand why Islington is proposing closure when the school is financially viable. However, in contrast some respondents suggested that the school had few resources and recognised that falling pupil numbers meant the school is no longer financially viable.
- 6.2.13.2. **Response:** We are proposing closure of Blessed Sacrament RC Primary School due to falling numbers and projections showing no increase in these numbers. School funding is closely tied to pupil numbers and the long-term financial viability of the school is at risk due to falling rolls. As seen in Table 3, the older year groups have larger class sizes, therefore once they leave, funding will be reduced even further. It will be increasingly difficult for Blessed Sacrament RC Primary School to remain financially viable.

Table 3: Number of pupils at Blessed Sacrament by year group (October 2023)

Year Group	Nursery	R	1	2	3	4	5	6
Number of Pupils	3	6	9	8	13	9	19	12

6.2.14. Impact on the current Year 5 (4 comments)

- 6.2.14.1. The largest year group affected by this change is the current Year 5 who will need to move to another school for Year 6 should the proposal go ahead. Parents are concerned that this will be particularly disruptive for this group of children, who will

then have to face another transition when moving to secondary school a year later. Some parents are concerned about the impact this will have on their children's mental health and their resilience with facing this change.

- 6.2.14.2. **Response:** there are currently 19 children in Year 5, and should all parents agree, we would look to facilitate another nearby school offering a 'bulge' class to accommodate these children, or to assimilate them as a group into one class. Although this will still require a transition for the group to another school, it would ensure that the group are still with their classmates and surrounded by children they already know. We have included this as a recommendation for the formal proposal.

6.2.15. SEND (2 comments)

- 6.2.15.1. Two respondents were concerned about the impact of closure on children, especially those with Special Educational Needs (SEN), as it could cause distress and unsettle them. They also said that small classes were beneficial to children with SEND and their families as they can build good relationships with staff.

- 6.2.15.2. **Response:** Our SEND team will support the transition of pupils to another good local school. We will work closely with parents, including those of children with Education, Health and Care (EHC) Plans, and with those eligible for Free School Meals. An initial assessment of children with EHC Plans shows that their needs can be met at neighbouring schools. The SEND team will work with individual children and their parents/carers to support their transition, including identifying a tailored list of alternative schools suitable to the child's needs as set out in their plans if required. Our Bright Futures service will support those families who may need additional support.

6.2.16. Housing (2 comments)

- 6.2.16.1. Two respondents called for more social housing to build up the Islington community and prevent school closures.

- 6.2.16.2. **Response:** our pupil projections consider factors including new housing and planned housing developments. Even with these, we do not believe there will be an increase in pupil numbers which will offset the need to close Blessed Sacrament RC Primary School.

6.2.17. Long-term plans (2 comments)

- 6.2.17.1. Two respondents asked about the long-term plans for the school site should the school close. One suggested that the site be used for Alternative Provision.

- 6.2.17.2. **Response:** any decision about the long-term plans for the site would be determined only if the proposal proceeds. As Blessed Sacrament is a voluntary aided school, the future of the site would be the responsibility of the Diocese of Westminster and not the Local Authority.

6.2.18. Published Admission Numbers (2 comments)

- 6.2.18.1. Two respondents suggested that the Published Admission Numbers (PAN) at nearby schools be reduced so that children instead are required to go to another school, including Blessed Sacrament RC Primary School.

6.2.18.2. **Response:** this proposal is part of the wider School Organisation Plan which includes other proposals, including proposals to reduce the PAN at those schools with spare capacity. The PAN reductions that are proposed do not create demand for school places elsewhere as the number of pupils in the whole area has fallen so significantly.

6.2.19. Distance to other schools (1 comment)

6.2.19.1. One respondent was concerned about the distance to other schools, and how the closure could increase local traffic as parents had to drive children to another school.

6.2.19.2. **Response:** There are other schools within walking distance from the Blessed Sacrament RC Primary School site, including Vittoria Primary School which is immediately next door. Should parents choose to attend another Roman Catholic school, three others are within 1.5 miles of the school site, which is under the maximum walking distance of two miles set by the Department for Education.

6.2.20. UCL IOE (1 comment)

6.2.20.1. One respondent commented that the school has very strong partnership with the UCL Institute of Education and closing the school would impact this.

6.2.20.2. **Response:** These comments are noted.

7. The next steps

7.1. Based on the feedback received during the consultation we recommend that the Executive agree to issue a statutory notice of our intention to close Blessed Sacrament RC Primary School on 31 July 2024.

7.2. If agreed, we will issue a formal statutory notice in accordance with the prescribed process. An outline draft statutory notice is shown at Appendix D. A four-week formal representation period will follow once the full notice is published.

7.3. Should the Department for Education agree to convert Blessed Sacrament RC Primary School to an Academy, the proposal won't be implemented.

7.4. The timeline recommended to proceed with the next stage is set out in table 4.

Table 4: Timeline for next steps

Stage	Process and time required
Issue statutory notices	Following consideration of this report by Executive formal publication of notices stating council's intent to implement proposals

Stage	Process and time required
Formal Consultation	Four-week statutory representation period if the proposal is agreed to take place from 18 January to 15 February 2024.
Determination	Executive to consider public report of the response received during the representation period.
Implementation	July 2024

7.5. Impacts and risks

- 7.5.1. Islington has a statutory responsibility to manage and make appropriate offers of education, within a reasonable distance, to all children affected by changes at their schools.
- 7.5.2. We would need to do this in a way that safeguarded access to high quality education especially for vulnerable pupils and communities and those pupils with special educational needs. We will identify the needs of the existing cohort, especially for those pupils with an Education Health and Care Plan (EHCP) and identify appropriate mitigation to ensure that the right levels of support are in place and aid a smooth transition. An Equalities Impact Assessment (EIA) has been completed and is at Appendix C.
- 7.5.3. Should the Department for Education agree to convert Blessed Sacrament RC Primary School to an Academy, the proposal cannot proceed and will not be implemented. Until that time, we will continue to progress the proposal based on the current status of Blessed Sacrament RC Primary School as a voluntary aided school. Senior council officers have shared the evidence base for this proposal with the Department for Education, including the current level of surplus places, the projections showing a further decline, and the spare capacity at other Roman Catholic primary schools in Islington.

8. Implications

8.1. Financial Implications

- 8.1.1. It is becoming increasingly difficult for schools to remain financially viable when pupil numbers are falling as most school funding is pupil-based in line with the School's National funding Formula. Therefore, as pupil numbers decline, schools receive less funding. Per pupil funding in Islington is on average £5,700 depending on the characteristics of its pupils.
- 8.1.2. Individual school balances stood at £6.291m at the end of 2022-23, with 15 schools in deficit. School balances are forecast to reduce further over the course of this financial year, where more schools are projected be in deficit. School balances in Islington have been in decline since 2018-19 when they stood at £11.732m. The main driver of declining school balances is falling pupil numbers alongside increasing cost pressures such as energy costs and pay.

- 8.1.3. Blessed Sacrament RC Primary School had been projecting to go into deficit from 2023-24 onwards with a deficit projected of £197K by 2025-26. The school is now projecting a small surplus of £4.5K in 2025-26 with support from the Diocese.
- 8.1.4. Schools that are in deficit or are set to go into deficit are required to complete deficit recovery plans to bring their budget back into balance and eliminate their deficit within three years. This is becoming increasingly challenging for schools in the light of falling pupil numbers and increasing cost pressures and is a national issue.
- 8.1.5. If a school closes, the local authority meets the cost of any deficit balance from the General Fund.
- 8.1.6. In the event of academisation, there are two scenarios: for convertor academies (those that voluntarily convert) the deficit is repaid to the local authority by the DfE and recouped from the academy; for sponsored academies (forced conversion due to the school being assessed as inadequate) the deficit remains with the local authority to be paid from the General Fund.
- 8.1.7. If Blessed Sacrament RC Primary School were to convert to an academy this would be a voluntary conversion, therefore any deficit on conversion would be repaid to the council by the DfE. However, there would not be a benefit for other schools in the area from existing pupils at Blessed Sacrament transferring to other local schools.

8.2. Legal Implications

- 8.2.1. Section 14 of the Education Act 1996 requires local authorities to provide sufficient schools for primary and secondary education in their area.
- 8.2.2. The Education and Inspections Act 2006, the School Organisation (Establishment and Discontinuance of Schools) Regulations 2013, the statutory guidance 'Opening and closing maintained schools' (November 2019), sets out the procedure for closure of schools.
- 8.2.3. The proposals set out in this report comply with the legislation and statutory guidance. The outline draft statutory notice at appendix D will require completion in accordance with the Regulations and Guidance set out above.

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

- 8.3.1. Islington Council declared a climate emergency in June 2019, committing the council to work towards making Islington net zero carbon by 2030. A 10-year Net Zero Carbon Strategy, with action plans, was adopted by the Executive in November 2020. The implementation of the School Organisation Plan 2022-25 will be progressed in a manner that aligns with and supports the delivery of the council's ambitions for creating a clean and green Islington. Key environmental implications that the school organisation plan impact is:

- 8.3.1.1. **Improving the energy efficiency and reducing the level of carbon emissions of all buildings and infrastructure:** schools form a crucial element of our non-residential buildings and infrastructure net zero carbon workstream given their number, size, and distribution across the borough. Decarbonisation Feasibility Studies have already been completed for 22 of our schools with a

further 14 taking place during 2022-23. The impact on the environment and the findings from these decarbonisation reports will be fully considered in developing plans, and where there are falling rolls in making better use of the spare capacity thereby optimising energy efficiency.

- 8.3.1.2. **Reducing emissions in the borough from transport:** Schools again can play their part in delivering on this priority. In proposing specific measures as part of school organisation planning, the implications on school journey distances, school streets and potential changes to vehicle journey numbers will be fully considered in consultation with schools and key stake holders.

8.4. Equalities Impact Assessment

- 8.4.1. 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.
- 8.4.2. An Equalities Impact Assessment was completed on 13 December 2023. The full Equalities Impact Assessment is appended.

9. Conclusion and reasons for recommendations

- 9.1. This report recommends that the Executive agree to issue a statutory notice of our intention to close Blessed Sacrament RC Primary School on 31 July 2024.
- 9.2. We recommend that the proposal also include a commitment to offer support to all parents with moving children to another local school and a specific recommendation to support parents of Year 5 children collectively so that they can move together to one school, should they want to.
- 9.3. There was a high-level engagement with the first stage consultation process, with 96 respondents completing the online consultation questionnaire and 10 people attending the consultation meetings.
- 9.4. Due to Blessed Sacrament RC Primary School's decision to not engage in the consultation process, we had fewer parents and carers attend the consultation meetings than we had anticipated. Nevertheless, we are confident that the community was aware of the consultation and that the responses received captured the views of the community. 34 parents responded to the consultation which is a high proportion of the 76 children on roll at the school.
- 9.5. 67% disagreed or strongly disagreed with the proposal to Blessed Sacrament RC Primary School which increased to 88% when filtering to responses from parents and carers. The main themes emerging from the consultation were about the impact closure would have on parental choice as the number of Catholic schools in the area would be reduced, and a

general view that academisation would prevent school closure and should be explored further.

- 9.6. Parents and carers of children in Year 5 were concerned about the impact transitioning to another school for Year 6 would have on their children, as they would need to transition to another school when they move to secondary school in year 7. We are therefore proposing a commitment to offer all children in the current Year 5 the option to move collectively to another school.
- 9.7. The level of opposition to the proposal is to be expected given the nature of the proposal, nevertheless, we maintain that closing the school is in the best interests of the school community and especially the pupils. By closing the school, we will reduce capacity in the area and ensure the financial and long-term viability of other schools in the local area.
- 9.8. We know that there are three other Roman Catholic schools with vacancies that are under 1.5 miles away from Blessed Sacrament RC Primary School and closing the school will not detrimentally impact parental choice.

10. Appendices

- Appendix A – Consultation document on the Proposal for the Future of Blessed Sacrament RC Primary School
- Appendix B – Analysis of responses to the Public consultation
- Appendix C - Equalities Impact Assessment
- Appendix D – Proposed outline statutory notice

Final report clearance:

Authorised by:

Cllr Michelline Safi Ngongo

Executive Member for Children, Young People, and Families

Date: 22 December 2023

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Consultation on the future of Blessed Sacrament RC Primary School

7 November – 12 December 2023

Please give us your views on our proposal to close Blessed Sacrament RC Primary School on 31 July 2024.

Give your views by completing our consultation online at www.letstalk.islington.gov.uk/blessed-sacrament

You can also email your views to schoolconsult@islington.gov.uk

You must submit your response by **12 December 2023**.

Summary of the proposal

- Blessed Sacrament RC Primary School doesn't have enough children in each class
- We are proposing to close Blessed Sacrament RC Primary School on 31 July 2024
- We will offer all Blessed Sacrament RC Primary School pupils a place at another nearby good Islington School, including other Roman Catholic Primary schools
- Islington Council will support the school, parents, and children throughout the transition

Introduction

Islington Council is seeking the views of parents and carers, staff, the local community, and other interested groups on its proposal to close Blessed Sacrament RC Primary School.

Across London, because of a falling birth rate and changes to the local population, pupil numbers are falling, and Islington is no exception.

Schools with fewer pupils get less government funding, which risks their long-term future and the quality of education.

We want to ensure a sustainable future for our schools, and excellent education for our children so that they have the best start in life.

Because of this, we are proposing to **close Blessed Sacrament RC Primary School on 31 July 2024.**

This consultation gives information about why we have made this proposal and asks your views about it.

We welcome your views on the proposal and will consider all views put forward during the consultation period.

Islington Council's Executive will decide whether to proceed with the statutory process to close the school at its meeting on 11 January 2024.

Please read this information carefully and respond to our short survey before the closing date of **12 December 2023.**

Background

Islington Council is committed to putting children first and driving educational excellence through inclusive and sustainable schools. We have set out our mission in our Education Plan to ensure that every child, whatever their background, has the same opportunity and ambition to reach their educational potential in a good Islington school. We will equip and empower every child and young person who attends our schools and education settings with the learning and skills for life and the future world of work.

The amount of money a school receives is linked to how many pupils are in each class. As classes get smaller, the less money the school has. This can eventually affect the quality of children's education as schools have less money to spend on staff and resources. We need to manage this situation to ensure every child goes to a good school with a healthy budget.

When considering what action to take to reduce spare places we also consider other information about schools including the quality of education, their financial position, and the local context.

The proposal

We are proposing to close Blessed Sacrament RC Primary School on 31 July 2024.

Blessed Sacrament RC Primary School has many spare school places, with pupil numbers set to fall further still in the coming years.

As a result, Blessed Sacrament RC Primary School will receive reduced funding. This is because the amount of money a school receives is linked to how many pupils are in each class. As classes get smaller, the less money the school has. This can eventually affect the quality of children's education as schools have less money to spend on staff and resources. We need to manage this situation to ensure every child goes to a good school with a healthy budget.

Pupil projections and numbers

We plan for school places by dividing Islington into six different planning areas. Blessed Sacrament RC Primary School is in Planning Area 4: Barnsbury.

Barnsbury Planning Area

Barnsbury has one of the highest levels of surplus capacity in Islington, with vacancies of 29% in Reception and 31% across all school years. In other words, almost one in three places are not taken at schools in the local area. This figure is above both the Department for Education's recommendation of a 5% vacancy rate and the 10% vacancy rate used by most local authorities across London.

Pupil numbers are expected to decrease further in this planning area and across Islington.

Table 1: the number of vacancies by planning area

Vacancies by planning area for September 2023 based on offers	No. of places available	Vacancies	Vacancy rate
Planning Area 1: Holloway	465	108	23%
Planning Area 2: Hornsey	465	150	32%
Planning Area 3: Highbury	360	62	17%
Planning Area 4: Barnsbury	245	74	30%
Planning Area 5: Canonbury	340	72	21%
Planning Area 6: Finsbury	300	70	23%
Totals	2,175	536	25%

Each school must publish the maximum number of pupils it can expect. This is called the Published Admission Number - or PAN. The minimum number this can be is 30 for each year group, meaning the school is a one-form entry school.

Table 2 shows the PAN for each school in the Barnsbury planning area, including Blessed Sacrament, and the number of pupils in Reception, based on the provisional returns for the October 2023 School Census.

Table 2: Spare places by school in the Barnsbury Planning area

School Name	Published Admission Number for Reception	Number of places taken in Reception (September 2023)	Percentage vacancy in Reception (September 2023)	Total number of pupils from Reception to Year 6
Blessed Sacrament	30	6	80%	76
Laycock	50	36	28%	254
St Andrews	30	22	27%	172
Thornhill	60	60	0%	415
Vittoria	45	20	56%	220
Winton	30	27	10%	191
Total for the planning area	245	171	30%	1,328

The 2023 School Roll Projections predicted there would be 1,358 pupils on roll at schools in the planning area in 2023/24, so the provisional October Census data indicates that there are 30 fewer pupils attending schools in Barnsbury than expected - equivalent to one full class.. This is an 8% fall on the roll numbers from the January 2023 Census, compared to the 5% fall that was projected. The School Roll Projections are forecasting the roll numbers for Planning Area 4 (Barnsbury) will continue to fall across the next five years, with falls of between 3% and 6% a year.

The number of pupils at Blessed Sacrament RC Primary School

Blessed Sacrament has the lowest number of pupils in Islington. From Reception to Year 6 the school has 210 places but only 76 pupils, meaning 64% of places aren't filled. Table 3 shows the number of pupils in each year group, based on provisional data from October 2023.

Table 3: number of pupils at Blessed Sacrament by year group (October 2023)

Year Group	Nursery	R	1	2	3	4	5	6
Number of Pupils	3	6	9	8	13	9	19	12

These figures represent an 18% fall in pupil numbers since October 2022.

We must take action to address these falling numbers and to ensure that all children can continue to go to financially secure and viable schools.

At some schools, we can consider reducing the PAN. Unfortunately, this is not an option we can consider at Blessed Sacrament as it is already a one-form entry school with a PAN of 30.

School funding

School funding from central government is based on the number of pupils in school at the start of a new academic year.

For every unused place in an Islington primary school, the school is missing out on an average of £5,500 a year which has an impact on staffing and resources at the school.

A school with unused places is still required to fund the same level of fixed costs as a full school including the maintenance and operation of school buildings.

Smaller schools – like Blessed Sacrament – are particularly vulnerable to changes in pupil numbers.

What happens if the school closes?

We understand that this creates a period of uncertainty and concern for parents and the local community, as many have a strong connection to the school.

If Blessed Sacrament RC Primary School closes, all existing pupils will need to move to another school.

We will guarantee a place at another local Islington school for all pupils and will also support parents to secure a place for their child at another Roman Catholic school if this is their preference.

Ofsted has rated all other local Islington schools as 'good'.

Islington Council will work closely with the school to help ensure a smooth transition for all pupils. We will identify the additional needs of all children, starting with those with an Education, Health, and Care Plan (EHCP), to ensure they have the additional support they need at their new school. We will also provide face-to-face support to any parent or carer who needs help with completing an admissions application.

Because other schools have spare places, it will be possible for groups of children and even whole year groups to move together to another nearby school. We can help arrange that if parents wish to do this.

We will provide more information about how we will support moving to another school if the proposal is agreed.

There will be no changes this school year.

Any pupil currently in Year 6 will complete their primary schooling at Blessed Sacrament RC Primary School.

Consultation timeline

Informal consultation: 7 November – 12 December 2023

We will publish this consultation document and hold face-to-face consultation sessions with parents, staff, and the wider community.

Council decision on informal consultation: 11 January 2024

The council Executive will consider all responses to the consultation and then at its public meeting on 11 January 2024, it will decide whether to proceed with a formal proposal to close the school. If this happens there will be a second stage consultation that will run for four weeks in the spring.

Final Decision: Spring 2024

The final decision would be made by the council Executive at its meeting in March. If approved, Blessed Sacrament RC Primary School would close on 31 July 2024.

How to give your views

Give your views by completing our online consultation form at www.letstalk.islington.gov.uk/blessed-sacrament

You must submit your response by 12 December 2023.

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Consultation on the future of Blessed Sacrament Primary School

SURVEY RESPONSE REPORT

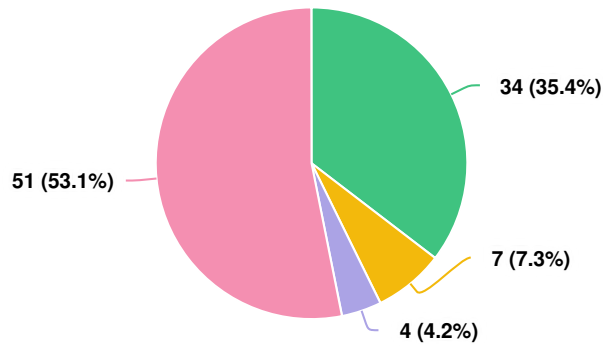
07 November 2023 - 12 December 2023

PROJECT NAME:

Consultation on the future of Blessed Sacrament RC Primary School

SURVEY QUESTIONS

Q1 | What best describes you?

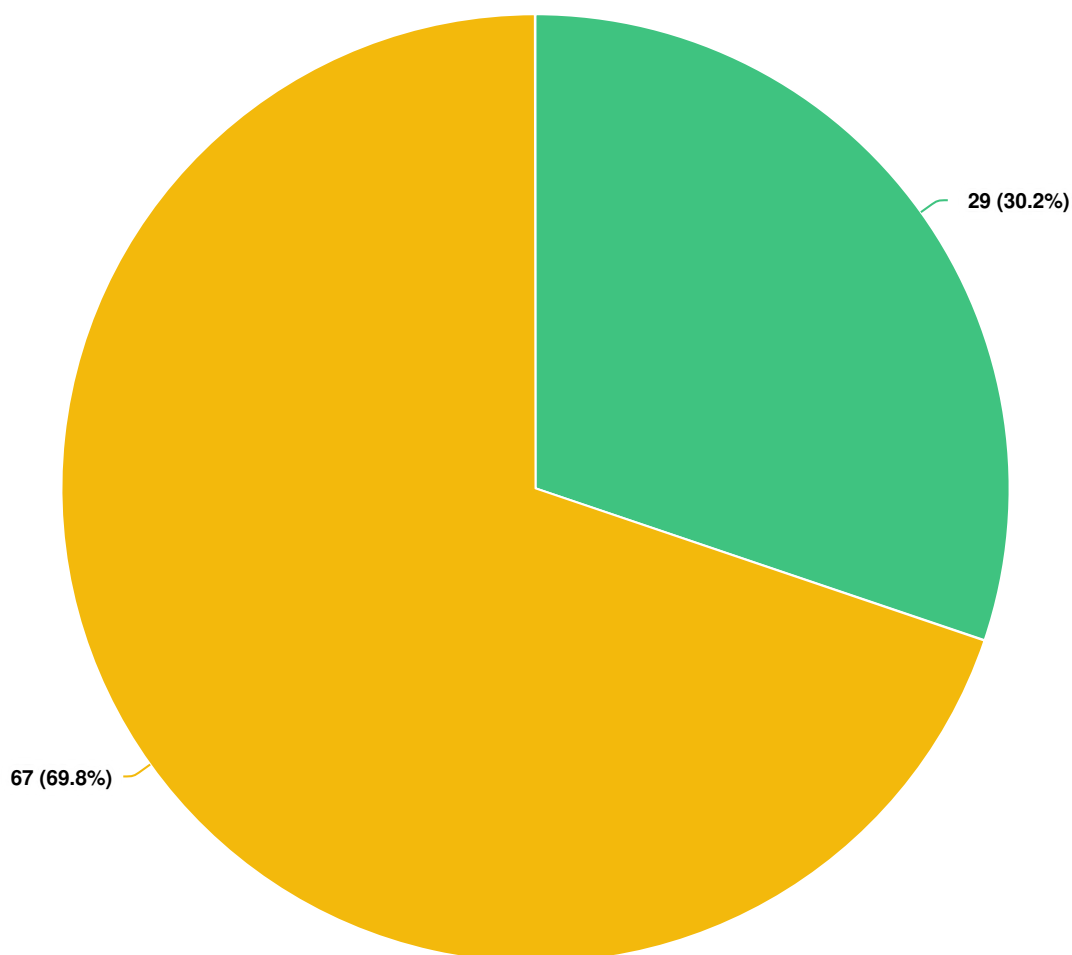


Question options

- Parent or carer of a child at Blessed Sacrament RC Primary School
- Staff member from Blessed Sacrament RC Primary School
- School Governor on Blessed Sacrament RC Primary School governing board
- Other (please specify)

Mandatory Question (96 response(s))
Question type: Radio Button Question

Q2 Do you have any children who currently attend Blessed Sacrament RC Primary School?

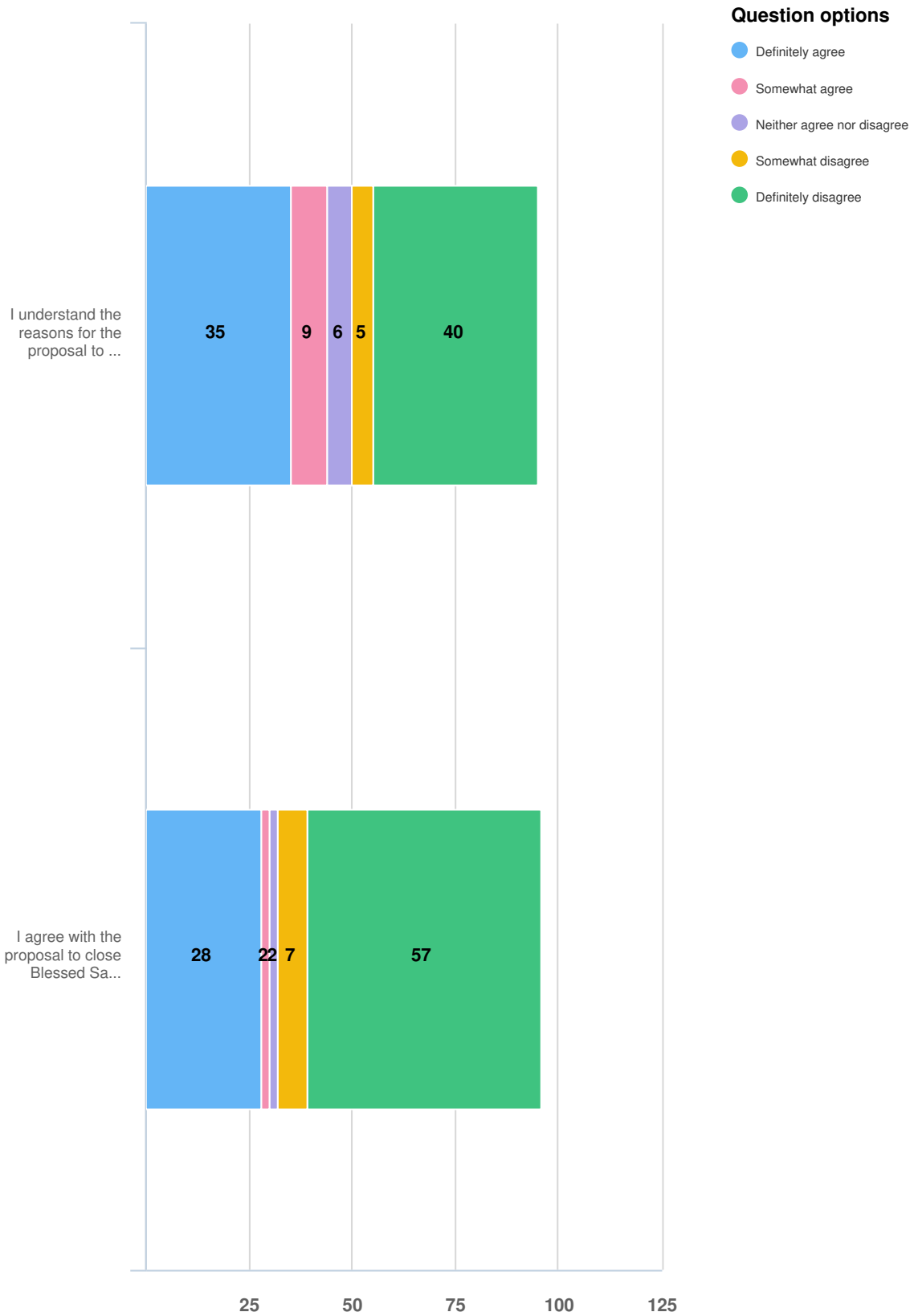


Question options

- Yes
- No

Mandatory Question (96 response(s))
Question type: Radio Button Question

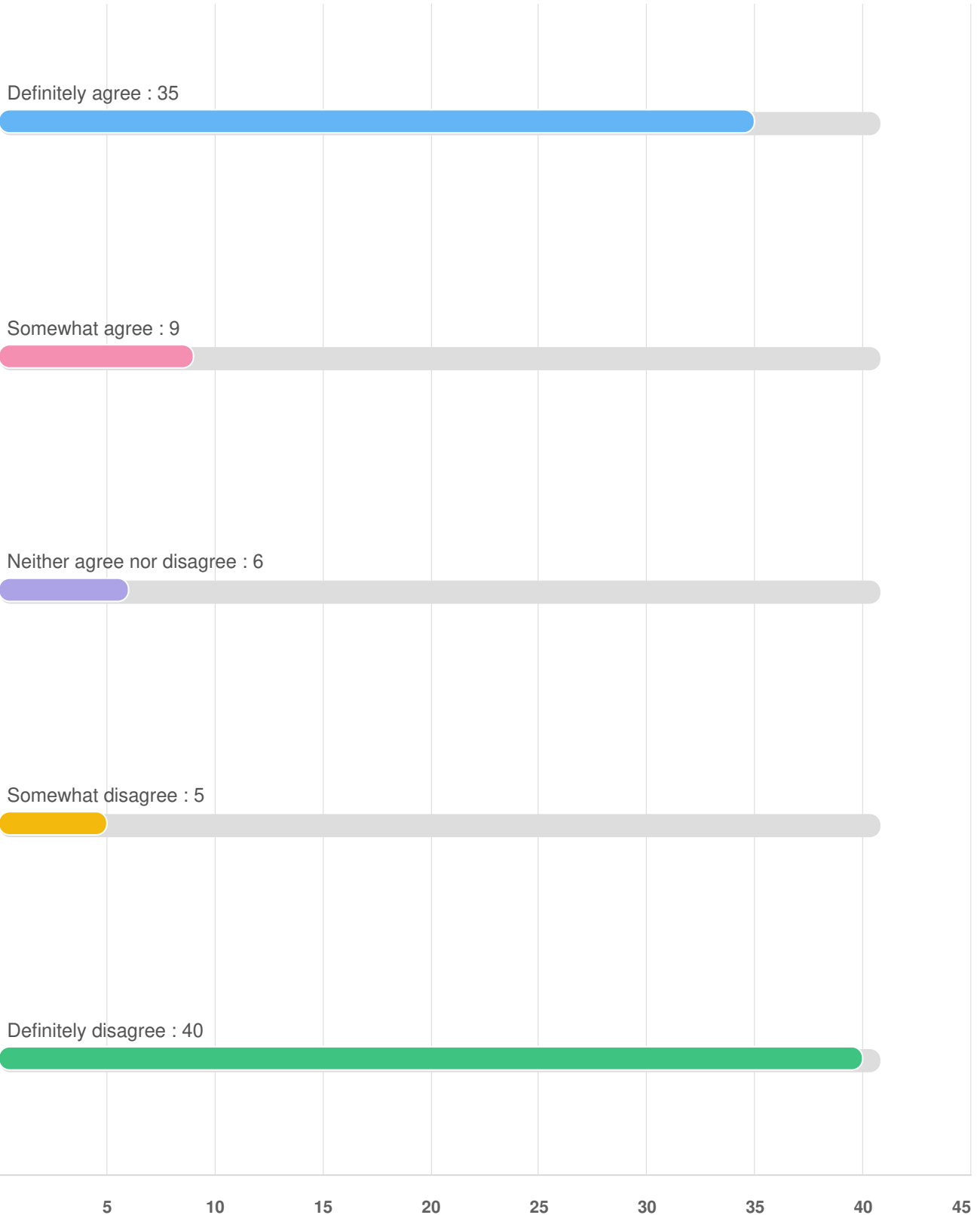
Q3 Please rate how much you agree with the following statements:



Optional question (96 response(s), 0 skipped)
Question type: Likert Question

Q3 | Please rate how much you agree with the following statements:

I understand the reasons for the proposal to close Blessed Sacrament RC Primary School



I agree with the proposal to close Blessed Sacrament RC Primary School

Definitely agree : 28



Somewhat agree : 2



Neither agree nor disagree : 2



Somewhat disagree : 7

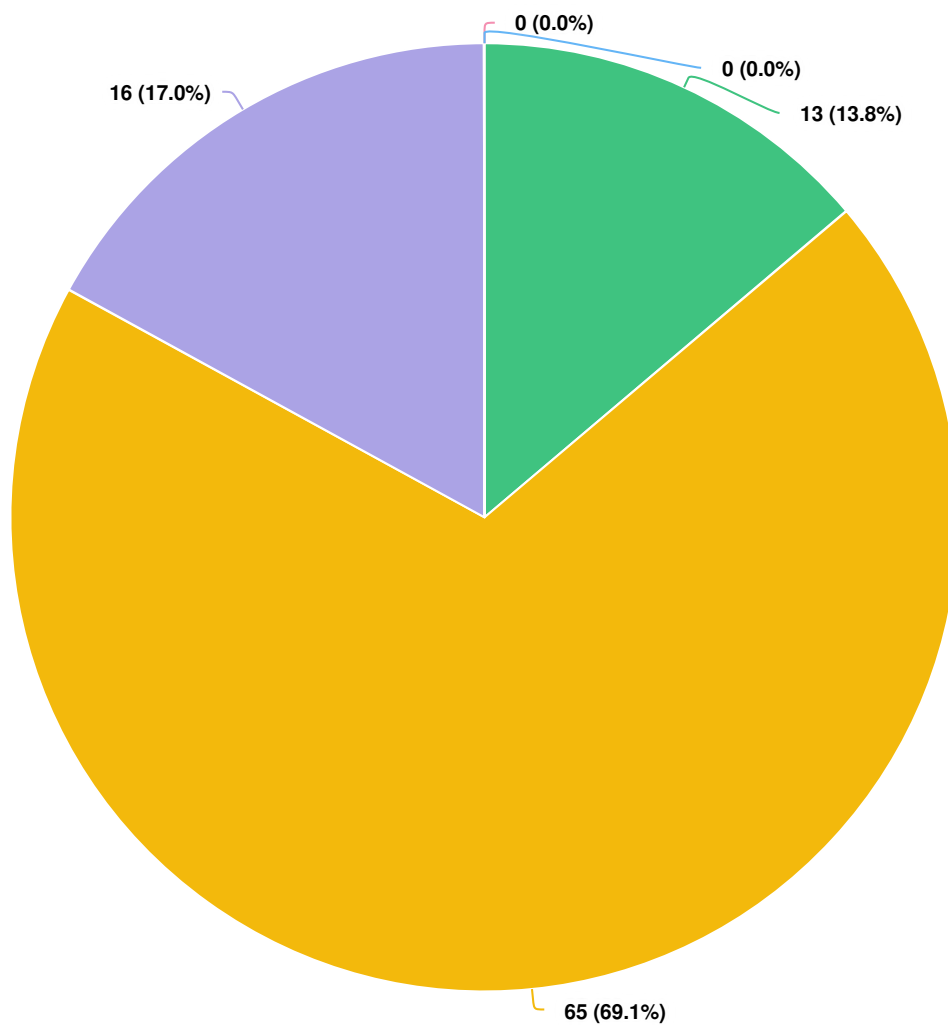


Definitely disagree : 57



5 10 15 20 25 30 35 40 45 50 55 60

Q4 Gender

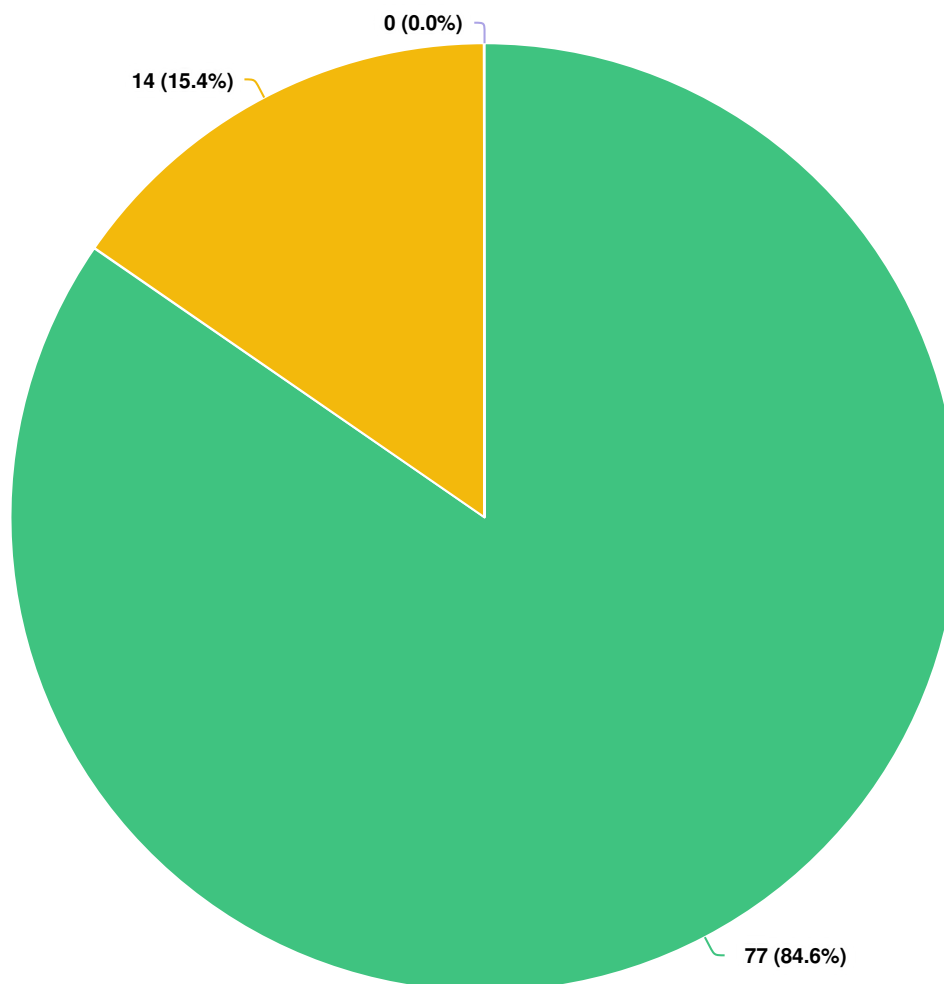


Question options

- Other (please specify)
- Non-binary
- Prefer not to say
- Woman
- Man

Optional question (94 response(s), 2 skipped)
Question type: Radio Button Question

Q5 Do you consider yourself to be trans or to have a trans history?

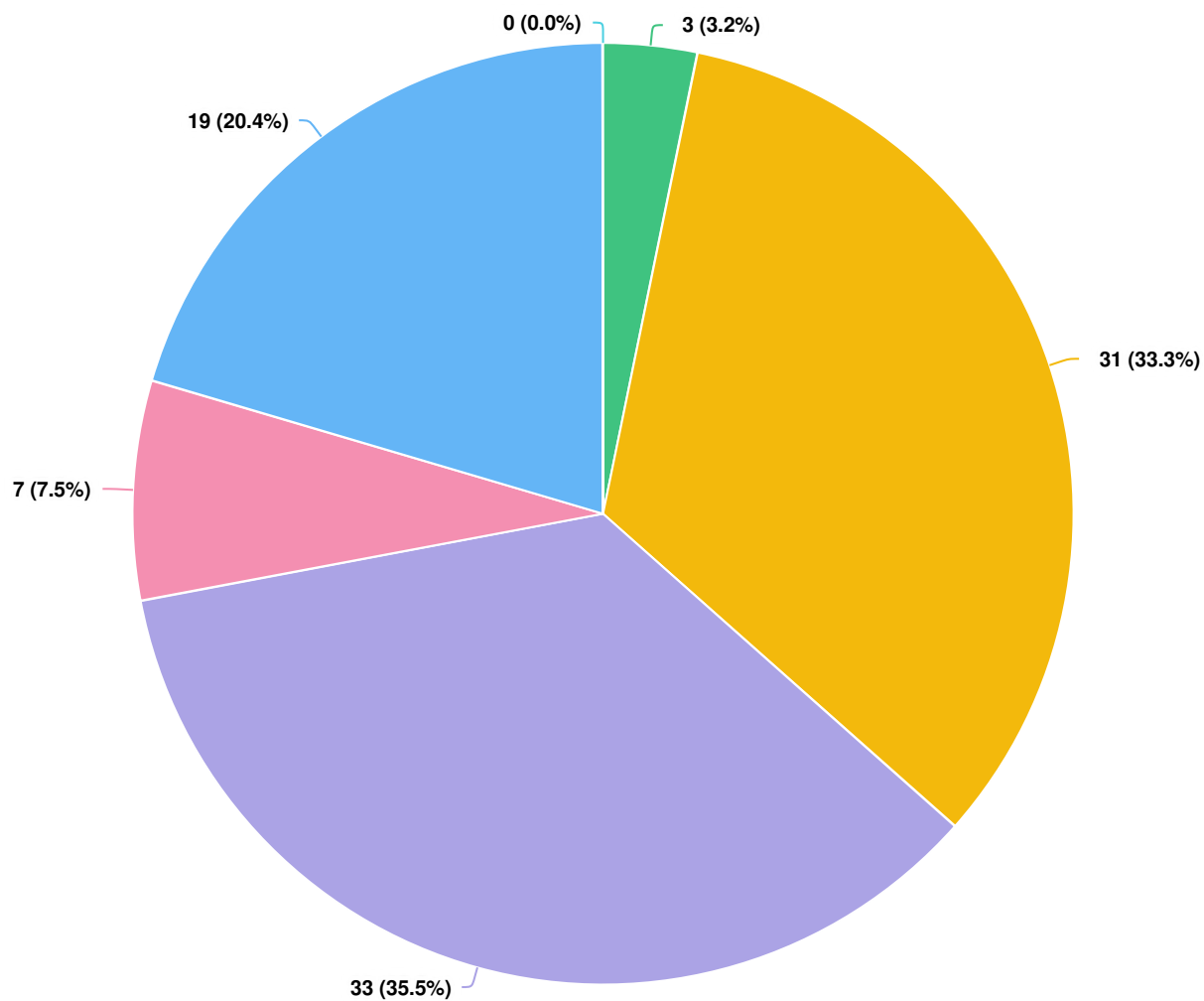


Question options

- Yes
- Prefer not to say
- No

Optional question (91 response(s), 5 skipped)
Question type: Radio Button Question

Q6 Age

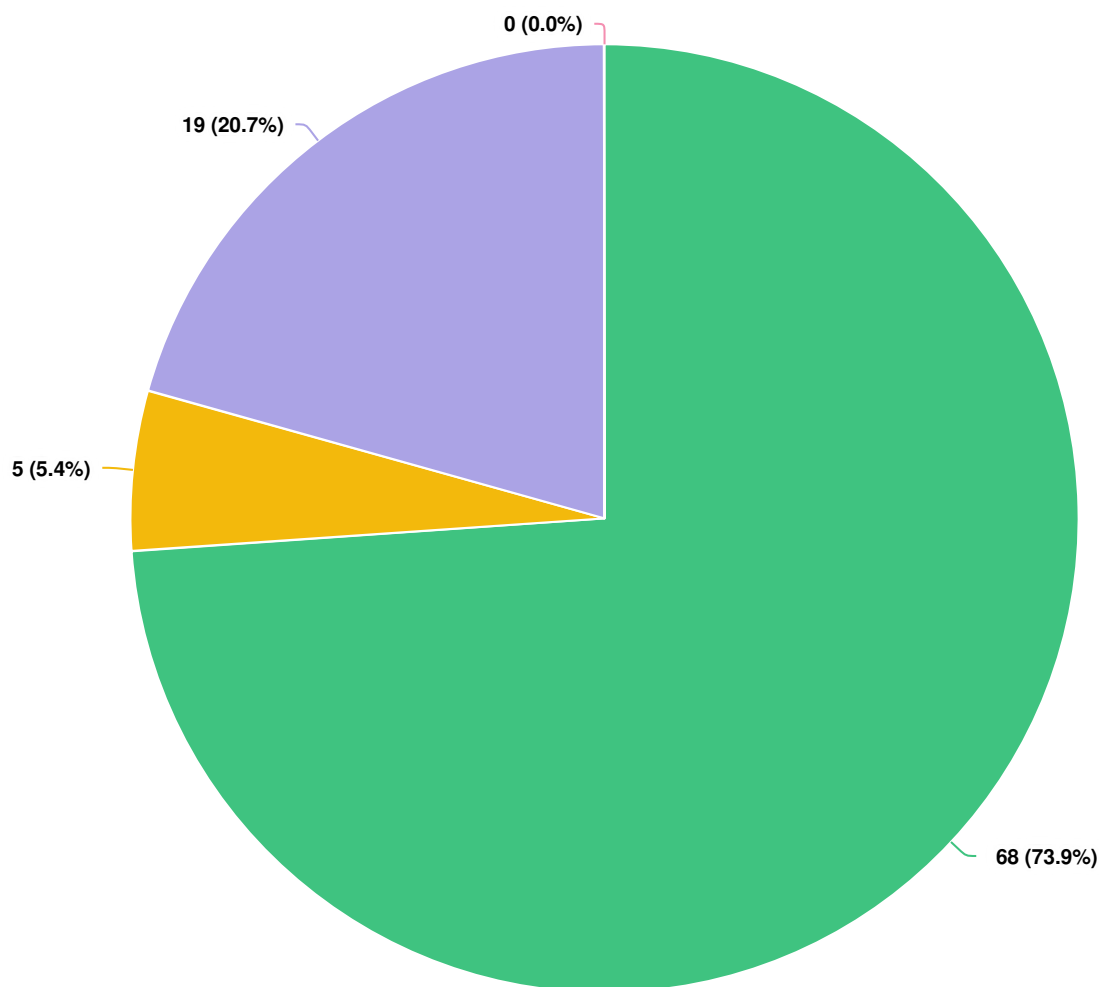


Question options

- Under 16
- 16-24
- 25-44
- 45-65
- 65+
- Prefer not to say

Optional question (93 response(s), 3 skipped)
Question type: Radio Button Question

Q7 | Do you have any physical or mental health conditions, impairments or illnesses lasting or expected to last for 12 months or more?



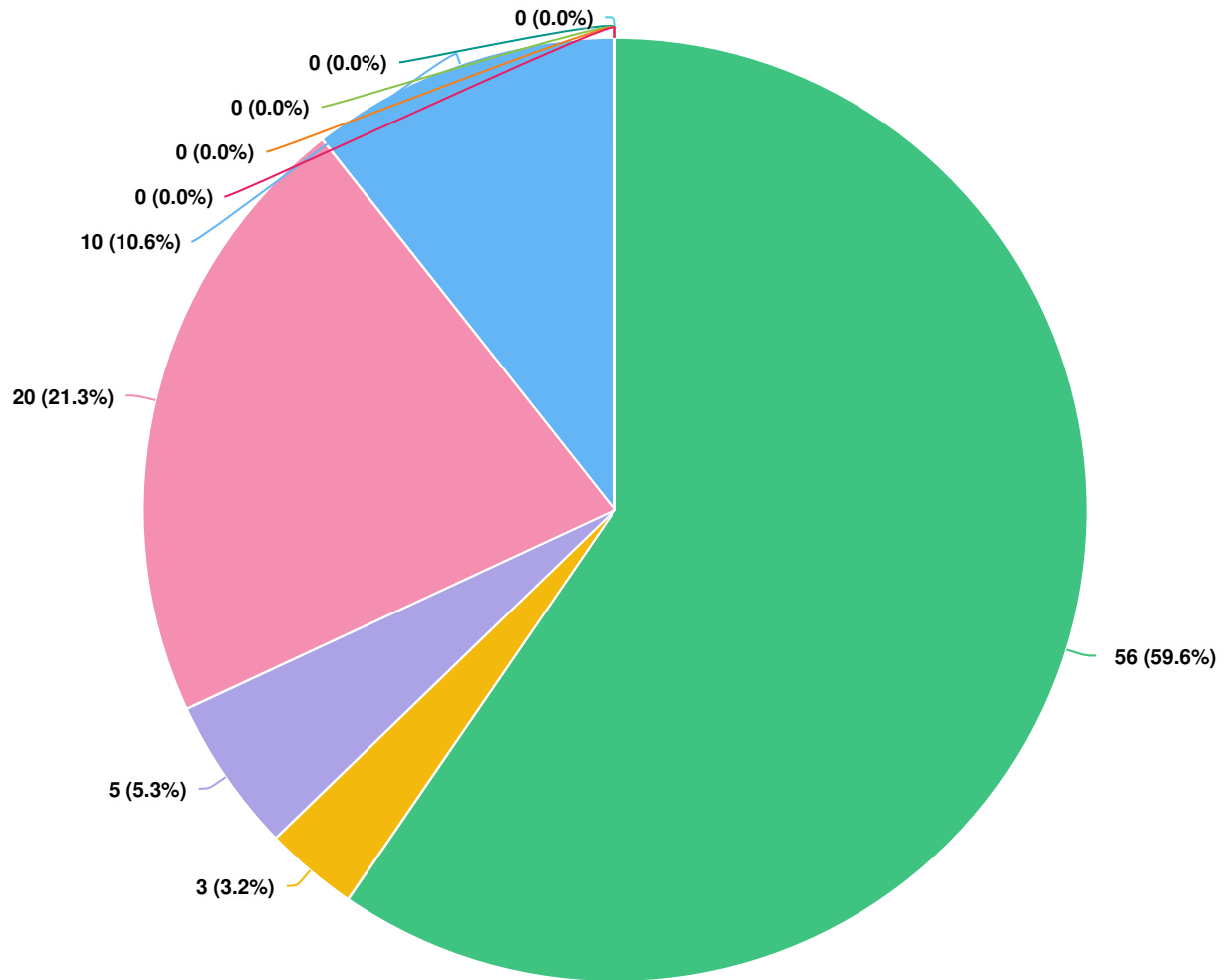
Question options

- Don't know
- Prefer not to say
- Yes
- No

Optional question (92 response(s), 4 skipped)

Question type: Radio Button Question

Q8 Religion or Belief

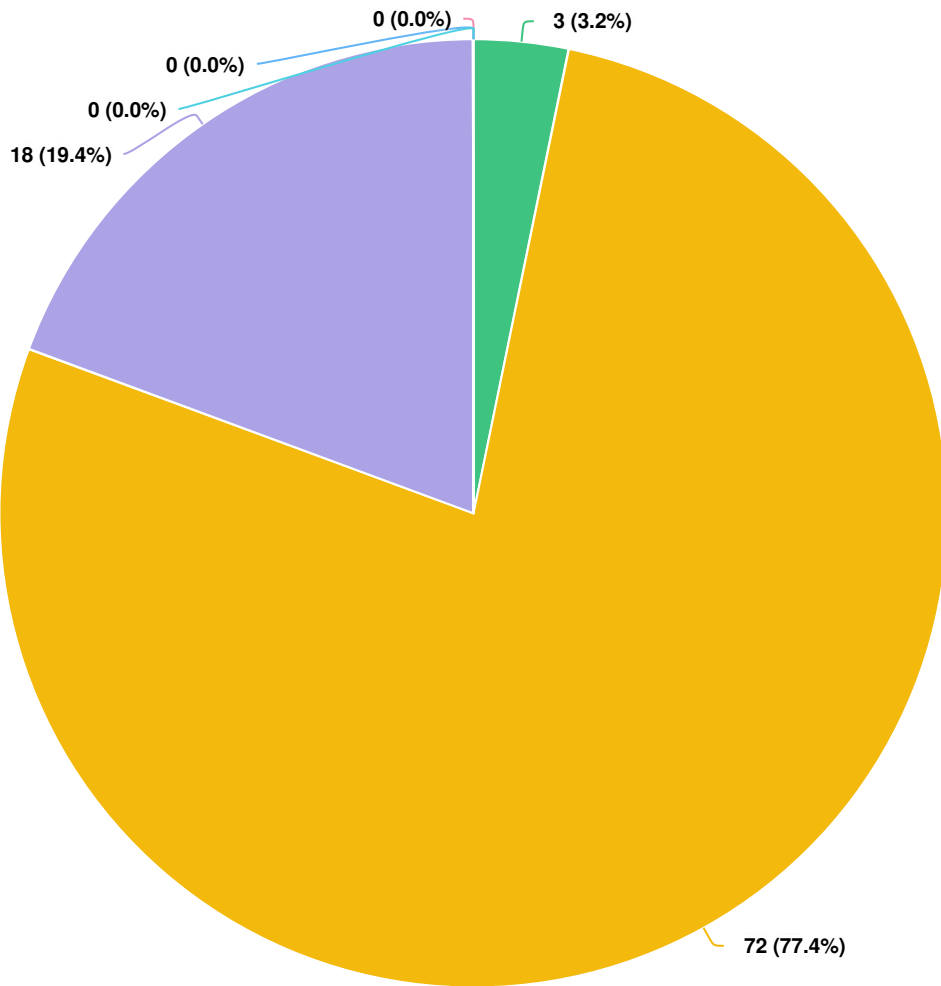


Question options

- Sikh
- Rastafarian
- Jewish
- Hindu
- Buddhist
- Other (please specify)
- Prefer not to say
- No religion
- Muslim
- Christian

Optional question (94 response(s), 2 skipped)
Question type: Radio Button Question

Q9 Sexual orientation

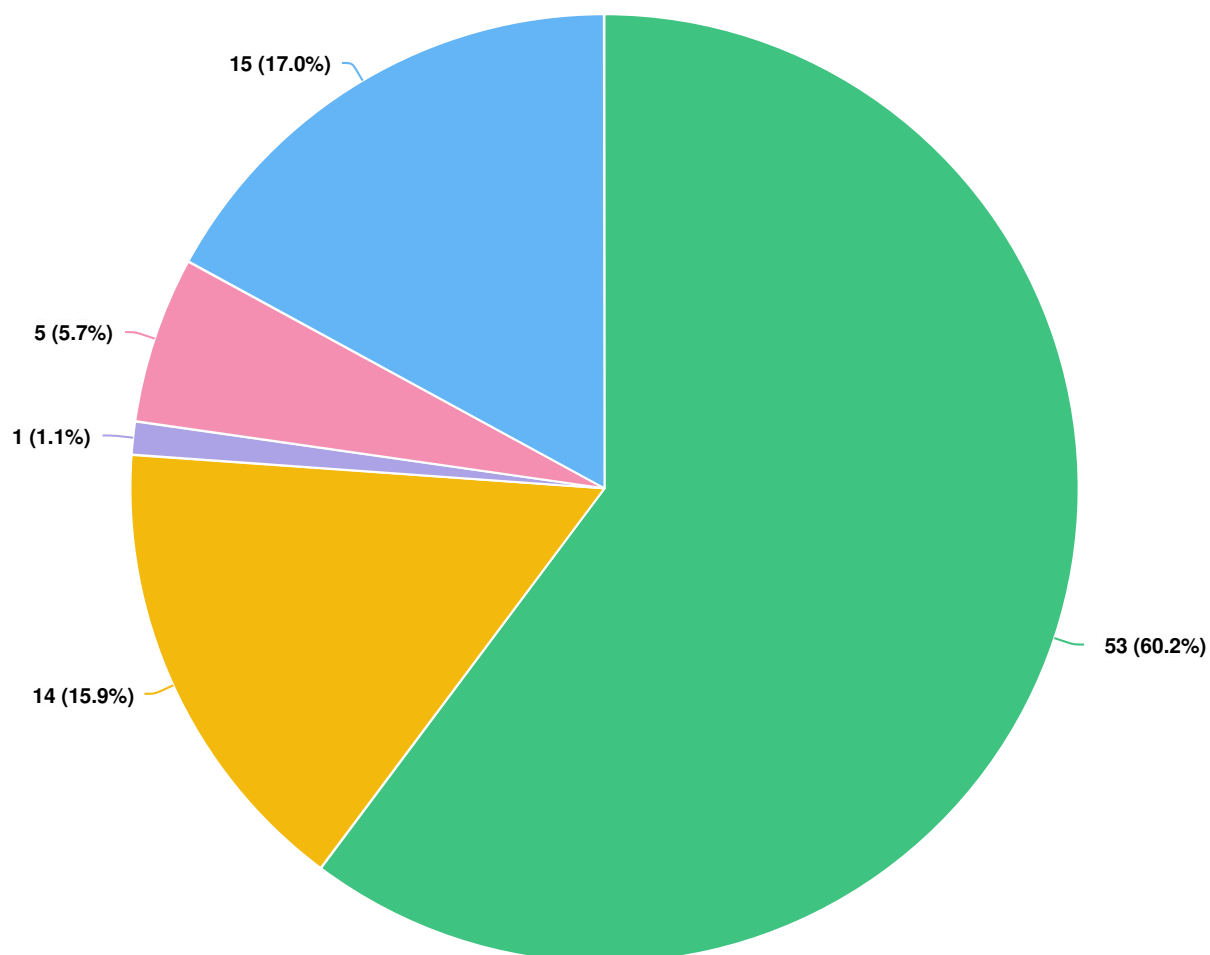


Question options

- Other (please specify)
- Lesbian
- Gay
- Prefer not to say
- Heterosexual/Straight
- Bisexual

Optional question (93 response(s), 3 skipped)
Question type: Radio Button Question

Q10 Ethnicity

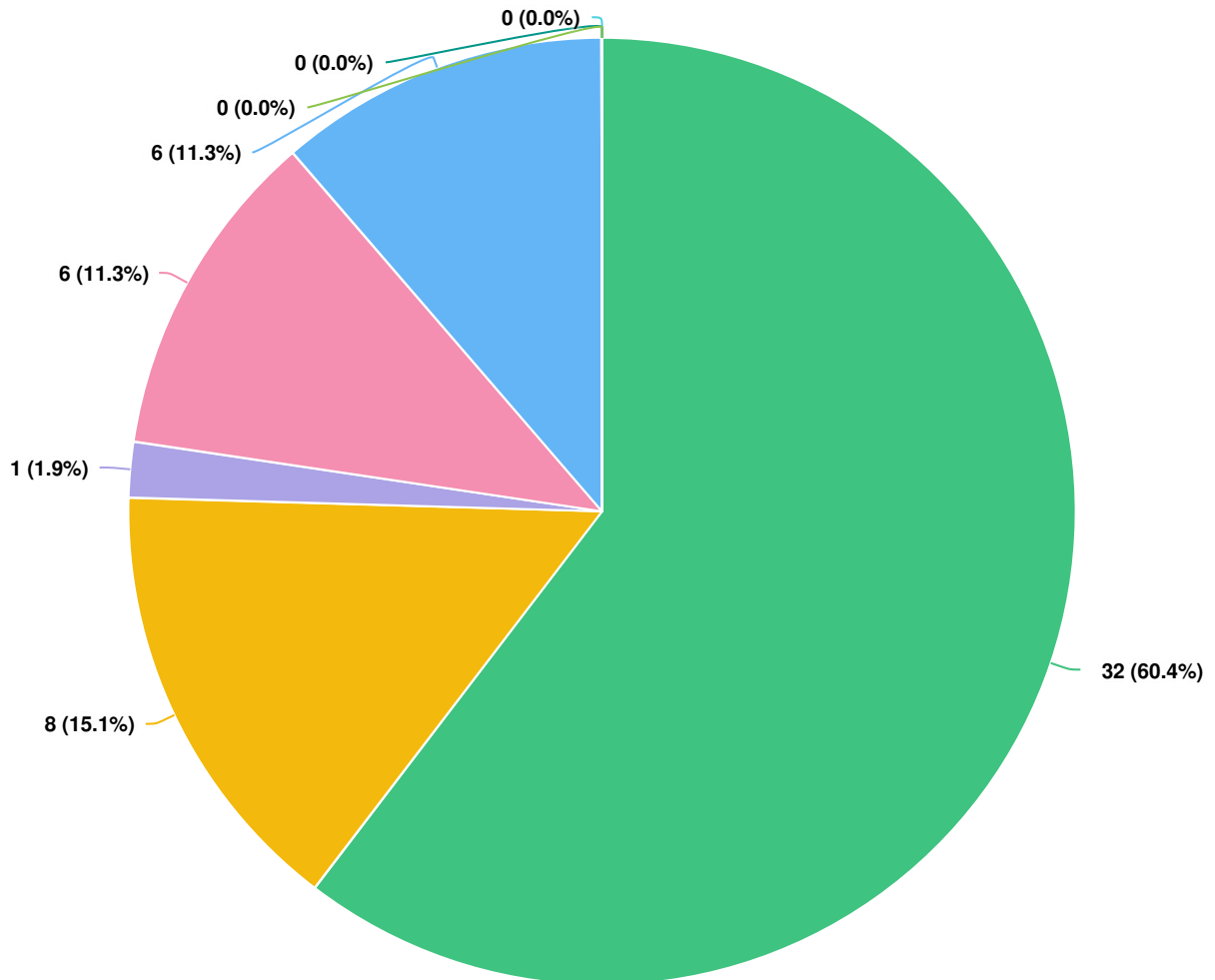


Question options









- Other Ethnic group
- Black or Black British
- Asian or Asian British
- Mixed
- White

Optional question (88 response(s), 8 skipped)
Question type: Radio Button Question

Q11 | White

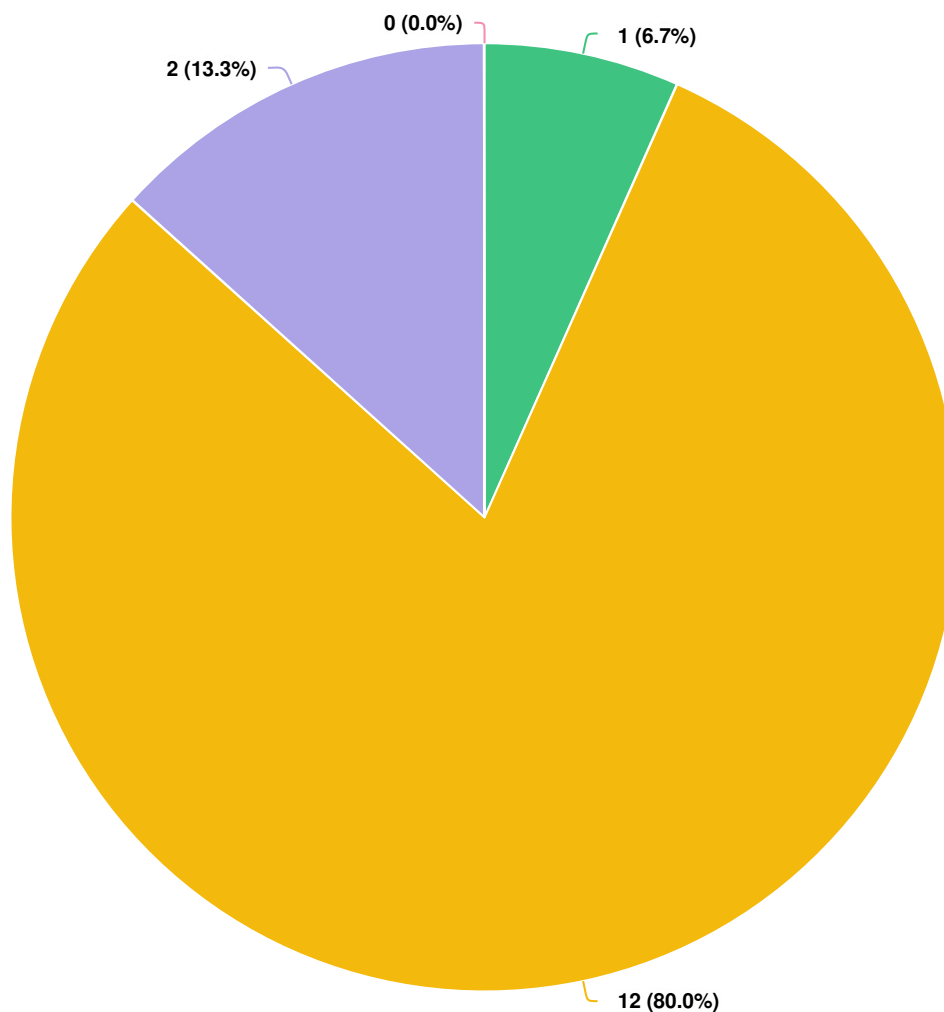


Question options

-  Gypsy/Traveller
-  Kurdish
-  Greek/Greek Cypriot
-  Other (please specify)
-  Prefer not to say
-  Turkish/Turkish Cypriot
-  Irish
-  British

Optional question (53 response(s), 43 skipped)
Question type: Radio Button Question

Q12 | Other Ethnic groups

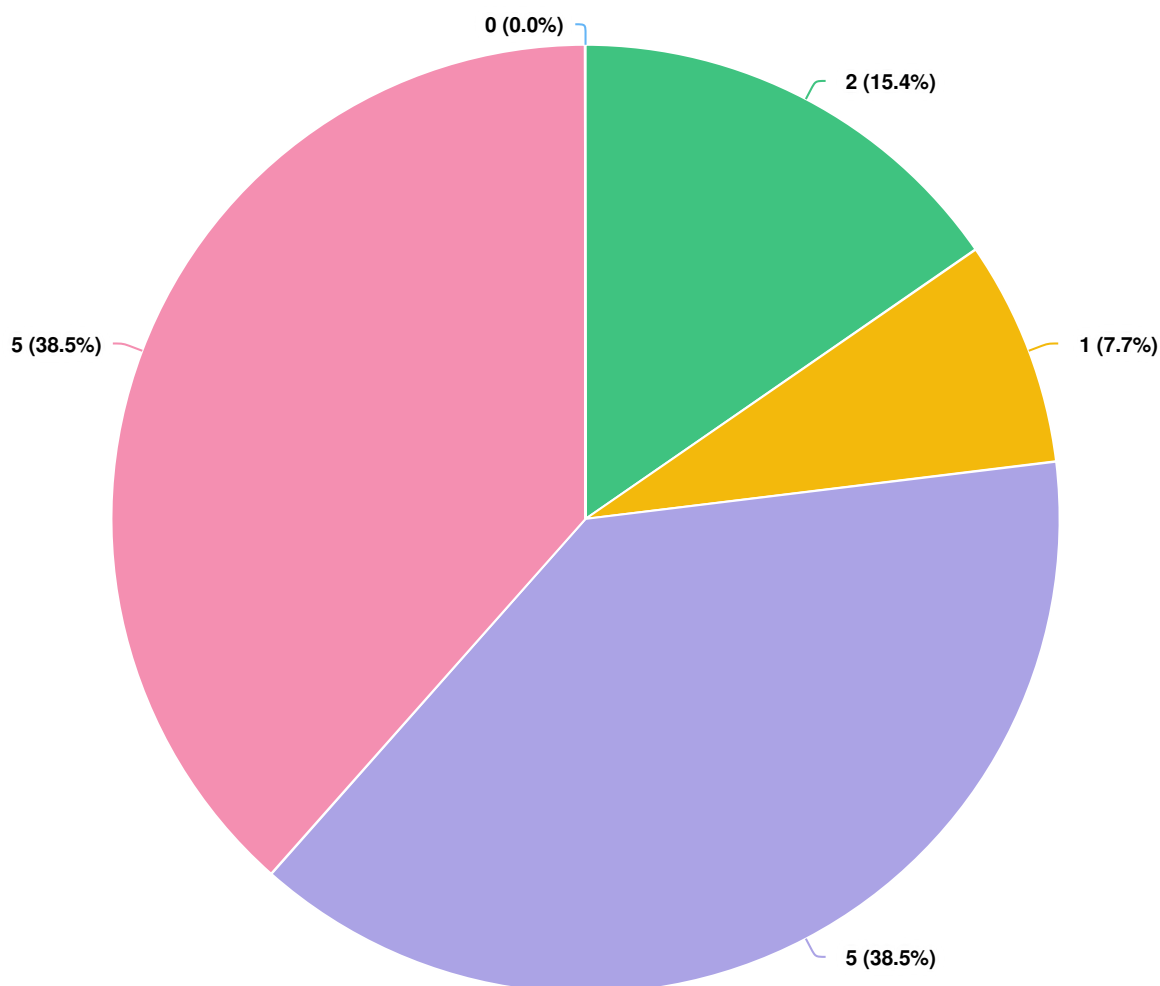


Question options

- Arab
- Any other background
- Prefer not to say
- Latin American

Optional question (15 response(s), 81 skipped)
Question type: Radio Button Question

Q13 Mixed

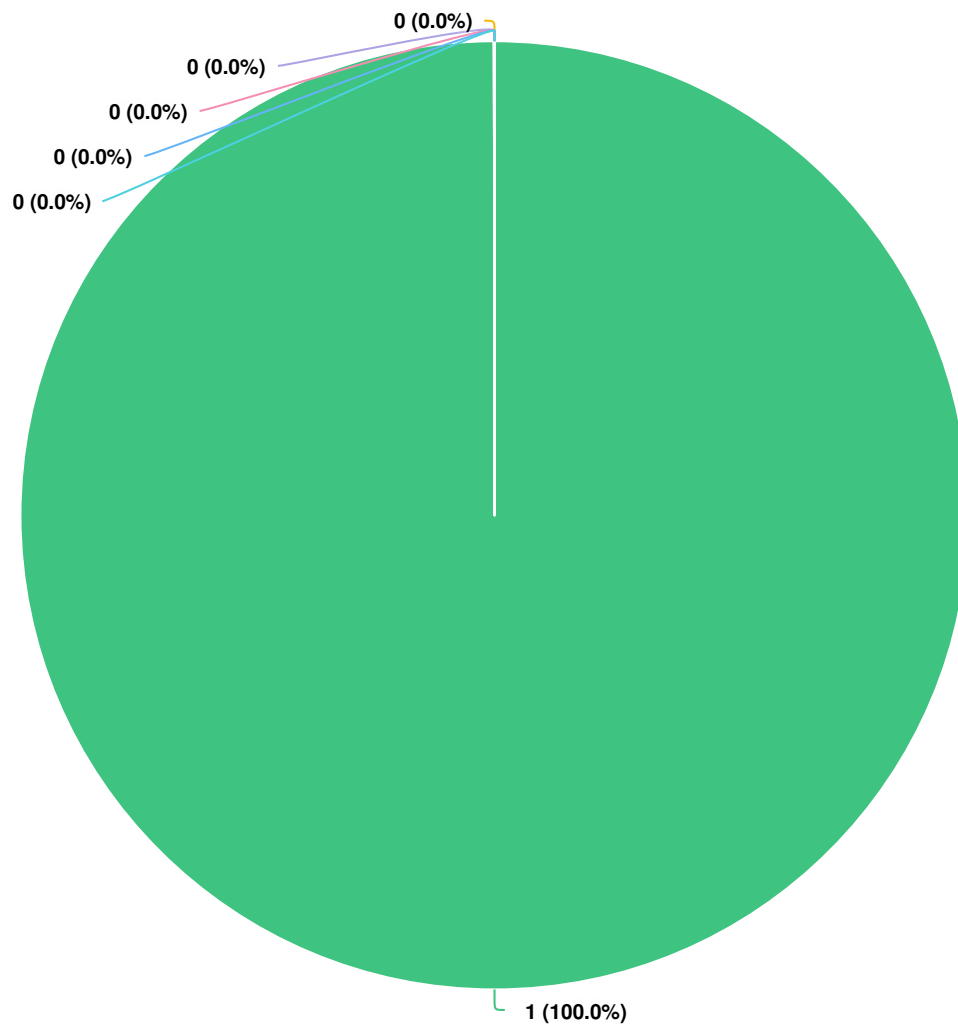


Question options

- White and Asian
- Any other Mixed background
- Prefer not to say
- White and Black Caribbean
- White and Black African

Optional question (13 response(s), 83 skipped)
Question type: Radio Button Question

Q14 Asian or Asian British



Question options

- Any other Asian background
- Chinese
- Bangladeshi
- Pakistani
- Indian
- Prefer not to say

Optional question (1 response(s), 95 skipped)
Question type: Radio Button Question

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Equalities Impact Assessment: Full Assessment

Before completing this form, you should have completed an Equalities Screening Tool and had sign off from your Head of Service and the Fairness and Equality Team.

This Equality Impact Assessment should be completed where the Screening Tool identifies a potentially negative impact on one or more specific groups, but it can also be used to highlight positive impacts.

Summary of proposal

Name of proposal	Statutory Proposal to discontinue Blessed Sacrament RC Primary School
Reference number (if applicable)	N/A
Service Area	Children's Services
Date assessment completed	13 December 2023

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

1. Please provide a summary of the proposal.

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

Across Islington, many schools are impacted by falling rolls with vacancies in reception at primary at 25% in October 2023.

This level of vacancies has implications on the financial viability of the school's longer term and the quality of the educational experience for children as the number of pupils attending the school drives the level of funding received by a school.

Lower pupil numbers mean less funding which affects staffing that then impacts the diversity of the curriculum offer

The School Organisation Plan sets out our strategy for managing school places over the next three years and describes:

1. the context of falling rolls leading to a high level of surplus school places
2. the principles for managing places
3. the current organisation of Islington's education provision
4. the options to reduce surplus places in primary schools and maximise the use of the school estate

Reducing the number of school places in a planned way will support schools to manage change within their funding.

The intended outcome of our school organisation plan is to achieve our ambition that every child has a good local school place to achieve their best outcomes. We expect all schools to be viable and provide a high quality of education so that every child in Islington has the same opportunity and ambition to reach their educational potential in a good Islington school.

The School Organisation Plan sets out various options to reduce surplus capacity at our schools:

- Reduce the Published Admission Number (PAN)
- Maximise the pupil numbers
- Make better use of spare building capacity
- Including children with SEND
- Collaboration and Federation to achieve economies of scale

After all these options have been considered to reduce surplus capacity and the school continues to have a surplus, we are forced to consider amalgamating schools or closing an individual school.

We are proposing to close Blessed Sacrament RC Primary School on 31 July 2024.

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

Blessed Sacrament RC Primary School is in the south of the borough in the Caledonian ward and is the smallest primary school in Islington, having been significantly impacted by falling rolls over several years.

Blessed Sacrament is directly next door to Vittoria primary school which recently amalgamated with Copenhagen Primary School. Even after this amalgamation, there remains a surplus capacity of 30% in the local area, meaning three in ten seats in classes are not taken.

Blessed Sacrament has the lowest number of pupils on roll in both the local area and in Islington overall. Based on the October 2023 census, from Reception to Year 6 there are 76 pupils, against 210 places, giving an overall surplus capacity of 64%. Reducing the PAN is not a possibility as the school is already a one-form entry school.

When closing a school, we must follow statutory guidelines ([Opening and closing maintained schools \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)). The statutory guidance sets out the following criteria for closing a school:

- there are surplus places elsewhere in the local area which can accommodate displaced pupils
- there is no predicted demand for the school in the medium to long term
- it has been judged inadequate by Ofsted
- it is no longer considered viable.

Blessed Sacrament meets the criteria as it has surplus capacity that can be absorbed elsewhere, there is no projected demand in the long term and as such, the school is no longer considered viable.

The first stage to closing a school is to complete an informal consultation. We ran an informal consultation from 7 November to 12 December 2023. This was published on our consultation site, [Let's Talk Islington](#), and translated versions of the proposal were provided in Ahmaric and Turkish. We held seven meetings for parents and carers and members of the local community.

Unfortunately, the school and Roman Catholic Diocese did not support or cooperate with the consultation and meetings did not take place at the school. Instead, we organised meetings at nearby venues, including NRC Medical School (Half-Moon Crescent) and the Lewis Carroll Children's Library (Copenhagen Street). We also wrote directly to parents to share information about the proposal to them, with a link to the web page.

96 people responded to the online consultation and 10 people attended the consultation meetings.

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

Based on the feedback from this consultation, we are recommending that the proposal move to the next stage, and that Islington issue a formal proposal to close Blessed Sacrament RC Primary School along with three commitments:

1. To offer individual support to pupils and their families with transition from the point a decision is taken through to the settling into a new school
2. To work with local headteachers of nearby Islington schools, including Islington Roman Catholic primary schools, to provide support to the school and its families. There are places available for every child at Blessed Sacrament RC Primary School in nearby Islington schools, all of which would provide this support should the proposal to close proceed.
3. To separately offer to all parents of current Year 5 pupils the option to move this class in bulk to another school, either to join another Year 6 class in September 2024 or as a separate bulge class in another school. This is because this is the largest year group at Blessed Sacrament RC Primary School and will have only one year of primary schooling left. Moving them together as a group would mitigate the impact of their transition ahead of a further transition when they move to Secondary School.

The intended outcome of this proposal is to achieve our ambition that every child has a good local school place to achieve their best outcomes. We expect all schools to be viable and provide a high quality of education so that every child in Islington has the same opportunity and ambition to reach their educational potential in a good Islington school. Closing Blessed Sacrament RC Primary School will ensure other local schools are better placed for the longer-term as local capacity is reduced to align better with existing and projected pupil numbers.

The intended beneficiaries of this proposal are pupils attending Islington schools who will be offered places in an alternative good and sustainable local school.

2. What impact will this change have on different groups of people?

Please consider:

- Whether the impact will predominantly be external or internal, or both?
- Who will be impacted – residents, service users, local communities, staff, or others?
- Broadly what will the impact be – reduced access to facilities or disruptions to journeys for example?

The impact will be predominantly external, impacting on pupils, parents and carers and staff at Blessed Sacrament RC Primary School.

The proposal will change where current Blessed Sacrament RC Primary School pupils attend school, potentially leading to stress and anxiety for pupils and families. As of October 2023, there are 76 pupils at Blessed Sacrament RC Primary School and there is enough capacity in nearby schools for these pupils to be transferred, including as whole year groups.

The proposal would also impact on staff currently working at Blessed Sacrament RC Primary School as it will lead to staff redundancies. The annual School Workforce Census indicates that in November 2022 there are 17 staff working at Blessed Sacrament RC Primary School (13.35 Full Time Equivalent (FTE)) which includes both teachers and support staff.

The proposal will not impact our legal duty to ensure that every child has a school place, which will be maintained within close distance for all affected pupils.

Our Education Plan sets out our mission that, by 2030 every child, whatever their background, has the same opportunity and ambition to reach their educational potential in a good Islington school. Schools operate most efficiently when full or nearly full and any surplus places should be kept to a minimum to ensure the financial viability of schools and the ability of schools to provide a high quality, broad and balanced curriculum. This proposal supports the delivery of this objective.

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

This section of the assessment looks in detail at the likely impacts of the proposed changes on different sections of our diverse community.

3A. What data have you used to assess impacts?

Please provide:

- Details of the evidence used to assess impacts on people with protected characteristics and from disadvantaged groups (see guidance for help)
- A breakdown of service user demographics where possible
- Brief interpretation of findings

All the equalities data listed in this section is taken from the October 2023 School Census, apart from the ethnicity information, which is only collected once a year on the January School Census.

Gender

Blessed Sacrament RC Primary School has a similar proportion of male and female students to the primary borough average (49% female, 51% male).

	Blessed Sacrament	Islington Primaries
Male	57% (43)	51%
Female	43% (33)	49%

Data on gender reassignment is not collected in the School Census.

Free School Meal eligibility

Across all Islington primary schools, 43.9% of pupils were eligible for Free School Meals (FSM) in October 2023. Islington tends to have relatively high levels of FSM eligibility compared to other boroughs, with the third highest proportion of primary pupils eligible in the country in most recent comparator figures (for January 2023).

At 58%, the proportion of children eligible for FSM at Blessed Sacrament RC Primary School is significantly higher than the borough average.

	Blessed Sacrament	Islington Primaries
% FSM eligible	57.9% (44)	43.9%

Special Educational Needs

Across Islington primary schools, 17.3% of pupils were at the Special Educational Needs (SEN) Support level of provision in October 2023. This indicates they have some special educational need, but do not meet the threshold for an Education, Health and Care Plan (EHCP). 5.5% of Islington primary school pupils had an EHCP. Therefore, 22.8% of Islington primary school pupils were known to have Special Educational Needs. At 33%, the number of children with SEN at Blessed Sacrament RC Primary School is higher than the borough average, although the proportion with an EHCP was lower than the borough average.

	Blessed Sacrament	Islington Primaries
SEN Support	30.3% (23)	17.3%
EHCP	2.6% (2)	5.5%

Please provide:

- Details of the evidence used to assess impacts on people with protected characteristics and from disadvantaged groups (see guidance for help)
- A breakdown of service user demographics where possible
- Brief interpretation of findings

Total SEN	32.9% (25)	22.8%
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English as an Additional Language

39.5% of Islington's primary school pupils had English as an Additional Language (EAL) in October 2023. The proportion of children with EAL at Blessed Sacrament RC Primary School is level with the borough average.

	Blessed Sacrament	Islington Primaries
% EAL	39.5% (30)	39.5%

Ethnicity

As at January 2023, out of 100 pupils in all year groups:

	Blessed Sacrament	Islington Primaries
White-British	28.0% (28)	26.2%
White-Turkish	4.0% (4)	4.0%
White-Other	8.0% (8)	13.7%
Kurdish	0.0% (0)	0.7%
Asian-Bangladeshi	1.0% (1)	5.3%
Asian-Other	0.0% (0)	1.9%
Black-Caribbean	4.0% (4)	4.2%
Black-African	36.0% (36)	14.6%
Black-Other	1.0% (1)	1.7%
Mixed - White & Black-Caribbean	9.0% (9)	4.2%
Mixed-Other	5.0% (5)	15.2%
Chinese	0.0% (0)	1.5%
Other	4.0% (4)	6.4%
Not stated / refused	0.0% (0)	1.4%

Pupil residence

The pupils on roll at Blessed Sacrament, as at October 2023, are predominantly from the Barnsbury and Caledonian wards within Islington.

Religion

Data on religion is not collected in the School Census. In the current reception and in the offers for September 2023, Blessed Sacrament has had no offers based on Faith Criteria.

Please provide:

- Details of the evidence used to assess impacts on people with protected characteristics and from disadvantaged groups (see guidance for help)
- A breakdown of service user demographics where possible
- Brief interpretation of findings

This is the only catholic primary school in Islington where this is the case. Across the seven catholic primary schools overall, 43% of offers for September 2023 are based on Faith criteria.

3B: Assess the impacts on people with protected characteristics and from disadvantaged groups in the table below.

Please first select whether the potential impact is positive, neutral, or negative and then provide details of the impacts and any mitigations or positive actions you will put in place.

Please 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

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Age	Positive and negative	<p>The intended beneficiaries of the proposals are pupils from Blessed Sacrament RC Primary School, who will receive a broad and balanced curriculum in a sustainable high-quality school.</p> <p>There may be considerable stress and anxiety for pupils and their families who are required to move school.</p>	<p>Pupils from Blessed Sacrament will be offered a school place at a nearby good school that has long term financial sustainability for all primary aged pupils. This includes the newly amalgamated Vittoria school.</p> <p>Neighbouring schools, including Vittoria, have a high level of surplus capacity and it will be possible to offer the option for all pupils to move together as whole classes and groups.</p>

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Disability (include carers)	Negative	<p>As with all pupils, any change can cause anxiety and this can be a particular issue for pupils with SEND and their families, particularly those with Autism who represent 52% of children and young people with SEND in Islington.</p> <p>A recent study by the National Autistic Society (2022) found that 47% of autistic people fall into the severe anxiety category based on GAD-7 diagnostic criteria (measure for assessing generalised anxiety disorder).</p> <p>We don't anticipate the proposals will have a significant impact on carers, as there are available alternative places at neighbouring schools within an appropriate distance (less than 1.5 miles).</p>	<p>An initial assessment of children with EHC Plans shows that their needs can be met at neighbouring schools. The SEND team will work with individual children and their parents/carers to support their transition, including identifying a tailored list of alternative schools suitable to the child's needs as set out in their plans if necessary.</p>

Positive and Negative

Due to the low number of pupils from some ethnic groups at a school level, some of the differences between the ethnic breakdowns for a school and the overall breakdown of all primary schools are not statistically different.

The following ethnic groups are statistically significantly **over-represented** at Blessed Sacrament compared to the borough overall:

- Mixed-White & Black Caribbean

The following ethnic groups are statistically significantly **under-represented** at Blessed Sacrament compared to the borough overall:

- Mixed-Other

Like most Islington schools, Blessed Sacrament has a high percentage of pupils with English as an Additional Language. It is likely that a considerable proportion of parents would also not have English as their first language. This may form a barrier when informing parents about the changes.

We mitigated this by offering in-person meetings for parents and carers and shared information about the proposal with parents through direct mail and translated the proposal document into the most common second languages (Amharic and Turkish) on the consultation website.

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Religion or belief (include no faith)	Neutral	Blessed Sacrament RC Primary school is a Roman Catholic school that is part of the Westminster Diocese. Closing the school will limit parental choice in the area.	The neighbouring schools welcome students from diverse communities and faiths. There are also vacancies at other Roman Catholic schools in the borough. For example, St John Evangelist is less than one mile away and had a capacity of 18 per cent in Reception in October 2023 and St Peter and St Paul (1.5 miles away) has a capacity of 15 per cent. Please note, however, that in 2022 and 2023, no offers in Reception were made at Blessed Sacrament based on Faith criterion.
Gender and gender reassignment (male, female, or non-binary)	Neutral	There should not be any difference in the impact on different genders. The school is mixed gender.	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Maternity or pregnancy	Neutral	Any staff who are pregnant or on parental leave may be excluded from any consultation including any staffing consultation.	We will ensure any staff on parental leave or any other leave are fully informed of any proposal and given the opportunity to participate in all and any staff meetings and support workshops. This will be managed by our HR services in consultation with the school leadership team. Please note that any discussions on staffing can't start unless we proceed to the formal consultation stage.

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Sex and sexual orientation	Neutral		
Marriage or civil partnership	Neutral		

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
<p>Other - deprivation</p> <p>(e.g. people living in poverty, looked after children, people who are homeless or refugees)</p>	<p>Neutral</p>	<p>Blessed Sacrament has relatively high levels of Free School Meal eligibility, which is higher than the borough average.</p> <p>The mapping of pupils' home residences shows that most pupils live within 500m of the school site.</p> <p>There are three nearby primary schools within 500m of Blessed Sacrament, and six other catholic schools in the borough, ranging from 1km (St John Evangelist) to almost 4km (St Joseph's) away.</p>	<p>Pupils will be offered places in alternative good and sustainable local schools.</p>

4. How do you plan to mitigate negative impacts?

Please provide:

- An outline of actions and the expected outcomes
- Any governance and funding which will support these actions if relevant

All current pupils from Blessed Sacrament will be offered a place in a nearby school rated as 'Good'.

Separately, we will offer the parents/carers of the current Year 5 group, the option to move collectively to another school, or to facilitate another school to establish a 'bulge' class for this group.

Current surplus places within all Islington Primary School planning areas mean that future pupils will continue to have access to local provision and that the provision will be more sustainable in the longer term by reducing the excessive surplus places. This includes provision in other local Roman Catholic Primary schools, meaning parental choice will not be impacted by this closure.

The SEND team will work with any family whose child with special educational needs may be affected by these proposals. The team will further consider with the family and those who support the child any additional supports that might need to be put in place to support transition. Full consideration will be given to travel, friendship groups and any access needs.

The School Admissions team will offer open surgeries and individual sessions at the school to provide advice to families who will be affected by these proposals. Full consideration will be given to travel, friendship groups and any access needs in considering alternative schools for pupils.

These surgeries will be arranged with the school to consider any groups who may be impacted differently, for example translation or interpreters will be arranged for those for whom English is an additional language. These meetings will be arranged on request and following discussions with the school.

The School Admissions Team will also liaise directly with Children's Social Care to ensure that any Child In Need, Looked After Child or child with a protection plan is given full support from their allocated Social Worker to ensure they understand processes to be followed, and to support visits.

There are many Social, Emotional and Mental Health services already operating with the school that may be affected by these proposals. These include the School Wellbeing Service and CAMHS in Schools, as well as the pastoral care in place at each school. These

Please provide:

- An outline of actions and the expected outcomes
- Any governance and funding which will support these actions if relevant

services will be informed of any change so they can ensure support can be targeted at this school, where pupils may have increased anxiety around the changes.

These arrangements will be kept under review by the School Organisation Project team that will be overseeing all aspects of any transition, including for example premises, staffing and transfer of records.

5. Please provide details of your consultation and/or engagement plans.

Please provide:

- Details of what steps you have taken or plan to take to consult or engage the whole community or specific groups affected by the proposal
- Who has been or will be consulted or engaged with
- Methods used or that will be used to engage or consult
- Key findings or feedback (if completed)

To close a school the relevant authority (Local Authority, Governing Body/Diocese, Trust, or Foundation) is required to complete a statutory consultation process.

This includes both an informal consultation/listening period and then a formal statutory consultation period if the council intends to propose closure.

The first stage was an informal consultation which ran from 7 November to 12 December 2023. Any person could give their views on the proposal to close Blessed Sacrament RC Primary School. The feedback from this consultation is now being considered by the Council's Executive who will then decide whether to proceed to the next step to issue a formal proposal.

Should they choose to proceed, the Executive will issue a formal statutory notice on the proposal and there will then be a further four-week representation period when anyone can submit their views.

At the end of this representation period, the Executive will decide whether to implement the proposal, amend the proposal, or withdraw the proposal.

6. Once the proposal has been implemented, how will impacts be monitored and reviewed?

Please provide details in the table below.

Action	Responsible team or officer	Deadline
We will communicate with and provide support to schools that displaced pupils move to, to ensure pupils are settling in and offer any additional support as required	Learning and Achievement	Ongoing
We will offer support to the Roman Catholic Diocese to ensure other Roman Catholic schools in Islington are financially viable	Learning and Achievement	Ongoing

Please send the completed EQIA to equalities@islington.gov.uk for quality checking by the Fairness and Equality Team. All Equality Impact Assessments must be attached with any report to a decision-making board and should be made publicly available on request.

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

Member	Name	Signed	Date
Staff member completing this form	Matthew Beevor	MATTHEW BEEVOR	13 December 2023
Fairness and Equality Team	Monika Milewska	Monika Milewska	19 December 2023
Director or Head of Service	Alison Cramer	ALISON CRAMER	20 December 2023

Draft Statutory Proposal for the closure of Blessed Sacrament RC Primary School

Notice is given, in accordance with Section 15 of the Education and Inspections Act 2006 (as amended by the Education Act 2011) and the School Organisation (Establishment and Discontinuance of Schools) Regulations 2013, that Islington Council intends to discontinue Blessed Sacrament RC Primary School with effect from 31 July 2024.

- Name, address, and category of school proposed to be discontinued: Blessed Sacrament RC Primary School, Boadicea Street, London N1 0TB, a Voluntary Aided School
- Date on which it is proposed to close the school: 31 July 2024

Reason for closure

The proposal is due to a fall in pupil numbers and the associated impact on the future viability of the school. Blessed Sacrament RC Primary School has been acutely impacted by reduced pupil demand in the area.

This notice is an extract from the full proposal, details of which are published online at <http://letstalk.islington.gov.uk/blessed-sacrament>

Procedure for making representations (objections and comments)

Within four weeks from the date of publication of this proposal, any person may object or make comments on the proposal by:

Email: schoolconsult@islington.gov.uk

Post: Future of Blessed Sacrament RC Primary School, Compton Room, Laycock Centre, Laycock Street, London N1 1TH

The closing date for responses is 15 February 2024.

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Report of: Executive Member for Inclusive Economy and Jobs

Meeting of: Executive

Date: 11th January 2024

Subject: Community Wealth Building Strategy

1. Synopsis

1.1 Islington has maintained a strategic focus on fairness for many years. In 2020, we started to build on this foundation to strengthen our focus on tackling economic inequality, leading to the creation of the council's Community Wealth Building Directorate. We also developed our work with other like-minded, locally rooted organisations to formally establish Islington's Anchor Institution Network.

In the last three years, we have built a strong and collaborative engine room to drive change, are already delivering material improvement for local residents, businesses, and communities, and have learned a lot about how best to continue with our core mission.

Put simply, we have focused on doing. Now is the right time to consolidate this activity in an ambitious Community Wealth Building strategy, setting out our approach, objectives, and ultimately the differences Islington should expect to see as the strategy is implemented.

2. Recommendation

2.1. To approve the Community Wealth Building Strategy and full performance matrix at Appendix 1.

3. Background

3.1 Why does Islington need a Community Wealth Building Strategy?

From the outside, Islington is often seen as a land of plenty – a central London borough with high-value jobs, wealth, and investment. However, this ignores so many residents who struggle to get by and too many local businesses facing barriers to growth.

Of all the thirty-two London boroughs, Islington had the fourth highest level of income inequality, creating 'Two Islingtons', in which wealthy families in owner-occupied properties and low-income families in social housing can live on the same street, but

experience separate lives as ‘distant neighbours.’ This gap in debt has widened over the course of the pandemic and the cost of living crisis.

Work can often be a way out of poverty and financial insecurity. However, in an insecure labour market, this means that for some people work can be a route into a precarious income, where they are underemployed and underpaid or working multiple jobs just to get by.

The pandemic widened inequalities further still, and since then other economic shocks are coming thick and fast, putting unbearable pressure on household and local businesses budgets. We are ready and prepared to respond, to build resilience so that our communities can weather the storm and together we can protect our most vulnerable residents and small businesses.

- 3.1. The objectives of the Community Wealth Building strategy are set out in detail below:
- 3.2. **Objective 1: Economic Wellbeing** - is defined as having financial security now and in the future, with the ability to make economic choices. Our objective is to tackle systemic poverty and inequalities in the labour market and build skills and opportunity for a new economy. We will do this by:
 - a) **Resilient:** Providing a safety net to support residents in severe financial hardship, maximising income for vulnerable, low-income households, and supporting residents to tackle problem debt and manage household finances
 - b) **Skilled:** Creating clear skills pathways into work and supporting those already in work to upskill to find better or more secure jobs
 - c) **Employed:** Reaching residents most in need of employment support and tackling precarious employment and lack of progression.
- 3.3. **Objective 2: Inclusive Economy** - is one that is fairer, greener, more creative, and resilient – a place where new and existing local businesses thrive, and wealth is retained in the local community. Our objective is to ensure our local economy is sustainable, socially just, and enables thriving places, maximising opportunity for local residents and business, and where wealth is fairly shared. We will do this by:
 - a) **Local:** Unlocking the potential of our local high streets, street markets and neighbourhood parades by helping business owners to prosper, and creating vibrant, welcoming, safe, inclusive places for residents and visitors
 - b) **Prosperous:** Championing social inclusion in Islington’s growth sectors, by expanding responsible, sustainable, and inclusive business practices and sector strategies
 - c) **Independent:** Helping grow Islington’s small and micro business community by connecting them to opportunities and supporting wider ownership through cooperatives and social enterprises.

The Local Economies approach will focus on our main economic areas: Angel, Archway, Bunhill, Caledonian Road/Barnsbury, Clerkenwell, Finsbury Park and Nags Head. Our

sectoral work will focus on our priority growth sectors: construction, health and social care, green economy, knowledge economy, life sciences, and creative production.

3.4. **Objective 3: Progressive Procurement** - It is essential that our spending has the maximum positive impact for Islington people and local business, especially the most disadvantaged. Our objective is to boost and lock in local wealth creation through the progressive use of local purchasing power. We will do this by:

- a) **Leadership**: shaping a supply chain that supports an inclusive economy
- b) **Partnerships**: building long term partnerships with like-minded suppliers that deliver high quality services and social value for our residents, whilst offering value for money
- c) **Community**: through active leadership and progressive supply chain partnerships, the council's supply chain will maximise economic, social, and environmental benefits to local communities.

The Progressive Procurement Strategy 2020-27 sets out our vision for maximising community benefits and social value through our commissioning, procurement, and supply chain. The Social Value Guidance sets out our expectations for both commissioners and contractors in terms of commitments to deliver social value, and how we will measure impact.

3.5. **Objective 4: Social and economic Infrastructure** - We will use all the buildings and assets at our disposal, together with our planning powers and influence as a local authority, to protect and enhance our local places, town centres, businesses, and local jobs. Our objective is to leverage and develop the borough's physical assets for the greater benefit of residents and local businesses. We will do this by:

- a) **Progressive**: Upholding a local planning framework to maximise the development of affordable housing and workspaces in the borough, protecting and enhancing our places, businesses, and local jobs
- b) **Affordable**: Building affordable homes and delivering affordable workspaces to help local families and businesses to thrive, also generating social value
- c) **Enabling**: Ensuring that our community and education assets are valuable spaces for everyone where they can come together, get skills, organise, and participate in building a new economy.

3.6. **Objective 5: Challenging Inequalities** - racism and injustice is mission critical for Islington. We cannot realise our vision of creating a more equal borough for all of our residents without tackling the inequality that continues to blight lives across our community. In response to this, we published [*Challenging Inequality: Our plan to create a fairer, more equal Islington*](#). Our objective is to challenge and remove systemic economic barriers towards a more equal Islington. We will do this by:

- a) **Targeted**: Tailoring skills and employment support for disadvantaged groups including those from Black, Asian, and Minority Ethnic communities, those with disabilities, parents, and young people.
- b) **Enterprising**: Nurturing and supporting more people from under-represented groups to start-up businesses, survive and thrive

- c) **Rebalanced:** Using our financial leverage and resources to create and promote a more diverse supply chain and advocate for a local and regional economy which works for all local people, communities, and businesses.

3.7. **Objective 6: Anchor Institutions** -While the council has resources and the ability to influence and bring about change, we are stronger, can do more and can go even further if we work in partnership with other local organisations. Our objective is to collaborate with like-minded, local organisations to work together for the benefit of residents and local businesses. Collaboratively, we will do this by:

- a) **Employ local:** Adopting progressive policies on recruitment, pay & conditions, and careers to fully harness the talents of our local workforce and future generations.
- b) **Buy local:** Actively supporting existing and emerging local businesses to deliver affordable, quality goods and services thereby maximising local social value and wealth creation.
- c) **Lead locally:** Managing and developing buildings and spaces to create accessible, sustainable, and better assets and places.

4. Implications

4.1. Financial Implications

There are no financial implications arising from this report. The Community Wealth Building department has a net revenue budget of £9.4m per annum in relation to the delivery of the six objectives in this strategy.

4.2. Legal Implications

There are no legal implications arising from this report.

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

4.4. The Community Wealth Building Strategy is expected to have a positive implication for the environment. The Strategy embeds a commitment to the development of a green economy and the consideration of environmental impacts in the strategy delivery. Delivery of this strategy will support the council's commitment to tackling climate change by putting economic, social, and environmental justice at the centre of delivery.

4.5. The Community Wealth Building Strategy actively supports delivery of the Green Economy workstream within the council's Climate Action programme. The aim of the workstream is for long-term development that is sustainable while also promoting health, wealth, and well-being for all people. Growth must not take place at the expense of the environment – recognising that socially and

economically disadvantaged people suffer most from the impact of climate change.

- 4.6. To address Climate Change Islington will need a green skilled workforce across a range of sectors including but not limited to; retrofit, renewables generation, climate adaptation and sustainability. As the effort to tackle climate change increases, so will job prospects in these areas. This strategy should help to identify relevant opportunities and support local people into these roles in Islington. There is a need to develop a plan outlining how priority roles and qualifications can be promoted within the borough and across the various services and partnerships referenced in the Community Wealth Building strategy.
- 4.7. The Community Wealth Building Strategy sets out an approach to Procurement which will help to address Islington's scope 3 emissions. To deliver our carbon reduction targets, there is a need for the Council to work with environmentally conscious businesses. The definition of social value requirements embraces the council's response to the climate emergency, embedding targets to achieve net zero carbon emissions by 2030 across all relevant contracts.
- 4.8. The new Local Plan has strengthened policies to support low carbon development and will be supported by a net zero carbon supplementary planning document.
- 4.9. The commitment of the Anchor Institutions Network to reducing carbon emissions will also support delivery of Vision 2030: towards a net zero carbon Islington.
- 4.10. **Equalities Impact Assessment**

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

An Equalities Screening Tool was completed and signed-off by a member of the Equalities team. This tool highlights no negative impacts on any of the protected characteristics and as such, a full Equalities Impact Assessment is not required.

5. Conclusion and reasons for recommendation

- 5.1 For the strategy to be a success, Community Wealth Building must be embedded in all of the council's mainstream work programmes and is a key feature of the Council's Corporate Plan. Its inclusion in Islington Together 2030, the Economic Wellbeing Strategy, Procurement Strategy, Local Plan and Challenging Equality Strategy is proof of our commitment to this important area of the council's work, as well as the role that all our services, in partnership with Anchor Institutions, will play in delivering success.

Final report clearance:

Authorised by: Executive Member for Inclusive Economy and Jobs

Date: 19 December 2023

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Community Wealth Building Strategy

Holding our Own: A new economy approach 29 Nov 2023 – v5.3

Foreword	Executive Member Introduction
CHAPTER 1	Introducing Community Wealth Building <ul style="list-style-type: none">• What is ‘Community Wealth Building’?• Definitions• Why does Islington need a Community Wealth Building Strategy?• Inequality in Islington – At a Glance
CHAPTER 2	Our Vision <ul style="list-style-type: none">• Vision• Overview
OBJECTIVE 1:	Economic Wellbeing <ul style="list-style-type: none">• Introduction• Sub-objectives – rationale, practice, and plans
OBJECTIVE 2:	Inclusive Economy <ul style="list-style-type: none">• Introduction• Sub-objectives – rationale, practice, and plans
OBJECTIVE 3:	Progressive Procurement <ul style="list-style-type: none">• Introduction• Sub-objectives – rationale, practice, and plans
OBJECTIVE 4:	Social and Economic Infrastructure <ul style="list-style-type: none">• Introduction• Sub-objectives – rationale, practice, and plans
OBJECTIVE 5:	Challenging Inequalities <ul style="list-style-type: none">• Introduction• Sub-objectives – rationale, practice, and plans
OBJECTIVE 6:	Anchor Institution Network <ul style="list-style-type: none">• Introduction• Sub-objectives – rationale, practice, and plans
Conclusion	<ul style="list-style-type: none">• Success for the Community Wealth Building Strategy• Outcomes and performance management
APPENDIX	Performance Framework

Foreword

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

Islington Together 2030 explains what we will do to break the cycle of inequality: reducing poverty, improving quality of life, and supporting people to have more power and agency over the things that affect their lives. Our Strategic Plan – Islington Together 2030 - sets out five missions to create a more equal future for Islington that will drive our work including with partners over the coming years.

Community Wealth Building is key to achieving this vision. In this strategy we set out how we will put economic, social, and environmental justice at the centre of everything that we do, working with and for communities, making it easier to get involved and making sure that everyone's voice can be heard.

Islington is one of the most dynamic parts of the UK economy. However, this globalised economy is also a place where many local people experience intense poverty and disadvantage. This gap increased during the pandemic as Islington was hit harder than other parts of the UK and continues to be stretched by rising inflation pushing up the cost of living, higher fuel prices tipping more residents into fuel poverty, and high rates of in and out of work poverty. Wages are failing to keep up with the cost of living for nearly all workers. Local businesses are also feeling financial pressures, especially those in the hospitality and retail sectors.

And no matter how productive it is, an unequal economy is a failed economy. An economy that leaves people behind cannot be called a success. We need a new economy.

Local people must be at the heart of our local economy, but for too long they have not been fully included. Many are unfairly denied access to good quality employment with opportunities for progression, and a healthy environment in which to live and thrive. We want to see locally generated wealth circulating in an environmentally just and sustainable way in Islington's economy and working to benefit all local people. A local economy in which we can hold our own.

The Community Wealth Building Strategy shapes our approach to withstand future economic shocks and address challenges as they arise – whilst tackling underlying issues caused by systemic poverty and inequalities. We will do this by working with residents, businesses and other organisations to ensure everyone has an opportunity to contribute to the strategy's development.

In Islington, tackling inequality is central to our economic and social justice challenge. We are profoundly aware that wealth is structured along class and race lines, and it is gendered. Poverty and inequality are shaped in different places and spaces by the intersection of class, race, gender, disabilities and other inequalities.

Building opportunities for resilience and shared prosperity, in its widest sense, through Community Wealth Building is key to challenging inequality and improving life chances. There now exists an enormous wealth gap in Islington. Through the development of a community-led model for economic development we hope to narrow that gap. This is based on a commitment to creating an inclusive and socially just local economy, with local people at its heart – no matter what their background. This is a progressive agenda in London's globalised and financialised economy, where we must work for the benefit of the most disadvantaged.

There has been significant progress in our community wealth building practice since our first Fairness Commission in 2012 and the creation of a Community Wealth Building Directorate in 2021. We are building on strong foundations. We want to celebrate what has already been achieved, but also are determined to continue to be at the vanguard of innovation and stretch our ambitions further.

More than a decade since the Fairness Commission, we need an economy that works for most of our community so that we are able to narrow the gap between the richest and the poorest in the borough.

This strikes to the heart of our new economy challenge in Islington:

- Our goal is not just jobs – it is good jobs – where local people are fairly paid, secure and have prospects.
- Our goal is not just development – it is fair development – where local businesses can afford to locate, grow and innovate, and where local people can afford to live, own assets and feel in control of their lives.
- Our goal is not just growth at any cost – it is a just economy where well-being and environmental gains are built in as an intentional function, and not as an afterthought.

This is a radical plan, and we will actively support and enable full and democratic participation in the development of what will be a constantly evolving, changing and improving strategy. A listening and learning process has already started through the Let's Talk Islington conversation with residents, businesses and organisations, that highlighted the increasing unaffordability of life here and the pernicious effects of inequality on social solidarity, happiness and wellbeing. Collaboration is our credo, combining with partners and anchor institutions to improve the lives of local people.

It is vital that we reset the power dynamic on who sets the direction of growth and development – towards a new economy where we can hold our own.

Cllr Santiago Bell-Bradford

Executive Member for Inclusive Economy and Jobs

What is Community Wealth Building?

Community Wealth Building is a people-centred approach to economic development which redirects wealth back into the local economy and back into the hands of local people and local businesses. We are pleased to be part of an international, national, and regional network of similarly driven ‘community wealth builders.’

We are proud to have taken inspiration from the ground-breaking work in places like Cleveland, Preston and Ayrshire and through our local context, developing an approach that fits Islington’s and inner London’s specific needs.

Why does Islington need a Community Wealth Building Strategy?

From the outside, Islington is often seen as a land of plenty – a central London borough with high-value jobs, wealth and investment. However, this perception ignores so many residents who struggle to get by and too many local businesses facing barriers to growth.

Across London, Islington has the fourth highest level of income inequality, creating ‘*Two Islington*’, in which wealthy families in owner-occupied properties and low-income families in social housing can live on the same street, but experience separate lives as ‘distant neighbours.’ This gap has widened over the course of the pandemic and the cost-of-living crisis.

Work can often be a way out of poverty and financial insecurity. However, in an insecure labour market, this means that for some people work can be a route into a precarious income, where they are underemployed and underpaid or working multiple jobs just to get by.

The pandemic widened inequalities further still, and since then other economic shocks are coming thick and fast, putting unbearable pressure on household and local businesses budgets. We are ready and prepared to respond, to build resilience so that our communities can weather the storm and together we can protect our most vulnerable residents and small businesses. We can hold our own.

Box overleaf – [2-PAGE INFOGRAPHICS TO BE DESIGNED]

Why now?

Islington has maintained a strategic focus on fairness for many years. In 2020, we started to build on this foundation to strengthen our focus on tackling economic inequality, leading to the creation of the council’s Community Wealth Building Directorate. We also developed our work with other like-minded, locally rooted organisations to formally establish Islington’s Anchor Institution Network.

In the last three years, we have built a strong and collaborative engine room to drive change, are already delivering material improvement for local residents, businesses and communities, and have learned a lot about how best to continue with our core mission.

Put simply, we have focused on doing. Now is the right time to consolidate this activity in an ambitious strategy, setting out our approach, objectives, and ultimately the differences Islington should expect to see as the strategy is implemented.

VISION

A more equal Islington – a place where we ‘hold our own’ – a new economy where wealth is fairly shared; residents and businesses have a genuine stake in their local community and are able to thrive; an economy which is sustainable, just and locally-rooted; and assets and local spending power help create prosperity for all

Delivering a more equal Islington

To deliver this ambitious vision, we have set out a new strategic framework for community wealth building. Its six core objectives are:

- 1. Economic Wellbeing:** Tackling systemic poverty and inequalities in the labour market, and building skills and opportunity for a new economy
- 2. Inclusive Economy:** Ensuring our local economy is sustainable, socially just, and enables thriving places, maximising opportunity for local residents and business
- 3. Progressive Procurement:** Boosting and locking in wealth creation through the progressive use of local purchasing power
- 4. Social and Economic Infrastructure:** Leveraging and developing the borough’s assets for the greater benefit of residents and local businesses
- 5. Challenging Inequalities:** Challenging and removing systemic economic barriers towards a more equal Islington
- 6. Anchor Institutions:** Collaborating with like-minded, local organisations to harness our employment, purchasing power, and assets for the benefit of residents and local businesses

Our approach will be bold and innovative as we seek out new ideas and test new models to break down barriers, create new opportunities, and empower our diverse communities.

How will we deliver

We know that the process and relationships are often as important as the outcome. That is why partnership is at the heart of community wealth building practice.

Following our extensive programme of engagement through the ‘Let’s Talk Islington’ initiative, we want to continue to have the community voice at the heart of everything we do. Regular, ongoing engagement is key to keeping the challenges faced by people and businesses in Islington at the front and centre of this work. On a sustained basis, we need to harness the capacities of residents, businesses and local anchor institutions to maximise local wealth creation.

Let’s Talk’s special Inequality Task Force found a significant number of residents disagreeing that Islington was a fair and equal place. Uppermost in people’s minds was the need for more safety and greater affordability, of housing and the cost of living more generally. There were also aspirations to see a greener and cleaner borough and a strong desire that this should be achieved through more meaningful dialogue, engagement and action and more responsive council services.

All members of society should be seen as participants in and direct beneficiaries of the economy, instead of only receiving re-distributed wealth. It is essential as part of this strategy that there are opportunities for meaningful dialogue with our communities, and we create pathways for

participation in wealth generation, ensuring that their voice is both present and powerful in our inclusive economy.

Through all of this, we will work with our local Anchor Institutions – like-minded, local organisations who can also leverage their influence as employers, purchasers and asset owners. These organisations – large and small – stretch across the public, private, third and community sectors to take a place-based ‘whole system’ approach to re-direct money that is already being spent and the wealth that already exists back into the local economy and into the hands of local communities.

Internally, a Community Wealth Building Directorate brings together a comprehensive set of services and skills to lead delivery and will also work across all departments to maximise our effectiveness as an agent of economic change and influence, drawing upon the active knowledge of our communities, to co-produce and facilitate co-operative solutions to address the challenges they face.

What will we deliver

OBJECTIVE 1: Economic Wellbeing

Economic wellbeing is defined as having financial security now and in the future, with the ability to make economic choices.

Our objective is to tackle systemic poverty and inequalities in the labour market and build skills and opportunity for a new economy. We will do this through three key outcomes:

1. **Resilient:** Providing a safety net to support residents in severe financial hardship, maximising income for vulnerable, low-income households, and supporting residents to tackle problem debt and manage household finances
2. **Skilled:** Creating clear skills pathways into work and supporting those already in work to upskill to find better or more secure jobs
3. **Employed:** Reaching residents most in need of employment support and tackling precarious employment and lack of progression.

OBJECTIVE 2: Inclusive Economy

An inclusive economy is one that is fairer, greener, more creative, and resilient – a place where new and existing local businesses thrive, and wealth is retained in the local community.

Our objective is to ensure our local economy is sustainable, socially just, and enables thriving places, maximising opportunity for local residents and business, and where wealth is fairly shared.

We will do this through three key outcomes:

1. **Local:** Unlocking the potential of our local high streets, street markets and neighbourhood parades by helping business owners to prosper, and creating vibrant, welcoming, safe, inclusive places for residents and visitors
2. **Prosperous:** Championing social inclusion in Islington’s growth sectors, by expanding responsible, sustainable and inclusive business practices and sector strategies
3. **Independent:** Helping grow Islington’s small and micro business community by connecting them to opportunities and supporting wider ownership through cooperatives and social enterprises.

The Local Economies approach will focus on our main economic areas: Angel, Archway, Bunhill, Caledonian Road/Barnsbury, Clerkenwell, Finsbury Park and Nags Head. Our sectoral work will

focus on our priority growth sectors: construction, health and social care, green economy, knowledge economy, life sciences, and creative production.

OBJECTIVE 3: Progressive Procurement

It is essential that our spending has the maximum positive impact for Islington people and local business, especially the most disadvantaged.

Our objective is to boost and lock in local wealth creation through the progressive use of local purchasing power. We will do this through three key outcomes:

1. **Leadership:** shaping a supply chain that supports an inclusive economy
2. **Partnerships:** building long term partnerships with like-minded suppliers that deliver high quality services and social value for our residents, whilst offering value for money
3. **Community:** through active leadership and progressive supply chain partnerships, the council's supply chain will maximise economic, social, and environmental benefits to local communities.

The Progressive Procurement Strategy 2020-27 sets out our vision for maximising community benefits and social value through our commissioning, procurement, and supply chain. The Social Value Guidance sets out our expectations for both commissioners and contractors in terms of commitments to deliver social value, and how we will measure impact.

OBJECTIVE 4: Social and economic Infrastructure

We will use all the buildings and assets at our disposal, together with our planning powers and influence as a local authority, to protect and enhance our local places, town centres, businesses, and local jobs.

Our objective is to leverage and develop the borough's physical assets for the greater benefit of residents and local businesses. We will do this through three key outcomes:

1. **Progressive:** Upholding a local planning framework to maximise the development of affordable housing and workspaces in the borough, protecting and enhancing our places, businesses, and local jobs
2. **Affordable:** Building affordable homes and delivering affordable workspaces to help local families and businesses to thrive, also generating social value
3. **Enabling:** Ensuring that our community and education assets are valuable spaces for everyone where they can come together, get skills, organise and participate in building a new economy.

OBJECTIVE 5: Challenging Inequalities

Challenging inequality, racism and injustice is mission critical for Islington. We cannot realise our vision of creating a more equal borough for all of our residents without tackling the inequality that continues to blight lives across our community. Our objective is to challenge and remove systemic economic barriers towards a more equal Islington. We will do this through three key outcomes:

1. **Targeted:** Tailoring skills and employment support for disadvantaged groups including ethnically marginalised communities, those with disabilities, parents and young people.
2. **Enterprising:** Nurturing and supporting more people from under-represented groups to start-up businesses, survive and thrive
3. **Rebalanced:** Using our financial leverage and resources to create and promote a more

diverse supply chain and advocate for a local and regional economy which works for all local people, communities, and businesses.

OBJECTIVE 6: Anchor Institutions

While the council has resources and the ability to influence and bring about change, we are stronger, can do more and can go even further if we work in partnership with other local organisations. Our objective is to collaborate with like-minded, local organisations to work together for the benefit of residents and local businesses.

Collaboratively, we will do this through three key outcomes:

1. **Employ local:** Adopting progressive policies on recruitment, pay & conditions and careers to fully harness the talents of our local workforce and future generations
2. **Buy local:** Actively supporting existing and emerging local businesses to deliver affordable, quality goods and services thereby maximising local social value and wealth creation
3. **Lead locally:** Managing and developing buildings and spaces to create accessible, sustainable, and better assets and places.

What will this mean for Islington

If we succeed in delivering the Community Wealth Building Strategy, by 2030:

- More residents will be financially resilient and able to meet the cost of living
- More residents, particularly those who face the most disadvantage, will be in good jobs that pay a decent wage and have prospects to improve their economic wellbeing
- Islington will have a thriving, diverse and inclusive local economy, where people from all backgrounds are able to succeed in business, and where we support businesses to grow sustainably and operate safely
- Our residents and local businesses will have experienced a just transition to the green economy
- More spend will be through local businesses, locking wealth into our local economy and delivering benefits for residents and communities through social value commitments
- Our buildings, schools and community assets will be modern, sustainable, safe and inclusive
- The Local Plan will have delivered key benefits around affordable housing, affordable workspaces, promoting an inclusive economy, and supporting delivery of Net Zero Carbon.

A full performance matrix is appended in Appendix 1.

OBJECTIVE 1 – ECONOMIC WELLBEING

The Fairness Commission found that getting people into work is a necessary, but all too often insufficient condition for lifting people out of poverty. It is equally essential to make work pay, to improve the *quality* of employment, and to ensure an effective safety net for people unable to work or seeking work.

Since 2010, the challenges around the quality of work have grown. After years of austerity and an endless onslaught of economic shocks, people who live and work in the borough face mounting challenges not only to make ends meet, but to get ‘good quality, secure work’. Its marked absence is evident in an exodus of more than half a million people over 50 leaving the labour market altogether since the pandemic.

New economic threats are meanwhile impacting even more people in work who are struggling to keep up with rent, food and energy bills and mortgage payments. Many are having to choose between heating their home or putting food on the table. In this context there are high rates of income deprivation in Islington sitting alongside phenomenal wealth and untapped opportunity. In addition to in-work poverty there are particular issues with above average rates of unemployment amongst older workers who look forward to retirement in a borough with the fourth highest level of old age deprivation of all local authority areas in the UK.

The challenges to economic wellbeing for Islington residents and workers are varied and they all need to be challenged in ways that tackle root causes. Rising living costs, poor educational attainment, low pay, a lack of work, and inadequate welfare support and benefits are drivers of poverty, and they can lead to unpayable debt, long-term unemployment, and poor physical and mental health.

Objective

To tackle these and other deep challenges, our objective is to **tackle systemic poverty and inequalities in the labour market and build skills and opportunity for a new economy**. We will do this by:

1. **Resilient:** Providing a safety net to support residents in severe financial hardship, maximising income for vulnerable, low-income households, and supporting residents to tackle problem debt and manage household finances
2. **Skilled:** Creating clear skills pathways into work and supporting those already in work to upskill to find better or more secure jobs
3. **Employed:** Reaching residents most in need of employment support and tackling precarious employment and lack of progression.

Resilient – why this is important to us and what we are already doing

Thousands of households in Islington struggle to sustain themselves on the money they have coming in, despite efforts to assist in the positive management of household finances and to maximise income entitlements from work and benefits. After emerging from the pandemic, we are facing a cost-of-living crisis. Thousands of Islington households which were already struggling to cope on low incomes are now facing severe financial hardship as wage rises fail to keep up with soaring food and energy bills.

Islington’s Resident Support Scheme (RSS), run in partnership with Cripplegate Foundation, provides a vital safety net for vulnerable residents facing severe financial hardship. There are four types of support or awards available through the RSS:

- Crisis Provision: food and fuel vouchers to cover necessities.
- Community Care: grants to purchase essential household items such as 'white goods'.
- Discretionary Housing Payment (DHP): DWP funding to mitigate impact of welfare reforms for households impacted by the likes of the Bedroom Tax and Benefit Cap
- Council Tax Welfare Provision: Council Tax reduction in exceptional personal circumstances or exceptional hardship.

As residents struggle with the rising cost of living, the RSS continues to provide vital support to those facing severe financial hardship. Ensuring that residents are accessing their full entitlement to benefits is key to building financial resilience, particularly at a time when those on the lowest incomes are really struggling to make ends meet.

Our Income Maximisation Team (IMAX) helps residents claim entitlements and challenge benefit decisions. It is a proactive approach, analysing our own Council Tax and Housing Benefits data to identify residents who might be entitled to additional benefits income, engaging with them and helping them to make a claim. In 2021/22 IMAX secured £5m additional annual benefit income for residents through income maximisation work and is on target to deliver a similar outcome in 22/23..

Getting residents, the money they are entitled to makes a big difference to many of our low-income households. The IMAX team help residents maximise their income, claiming any entitlements applicable for their situation. In 2022/23, the IMAX team helped residents claim an additional £5.735m of annual benefit entitlement. The top five assisted benefits claimed were personal independence payment daily living, pension credit, personal independence payment mobility, universal credit and attendance allowance. The IMAX team are a referral service that residents use directly, council departments and partner organisations also refer into IMAX. This has been done on pension credit, with three pension credit take up campaigns being run that have achieved £1.962m of additional annual benefit entitlement for Islington pensioner households. The overall economic impact of the three pension credit campaigns is measured at £9.486m being the total amount of additional income put into the local economy.

To help parents boost income and make returning to work worthwhile, Islington is improving access to childcare further through the promotion of the [Islington Family Information Service \(FIS\)](#), offering information, advice, and childcare brokerage services. This will enable families to understand the help with paying for childcare schemes available, nationally, and locally. This also includes finding and applying for free early education places for two-, three- and four-year-olds. We have also invested in a childcare bursary scheme to provide additional support for parents and carers seeking to return to work or go into training, as well as supporting clients as they move into work, to ensure that they do not lose out.

We also support residents to tackle problem debt and manage household finances. For instance, we have implemented the government's 60-day Breathing Space period that will see any enforcement action for arrears of any debt owed to the council halted and interest frozen for people with problem debt who seek professional debt advice. The borough's biggest social landlord – Islington's Housing Service – links up with services that are specifically aimed at tackling debt and maximising incomes. The Housing Service actively promotes these services and grants alongside any recovery action for tenants getting into debt, encouraging residents to seek help early and understand the ways in which they can improve their financial situation.

We combine support to vulnerable residents to keep their fuel bills down with efforts to be a carbon Net Zero borough by 2030. Each year we help over 5,000 vulnerable residents in Islington and beyond to stay warm and well through our award-winning fuel poverty referral scheme, the Seasonal Health Intervention Network (SHINE). At the same time, 2,900 vulnerable households

are enabled to save more money and meet our obligation to reduce global warming by installing low-cost energy-saving measures through our Energy Doctor in the Home service.

Community Wealth Building in action

[Picture available]

Ms O was referred to IMAX after not receiving benefits for over two years due to failing the habitual residency test. She was relying on food parcels and friends' goodwill. IMAX supported Mrs O to challenge her universal credit decision by liaising with the local job centre and Single Homeless Project worker. After a successful mandatory reconsideration, the decision was revised in her favour.

Unfortunately, Mrs O was subsequently affected by the benefit cap. Working with the Housing Benefit team, IMAX secured a backdated discretionary housing payment for her to cover the shortfall in her universal credit.

Due to childhood trauma, Ms O suffers with extreme mental health problems. IMAX advised her to claim Personal Independence payment (PIP) and supported her to complete the claim.

Although initially turned down, after appealing and her case going to tribunal, she was awarded an enhanced rate for daily living and a standard rate for her impaired mobility. Her PIP award meant she was no longer affected by the benefit cap and received a backdated payment of £7000.

Overall IMAX support increased the client's income by £789 per week.

Resilient – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Continue to provide hardship support - through our Resident Support Scheme, Council Tax Support Scheme, government grants and other hardship funding - to ensure a safety net for those in severe financial hardship, ensuring that we maximise all available funding streams and link those we support into our wider economic wellbeing offer to build longer term financial resilience.
- Proactively identify and support residents to maximise household income through take up of welfare benefits and other financial support to ensure they are getting their full entitlement
- Work with the Credit Union, Advice Partners, and others to tackle problem debt, and to build savings and financial security.

Skilled – why this is important to us and what we are already doing

There is a compelling argument for Islington to create a skills system that can deliver positive employment and business outcomes for those residents in greatest need.

Nearly 6% of Islington residents have no qualifications, higher than the average for London at 5.2%. (Source: Nomis). Older residents in Islington are also proportionately more likely to have no qualifications, with around 13 per cent of residents aged 50-64 compared to just five per cent for residents aged 25-49.

Poor educational performance and low skills determine people's chances of obtaining and sustaining good employment. Although Islington has one of the highest levels of degree qualified residents in London (58.5%), more than one in ten working age residents – one of the highest levels in London - do not have any qualification.

New immigration policies and the UK's exit from the European Union have further impacted Islington's skills shortage. The pandemic has sped up digital trends, increasing our use of

homeworking and online education and commerce. Subsequently the skills that people and businesses need continues to evolve very quickly.

As a start, we are putting in place the right support for our youngest residents to realise their potential right from the start of their lives. Key to this is the formation of an education strategy and a 14-19 framework that brings together local stakeholders to forge new learning pathways and work progression routes to support the most disadvantaged young people in the borough. We are leading on a borough-wide 14-19 partnership that devises the plan and rationalises resources so that all young people are supported.

As part of this, every young person will receive guidance and support to make a smooth transition and maintain post-16 education, employment, and training. They will also be able to access experiences of the world of work that engage and inspire, so that they are better equipped with the knowledge and skills to respond to the future labour market.

We also convene an Early Intervention and Prevention of NEET group, including external stakeholders from schools. The aim is to work collaboratively to shape and develop an integrated, Team Islington approach that will help schools to identify young people at risk of becoming NEET and formulate rapid response interventions to support them. Our action plan will outline an early intervention approach to young people who are NEET, including an action-learning pilot with two local schools.

We are working with secondary schools to develop a skills and competencies framework whilst supporting primary schools with lighter touch careers activities. The aim is to build awareness of emerging sectors and skills needs whilst ensuring that our world of work programme offers a raft of tailored employment-based activities. All secondary schools engage with Islington's 100 hours world of work initiative that provides students at Islington schools with 100 hours of meaningful work experience. 250 people on average view the 100 hours world of work website every month, and this digital offer is supplemented by face-to-face careers guidance opportunities.

Islington's Adult and Community Learning Service (ACL) offers a mix of online and face-to-face provision to cater for multiple needs. The scope of work includes Level 3 National Skills Funding; increased ESOL provision for the advent of recent Afghan refugees; and, delivering Skills for Life and Work qualifications.

ACL is ramping up Family and Community Learning provision to attract parents into improving their work-related skills. This also involves more engagement with parents in children's centres to recruit into short and accredited courses in co-ordination with Bright Start, with shared targets from enrolments via schools and Bright Start centres.

Improving digital literacy is also an important objective in Islington's collaboration with local partners to support residents with clear routes into good employment in other growth sectors in the borough, including the green economy. The type of support available ranges from free upskilling from local colleges to short courses tailored to the local jobs market in growth sectors like tech and digital, with links to opportunities in Islington's affordable workspace.

Strong relationships are being forged between education and training providers, the larger employers in the borough and anchor institutions such as the Council, NHS, university and colleges as well as private businesses. Education and training providers need to promote opportunities to local residents facing barriers to access work secure in the knowledge that their programmes enable residents to access those opportunities. The workforce and commissioning power of these organisations alone can provide opportunities with strong coordination locally.

Mid-skilled jobs are also a target of Islington's skills development approach. A reduction in the numbers of commuters brought about by hybrid working practices may reduce demand for service jobs in hospitality and food. Meanwhile a stemming of migrants due to Brexit is likely to open up

new pathways for residents to move into jobs in which Islington has an advantage compared to other parts of the country - Information and Communication and other Professional and Technical occupations especially. Jobs in the creative and knowledge economies in the Caledonian Road area, and Clerkenwell are likely to be important here as well as emerging opportunities in the green economy.

Community Wealth Building in action

[Picture available]

Jwan found out about Techish through Kwemo (Kurdish and Middle Eastern Women's Organisation). Jwan has a background working in humanitarian and international development but having moved to the UK and becoming a mother, she was struggling to get back into employment.

Jwan was aware that some of the computer programs and systems that she had used were very specific to projects she had worked on in the past, and that many of her skills were outdated since technology changes so fast. She felt frustrated that her abilities and enthusiasm weren't being put to good use.

Founders and Coders worked with Jwan for 6 weeks, helping her to understand project management programs including Trello, and supported her to become more familiar with GSuite and Office 365.

Founders and Coders also helped Jwan to know how to update Wordpress sites. Jwan was offered a job working part time with Kwemo. Whilst that's down to Jwan's hard work, the Founders and Coders bootcamps meant she started the job feeling more confident about her digital skills.

Skilled – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Shape a curriculum that prepares young people for the changing landscape of the labour market, no matter their starting point, enabling access routes to quality careers in sectors such as the life sciences
- Through our Youth Employment Hubs and Locality Hubs, develop a community-based approach to skills development, engaging with groups who feel and are excluded
- Enhance support for basic literacies (maths, English, IT) to improve the employability of local residents
- Convene a Careers Advice Alliance to coordinate an enhanced all ages career offer, working with partners such as the National Careers Service, careers advisors, Department for Work and Pensions, third sector organisations and the council.
- Develop skills provision that matches sectoral needs and allows residents to move between sectors to understand the opportunities available in the current and future labour market.

Employed – why this is important to us and what we are already doing

Islington is forging pathways for local people to get into good quality jobs and enable people to access career opportunities and reach their potential. Although claims for unemployment are below the London average for young people aged 18-24 (3.8% compared to 5.9% in London), the 'hidden rate' of unemployment amongst young people is believed to be nearly double the official rate.

Islington residents experiencing in work poverty are most likely to have low skilled or jobs such as temping in administrative and support services or in sectors such as retail and hospitality, which employ over 22,000 residents in Islington. Young people employed in the hospitality sector are likely to be earning below the London Living Wage.

Residents with complex barriers to employment and careers such as, lone parents, parents with young children, other carers, disabled people and those struggling to move out of in-work poverty often take low paid and part-time posts because they offer more flexible working arrangements and have lower barriers to entry but have poor longer-term prospects. Over 46% of part time jobs held by Islington residents pay less than the London Living Wage and women are more than twice as likely to be in part-time work compared to men (28.5% compared to 12.2%).

A key priority is to focus on identifying those communities least engaged with employment support and to put in place interventions to improve engagement and outcomes for these groups.

A good example of this is the work we do around career coaching for NEET young people that are care experienced, those known to the youth justice service and marginalised cohorts of young people at risk of long-term unemployment including those with SEND. The wrap around support provided for these young people uses a trauma informed approach by providing a person-centred offer where young people receive pastoral care alongside practical support to achieve a positive employment, education or training outcome. We have also convened the Islington Working Partnership (IWP) – a network of over 50 voluntary and community sector partners. The IWP tailors its support towards groups that are overrepresented in the unemployment statistics: people who have traditionally worked in low-income jobs; people from ethnically marginalised backgrounds; people with disabilities, long term health conditions; the long term unemployed; parents; the over 50s; and young people.

Once residents have found work, the IWP can offer up to 6 months of additional advice and support to boost confidence and security in the job. The Islington Working Partnership (IWP) has already supported over 10,000 people into work in the past eight years.

Apprenticeships have the potential to meet and respond to these new emerging workforce needs and to create pathways for people to move into and progress in work. They combine a genuine job opportunity with training for a nationally recognised qualification, providing valuable training and experience.

We actively place apprentices within the council at the rate of around 30 new recruits every year and targets are in place for external apprenticeships including for apprenticeship starts with our own contractors, as part of our drive to use our influence and spending power to deliver social value.

Borne of active collaboration between the employment support team, iWork and the Housing New Build team, we are increasing the number of apprenticeship starts with our contractors, especially those in construction. In addition to good results placing apprentices in the construction sector a significant minority of apprenticeships are also secured through our active partnership with other employment support services in social care.

Paying people, a proper living wage is central to economic wellbeing. Joining with partners across the private, public and voluntary sectors, we have enabled enlightened employers and partner institutions to make Islington a Living Wage Place in July 2021. More and more businesses and employers in Islington are achieving Living Wage accreditation, with more expected to follow in the coming years. Our Living Wage Action Group is doing this by blazing a trail towards high standards and ambitious targets for good work and pay across the borough.

Getting a job is only the beginning of a person's employment journey, and many people need ongoing support to manage the transition into employment, to stay in that job, and to build confidence and skills so that they can eventually progress in their employment. For this reason, we have developed an in-work support offer, with a dedicated post offering in work support and a candidate pool for residents wishing to move on into London Living wage paid temporary roles.

We work across two foundational sectors: construction and health & social care.

As part of this, we have pioneered a Health and Social Care Academy, working with health employers and skills providers to look at increasing diversity, improving retention and encouraging progression via apprenticeships and targeted training opportunities. We will be doing similar work with the neighbouring boroughs on social care employment.

In the construction industry, a GMB union report found that it has a representation of just 12.5% women and 5.4% BAME in total across the sector. Construction is perceived as unwelcoming to women, workers who are from ethnically marginalised backgrounds, the LGBTQ+ communities, and those with disabilities or childcare responsibilities. This is based on the evidence that discrimination, hostility towards differing ethnicity, blatant sexism and homophobia does occur on building sites.

In Islington, the construction sector has traditionally offered multiple opportunities for local residents to enter and progress in employment. The majority of the construction work in the borough is based on major building developments, or social housing new build developments run by major companies with large UK supply chains. We have a strong track record in gaining employment & training opportunities on these major developments, as well as strong relationships with the Camden Construction Skills Academy, which is part of the Mayor's Construction Academy.

We have worked with colleagues in housing to implement a new approach to apprenticeships with the new build programme in construction, providing new homes for our residents and aspirational careers for local young people in surveying, project management, engineering, and traditional skills. This includes working with the developers on the Holloway Prison site to optimise the employment and green skills opportunities for local people – focussing on women and people from ethnically marginalised backgrounds – and incentivising local businesses to have robust diversity and inclusion policies and practices.

It is anticipated that by 2030, there will be half a million green jobs in London, with a total of one million by 2050.¹ As we respond to the challenges of climate change, there is now a golden opportunity to reconfigure the jobs landscape, scale up existing capacity and develop new programmes to train the workforce, and our local businesses, to be green economy ready.

To drive a green economy in Islington, we need to create a new generation of local jobs in the industries and infrastructure to tackle the climate crisis, and a local workforce that will be able to contribute to and benefit from a new green economy. We want to create good jobs for our residents, support businesses to succeed and attract investment by developing the sub-regional green industry sector and enable all other sectors to reduce their CO₂ emissions to zero. It is vital that Islington residents are equipped with the skills to access secure well paid sustainable jobs, particularly those who face the greatest barriers to employment – no one should be left behind as we transition to a low carbon economy.

We know that we need to position our residents to be skilled for these new sectors, and we are working with our colleges and universities to develop a new workforce for the green industrial revolution. Similarly, we will work with our trade unions and employers to ensure that workers are supported to transition to a green economy, and that no one is left behind in the transition.

Finally, we have also embedded apprenticeship placement opportunities in the Employer Requirements for our new home building programme. In addition, we have a sizable cyclical maintenance contract that also affords many opportunities for employment & training –with a particular potential for 'green skills' development. We will use both of these platforms to build more opportunities for residents and continue to expand our practice to optimise opportunities for residents in the sector.

Community Wealth Building in action

[Picture available]

Kamal is an Islington resident whose interest in construction grew after speaking to a friend who already works in the industry. Kamal was referred to Higgins Partnerships by iWork, for a Site Supervisor Level 4 Apprenticeship in August 2020. He is now enrolled with London South Bank University working towards his qualification.

Kamal attended City and Islington College and studied a BTEC Level 3 Diploma in Engineering. He had a gap year after college and went to Egypt to live with his family. While he was away, he applied for an engineer apprenticeship. The site supervision role sounded perfect for him based on his skills and the type of work he is interested in.

“On site it really helps that some of the team used to be apprentices, so they understand how to help me with my development. Working alongside the Site Manager has allowed me to get a better understanding of the responsibilities of the role.”

“I am more comfortable at doing my job effectively because of the training I have received on site. I started out by doing a two-week work placement with Higgins that prepared me for my apprenticeship, as before then I hadn't been on to site. This also gave me a better understanding of what I wanted to do within the industry.”

“When I complete my apprenticeship, I see myself becoming a hard-working Site Manager working towards becoming a Senior Site Manager”

Employed – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Through the Islington Working Partnership, support 5,000 Islington residents into employment over the next four years, with at least 60% from an ethnically marginalised background and other specific target groups
- Support residents into 'good work' that pays at least the London Living Wage and provides support to understand the benefits of joining a trade union as part of the employment support package.
- Increase the number of Living Wage employers in Islington – 450 over the next 4 years.
- Develop a network of training hubs, focussing on different trades such as decorating, retrofitting and insulation.
- Deliver 1,000 new apprenticeships by 2025, working with other councils, local employers and our contractors to expand an apprenticeship offer that is a model of excellence and establish an Islington Apprenticeship Academy.

OBJECTIVE 2 – INCLUSIVE ECONOMY

Islington is a vibrant borough located within the heart of London, adjacent to the City - the global centre of financial services – with economic clusters which are world-leading, employing thousands of people and generating global innovations. And underpinning all of this, small businesses make up 98% of businesses in Islington, and are a cornerstone of all dimensions of the local economy.

We are now more than a decade on from the pioneering vision of our Fairness Commission, which sought ways to bridge the gap between the ‘haves’ and have nots’ in Islington. Much has been achieved since, but national and global challenges including austerity, Brexit, the Covid pandemic and a cost-of-living crisis mean that we are locked into a relentless struggle to tackle inequality.

Islington’s dynamic economy provides a vital function within and beyond the borough. Businesses provide goods and services, employment and trade, and form an inherent part of the character of the area. It is important to understand the structure of the economy and recent economic trends to determine what measures need to be taken to support local residents and businesses and how a successful inclusive economy can benefit the local area.

The number of micro and small businesses and their importance to the local economy means they play a central part in building inclusion and spreading wealth more evenly, but a recent local survey of businesses found nearly 50% saying that they did not have the skills needed to help their business thrive.

This is an important issue as they need the capacity to respond to economic challenges that are coming thick and fast and not all of which are predictable. In fact, all businesses are under strain due to higher materials costs, difficulties finding staff, and overall there are fewer customers with less money in their pockets. This is an especially difficult situation for Islington’s high street with those businesses relying on demand for their services from commuters and business travellers finding the environment challenging, and an ever expanding e-commerce sector developing in parallel.

Vibrant, independently owned high streets and street markets in Islington are a key feature of an inclusive economy. Community Wealth building at a local level is most evident in our high streets and business clusters in the borough. We have a number of important town centres, made up of a series of inter-connected neighbourhood hubs – Angel, Archway, Bunhill, Caledonian Road/Barnsbury, Clerkenwell, Finsbury Park and Nags Head.

Objective

To tackle these and other issues, our objective is **to ensure our local economy is sustainable, socially just, and enables thriving places, maximising opportunity for local residents and business.** We will do this by:

1. **Local:** Unlocking the potential of our local high streets, street markets and neighbourhood parades by helping business owners to prosper, and creating vibrant, welcoming, safe, inclusive places for residents and visitors
2. **Prosperous:** Championing social inclusion in Islington’s growth sectors, by expanding responsible, sustainable and inclusive business practices and sector strategies
3. **Independent:** Helping grow Islington’s small and micro business community by connecting them to opportunities and supporting wider ownership through cooperatives and social local enterprises.

Local – why this is important to us and what we are already doing

In Islington, we have four primary town centres: Angel; Finsbury Park; Nag's Head; and Archway. Alongside these centres, we have larger retail hubs at Caledonian Road, as well as smaller neighbourhood parades such as Canonbury Parade, providing residents and visitors with a wide choice for shopping, hospitality and entertainment. A central part to our high streets is our local street markets. We operate Chapel Market, Whitecross Street Market, and Exmouth Market; and also license a number of private markets including Archway; Camden Passage; and Nag's Head covered market.

These hubs are at the heart of our communities – a place to shop, meet, get services and socialise – vital in bringing people working, visiting and living in our borough together. Our street markets are also important in offering affordable goods and services that specifically serve the needs of the local community, as well as providing a bottom-up, lower-cost opportunity for many business owners to operate in the borough.

Islington's town centres and local parades have responded imaginatively to considerable threats from online competition, particularly in comparison goods shops where the creativity and ingenuity of our residents, businesses and workers is taking advantage of higher demand for in-service retail, leisure and convenience opportunities. New working practices, cost of living crisis and Brexit still exert pressure, but the measures that we put into place to support local businesses and shore up the local economy during the pandemic are now turning into deeper, more collaborative and productive relationships. We will continue to offer packages of business support and hyper-localised interventions, including physical changes through our Liveable Neighbourhoods programme e.g. more seating areas, greening, and better cycle and walking access to encourage local footfall.

Islington also needs to meet the changing requirements of commuters who come into the south of the borough – known as the Central Activities Zone (CAZ). Many local shops, cafes, launderettes and venues have built their businesses on office workers who use the services within the vicinity of their place of work. As our working habits continue to evolve, with increased options to work from home more frequently, so too must the CAZ adapt.

Finally, a vibrant part of Islington is its evening economy. The diverse range of cultural, entertainment and hospitality businesses make Islington a destination for both locals and visitors alike – as well as employing vast numbers of our residents. Given the density of Islington, there is a balance to be struck: between ensuring that the evening offer is safe, affordable and unique; and making sure that local residents still enjoy a good quality of life in their homes. We will achieve through ensuring our licensing policies drive positive, balanced outcomes, and working closely with partners including the police to ensure that key issues like safety and noise levels at night are carefully managed. Finally, we will work with local businesses to provide the support required to maintain Islington's reputation as a 'go-to' place for an enjoyable night out.

Community Wealth Building in action

[Picture available]

At the heart of Finsbury Park, Fonthill Road is unlike any other shopping district. It is lined with independent fashion boutiques and wholesalers where you will find an incredible range of products that reflect its status as a hotbed of fashion creativity and cultural diversity. We want our garment production affordable workspace and retail units that we have developed there to contribute to the revitalisation of the area. This builds on a rich textile heritage.

We work closely with local traders to strengthen the Fonthill Road Traders' Association and promote the area, delivering events, supporting business-to-business relationships, and offering training on visual merchandising.

Fashion Enter is the local affordable workspace operator, one of their roles is to support local retailers in protecting the character of the cluster, spur innovation and help it adapt to challenges to run a high street clothing business.

By working closely with local traders, we are planning to secure this rich high street heritage for generations to come.

Local – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Strengthen a data-led approach protecting local high streets and expand the local economies framework to Angel and small parades
- Examine the needs of night workers, to extend their protections and enable access to affordable support services at unusual hours, working towards an inclusive evening economy

Prosperous – why this is important to us and what we are already doing

Islington has growth sectors which are world leading. With large concentrations of digital, tech, financial and professional services businesses, there is a huge demand for workers. High-tech, creative, 'knowledge' businesses drive advanced economies. In the UK, they are responsible for much of our productivity growth: between 1990 and 2017, productivity more than doubled in information and communications. London's tech sector is growing more than two and a half times faster than the UK average, and now contributes £184bn to the British economy – a magnet for global talent.

However, despite having these opportunities on the doorstep, the benefits of the knowledge economy are not shared with everyone. The vast knowledge economy in London remains disconnected from its diverse communities, many of whom are marginalised from the benefits of this thriving economy. More than 33% of tech board members and 31% of senior executives attended private schools – compared to just 8% of the UK as a whole. Across the UK, for every £1 of venture capital investment, less than 1p goes to all-female led teams. And only 1 in 9 of the senior leaders in tech comes from an ethnically marginalised background, yet these residents make up over 40% of the population in London. Only 5% of the UK digital tech workforce are from Black, Asian and Minority Ethnic background.

Our economic clusters – Silicon Roundabout; Knowledge Quarter; and Brewery Road – attract and trade with people from across the globe, but fail to include people from across the street, missing the diversity of talent in their immediate environs. Neighbouring communities are marked by some of the starkest contrasts in wealth and poverty in the country, left behind and excluded from the growth on their doorsteps.

We want to champion social inclusion in Islington's growth sectors so that local people feel that the opportunities across Islington's economic clusters are open to them. We will build long-term partnerships with employers in our priority sectors, challenging them to lower the barriers to entry that prevent or discourage local communities from accessing the opportunities on their doorsteps. Through adapting more inclusive entry requirements that are grounded in a genuine commitment to fair recruitment and removing barriers, our growth sectors can deliver increased skills and jobs, supporting an inclusive economy built on local talent.

To start this 'systems-led' approach, Islington is currently lead partner on LIFT (Leading Inclusive Futures through Technology), a £7.4m project spanning four boroughs to deliver jobs, support

enterprise and training in tech and related jobs. LIFT works with employers to consider their recruitment practices and adapt fairer, more inclusive, and creative entry routes into jobs in priority growth sectors like IT and Communications, both of which have recovered fast from Covid-19 and offer significant opportunities for career progression in addition to incomes well above the London average.

We also need a strong collaboration between industry and local government to make sure that local people have the skills required to secure good jobs. The council works alongside residents to ensure they are skilled up and ready to launch careers or start up businesses in sectors that offer good jobs and genuine career progression opportunities.

We are celebrating Islington's creative community as one of our most valued assets and building strong partnerships with creative production companies such as Film London and the N7 business cluster to plug local residents into new opportunities. Linking with our many cultural partners in the borough, we know that 'backstage' production has a number of craft areas in which there is a great demand for skilled labour. We will work with local businesses and organisations to create a pipeline of talent for this dynamic industry – retaining important businesses in our borough and growing the local pool of skilled workers.

London is a renowned global life sciences hub. The co-location of world-class universities and clinical research, alongside infrastructure and access to investment for innovation led start-ups in medical sciences makes it a unique cluster. To ensure that our residents and small businesses are benefitting from the success of this unique cluster, we will actively nurture an inclusive eco-system with our partners. This will include incubating locally owned start-ups and businesses, as well as developing a skills pathway for local people to secure jobs and business in this once-in-a-generation development.

Childcare is another big issue for working families and women, in particular. We have ensured that childcare bursaries are available for many lower-income parents starting work, a placement or training. Working families with children under five can also access subsidised childcare across our network of 19 children's centres and council nurseries, and many of Islington's voluntary sector nurseries.

Many night-time workers – cleaners, security, delivery drivers – often work in very difficult circumstances – under intense pressure, working long hours for poor pay and at great risk to personal safety. We will examine the needs of night workers, to extend their protections and enable access to affordable support services at unusual hours.

In response to the climate emergency, we have committed to a fair and green future in our strategy [*Vision 2030: Building a Net Zero Carbon Islington by 2030*](#). Achieving a net zero carbon Islington by 2030 means everyone has to play their part, from local businesses and organisations to individuals, each contributing to reducing carbon emissions.

The term 'Green Economy' refers to a reduction in environmental risks and ecological scarcities. It aims for long-term development that is sustainable while also promoting health, wealth, and well-being for all people. Our aim is to build a green economy that makes our community a fairer, more liveable, clean, resilient, and enjoyable place to live. It is now recognised that an economic model built on perpetual growth presents significant challenges to our zero carbon commitments. Growth must not take place at the expense of the environment – recognising that poorer people suffer most from environmental degradation.

We pledge that no one will be left behind in the pursuit of our zero-carbon targets and greening the economy. Therefore, our programme works towards a low carbon, more resource-efficient economy with less adverse environmental impacts.

Therefore, we need to support Islington businesses to decrease their carbon footprint. Working with our partners through the [Islington Sustainability Network](#), we will help smaller businesses to build and maintain their skills as well as adapt their business practice, through training, networking, and funding.

Renewable energy, green building, clean transportation, waste management, land use and green financing, are six key 'green' sectors that can significantly accelerate our efforts to achieve green economy and Islington's net zero carbon targets.

Islington has world-class institutions and business clusters which attract thinkers and researchers that are at the cutting edge of new thinking in combatting the challenges of the climate emergency. We need to work with them and expand the opportunities for innovative businesses that want to test and commercialise new ideas and mobilise investors that want to be at the forefront of rapidly growing sectors.

We will also support the development of new 'Green Enabling' businesses that provide green solutions incorporating for example cutting edge technologies and ways of working by incubating them to raise revenue and attract funding and capital investment to pursue local priorities. We are already developing stronger partnerships with our local construction, energy, waste, and transport businesses to identify opportunities to work together on upskilling the local workforce.

Community Wealth Building in action

[Picture available]

The Islington Health and Social Care Academy is a partnership of senior managers from key anchor institutions, with the shared objective of increasing local recruitment into the sector and supporting unemployed residents and school/ college leavers to understand the career pathways available.

The Academy, which is convened by the council, is proving to be an invaluable tool for engaging influencers from across the Health and Social Care system in conversations around careers, pathways into work, culture change, well paid, quality jobs and building a strong and resilient local workforce.

The iWork service has created a local hub offering a bespoke recruitment package for employers, particularly those delivering council contracts, and to support residents with outreach and pre-screening clients for vacancies.

Islington's Adult & Community Learning service regularly runs a short course, 'Preparing to Work in Adult Social Care' with many of those who complete being referred to the hub and progressing into careers in the sector. We are working with the College to find Work Placements for Health and Social Care students and have agreed a virtual work placement package for students with Care homes across North Central London boroughs.

Prosperous – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Continuing to enhance foundational sectors in construction and health & social care, deepening good employment and recruitment practices
- Partner on a system-change programme to build an inclusive eco-system for the health and life sciences sector in Central London
- Implement our green economy action plan, building skills and opportunities for residents and local businesses
- Developing and promoting the Islington New Deal for Workers proposal

- Deliver an incubation programme for start-up businesses and community initiatives who seek to reduce carbon emissions
- Increase the use of sustainable transport and delivery methods by local businesses
- Expand the local circular economy and enable businesses to adapt their business model and practices.

Independent – why this is important to us and what we are already doing

Islington lies at the centre of one of the most dynamic cities in the world and is home to over 18,000 businesses of all types and sizes, employing over 256,000 people. Small businesses make up 98% of businesses in Islington and are a cornerstone of the local economy. Compared to large business, they are more likely to be local, employ local people, have local suppliers and invest any surplus and profit back into the local economy.

However, smaller businesses face the impact of ‘commercial gentrification’ and the threat of being displaced from the borough. A hyper-competitive property market, and the resultant demand for space, has increased land values. This in turn increased rents and resulted in Islington experiencing some of the highest business rate increases in the UK. All of this has a negative impact on independent businesses’ ability to grow and to remain in the borough.

If local independent micro and small businesses are priced out of the borough and large corporates or multinationals move in, this will lead to a more ‘extractive’ economy with locally generated wealth being spent outside of the borough.

For small businesses, the challenges are myriad – from the importance of market research and brand positioning to the challenge of set-up costs, including marketing, financing and finding affordable premises. And every day, thousands are working hard locally to launch, build and sustain healthy businesses, creating jobs and contributing to vibrant, thriving communities. That is harder for some than others, and it is our mission to help everyone achieve their potential by addressing unfair disparities across class, race, disability and gender.

Before the pandemic, nearly 50% of business owners surveyed reported that they did not have the skills needed to help their business thrive. Many are now carrying significant levels of debt. In addition, as smaller operations, they have limited capacity to adjust to new business developments such as digitisation and/or staff training.

In particular, we know that business owners and workers from ethnically marginalised backgrounds face additional challenges in the economy, due to structural inequalities. According to Islington’s State of Equalities Report (2019), 32% of Islington residents are from Black, Asian and Minority Ethnic groups, compared to 23% of business owners who identified as being from those backgrounds in our small business survey. It is also striking to note that the survey also found the four largest sectors for Black, Asian and Minority Ethnic ownership all reported the lowest levels of annual turnover on average.

We are working with a range of partners to provide local businesses with the expert advice they need as we emerge from the pandemic. We have delivered a ‘Survive and Pivot’ programme, enabling several local businesses to adapt their business model, and develop skills and networks to survive the crisis. More recently, we have commissioned Centa to provide one-to-one specialist diagnostic support on recovery planning including debt financing. We are also commissioning a new business development programme for our street markets – to sustain existing traders, but to also bring through the next generation of traders – ensuring that our street markets remain inclusive and affordable.

To promote local businesses, and to keep more money circulating in the Islington economy, we have already developed a small business directory for the construction sector, to encourage developers, anchor institutions and larger businesses to purchase locally.

Broadening ownership of the economy is one of the central tenets of community wealth building, to promote locally owned and socially driven enterprises. It encourages more diverse models of enterprise ownership that enable wealth created by communities to be held locally. We are already seeing the fruits of this approach with new businesses growing through our dedicated incubator spaces. We do this through our network of affordable workspace partners – such as Outlandish, where they are tasked to support budding worker co-operatives; or Better Space, where they will work to develop new social enterprises and other social impact companies.

We have helped establish a Co-operative Development Agency – Cooperate Islington – with partners including Outlandish. This agency seeks to raise awareness of the benefits of worker-owned enterprises, provide training and support for start-up co-operatives and expand our local community of these types of enterprises.

We know that many businesses in Islington are committed to paying a fair wage for a good day's work. That's why, in 2021, we became a Living Wage Borough, and, as part of that journey, committed to doubling the number of Living Wage-accredited employers over the next three years and ensuring 3,000 more workers in Islington receive the London Living Wage by 2024. We appreciate that this is a challenge for small businesses, and we are dedicated to working with them, so that they can reap the benefits of being a Living Wage employer – such as lower staff turnover, and greater customer loyalty.

We will also continue to promote the offer of levy sharing to local SMEs interested in using apprenticeships to upskill their staff, as well as working with sector partners to develop a series of events, employer visits, training/webinar sessions to schools, colleges and employers to achieve a higher level of awareness of the wide range of pathways into various sectors.

We have recently partnered with Action for Racial Equality to develop an 'inclusive entrepreneurship' programme – to provide a platform to expose and promote our local talent and to tackle some of the systemic barriers which hinder. Similarly, on the high street, we are commissioning business support to develop a sustained campaign to generate more business for our local Black-owned businesses. We will do this through dedicated events, awareness raising, market pop-ups and promotions.

Community Wealth Building in action

[Picture available]

The Briki Greek café and delicatessen in Exmouth Market is a go-to spot for locals and visitors alike. It contributes to the unique identity of Exmouth Market. Briki employs 2 Islington residents, playing their part to put more money into local pockets and boost spending in our local businesses.

The Local Economy team recently assisted Briki in benefitted from the Energy Relief Grant (ERG) which was offered to local cafes and restaurants to help cover increasing energy costs. Briki were one of 130 businesses in Islington who benefitted from the scheme.

Briki also runs a shared cargo bike scheme which is open to businesses and residents. Briki use the cargo bikes for local deliveries and encourages other businesses and residents to follow their lead. The scheme lowers pollution in this busy residential area of central London and makes Clerkenwell a more pleasant place to be.

Briki also support Toilets for London, a scheme aimed that improves public access to toilet facilities. This is a crucial social issue as lack of accessible toilets can discriminate against older

people especially. Since signing up to the scheme Briki reports more customers and more comments saying that their business a more welcoming and inclusive destination.

Independent – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Promote locally owned and social impact enterprises to encourage more diverse models of enterprise ownership and increase the resilience, capacity and number of local co-operatives, community businesses and social enterprises.
- Actively work with local businesses and partner organisations to develop and expand the use of a locally based supply chain.

OBJECTIVE 3 – PROGRESSIVE PROCUREMENT

Boosting and locking-in wealth for all of our residents must be at the heart of rebuilding our economy and supporting Community Wealth Building.

The goods and services we buy and contract are a key element in Islington's economy. Contracting with and buying from local suppliers (or suppliers who have social dimension to their operations) is an essential element of creating a more inclusive economy.

Islington spends over £650m with about 6,000 providers annually to keep our public services going. Around half of this is considered 'influenceable' and already the council has managed to direct nearly 40% of its expenditure towards local businesses, with 25% being based in Islington.

We need to make sure that every pound we spend maximises the benefits for local people. So, in 2019, we published our Progressive Procurement Strategy 2020-2027.

A new commitment to deliver 20% of social value in Islington's contracts is already yielding benefit, including new jobs for local people, as well as mitigating carbon emissions and supporting local SME businesses.

Boosting and locking-in wealth for all our residents must be at the heart of rebuilding a fairer Islington. Microbusinesses with fewer than 10 employees constitute 88.8% of all Islington businesses and if small businesses with fewer than 50 employees are added, together they make up 97.6% of Islington's business community.

We want to support and enable Islington businesses, particularly small businesses, to successfully tender for council contracts and provide contractual incentives for them to go green or greener in doing so. By doing this Progressive Procurement can tackle many of the pervasive economic, social, and environmental challenges in the borough.

We procure goods and services for the benefit of our residents. In some cases, they benefit all residents, in other cases they benefit residents with specific needs. They create business for companies based in the borough, income for their suppliers and work for people who live in Islington.

Islington is bringing more services in-house in order to increase employment opportunities for local people and guarantee that those delivering those services could expect more secure, good quality, unionised work. We recognise the power of in-sourcing. By providing services in-house, it gives us better control of services, more flexibility around delivery and better protection for those delivering key services. It also protects our residents, by reducing our reliance on large national contractors whose failure would be catastrophic to our services. We will therefore seek to deliver more services in-house, wherever it is possible to do so.

Objective

To tackle these and other issues, our objective is **to boost and lock in local wealth creation through the progressive use of local purchasing power.**

We will do this by:

1. **Leadership:** shaping a supply chain that supports an inclusive economy
2. **Partnerships:** building long term partnerships with like-minded suppliers that deliver high quality services and social value for our residents, whilst offering value for money
3. **Community:** through active leadership and progressive supply chain partnerships, the council's supply chain will maximise economic, social, and environmental benefits to communities.

Leadership – why this is important to us and what we are already doing

Our goal is to be a progressive procurement pioneer, to shape a supply chain that builds community wealth and supports an inclusive economy which enhances the quality of life of our most disadvantaged residents.

The council stewards the expenditure of public money carefully through a rigorous programme of capacity building for those who commission goods and services for our borough. The goods and services we procure are often fundamental to the daily lives of our residents – from homecare services and Supported Living Accommodation services, through to new build contracts for genuinely affordable homes in Islington. The timely, effective commissioning and delivery of these contracts are at the core of what we do.

Central to this is, we have strengthened Executive Members' roles at the heart of the procurement oversight and scrutiny process with lead members for Finance and Performance and Inclusive Economy and Jobs, guiding implementation of the strategy and interrogating our delivery of social value. We will be rolling out Community Wealth Building inspired supply chain, procurement, contract management and social value training for members and senior commissioning managers, including in operating new monitoring and evaluation systems to review, report on and improve performance.

Further, to shape a supply chain that supports an inclusive economy, we are engaging senior managers in shaping and monitoring delivery of key contracts, as well as enabling user and resident-led procurement to enable residents and service users to shape the commissioning of services and assess the impact of social value.

We are implementing new systems to improve knowledge of our spend with suppliers to monitor and increase our business with local SMEs. By doing this, we are also identifying local supply gaps and assessing the possible development of new worker-led and social enterprise companies to fill them, ensuring wealth is shared in Islington with the people who create it.

Social impact needs to be integrated into the entire contract cycle and feature in the process of selecting contractors that offer works, services and supplies with the aim of finding a balance between quality and price while, at the same time, fostering the values and practices of a socially responsible business model that enhance our objectives on a more equal place for all.

Suppliers come in all shapes and sizes, from multinational corporations to small, local businesses, some directly commissioned and others working as sub-contractors. Each performs a valuable role and brings with them their own unique approach. We will work to capitalise on the added value a diverse supply chain can bring. We believe a supplier does not necessarily need to be large to be strategic.

Building inclusive and diverse supply chains aligns with our commitment to tackle inequality and nurture the diversity of our business community in Islington. We will work to ensure that socially driven businesses, such as cooperatives and social-enterprises, and businesses owned by underrepresented communities can engage successfully in our procurement, commissioning and contracting opportunities. We want to become local government trailblazers in supplier diversity and use this goal to further build our support package for our diverse local business community.

To demonstrate our commitment as leaders in driving innovation in the marketplace through procurement we are actively reviewing our governance and processes. The Council is exploring ways in which we could expand our leadership in this area by looking at our decision making, what other organisations such as Councils are doing and working closely with our Anchor Institution Network to agree what steps to take this forward. We are proudly wanting to see how we can potentially further support different types of organisation. This will include small businesses, local

businesses, Black and Minority owned/led businesses and cooperatives within the principles of progressive procurement. This will support our Community Wealth Building strategy and commitments to making a more equal future for everyone, helping our businesses to thrive.

Finally, a key part of the strategy's success revolves around a new approach to transparency that sees the setting and publication of community wealth building targets against which we will be held to account.

Community Wealth Building in action

[Picture available]

We have redeveloped our online directory of the construction sector and related trades on 'Find Your Islington' to create a more user-friendly portal that will better assist buyers in the borough find local suppliers to meet Section 106 obligations and other social value commitments.

Through improved access to additional commercial and ethical information on each business (e.g., which organisations are accredited Living Wage Employers, or can undertake retrofitting work), a buyer will find it easier to identify the local suppliers that meet their needs and invite them to bid for various works-packages.

The directory also provides local businesses the opportunity to advertise their goods or services free of charge and receive updates from the council about local supply chain opportunities from building and refurbishment projects in the borough.

The directory is inclusive of organisations that support the core functions of the construction sector such as architects, specialist engineering firms and other related professionals, as well as generalist areas, such as office supply.

Leadership – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Unlock the power of procurement by more concerted collaboration between procurement teams at regional level. Many procurement decisions which affect Islington are not made within the Council's remit; for example, all transport decisions are made at a London-wide level through Transport for London.
- Influence and shape pan London frameworks to achieve right balance between value for money and social value.
- Develop a supplier diversity strategy and deliver pilots to increase supplier readiness and contract opportunities for democratic businesses and businesses owned and led by those from underrepresented communities.
- Expand our local supplier directory to showcase more key sectors and diversity of ownership e.g., Black-owned businesses.
- Review our governance and processes to ensure they are fit for purpose to demonstrate how we can be leaders in driving innovation in the marketplace through procurement.

Partnerships – why this is important to us and what we are already doing

We have clearly established a strategic preference for directly delivering services, as far as practicable and affordable. We believe this gives us better control of services, more flexibility around how we want to deliver services, and better protection for those delivering our key services. Ultimately, helping us to maximise the level of wealth that is 'locked-in' for our residents and local businesses.

But we also recognise that direct delivery is not always the most appropriate and affordable way to deliver services and make a contribution to strategic objectives. In these circumstances, we want

to build long term and progressive partnerships with suppliers, based on shared values and ambitions for the borough and delivering high quality service and social value outcomes for our residents, as well as delivering value for money.

We firmly believe that this mixed economy of provision is the right strategic approach but is equally firm that we need to actively invest in both forms of provision. We are clear that where we choose to externally commission services, these arrangements should in no way become 'poor relations' to directly delivered services. Commissioning, procurement, contract management and supply chain management must therefore be active, two-way, and highly effective processes. Particularly in the context of our strategic priority of using these processes to support the delivery of social value outcomes and secure value for money.

There are many reasons for poor contract and service delivery performance, and it can occur even where partnerships are strong. Effective risk management and taking action early is therefore key to any successful partnership. Putting in place strong contingency plans will also reduce downtime if a provider should be unable to deliver for any reason. This forward planning approach, where valuable information is collected best practice shared, results in a high level of preparedness that both improves services while making contracts more efficient.

To do this, we are collaborating with partners to find new and innovative ways of improving services including working with strategic suppliers to improve performance, reduce costs and mitigate risks.

Over the next 7 years, we will be building long term partnerships with like-minded suppliers that deliver high quality services and social value outcome for our residents whilst offering value for money. In cases where direct delivery of services is not possible, we will be exploring opportunities for doing things differently, working with those who reflect our values, as well as identifying and managing strategic risks. We will seek out opportunities within the marketplace to commission services, tapping into the expertise available within the corporate procurement function to do so.

It will be important that we ensure procurement opportunities are communicated simply, and active steps are taken to encourage local SMEs to apply, including the possibility of consortia bids. By making the Contracts Register easier to navigate, scrutinise, and extract data, we plan to unleash its potential as an information resource for commissioners to identify cross departmental social value opportunities.

To boost SME and voluntary organisations' chances of winning contracts, we already run regular 'meet the buyer' sessions and provides tailored practical support sessions to help improve bid writing capabilities and will continue to expand and enhance these.

Community Wealth Building in action

[Photo available]

The Council's ambitions for Home Care are underpinned by a vision for Islington to be made up of strong, inclusive, and connected communities where, regardless of background, people have fair and equal access to adult social care support that enables them to live healthy, fulfilling, and independent lives.

The demand for home care in Islington is rising with an additional 16,000 older people expected to be living here over the next ten years.

To manage this level of demand whilst improving outcomes for residents, the council has developed a new procurement strategy that will ensure higher quality home care provision, drive a more inclusive economy, and deliver greater value for money.

The new delivery model will be driven by a locality-based approach that diversifies the supply chain by building stronger partnerships with smaller businesses and VCS organisations that are geared towards providing more outcome focussed care.

In addition to facilitating more quality, local employment for Islington residents paid at least the London Living Wage, transformed Home Care services will offer intensive reablement support to maximise independence for older members of our community.

Carers will receive opportunities to grow their careers, whilst a wide menu of support will be offered to our most vulnerable residents, which includes mental health, learning disabilities, and hospital recovery. The heart of this new approach is place-based, multi-disciplinary working, with residents experiencing more accountable and holistic health and social care support, tailored to their needs.

Partnerships – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Developing progressive supply partnerships to implement creative solutions to the challenges of helping our residents to live independently at home for longer.
- Deliver new procurement operating model to ensure progressive procurement principles underpin all commissioning, sourcing and contract management activity
- Implement and taking advantage of a modern contracts register.

Community – why this is important to us and what we are already doing

Whilst work since 2011 by the council and its partners has begun to tackle inequalities in our borough, there is more to do. Moreover, the impact of the pandemic and now the cost-of-living crisis, have been both far-reaching and severe, particularly amongst those residents who already struggled in the face of deep inequalities in our system.

In parallel, we have declared a climate emergency and is establishing a strategy to deliver a zero-carbon borough by 2030. In these contexts, social value has to be about ensuring that every penny we spend finds its way to enable our communities and economy to thrive, whilst sustaining the physical and social environment. More than ever, we need to strive for an inclusive economy that enables our most disadvantaged residents to get into training, good quality work and entrepreneurship.

We intend to lead from the front, getting results which inspire neighbouring boroughs and anchor institutions to partner with us so that we have a shared approach to an inclusive economy and shared vision to deliver community wealth-building. Working to join-up supply chains, where practical, affordable and clearly proven to enhance value.

For Islington, social value means explicit outcomes, particularly more jobs, apprenticeships and work experience opportunities, in all procurement activity, with a weighting of at least 20% of the overall scoring and evaluation. We will only work with supply partners who pay their staff a living wage and actively develop and support their career progression.

Our definition of social value embraces our response to the climate emergency, embedding targets to achieve net zero carbon emissions by 2030 across all relevant contracts.

It is essential that our spending, both directly and with suppliers, has the maximum positive impact for Islington people, especially the most disadvantaged. We want to make sure as much as

possible is spent within Islington, and that our purchasing decisions support Islington people through creating employment, skills training and other opportunities.

Through progressive supply chain partnerships, our supply chain will maximise economic, social, and environmental benefits to communities.

We are committed to embedding social value into our financial planning and commissioning cycle, making sure that all tenders include social value within their specifications with a default 20% weighting. Benefits are economic, social or environmental and could range from things like reductions in carbon dioxide emitted through a contract to providing contractor jobs, training and apprenticeships to the long term unemployed.

We are developing a framework with aims, objectives and mandatory targets that will enable us to measure our performance and hold us to account in the delivery of social value.

At Islington, we have long been committed to responsible business practices and ethical standards, being an early adopter of initiatives to tackle block-listing of trade union members, safeguards against modern slavery and paying the London Living Wage. These are non-negotiable and form part of every contract.

As part of our vision for a new economy, we want to increase the capacity of SMEs and constructive commissioner engagement, including with the voluntary sector so that barriers to participation are overcome with comprehensive support extending through the contract cycle. We will do this by building up local supplier networks so that SMEs are bid ready and able to combine strengths to offer innovative solutions.

Community Wealth Building in action

[Photo available]

Marlborough is the current contractor for the Highways works in the borough and demonstrates what can be achieved when there is a strong commitment to social value. The company launched a charity drive that raised nearly £3,000 and encouraged employees to donate old workwear to organizations such as Smart Works and Suited and Booted, which support Islington residents in their employment search. Marlborough has also enabled its employees to volunteer and provide careers advice to students from Years 7 to 10 at St Aloysius College in Islington.

Furthermore, Marlborough has donated laptops to Healthprom, a charity that helps vulnerable children, women, and families in Islington, including those affected by the war in Ukraine. These are just a few examples of the company's commitment to social value in the early phase of their contract and there are more to come. Marlborough is launching apprenticeship programs in highways work with a focus on green initiatives, further demonstrating the company's dedication to promoting social, environmental, and economic benefits in the community. Islington Council and its contractors like Marlborough are working in partnership to create a better future for the residents and communities of Islington.

Community – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Measure the Social Value generated through the purchasing power of the council and report on its social impact
- Further embed the corporate approach to securing the maximum social value from our commissioning process, including the use of the Social Value Portal
- The focal point of sub-regional collaboration should be collaboration on advancing social value and generative forms of ownership in different sectors of the economy. Islington and

neighbouring boroughs such as Camden and Hackney should have a mutual understanding of which generative sectors the others are seeking to increase and be aware of procurement opportunities which might arise from each other's business development projects.

- Develop binding obligations to deliver services in ways that contribute to Islington's net zero carbon target, particularly on contracts related to highways and construction.
- 'Sandboxing' – testing new innovations developed by local businesses in response to critical missions such as Net Zero.

OBJECTIVE 4 – SOCIAL AND ECONOMIC INFRASTRUCTURE

Islington's residents and business need secure foundations upon which to build wealth. This requires physical space – in a borough with some of the highest property prices and densest development in the UK.

Islington is the third smallest borough in London covering 15 km² and is the most densely populated local authority area in England and Wales, with 16,097 people per square km – almost triple the London average and more than 37 times the national average. Only 13% of the borough's land is green space, the second lowest proportion of any local authority in the country.

So, making best use of our social and economic infrastructure is incredibly important.

We own and manage multiple buildings and open spaces across Islington, including being a landlord to over 36,000 households, providing residents, businesses, and communities with access to a wide range of facilities including libraries, children's centres, parks, schools and council services. We also have a range of commercial properties that can bring in vital income for the council. These assets can mitigate the effects of high property costs.

At the heart of our commitment to create a more equal Islington is the belief that everyone deserves a safe, decent, and genuinely affordable place to call home.

Islington's property market is hyper-competitive and the resultant demand for space has increased land values and led to a rise in rents. This has resulted in Islington experiencing some of the highest housing shortages and business rate increases in the UK. Families are forced out of the borough, and it also has a negative impact on small businesses' ability to grow and to remain in the borough.

Islington is a small, densely populated borough and land is scarce and expensive. It is imperative that we maximise our opportunities to build and fund new genuinely affordable homes by using land that we own.

There is a desperate shortage of council homes in Islington and across London. To tackle the housing crisis, we are planning to start building 750 new homes by 2027. This is part of the biggest scheme to build new council homes in Islington for a generation. These much-needed new homes will be genuinely affordable, high-quality, safe and energy efficient.

We will use all the buildings and assets at our disposal, together with our planning powers and influence as a local authority, to maximise the development of affordable housing and workspaces in the borough, protect our town centres, businesses, and local jobs, and to ensure that our community and education assets provide spaces for residents to come together and build strong communities.

Objective

In this context, our objective is **to leverage and develop the borough's physical assets for the greater benefit of residents and local businesses**. We will do this by:

1. **Progressive:** Upholding a local planning framework to maximise the development of affordable housing and workspaces in the borough, protecting and enhancing our places, businesses, and local jobs
2. **Affordable:** Building affordable homes and delivering affordable workspaces to help local families and businesses to thrive, also generating social value
3. **Enabling:** Ensuring that our community and education assets are valuable spaces for everyone where they can come together, get skills, organise and participate in building a new economy.

Progressive – why this is important to us and what we are already doing

As far back as 2011, we considered the development of community assets in our strategic vision for the borough as part of our planning policy approach. The Core Strategy ensured that affordable housing, employment spaces, and community facilities were to be considered as the borough grew and resident needs diversified. This included making sure key infrastructure, such as transportation, affordable housing, healthcare and education, were spread evenly across the borough, to meet existing needs as well as respond to the predicted growth of the borough.

The new Local Plan policies are currently in the final stage of preparation, with strengthened requirements on affordable housing, workspace and community infrastructure – key policies in ensuring that this is a borough where there is a place for all.

Despite the challenges described above, Islington's Local Plan estimates that demand for office space will still increase and has estimated in its Employment and Land Study a requirement for 420,000 metres² business floorspace by 2036.

A more competitive office environment is also likely to increase demand for quality office space in locations nearest to stations, which could benefit Farringdon, a key transport hub for the Elizabeth Line. Any short-term rationalisation of this order in the office market is, however, likely to be counterbalanced over the next two to five years by a continuing centralisation of offices within high profit sectors such as tech, life science and knowledge quarter occupiers. As growth returns, the opening of the Elizabeth Line and HS2 is going to draw in a much wider pool of skilled labour to London and is likely to compensate further for short-term losses.

Caution should, however, be exercised regarding what this means for property costs in the borough, and the availability and affordability of places for our locally owned smaller businesses to survive and thrive or new, genuinely affordable housing to be built without significant public subsidy. Many landlords have not yet adjusted to new market realities, which have affected businesses and residents' abilities to pay. Alongside changes to the business rates scheme – for which we have supported local campaigns for change – more work is needed to broker fairer commercial and residential rents.

This is especially important in the housing sector since Islington has the second highest population density of any local authority area in the UK and experiences intense poverty and deprivation, including very high rates of child poverty. The borough consistently has 8,500-9,000 people who qualify for allocations on its housing register.

The Local Plan acknowledges that most of the housing need in Islington is therefore for genuinely affordable housing, particularly social rented accommodation which local evidence suggests is the affordable tenure which best meets housing need. We aspire to meeting this need, aiming to deliver as many genuinely affordable homes as possible from private sites and from our own sites.

We also have had a longstanding commitment to ensure all communities can get involved in the planning process and has in place a Statement of Community Involvement that makes clear its commitment to make sure planning policy reflects everyone's needs – from the buildings themselves to local infrastructure, such as housing, education, retail and transportation.

In addition, an Article 4 direction is also sought to prevent conversion of a range of commercial spaces to residential, which would jeopardise the viability of strategically important economic clusters in locations such as Tech City in Old Street, which falls outside the Central Activities Zone.

Community Wealth Building in action

[Photo to be provided]

In August 2022, the council issued the first tranche of Article 4 directions to remove the new permitted development right which allows a change of use from a range of commercial uses to residential without planning permission. These relate to parts of the Central Activities Zone (CAZ) and CAZ Fringe in the Kings Cross area within Islington; the Vale Royal/Brewery Road Locally Significant Industrial Site; the Fonthill Road Specialist Shopping Area in Finsbury Park; and the Camden Passage Specialist Shopping Area in Angel.

This was done in order to preserve employment opportunities for Islington residents. In April 2023 the Secretary of State notified the council that the Direction meet national policy. We will now proceed to formally confirm the Directions, which will come into force in August 2023.

The overall aim of this work is to protect economic diversity of the borough, the range of employment opportunities it offers, as well as to preserve the character of Islington's town centres and shopping areas.

Progressive – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Work on the 2nd tranche of Article 4 Directions, which will focus on Town Centres, Local Shopping Areas throughout the borough and other employment locations, which provide valuable employment opportunities to Islington residents.
- Involve people who are most affected or most likely to benefit from planning decisions, by improving links to local community organisations, the Voluntary and Community Sector, as well as Anchor Institutions. Effective involvement enables decisions on planning policies and applications to be approved in the knowledge that stakeholders have had a full opportunity to express their views and engage in a genuine and transparent dialogue
- Develop a Social Value approach to the development of the Moorfields Eye Hospital site, optimising the social value delivered over the lifetime of the development as well as securing affordable workspace on the site.

Affordable – why this is important to us and what we are already doing

Securing genuinely affordable housing is a top priority in the new Local Plan. The housing need in the borough is vast. Local Plan evidence shows that 12,300 affordable dwellings are needed to provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, with the majority of this being for social rented housing. The level of need is greater than the housing target for the plan period, therefore even if Islington meets its housing targets entirely through the provision of social rented accommodation, this would not meet affordable need in full.

However, we have been able to set out very ambitious and rigorous affordable housing policies in the new Local Plan, which go well beyond policies set out in the London Plan, in order to ensure that as many affordable homes as possible are delivered on each and every new housing development in the borough.

We are already seeing some very significant successes with affordable housing delivery. For example, the recently approved development on the former Holloway Prison site, which is now under construction, will deliver almost a thousand homes, 60% of which will be affordable housing. During 2022, over 1,100 affordable homes were secured on 4 sites, three of which were secured through Section 106 agreements with private developers.

Further, we continue to secure affordable housing financial contributions from small private development proposals – below 10 homes, with developers being required to pay £60K per each private home proposed in the south of the borough and £50K in the rest of Islington. Islington is

one of only a handful of councils in the whole country who are securing this kind of affordable housing funding, given the national planning policy which states that councils should not seek such contributions from developers. To date we have secured £30 million from small sites contributions, and these funds make very important contribution towards financing social rented housing built by us.

We own and manage buildings across Islington. We also have the potential to secure additional space from developers, for example through Section 106 agreements. These assets can mitigate the effects of high property costs in advance of £1,000 a square foot in parts of Islington, which can exclude communities, and diminish economic opportunities for local people.

Rapidly rising land values feed into increased rents and make the borough an unaffordable place for businesses to operate, especially small and micro enterprises that are likely to be more sensitive to these challenges. Since small and micro businesses comprise nearly 98% of all businesses in Islington, this threatens our vision for a diverse, local economy that is resilient to change. At a larger scale, rising rents threaten Islington's dynamic economic clusters that have evolved a comparative advantage over time by enabling complementary businesses to co-locate and feed off each other's services, resources, and skills. Left unchecked, a loss of local investment and employment can arise, which would undermine the economic foundations of community wealth building here in Islington.

In 2018, we were the first council in the country to shape legal agreements with commercial developers that required them to give over a percentage of their newly-built office space to the council, at a peppercorn rent, for the creation of affordable workspaces. This was to run alongside our own programme repurposing some of the buildings we already owned to create yet more affordable workspaces in the community. Once built or converted, these spaces are then sub-let to a range of socially responsible affordable workspace operators.

We are already seeing the results of this innovative policy. By the end of March 2022, for example four Affordable Workspace Operators were up and running and had provided a total social value of £1,275,677 to the people of Islington. We will continue to engage with a broad range of partners to deliver more genuinely inclusive and affordable spaces in the future – creating good jobs for local people.

The report [Delivering impact: Social value in Islington's Affordable Workspaces](#), shows how this approach is central to our ambition for an inclusive economy and a key part of our Community Wealth Building Programme. In a UK first, social value is embedded in the contracts, by passing on the full benefits of peppercorn rent to operators in return securing benefit for local people and businesses, within a net zero carbon envelope.

Crucial to the idea of affordable workspaces is that Islington's communities are full of talented, creative, and ambitious people, many of whom would like to start or grow their own business, but don't have the finance, experience, or tools to do so. As a result, our affordable workspace operators do more than just offer a desk and fast broadband. They are commissioned based on their passion, motivation, and ability to animate workspaces that change people's lives and contribute towards our goal of building a more equal Islington.

Operators provide employability programmes for local residents, including women, ethnically marginalised communities and residents with disabilities. Business-to-business collaboration and mutual support come as standard, with local firms engaged to offer skills training, networking, and knowledge sharing. In this way, a pipeline is built for local entrepreneurs to set up new businesses, create good jobs and be protected from rising rents and displacement.

Social value activities extend beyond the walls of the affordable workspace too as operators promote our inclusive economy agenda within their locality, facilitating collaborations with local

stakeholders that offer business mentoring, networking and events, apprenticeship placements and supply contracts local suppliers.

The impacts of these activities are defined and quantified as social value – the additional social, economic and environmental impact of a contract measured in monetary equivalent terms.

Organisations, businesses, or individuals who deliver social value are contributing to the long-term wellbeing and resilience of people in the community in ways that are beyond being purely financial, although they may provide elements of financial saving, for example fewer people being on state benefit and being economically active.

To measure social value, Islington uses [the TOMs framework](#) in partnership with the Social Value Portal, endorsed by the Local Government Association. Its benchmarked evaluations calculate the social value generated within local communities by these affordable workspaces. It uses quantitative and qualitative information from workspace operators to assign a monetary value to the outcomes of each workspace – such as courses, jobs, local spend and workshops held.

Our current operators are:

- **SPACE4** – a coworking and events space specialising in tech-for-good businesses and co-operatives. Activities include delivering expert business advice, discounted workspace, training, workshops and events.
- **FC Designer Collective & Workspace** – a high street retail space connected to a fashion garment production space. The space has created five jobs and delivers affordable studios as well as a range of training courses, mentoring opportunities, masterclasses from industry experts and events.
- **Better Space** – a co-working and events space that primarily supports social enterprises and creative businesses – already has more than 100 regular users. It has generated social value through the creation of four jobs as well as a host of events and networking opportunities.
- **Town Square Islington** – a group of three workspaces in Old Street, in their first year of operation – has started to connect with the local community, providing them with free desk space and delivering early-stage business support and advice, as well as incubating new Islington businesses.
- **Meanwhile Space Ltd** – a co-working space at Dingley Place – supporting a new community of start-ups, freelancers and small businesses in a location at the heart of Silicon Roundabout.

We have also made a commitment to embed our ambition towards a net zero requirement in the contractual arrangements for all council-secured affordable workspaces, while promoting and incentivising inclusive innovation to address Islington-based climate challenges.

Community Wealth Building in action

[Photo available]

The Holloway Prison development is an example of the council adopting innovative and progressive planning guidance to help ensure affordable housing is maximised.

The Ministry of Justice closed Holloway Prison in 2016 and announced it was selling the site. This prompted us to rapidly develop planning guidance to guide future purchasers of this large 10-acre site in respect of the council's key planning policies and priorities – including the provision of affordable housing. We proactively involved the GLA in the preparation of the guidance and secured their backing for our approach, extending to a loan to help with the site purchase.

The site was sold to Peabody, with whom the council and GLA worked collaboratively to take forward proposals on the site, recognising that it represented major opportunity to help meet the significant need for affordable housing in the borough.

Planning permission was eventually granted for a significant number of affordable homes, with 60% affordable housing across 985 homes including 415 social rented home. The development also includes 60 affordable extra care homes for older people as well as a women's building and a new public park.

Affordable – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- New Local Plan will enable greater amounts of affordable workspace resulting in greater benefits for local residents and businesses
- Develop an approach to meanwhile spaces to support community activities across the borough
- Seek short-term premises to bring new experiences to the high street
- Through a series of smaller 'grow-on' spaces, we will create the space needed for entrepreneurs and small businesses

Enabling – why this is important to us and what we are already doing

As a key landowner in the borough, we can make a significant impact on the effectiveness of enabling assets through our own investment decisions. We have significantly enhanced our capital programme in recent years and approved our first corporate asset strategy in March 2019, comprising a core strategy that positions our current and future asset base as a key enabler for both day-to-day service delivery and the achievement of longer-term policy outcomes.

We have established a new operating model to integrate asset governance & decision-making to strengthen and focus delivery. This gives us a consolidated and robust picture of the current asset base, with new systems, processes, and investments to ensure we begin to tackle the repairs and modernisation backlog, helping to prioritise as required, as well as helping our voluntary sector and local business tenants maximise value. With a comprehensive implementation plan and supporting programme team, this is an effective engine room to embed the new strategy and make a strong start.

The Strategy established an asset-based approach has a set of core principles to create and maintain assets that help make Islington a fairer place and deliver on the Fairer Together agenda. We will support our residents to start well through maximising the potential of nurseries, children's centres, play facilities and the schools capital programme. Continuing on, we want to support our residents to live well through maximising the potential of parks, leisure & library facilities, affordable workspaces, carbon neutral initiatives, and independent living for working age adults. Finally, we will support our residents to age well through maintaining access to living well assets as well as providing specialist care provision.

We plan to leverage the asset base to support the borough's voluntary and local business sectors to grow and flourish, providing affordable bases to help maximise social value and local enterprise and increase local employment opportunities. And where buildings and facilities are utilised as commercial assets, ensure they deliver maximum financial return for the Council, generating additional investment to help make Islington a fairer place.

A 10-year strategy and underpinning capital programme is being developed and the launch will clearly position our place-shaping role to maximise the current and future asset base. This will

contribute to a more equal Islington and the delivery of Enabling Assets in support of the Community Wealth Building Strategy. In practical terms this means:

- Investing £302m in a major programme of new, affordable social housing to ensure that everyone has a decent, secure and genuinely affordable home, including £80m in one year alone on the New Build Programme meeting our commitment to build 550 new council homes in three years.
- Improving our early years accommodation, schools and youth provision (£10m)
- Modernising our libraries and museum (£1.4m)
- CCTV upgrade (£3m); upgrades to our core CCTV network and investment in CCTV-enabled vehicle to increase coverage for hot-spots.
- Investing a further £33m in a cleaner and greener Islington including vehicle electrification and infrastructure, People Friendly and School Streets, measures to expand the cycle network, energy efficiency measures in housing estates, solar panels and LED lighting.

In Community Wealth Building, it is critical that communities have control over assets. In support of this, we are also exploring a range of interventions. Most recently, we have secured accreditation from the Mayor of London for a Creative Enterprise Zone at Archway. This builds on extensive work with the local traders' association and community-led arts groups. They plan to create a new home for grassroots organisations and, as part of this, we are working with Transport for London to bring back to life a property that has been vacant for several years.

Finally, as we continue to refresh leases on our commercial portfolio, we are actively exploring opportunities to build social value into leases. Demand for our properties is high, and we expect our tenants to give back to the borough. This can be as simple as participating in our 100 Hours of the World of Work programme, through to providing funding for an Islington apprentice.

Community Wealth Building in action

[Photo available]

Youth Employment Hubs provide an accessible space for young people to engage with Islington Council staff and partner services to support their progression into employment, education, and training.

Based in Caledonian, Barnsbury and Finsbury Park wards, the hubs open their doors to the local community by offering opportunities for young residents to develop new skills, learn about local employment opportunities, improve their understanding of the labour market and growth sectors, gain support applying jobs and training opportunities, and access one to one career education, information, advice, and guidance.

Since its soft launch in July 2022, the West Library Youth Employment Hub has begun building a programme of activities. Currently there are regular maths, English and employability sessions available to young residents, delivered as one to ones and in small groups. Skills tutors are using flexible and innovative methods of delivery to support young people that were unable to achieve GCSE maths and English at school but require these to successfully progress into further education, apprenticeships, and sustainable employment. To date, this engagement has led to 2 young people being entered to sit functional skills exams, with others set to follow.

With final fit out recently completed, 54 Corker Walk has begun hosting English for Speakers of Other Languages (ESOL) classes, delivered by the Adult Community Learning team.

Enabling – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Design and deliver capital programmes to build or refurbish key community spaces such as adventure playgrounds, We are Cally, Whittington Park CC, Barnard Park, Toffee Park, Fairer Together hubs, and schools
- Explore socially productive use of land to develop ways to use the farm for local communities
- Explore how we can use 'meanwhile space' more effectively to support our residents and capitalise on the opportunities arising from public demand for more spectacle and leisure services.

OBJECTIVE 5: CHALLENGING INEQUALITIES

Setting up our Fairness Commission in 2010, we were one of the first boroughs to recognise that inequality and social injustice plays out in many ways that require many different approaches to address them. Local residents face both complex and multiple social, cultural, political, and economic challenges. From health and housing to education and employment, we see vast disparities in the outcomes experienced across the borough.

Since then, equality has been embedded across our strategies, priorities, and work programmes, enshrined not just in a corporate [Challenging Inequality Strategy](#), but in all our work. We have a responsibility and deep commitment to ensure that no-one is held back by discrimination, unconscious bias and prejudice related to age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex, sexual orientation or socio-economic circumstance.

The Black Lives Matters protests, alongside the disproportionate impact of the pandemic on our ethnically marginalised communities, have underscored the systemic inequalities that continue to exist in society. The epidemic exacerbated challenges already facing the borough including an ageing population, digitalisation, and the rise of insecure work in the gig economy. Declaration of a climate emergency has also concentrated minds on the need to take urgent action so that everyone, now and in the future, can enjoy a good quality of life within the ecological limits set by living on a finite planet.

The UK's exit from the European Union presented new economic challenges in the form of labour market and supply shortages. It has also emboldened a small minority to unleash a toxic discrimination that has resulted in a 15.2% rise in reported racial hate crimes against ethnically marginalised residents in Islington in one year.

We know these inequalities are not new. It is essential that we acknowledge and address long-standing structural disadvantages as they change shape. Our Community Wealth Building approach must be built on a solid foundation of social justice and tackling the structural inequalities which exist in our economy and society. While there are nine protected characteristics defined in the Equality Act 2010, if deep and sustainable change is to happen, we must consider and address the inequalities that are specific to Islington, such as wealth inequality and low educational attainment. We recognise the need for tailored packages of support to provide residents with the opportunity to achieve their potential. We want to make the most of our assets for the benefit of community groups, opening up spaces and resources for all residents to thrive.

Objective

In this context, our objective is **to tackle and remove systemic economic barriers towards a more equal Islington**. We will do this by:

1. **Targeted:** Tailoring skills and employment support for disadvantaged groups including those from ethnically marginalised communities, those with disabilities, parents and young people.
2. **Enterprising:** Nurturing and supporting more people from under-represented groups to start-up businesses, survive and thrive
3. **Rebalanced:** Using our financial leverage and resources to create and promote a more diverse supply chain and advocate for a local and regional economy which works for all local people, communities and businesses.

Targeted – why this is important to us and what we are already doing

Written just before the COVID-19 crisis, the [Runnymede Trust's Colour of Money](#) report (2020) outlines the extensive economic inequality faced by people from ethnic minority groups, some of whom are more likely to face higher unemployment rates and 'occupational segregation' in low-paid jobs with less opportunity to progress. The report outlines how much of this economic inequality is affected by the labour market, where some groups have lower employment rates and wages and higher unemployment rates, and there is 'occupational segregation' in low-paid, poor progression jobs.

The [Doreen Lawrence Review](#) also paints a similar picture: ethnically marginalised have been faced with more precarious employment, less accessible education, and worse housing conditions. [Inclusion London](#) has reported that Disabled people are experiencing increasing levels of psychological distress, workplace discrimination and unequal access to health care.

In 2021, we commissioned London Metropolitan University to conduct a research project to identify the levels of unemployment among different ethnic groups living in the Borough and the extent to which existing employment services in the Borough support specific ethnically marginalised communities.

Previously, it has been difficult to accurately assess, and respond to, the employment support needs of specific ethnically marginalised communities in Islington because the available data groups the population into large, general 'BAME' cohorts. However, these general cohorts comprise several sub-groups, each with different experiences and needs.

The research project found that many residents are not accessing employment support provided by the Council. Most were unaware of the services, and many expressed mistrust of employment organisations based on their experience of using Job Centres. Some of the other key barriers identified in the focus groups included:

- **Experience of poor and worsening working conditions and pay** – most older Algerian, Bangladeshi and Somali participants worked or had worked in a narrow range of poorly paid jobs with poor and worsening conditions. Many talked of the impact of COVID on jobs in the hospitality sector, and of worsening conditions in a range of jobs and sectors including retail, restaurants and mini-cab driving. Many of the older men and women had no qualifications, low levels of English language skills, low levels of digital literacy and many had serious health conditions. Many people in these groups are confronted with a range of barriers to accessing work.
- **Language** – was a major barrier to employment for many especially older Bangladeshi, Somali and Algerian residents. The lack of English language skills was strongly linked to another major barrier, that of digital literacy, especially with the shift to on-line provision of classes and services during the COVID pandemic. Digital literacy depends of fluent English language skills. The lack of such skills was identified as a major barrier to accessing and navigating online services, taking part in courses and completing job applications.
- **Lack of skills and qualifications** – many women identified a lack of relevant or out-dated skills as a barrier to accessing work. Many older generation men and women in all focus groups, especially Somali, Bangladeshi and Algerian residents, had no qualifications. Again, this correlates with the quantitative data analysis. The iWork engagement data highlights that Somali, Eritrean, Caribbean, Bangladeshi and White British residents have the lowest levels of educational attainment and qualifications. A further key factor highlighted in the Pakistani focus group was the lack of recognition and the downgrading of qualifications gained overseas.
- **Low confidence and aspirations** – all of the above factors fed into low levels of confidence and aspiration for many residents, particularly older ones. Particularly in the Bangladeshi and Algerian focus groups participants were looking for a narrow range of low

skilled and low paid work. This reflects past experiences, including of racism, shaping their aspirations.

The key recommendation was that the Council seeks to build trust and raise the visibility of services by locating employment services in locations that communities use, and in which they feel comfortable. The report also set out a series of sub-targets for different ethnic groups, to track our performance in supporting those most disadvantaged by the Islington economy.

Similarly, in 2022, we again commissioned research from London Metropolitan University, to examine two key issues: a quantitative analysis of economic inactivity and employment to identify both the levels of unemployment among people with disabilities but also whether there are people with particular disabilities and long-term health conditions who suffer more from unemployment, and secondly, a series of focus groups with those groups of people with particular disabilities to further investigate the barriers to employment they experience.

Perhaps unsurprisingly, the key barrier to emerge across all of the focus groups was unfair treatment and discrimination both in trying to get a job and when in the workplace. The issues highlighted time and again were a lack of awareness and support by employers in the workplace and associated issues of stigma, stereotyping and ignorance concerning people with mental health conditions, neuro-diverse people, people with learning disabilities, deaf people and people with visual impairment in particular.

For many participants, a major concern and barrier was how getting a job will affect their benefits. In particular, people with learning disabilities or people with mental health conditions returning to work after a gap in employment, may need to try work in more than one workplace before they find something which suits their needs and are fearful of the impact this will have on their benefits.

The research also highlighted the experiences of many participants of having access at best to low paid and low skilled employment. While this results in feelings of low confidence and expectations it also has the effect of pushing people with disabilities, sensory impairments and health conditions into poverty and many of the participants found themselves struggling with the cost of living.

As a result of both research projects, we are developing an employment service community outreach strategy which will include all employment support service providers operating within the Borough and seek to refine our targets by introducing new sub-groups which have particularly high levels of unemployment, and issues with accessing the jobs market and low levels of engagement with the Council's employment services.

Residents are being supported through targeted employability programmes to boost career prospects and prepare them for careers in tech, paid internship programmes with tech start-ups, and enterprise programmes that support people to start or grow their own businesses. Community outreach by a dedicated officer has helped to build a pipeline of residents for these opportunities.

Community Wealth Building in action

[Photo available + needs name of client]

"I moved into Islington about five years ago, I was always at home sometimes helping doing volunteering for my local church. Being a single mum of two I wanted to ensure I could help my children.

I met Selina at Choices – a community advice project in Archway where Selina does outreach work once a week. Selina introduced herself and told me about the different courses I could access and my employment opportunities. I was excited and we signed up to the ACL courses.

I did my assessments for Maths and English and my results were better than expected, so I started at English level 1 and Maths entry 3. I passed my English exam in March and have started Level 2.

I also joined the community sewing class, which I have now completed and made two skirts. I am making a shirt this term and thoroughly enjoying it. I completed a 4-week digital skills course for beginners, and I am currently doing a drop-in session for a computer skills gadget workshop.

By doing all these courses I am upskilling myself and this is building back my confidence. Selina has helped me in more ways than I can express, and she is always at the end of the phone if I need to talk to her. She has been a great help.”

Targeted – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Roll out Year 2 of sub-targets for different ethnic groups, to identify areas of improvement across more providers in the Islington Working Partnership
- Develop a new set of sub-targets for people with disabilities, to better target those groups who are most disadvantaged as a result of their disability or long-term condition
- Enhance community outreach to target sub-groups through the Islington Working Partnership and new collaborations with representative groups
- Design a multi-borough programme to promote social inclusion in the life sciences sector

Enterprising – why this is important to us and what we are already doing

In 2019, a survey found that nearly half of the respondents in Islington owning micro and small businesses fashion thought that their businesses would not be operable in three years' time compared to only 20% of tech and professional businesses. These businesses were disproportionately owned by people from ethnically marginalised communities and women.

We also found that people from ethnically marginalised communities were more likely to be working in businesses in trades like hospitality that have been hit hard by the pandemic. In response we have set up a business support programme, led by experts the Action for Racial Equality which is targeted at underrepresented entrepreneurs and minority owners and provides a dedicated network and tailored training resources to promote and develop their businesses.

In its report [Alone together: Entrepreneurship and diversity in the UK](#) (2020), the British Business Bank highlighted the persistent disparities in business outcomes for business owners from ethnic minority backgrounds. They noted that after starting a business, Black business owners have median turnover of just £25,000, compared to £35,000 for White business owners, and only half of Black entrepreneurs meet their non-financial aims, compared to nearly 70% of White entrepreneurs. Female entrepreneurs from ethnic minority backgrounds experience the biggest disparities. Access to finance, deprivation, education, and under-representation in senior workforce positions partially explain these disparities. However, the report notes that systemic disadvantage appears to play a role.

In an economy like Islington's, this is an enormous, missed opportunity in terms of talent, innovation and enterprise. To begin to support under-represented entrepreneurs, we invested £300,000 in a programme run by our partners at [Action for Racial Equality](#) (ARE).

The programme was commissioned as part of Islington Council's aim to address the impact of the pandemic on borough-based minority owned businesses and in recognition of the additional barriers and challenges faced by them. The programme provided culturally appropriate support to ethnic minority owned businesses in Islington. The project started in October 2021 and ran until November 2022. As a small pilot, it supported ethnic minority owned businesses, offering one-to-one business advice sessions tailored to individual business needs as well as masterclasses and peer mentoring.

In addition, with ARE we ran an Inclusive Entrepreneurship Programme which supported early-stage entrepreneurs in Islington from underrepresented groups, including those from ethnically marginalised backgrounds, female entrepreneurs and disabled entrepreneurs. The entrepreneurs were offered seed funding grants up to £10,000, as well as other business incubation services and networking events.

Similarly, we invested £200,000 for a training and development to help businesses adopt circular economy practices, with a focus on female and minority-owned businesses. It was delivered in partnership with ReLondon (formerly London Waste & Recycling Board) – a partnership of the Mayor of London and London's boroughs to help reduce waste across the capital and transition to a low carbon circular city. Of the 23 businesses who received grants, 50% were led by Black/Asian/minority owners and 50% were female-led. The main sectors were in food, textiles, tech, electricals, plastics, including hairdressers, dry-cleaners and furniture upholsterers, as well as a 'borrow-and-return' lunchbox scheme for local workers – installing bowl pick-up stations in more workplaces across Islington and work with Islington markets to reduce single-use takeaway box usage.

All of these programmes targeted local communities to ensure that the economy of Islington is accessible to all entrepreneurs.

Community Wealth Building in action

[Photo available]

Girasole Italian Café is a high street staple in Finsbury Park. Owner Eglel Gomma is passionate about reducing waste and finding more sustainable solutions to operate her business.

Delivered in partnership with ReLondon, the scheme gave Eglel and twenty-three other small local businesses finance and support to reuse and recycle, save money and help move Islington closer to being carbon net-zero.

Eglel used her grant to buy a milk dispenser, replacing 175 plastic bottles of milk with just nine dispenser bags per month – a huge reduction in plastic waste. She also installed a refill station for dry goods, enabling her to bulk-buy and further reduce packaging through her supply chain, and virtually eliminate single-use packaging for her customers. Eglel's customers eliminate packaging altogether with refillable glass jars and a bring-back scheme.

Eglel is also exploring other waste-reducing measures including putting coffee waste to good use, working with another grant recipient, Junee on a reusable lunchbox scheme, replacing plastic containers with glass, and refashioning oat milk tetra-packs into coffee cup holders – a fantastic innovation to reuse a hard-to-recycle material!

Girasole has so far achieved 73% reduction in waste (30 bags of waste to eight, an 88kg reduction), and disposal costs (£75 down to £20 per month) per month, as well as 175 plastic milk bottles replaced with nine dispenser bags.

Enterprising – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Develop further opportunities on the high street and through street markets to promote and support Black and ethnic minority-owned businesses to grow and thrive in the borough.
- Enable and support more people from under-represented groups to start-up businesses, survive and thrive, for example through a business support programme for underrepresented entrepreneurs and minority owners via a dedicated network and applicable training resources.

Rebalanced – why this is important to us and what we are already doing

High-tech, creative, 'knowledge' businesses drive much of the UK economy. London's tech sector is growing more than two and a half times faster than the UK average, and contributes £184bn to the British economy. Within easy reach of Islington are a number of globally important economic clusters at: Tech City; the Knowledge Quarter; and Med City at Whitechapel. These hubs of economic dynamism are strategically important to London and the UK, growing more than 2 ½ times faster than the UK average, with the digital tech industry alone contributing £184bn to the national economy – a magnet for global talent. However, the vast knowledge economy remains disconnected from its neighbouring diverse communities, many of whom experience some of the starkest contrasts in wealth and are marginalised from the benefits of this thriving economy:

- More than 33% of tech board members and 31% of senior executives attended private schools compared to just 8% of the UK as a whole.
- In the UK, for every £1 of venture capital investment, less than 1p goes on all-female led teams.
- Only 1 in 9 senior leaders in tech come from an ethnically marginalised background despite these groups accounting for over 40% of London's population.
- The proportion of female directors in tech has not changed for 20 years.

We know that an economy that leaves people behind cannot be called a success.

Often jobs obtained by local residents in this growth sector are low-paid, insecure jobs such as security and catering. People from ethnically marginalised backgrounds, women and people with disabilities are significantly underrepresented in higher paid jobs, while businesses are missing out on the creative and commercial advantages that true representation offers. Businesses want to reach out to this talent pool, but often just don't know how to do this.

To begin to address this, LIFT (Leading Inclusive Futures through Technology) was launched in March 2021 as a partnership between the London Boroughs of Islington, Camden, Hackney and Tower Hamlets. The four-year programme aims to build a more inclusive knowledge economy, helping residents to get jobs and training in tech, digital, creative and sciences, and supporting businesses and start-ups in these sectors to launch and grow. It is the first such scheme in the UK to focus on the thriving 'knowledge economy', and focuses on developing the talents of underrepresented residents, especially women and ethnically marginalised communities.

All four councils share an ambition to reduce inequalities and create an inclusive economy, where wealth is fairly shared. In an innovative cross-borough collaboration, LIFT seeks a system change – to address the barriers for local residents and businesses by increasing awareness of good jobs, helping with practical job application skills, supporting entrepreneurship, enabling business outreach into schools and improving access to affordable workspace.

Over the first 2 full years of the programme, over 70% of the start-ups supported by LIFT have been female led startups – 90 in total, including:

- DataForm Labs, an architectural robotics company driving innovation in the construction industry that is looking to raise significant investment
- Yosanie, a marketplace for Tik Tok scripts
- Mozzie Cozzie, an online sustainable travel clothing company.

Equality, diversity and inclusion is also a strength of the social economy. 54% of social enterprises are led by women and 30% by people from ethnically marginalised groups. A co-op is any trading enterprise that's jointly owned and democratically controlled by its members, with the purpose of meeting their shared needs, on the basis of a universally agreed set of co-op values and principles.

Through our partnership with Co-Operate Islington – a new co-operative development agency based in one of our affordable workspaces – we have supported a number of minority-led co-operative businesses including Empowered Talent – a workers’ co-operative talent and training agency, which has an ethos of enabling disabled performers to achieve their goal of working as professionals in a notoriously difficult and image-oriented industry. It was founded by three professional artists based in North London, who described the business development support from Cooperate Islington as being “monumentally helpful!” Co-operate Islington will continue to develop worker-owned businesses in the borough, with a priority to increase the diversity of ownership.

Additionally, through our network of Affordable Workspaces, we expect operators to maximise delivery of social value for local under-represented groups e.g. providing jobs, training or support for new entrepreneurs. By embedding this in their contracts, they are measured on their delivery of reaching under-served communities.

Finally, we want to ensure that those we commission to deliver goods and services are promoting diversity and equality throughout the supply chain. MSDUK is the UK's leading supplier diversity advocacy organisation and produced the important [Minority Businesses Matter](#) report. One of its core recommendations is that public sector bodies should take the lead in integrating supplier diversity into their procurement strategies, including the tender and contracting processes. We will introduce and embed robust guidance and criteria on the need to actively promote equalities which will be part of our assessment in awarding contracts. This is a complex area and we are actively researching how we can meaningfully ensure that our own supply chain demonstrably contributes to re-balancing participation in the economy.

Community Wealth Building in action

[Photo available]

Leading Inclusive Futures Through Technology (LIFT) is a programme led by Islington in partnership with Camden, Hackney, and Tower Hamlets, helping residents from underrepresented backgrounds to get jobs and training in tech, digital, creative and sciences, and supporting businesses and start-ups in these sectors to launch and grow.

Since March 2021 LIFT has supported over 70 Islington residents into jobs, apprenticeships, and paid internships, in roles such as Software Developer, Graphic Designer and Automation Engineer, while over £500k of investment has been raised by local business start-ups.

Regular outreach events help to raise awareness of the opportunities in these thriving industries, bringing community partners such as Hillside Clubhouse together with businesses like Google, and hosting community meetups at affordable workspaces including Better Space and Space 4.

S is a 22-year-old resident who completed a 10-week Video Content internship at a local creative design agency, with additional training provided by City University. Upon completion of her internship, S was offered a permanent role as a Social Media Executive with the same employer. S says: “When I heard I had got the position I was very happy and knew I could learn a lot from it. The support I have received from LIFT has been amazing. I have access needs – I am deaf. I knew that to work in a team with lots of people that I would need some accessible equipment. LIFT supported me to apply for Access to Work funding for equipment, and to get a digital notetaker during the learning sessions, which made a huge difference to my placement. Because of this, I was able to fully be part of the team, communicate with fewer barriers and work as well as everyone else.”

Rebalanced – what we plan to do next

There is more that we can and will do. Through this Community Wealth Building strategy, we will:

- Lead on the delivery of the cross-borough Boosting the Life Sciences Social Economy project which aims to grow a local social economy that is community-driven and actively addresses entrenched health and wealth inequalities
- Ensure that those we commission to deliver goods and services are promoting diversity and equality throughout the supply chain.
- Build a diverse supply chain through our choice of procurement frameworks for commissioned works
- Develop an incubator programme for female founders and founders of colour to innovate in the Net Zero Carbon sector.

OBJECTIVE 6: ANCHOR INSTITUTIONS

Community Wealth Building is about developing a more inclusive local economy that works for everyone. While we have resources and the ability to influence and bring about change, we are stronger, can do more and can go even further if we work in partnership with other local organisations. These organisations may be like us, in terms of size, areas of work, the number of employees or the types of assets available to them, or they may have access to communities or assets that we do not.

There is a strong tradition of shared endeavour and partnership working across Islington. There is considerable goodwill in Islington across all sectors to work together to meet the challenges of inequality in all its forms, and many of these organisations have an established, strong track record in collaborating to work in the interests of local people. Marginalised communities and local small businesses are vulnerable to dealing with the social and economic crisis. The case for Community Wealth Building and the need for concerted, joint action via an Anchor Institution Strategy is always strong and we are reminded of this fact when crisis strikes be it due to pandemics, global wars, financial crises, or Brexit.

There is considerable goodwill in Islington across all sectors to work together to meet the challenges of local inequality, and many of these organisations have an established, strong track record in collaborating to work in the interests of local people.

Anchor institutions are typically large, locally rooted organisations that are here to stay. They employ a lot of people, wield significant purchasing power, and own or manage buildings and land. The way they do each of these things makes a significant difference to local communities.

And – importantly – they all have a stated mission to improve the lives of those living in their locality.

Anchors are local authorities, hospitals, universities, housing associations and large private sector organisations with headquarters in a locality. They have a fundamental role to play in shaping Islington's future, generating more opportunities and wealth for local people and businesses, and creating a fairer borough.

Together, we spend billions of pounds on their buildings and estate and on the purchase of goods and services. We provide job opportunities for thousands of people and provide a range of services including health, care, further and higher education, employment, environmental and consumer services for residents in Islington.

Islington's economy features a number of businesses able to individually function as anchor institutions, and we have two strong BIDs with the potential to function as 'mini networks' with a collectively important impact.

Size is not everything. Many local community organisations fulfil a vital role as 'community anchors', equally being here to stay and connecting local communities to support and opportunity.

Even before the idea of Community Wealth Building and Anchor Institutions were formally adopted, we had already delivered benefits with our partners. The Islington Anchor Institutions' Network is building on this track record through interventions such as:

- The Health and Social Care Academy, which brings an increasing number of local partners together to shape and own a cross-organisational employment strategy delivering 100+ new jobs per annum & apprenticeships, as well as developing pilot projects to retain more adult social care expenditure within the local economy and exploring new opportunities on the net zero carbon agenda

- The London Living Wage (LLW) Action Group, which helped us secure LLW Place Accreditation for the borough bringing together a strong cross-sectoral platform of businesses and organisations committed to promoting fair pay and good work for local residents
- Businesses for Islington Giving Alliance (BIG Alliance) was set up in June 2012 by Islington Giving, Macquarie Group and the East London Business Alliance (ELBA) and strengthens links between businesses and community organisations and educational institutions across Islington, supporting meaningful community investments for businesses involved in doing good.

However, we all recognised the collaborative advantage of working more closely to tackle the complex drivers of poverty and inequalities in the borough. Building on the work of pioneers such as Manchester and Leeds, we have deepened our work with anchors.

Through the Anchor Institutions' Network, we are working collaboratively to make a greater impact and deliver a shared ambition. Our shared aim is to make a positive and material impact on tackling economic inequality and other barriers to engagement faced by too many of the borough's residents and local businesses.

Our anchor network is composed of three different types of institution:

- **Core:** organisations with the largest local footprint as employer, purchaser and landlord, and willing to commit to shared targets from the outset
- **Associate:** key local partners willing to make specific contributions and to act as vocal supporters, potentially becoming core members over time
- **Community:** smaller but vital local organisations, including voluntary, community and businesses, who make significant contributions at a local level and are key anchors in local communities.

We have started work with ten core organisations, but plan to continue to expand the collaborative work that we can do with a wide range of organisations in the borough. Over time, this work will continue to develop and deliver real benefits for local people and businesses.

From a governance perspective, the core anchors meet twice a year to review progress against agreed targets. The whole network comes together in an annual meeting to launch an annual report and celebrate success and impact.

Our approach to governance is therefore nimble and sufficiently agile to allow us to keep track of progress and maintain collective ownership of a shared ambition, but not to create unnecessary pressures on top of each anchor's day to day activity. Sitting beneath the core governance arrangements, an 'engine room' drives forward the more detailed activity that underpins delivery of committed targets.

Objective

In this context, we will **collaborate with like-minded, local organisations to harness our employment & purchasing power and assets for the benefit of residents and local businesses**. We will do this by:

1. **Employ local:** Adopting progressive policies on recruitment, pay & conditions and careers to fully harness the talents of our local workforce and future generations
2. **Buy local:** Actively supporting existing and emerging local businesses to deliver affordable, quality goods and services thereby maximising local social value and wealth creation
3. **Lead locally:** Managing and developing buildings and spaces to create accessible, sustainable and better assets and places.

Employ local – why this is important to us and what we are already planning

Good jobs lie at the heart of an inclusive economy, lifting people out of poverty. The anchor organisations in Islington offer a huge range of employment and career opportunities for local people – with good pay, security and opportunities for progression. For that reason, we want to make sure that as many of those jobs as possible are open and accessible to Islington residents.

Over the last six months, a group of HR senior officers from the anchor institutions have been meeting to share common challenges. Together, we have agreed a wide-ranging programme which will:

- Develop and implement a programme of best practice in relation to diversity, inclusion, and local recruitment

We will map all the innovative programmes and examples of good practice that are currently happening within individual Anchor Institutions e.g., Coaching offer at City University, Autism programme at Whittington NHS. From the mapping we will identify 2-4 programmes to review and present with a view to broadening a number of these across the whole network.

We will also compile a programme of short placements or insight days that are offered by the network and agree a way of managing these e.g., online platform. In offering the placements we will target residents that are under-represented in the host team/work area.

Recognising the good practice in the health and social care academy, the group will also seek to identify if this approach to recruitment could be replicated in other areas of the network.

We will share internal training opportunities for staff across the anchors network – particularly training that relates to good practice in relation to equality and diversity. This will include an Islington Anchor Institutions' Network of managers (including manager of services that are doing including work) to share research, good practice and information.

Other innovations will include: support for T-level qualifications (which require employment input to run); the rollout of Multiply – a bespoke adult numeracy programme; and, examine the feasibility of setting up a kickstart-style scheme that helps disabled people get jobs with us.

- Simplifying the recruitment process and making it easier for residents to get jobs with us

We will simplify our advertising and recruitment process across the network and make it more accessible by establishing a peer-to-peer forum for recruitment staff in Anchors who are involved in reviewing recruitment processes, re-procuring recruitment management systems. On individual Anchor jobs pages, we will insert links or information that direct jobseekers to also look at other Anchors' jobs pages.

We also plan to develop a generic entry-level role that gets residents into the network (e.g. multidisciplinary team officer).

- Develop strong connections to local communities colleges and schools

We will also develop clear, well-understood links between businesses and colleges, as well as co-ordinating our links with schools using the '100 hours World of Work' programme. We plan to relay information about our recruitment to local communities using public events like jobs fairs, newsletters and links with partners, community hubs and youth centres.

- Co-ordinate levy transfer and maximise its use

As anchors, it is vital that we maximise the apprenticeship levy to the benefit of local people and organisations. We will work as a partnership to eliminate instances where funding is underused because of eligibility criteria by collating single document that lists levy transfer criteria for all of the

Anchors. We will also put in place a series of information events that link Anchors and businesses interested in taking on apprentices. Businesses can be targeted through business forums such as the BID, town centre groups, and as tenants of affordable workspaces.

We will also focus on increasing the number of new apprenticeships as opposed to upskilling existing employees.

- Data analysis and strategic planning

Together, we will map staff shortages and growth sectors, identify skills gaps, agree competencies and develop response through the analysis of borough data on roles/opportunities and where the skills gaps are. We will also use the analysis of data from individual anchors about current and future skills need (recruitment analysis, agency analysis, diversity of successful and unsuccessful applicants – if possible). Supported by London Met University, we will carry out data analysis to identify local systemic challenges and target action at these.

Buy local – why this is important to us and what we are already planning

As individual anchor institutions, we each spend millions of pounds purchasing good and services every year. We also know that integrating social value into procurement is one of the best ways to tackle poverty in Islington. We each do this separately to varying degrees, but we recognise that by adopting a systematic, collaborative approach to procurement, we can achieve much more.

As a task and finish group, senior procurement officers met to determine a shared programme of work – where there would be added value in collaboration. Over a period of six months, they agreed the following set of activities for implementation over the next 2 years:

- Social Value Objectives

Each Anchor Institution's overall procurement strategy will include social value and we will commit to paying the London Living Wage (or UK Living Wage for jobs outside of London). We will ensure social value forms part of their governance decision making requirements at every stage in procurement and produce an annual review of social value delivered.

- Social value good practice

We will share case studies on lessons learnt amongst Anchor Institutions that are already on the journey and share learning around award criteria and assessment with other Anchor Institutions.

We will also work together to ensure that effective supplier relationship management guidance is in place between Anchor Institutions and their supplier base for delivery on social value. We will also market the Islington Construction Directory internally to client commissioning officers and externally to main providers of the individual Anchor Institution.

- Procurement Processes

All tenders will include social value in specifications, terms and/or evaluation criteria and weighted as at least 10% as part of tender scoring for all Anchor Institutions with a view to adopting higher percentages where possible. We will also review our procurement processes to assess barriers to entry by local businesses / SMEs and come together to discuss potential common options to reduce barriers for local businesses.

- Building a network that promotes local small businesses

We will support and enable local suppliers to understand Anchor Institutions' procurement processes and bid collaboration culture, for example, by hosting networking events for local suppliers, anchors and their large contractors/suppliers to build business networks. Similarly, we

will develop an approach that encourages Tier 1 suppliers to set up training sessions for their subcontractors e.g., at Tier 2 and / or Tier 3. We plan to add coding to our systems in order to easily identify local suppliers with whom we spend money.

We will also promote prompt payment of local SMEs and ensure any undisputed invoice is paid within a reasonable timeframe e.g. 30 days.

- Progress social and economic growth

We will increase employability opportunities (e.g. apprentices and work experience) in tendered contracts and by working with Tier 1 suppliers to deliver that deliver social value and measure it (e.g. by TOMS or alternate method used by the Anchor Institution). We will also develop a plan to identify and support key growth areas where local businesses may have a competitive advantage to secure local contracts and deliver social value e.g., Green Economy.

- Environment and Sustainability

In light of the declared climate emergency we will consider whether the target to be net zero carbon by 2030 is relevant on tendered value contracts and if so, adopt where applicable e.g. award criteria, specification etc.

Lead locally – why this is important to us and what we are already planning

We know there is a strong and dependent link between Community Wealth Building and net zero carbon, examples including taking advantage of the green economy, building targets into procurement activity, and working together to make our buildings energy efficient.

Achieving net zero carbon emissions is a complex ambition that can only be addressed through collaboration, analysis, testing and learning – and collective leadership.

Again, a group of senior officers met across the anchors and have developed an action plan. To deliver this comprehensive programme of work, we will share funding opportunities and explore opportunities for joint bids, to ensure that Islington as a whole benefits. The programme includes:

- Carbon Targets and Offsetting

We will explore use of GHG Protocol Framework as agreed monitoring approach for all partners. We will agree a Statement of Intent for carbon reduction based on the group's carbon targets and a monitoring cycle. We will share current/potential carbon offsetting approaches; inc the Knowledge Quarter's Community Carbon Offsetting model (Camden Future Neighbourhoods project) and explore the potential for further Carbon Offsetting Projects.

- Communications and Engagement

We have piloted a partnership campaign for Earth Day (April 2022) and plan to explore further development of joint branding and communications messages, including a communications plan for 2023-25, with a joint budget and resources plan.

- Efficiency / Decarbonisation of Buildings

We will establish an information sharing forum for estates improvements to share best practice and innovation in retrofit technologies and approaches. Importantly, we will contribute to Islington's NZC Supplementary Planning Guidance on retrofit.

Together, we will map an anticipated pipeline of retrofit work to identify opportunities for collaboration (joint procurement; supply chain demands; place based initiatives) and develop a joint procurement plan for retrofit where appropriate.

- Transport

We will hold a Strategic Transport workshop to scope opportunities for co-ordination of transport infrastructure, and travel plans, including freight/last mile deliveries and active travel infrastructure (bike hangars, cycle lanes). We will share plans for installation of EV charging points and explore opportunities for co-ordinated approach to installation and maintenance. Explore further vehicle to grid opportunities. We will also develop a co-ordinated plan for active travel communications, support and training and develop a joint transport/travel plan for all our transport needs.

- Sustainable and Affordable Energy

We will share information on Renewable Power 4 London programme and information on Heat Network opportunities in Islington/North London (BEIS funded feasibility study). We will also collaborate on LBI's Decentralised Energy Masterplan / Local Area Energy Plan and explore the potential for a joint energy procurement/PPA approach.

As an innovation, we will explore the potential for peer-to-peer energy sale (to divert excess generation, e.g. academic holidays).

- Green Economy

We will develop a skills and supply chain requirements plan based on collective property development and retrofit activity.

- Natural Environment

We will share information on tree planting and biodiversity activities and, where appropriate, jointly promote e.g. ReWild My Street (LondonMet); Urban Cultivate (City Uni); AllotMe (Peabody); LBI Greener Together

- Waste and Recycling

Finally, we will develop joint campaigns on reducing single use plastic and recycling and repair.

Community Wealth Building in action

[Photo available]

To mark Earth Day in 2022, Arsenal and Islington Council joined forces to host events to help local people lower their carbon footprints and save money.

Ahead of the men's first-team match against Southampton, supporters had the opportunity to donate their old boots and trainers to local schools – helping to ensure that they find a new home, instead of going to waste. Arsenal also have boot and trainer collection points in place at Highbury House, at the Arsenal Hub, and at their London Colney training centre.

On Earth Day itself, people across the borough were invited to bring their sportswear and equipment – including footballs, cricket bats, tennis racquets and more – to be swapped or upcycled at the Arsenal Hub, in the shadow of the club's world-famous Emirates Stadium.

A series of events – including bike repair workshops around the stadium – marked the start of the "Go Zero" campaign, where Islington Council and its partners promoting the ways that local people can lower their carbon footprint.

CONCLUSION

Community Wealth Building is about developing a more inclusive local economy that builds upon the excellent work taking place across the borough. The aspiration to do it better is clear – from building support for residents to improving education and skills, building ‘Social Value’ into more of our own work programmes, to ensure residents and micro and small businesses are supported to stay in the borough and contribute to a thriving local economy.

However, we can always do better and, more importantly, **we want to do better**.

We stand by our progress and our commitments that we want to make Islington a place where everyone, whatever their background, can reach their potential and enjoy a good quality of life.

For this strategy to be a success, Community Wealth Building must be embedded in all of the council’s mainstream work programmes and is a key feature of the Council’s Corporate Plan. Its inclusion in Islington Together, the Economic Wellbeing Strategy, Procurement Strategy, Local Plan and Challenging Equality Strategy is proof of our commitment to this important area of the council’s work, as well as the role that all our services, in partnership with Anchor Institutions, will play in delivering success.

Appendix 1: Performance Matrix

Economic Wellbeing: Tackling systemic poverty and inequalities in the labour market, and building skills and opportunity for a new economy			
Sub Objective	What we measure	How we measure it (Key Performance Indicators)	Success Measures (How will we know if we have made a difference in year 1?)
1. Resilient: Providing a safety net to support residents in severe financial hardship, maximise income for vulnerable, low-income households and support residents to tackle problem debt and manage household finances	<i>Tackling problem debt</i> <i>Income Maximisation</i>	<ul style="list-style-type: none"> • Number of Islington residents on Council Tax Support • Total additional benefits (£) secured for Islington residents through our Income Maximisation Team • Monetary value of Islington Childcare Bursary uptake with sub targets for employment or training outcome 	<ul style="list-style-type: none"> • Resident support scheme funding utilised effectively to maximise hardship funding across the borough • Developed and consulted on new Council Tax Support Scheme to be implemented from 2024/25 • Maximised income for residents, with a target of £6m, and broadened the role of IMAX to include money and debt advice • Implemented the PIP benefits calculator for IMAX and launched self-serve option on the council website
2. Skilled: Creating clear skills pathways into work and support those already in work to upskill to find better or more secure jobs	<i>Improving adult skills</i> <i>Promoting apprenticeships as a route into work</i>	<ul style="list-style-type: none"> • Number of unique learners enrolled on Adult & Community Learning courses, with sub targets for parents, disabled / long-term health conditions and from specific ethnic subgroups • Positive year end destination for learners, with sub-targets for • Number of Islington residents supported into Council Apprenticeships 	<ul style="list-style-type: none"> • An ACL curriculum that engages new learners from target groups and provides progression pathways. • An enhanced ACL offer which focuses on basic literacies (numeracy, English, ESOL, digital, job search) and complements the local FE offer • Delivered year 1 priorities set out in the Apprenticeship Strategy

		<ul style="list-style-type: none"> • Number of Islington residents supported into Apprenticeships with an external employer • % Council apprentices who move on to further employment or training within 3 months of completing their apprenticeships 	
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<p>3. Employed Reach residents most in need of employment support and, tackle precarious employment and lack of progression.</p>	<p><i>Supporting residents into paid work which is sustainable</i></p> <p><i>Increasing the proportion of disabled residents / people with long-term health conditions who are in work</i></p> <p><i>Organisations in the borough are fair employers paying decent wages</i></p> <p><i>Work with trade unions to encourage more people to become members, to secure</i></p>	<ul style="list-style-type: none"> • Number of Islington residents supported into paid work through council activity, with sub-targets for parents, young people, disabled / long-term health conditions • % residents supported into paid work through council activity, who remain in employment for at least 26 weeks • % gap between employment rate for residents with long term health conditions and overall Islington employment rate • Number of London Living Wage entry level jobs delivered through the Islington working partnership • Number of employers achieving London Living Wage Accreditation 	<ul style="list-style-type: none"> • 1,250 local people supported into good quality jobs • Strengthened support for those furthest away from the job market or face particular barriers such as single parents BAME residents and over 50s. • x more businesses to become LLW accredited
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	<i>their rights in the workplace</i>	<ul style="list-style-type: none"> • Number of Islington residents supported into jobs with council contracted suppliers • Number of Islington residents gaining apprenticeships with council contracted suppliers 	
Inclusive Economy: Ensuring our local economy is sustainable, socially just and enable thriving places, maximising opportunity for local residents and business			
Sub Objective	What we measure	How we measure it (Key Performance Indicators)	Success Measures (How will we know if we have made a difference in Year 1?)
4. Local: Unlock the potential of our local high streets, street markets and neighbourhood parades by helping business owners to prosper and creating vibrant, welcoming, safe, inclusive places for residents and visitors	<i>High Streets</i>	<ul style="list-style-type: none"> • Number of opportunities brokered through Inclusive Economy & Jobs • Number of Businesses that have been positively impacted by Inclusive Economy & Jobs 	<ul style="list-style-type: none"> • Increased Council spend within the local supplier base, and influence Anchor Institutions • Business support initiatives for Islington's Markets, including recommendations from the new Inclusive Markets Strategy delivered • External funding secured to animate high streets and support hyper-local economic programmes e.g. Creative Enterprise Zone • Traders' Associations developed to facilitate resilient local economies with a focus on responsible business practices
5. Prosperous Champion social inclusion in Islington's growth sectors, by	<i>Inclusive Growth Sectors</i>		<ul style="list-style-type: none"> • Support delivered for local entrepreneurs, SMEs and businesses through Affordable Workspaces social value commitments

expanding responsible, sustainable and inclusive business practices and sector strategies			<ul style="list-style-type: none"> • A baseline established to increase the number of SMEs securing contracts with local anchor institutions • Launch the local construction directory and expanded to other sectors to provide a wider local supplier directory
<p>6. Independent:</p> <p>Helping grow Islington's small and micro business community by connecting them to opportunities and supporting wider ownership through cooperatives and social enterprises.</p>	<p><i>Co-operatives, social enterprises and democratically owned businesses</i></p>		<ul style="list-style-type: none"> • Increase in the number of workers' co-operatives and social enterprises, as democratically-owned businesses

Progressive Procurement – Boosting and locking in wealth creation through the progressive use of local purchasing power			
Sub Objective	What we measure	How we measure it (Key Performance Indicators)	Success Measures (How will we know if we have made a difference in year 1?)
<p>7. Leadership:</p> <p>Shaping a supply chain that supports an inclusive economy</p>	<p><i>Supply chain</i></p>	<ul style="list-style-type: none"> • Percentage of suppliers from overall supplier base who are local • Percentage of expenditure with local businesses 	<ul style="list-style-type: none"> • Developed and implemented a new operating model for commissioning, procurement and contract management across the council to maximise value for money and social value from contracts • Implemented a new Contracts Register to improve contract management and performance and identify influence-able spend

			<ul style="list-style-type: none"> • Developed and implemented a systematic approach to social value in contract management to ensure it is integrated into entire contract cycle
<p>8. Partnerships: Building long term partnerships with like-minded suppliers that deliver high quality services and social value for our residents, whilst offering value for money</p>	<i>Partnerships</i>		<ul style="list-style-type: none"> • Developed and implemented an enhanced system for social value delivery • Produced qualitative update on delivery of social value, and developed a pilot for the quantitative measurement of major contracts using a social value solution • Through the Supply Chain Practitioners Group shared knowledge gained from contracts to drive forward planning, cost controls and quality on others, thus improving commissioning • Worked with Anchor Institutions to influence supply chains and deliver social value
<p>9. Community: Through active leadership and progressive supply chain partnerships, the council's supply chain will maximise economic, social, and environmental benefits to communities</p>	<i>Economic social and environmental benefits to communities</i>		<ul style="list-style-type: none"> • Published main providers to support SMEs to be able to approach them directly to explore opportunities as sub-contractors • Provided guidance to SMEs to help them understand Council requirements • All tendered requirements included 20% social value

Social and Economic Infrastructure – Leveraging and developing the borough’s assets for the greater benefit of residents and local businesses			
Sub Objective	What we measure	How we measure it (Key Performance Indicators)	Success Measures (How will we know if we have made a difference in year 1?)
<p>10. Progressive:</p> <p>Uphold a local planning framework to maximise the development of affordable housing and workspaces in the borough, protecting our places, businesses, and local jobs</p>	<p><i>Ensuring an effective response to planning applications</i></p>	<ul style="list-style-type: none"> • Percentage of planning applications determined within 13 weeks or agreed time - rolling three months – Majors • Percentage of planning applications determined within 8 weeks or agreed time - rolling three months – Minors • Percentage of planning applications determined within 8 weeks or agreed time - rolling three months – Others 	<ul style="list-style-type: none"> • Adopted the new Local Plan, and the Net Zero Carbon SPD and update the Developer Contributions SPD
<p>11. Affordable:</p> <p>Deliver affordable homes and affordable workspaces to help local families and businesses to thrive, generating social value</p>	<p><i>Affordable Workspaces</i></p>	<ul style="list-style-type: none"> • Number of new homes for social rent secured through s106 agreements’ • Number of new council homes started on site • Number of affordable new homes (social rented or shared ownership) completed by the council • Number of affordable new homes (social rented or shared ownership) completed by Developers • Monetary value of social value derived through our Affordable Workspaces with sub-targets for women, disabled / long- 	<ul style="list-style-type: none"> • Secured more genuinely affordable workspaces across the borough to support local firms and new local enterprises • Roll out of Affordable Workspace Programme including 250 City Rd, Dingley Place and Regent’s Quarter and secure new spaces at 99 City Road and Moorfields • Lead delivery of new genuinely affordable homes including new library and GP surgery at Vorley Road and part new build and retrofit scheme at 173 Highbury Quadrant

		term health conditions and ethnically marginalised communities	<ul style="list-style-type: none"> • Successful completion of 6 schemes under construction including Dixon Clark Court and Windsor Street
<p>12. Enabling: Ensuring that our community and education assets are valuable spaces for everyone where they can come together, get skills, organise and participate in building a new economy</p>	<i>Assets</i>		<ul style="list-style-type: none"> • Development of a Strategic Asset Management Strategy

Challenging Inequalities – Tackling and removing systemic economic barriers towards a more equal islington			
Sub Objective	What we measure	How we measure it (Key Performance Indicators)	Success Measures (How will we know if we have made a difference in year 1?)
<p>13. Targeted: Tailor skills and employment support for disadvantaged groups including those from ethnically</p>		<ul style="list-style-type: none"> • Number of unique learners enrolled on Adult & Community Learning courses, with sub targets for parents, disabled / long-term health conditions and ethnically marginalised communities. • Number of Islington residents supported into paid work through council activity, 	<ul style="list-style-type: none"> • Maximised income for vulnerable groups through targeted, data-led Pension Credit and Disability Benefits take up campaigns • Implementation of the recommendations from LMU research into employment support needs for specific ethnically marginalised communities with targets for key groups

marginalised communities, those with disabilities, parents and young people		<p>with sub-targets for parents, young people, disabled / long-term health conditions</p> <ul style="list-style-type: none"> • % residents supported into paid work through council activity, who remain in employment for at least 26 weeks 	<ul style="list-style-type: none"> • Implementation of the recommendations from LMU research into employment support needs for Disabled people and those with long-term health conditions and set targets for key groups
<p>14. Enterprising: Nurture and support more people from under-represented groups to start-up businesses, survive and thrive</p>		<ul style="list-style-type: none"> • No of under-represented founders and start-ups supported through our Affordable Workspaces 	
<p>15. Rebalanced: Use our financial leverage and resources to create and promote a more diverse supply chain and advocate for a local and regional economy which works for all local people, communities and businesses</p>			<ul style="list-style-type: none"> • Increased spend with ethnic minority owned businesses through supporting them to apply for council contracts, in partnership with Islington's Anchor Institution Network

Anchor Institutions – Collaborating with like-minded, local organisations to harness our employment and purchasing power and assets for the benefit of residents and local businesses			
Sub Objective	What we measure	How we measure it (Key Performance Indicators)	Success Measures (How will we know if we have made a difference in year 1?)
<p>16. Employ local: Adopt progressive policies on recruitment, pay & conditions and careers to fully harness the talents of our local workforce and future generations</p>	<i>Jobs and employment</i>	Year 1 Baseline year – Key performance indicators to be developed	<p>Supported delivery of the Action Plan developed by the Jobs & Employment Working Group. Key themes:</p> <ul style="list-style-type: none"> • Developing a programme of best practice and innovation in relation to diversity, inclusion and local recruitment • Making it easier for residents to get jobs with us / simplifying the recruitment process • Developing strong connections to local communities, colleges and schools • Co-ordinated levy transfer work • Data analysis and strategic planning
<p>17. Buy local: Actively support existing and emerging local businesses to deliver affordable, quality goods and services thereby maximising local social value and wealth creation</p>	<i>Procurement</i>	Year 1 Baseline year – Key performance indicators to be developed	<p>Support delivery of the Action Plan developed by the Support Local Business (Procurement) Working Group. Key themes:</p> <p>Institution</p> <ul style="list-style-type: none"> • Social value objectives • Social value good practice • Procurement processes <p>Business</p> <ul style="list-style-type: none"> • Building a network that promotes local business • Incorporate businesses with a local company portfolio and/or presence into supply chain <p>Community</p>

			<ul style="list-style-type: none"> • Progress social and economic growth • Environment and sustainability
<p>18. Lead locally: Manage and develop buildings and spaces to create accessible, sustainable and better assets and places</p>	<p><i>Sustainable assets</i></p>	<p>Year 1 Baseline year – Key performance indicators to be developed</p>	<p>Key themes:</p> <ul style="list-style-type: none"> • Decarbonising our buildings • Sustainable Transport • Sustainable and affordable energy • Waste Reduction, Re-use, Repair and Recycling • Natural Environment • Skills, supply chain and procurement • Funding opportunities

Housing Property Services
Homes and Neighbourhoods
222 Upper Street

Report of: Executive Member for Homes and Communities

Meeting of: Executive

Date: 11th January 2023

Ward(s): All

Subject: Procurement Strategy for Supply of Building and Construction Materials

1. Synopsis

- 1.1. This report sets out a proposal to secure a new contract for the provision of building and construction materials for the council's in-house housing repairs and gas repairs services teams.
- 1.2. The resulting contract will be made available to other council departments who will be able to utilise this contract.

2. Recommendations

- 2.1. To approve the procurement strategy for the supply of building and construction materials as set out within this report.
- 2.2. To delegate authority to award the contract to the Acting Corporate Director of Homes and Neighbourhoods, after consultation with Executive Member for Homes and Communities.

3. Background

3.1. Nature of the service

- 3.1.1. The council is a landlord to around 35,000 council tenants and leaseholders living in homes located across the borough. The council has a legal obligation as a landlord to maintain its homes to a good standard.
- 3.1.2. The in-house gas service provides approximately 7,000 responsive repairs per annum to tenanted properties in the north of the borough as part of the council's statutory obligations under the Gas Safety (Installation and Use) Regulations 1998. The service currently employs a total of 140 repairs operatives from various building trades that deliver in the region of 95,000 maintenance jobs per annum to council homes on Islington housing estates. This service provides a gas repairs service to tenanted homes with individual gas appliances.
- 3.1.3. In order to deliver an efficient and productive in-house repairs and gas service the council's operatives need to be able to access a locally situated store that provides the building materials they need to carry out individual repair jobs, including access items of plant and machinery for more complex jobs. The council requires building materials to be supplied to the repairs service and to be delivered directly to a store facility. The building materials to be supplied will include the items most commonly used by individual repairs operatives which need to be replenished on a weekly basis, for example timber, nails, paint etc. Ensuring the repairs team vehicles are well stocked means a more efficient service saving time for operatives. This also has a positive environmental impact reducing the need for journeys for supplies. The service also requires the provision of plant hire examples of which include but are not limited to dehumidifiers, working at height mobile towers, etc.
- 3.1.4. The processing of orders, delivery, stock inventory and payments will need to interface between the provider and the council's IT systems.
- 3.1.5. In the north of the borough, the gas service was brought back in-house in June 2014 and has operated since using a framework to access gas materials suppliers in order to deliver a servicing and repairs service.
- 3.1.6. The current gas materials contract expires on 31 May 2024. The gas materials contract is going to rely on using the current supplier and will be extended to cover the gap between the new contract starting. Previously the gas team were separate from the repairs team being managed through Housing Property Services. A recent restructure has realigned the gas team to the Repairs team who oversees

the repairs team. Now the repairs and gas teams are within the same structure the renewal of the contract has provided an opportunity to combine the contracts.

- 3.1.7. Having a combined contract that incorporates the previous gas, plumbing and heating materials contract within the supply of the building and construction materials contract will be beneficial to service delivery. The existing in-house materials team will be able to manage one materials supply contract with the provider working with both service areas. This will positively impact quality and efficiency by increasing the effectiveness of contract management and supervision.
- 3.1.8. The Estate Maintenance Team (EMT) are also going to be using the contract for their bespoke material items. EMT are an in-house repair service consisting of 20 various trade operatives employed to facilitate the communal and publicly accessible trade repairs to all of the council's assets and grounds. On average the team complete approximately 7,000 – 8,000 repairs per annum, this includes all forms of carpentry works (including fire actions), groundworks (including brickwork), glazing repairs, metal works, painting and pressure washing. The response times can vary from emergency two or 24 hour repairs to standard 20 day completions depending on the complexity and urgency of the repair/hazard.
- 3.1.9. The successful provider will be required to deliver this service directly from Islington's dedicated stores facility at Unit 10, Bush Industrial Estate, N19. The council has a head lease of Unit 10 and will sub-let this unit to the successful provider at the market rent.

3.2. Estimated value

- 3.2.1. The building materials contract will be funded from existing Housing Revenue Account (HRA) repairs and maintenance revenue spend budgets.
- 3.2.2. The below table shows the below spend across Repairs, Gas and EMT in their Materials spend over the last two financial years

Year	Repairs HRCRR-CP00	Gas HRGAS-CP00	EMT HRREM-CP00 (Bespoke material items)
<u>Actuals 2021-22</u>	1,572,383	165,922	80,000
<u>Actual 2022-23</u>	1,953,181	199,080	80,000
Average Spend	1,762,782	182,501	80,000
<u>2023-24 Budgets</u>	2,234,000	601,800	80,000

- 3.2.3. The current spend represents a market rate for this type of contract including covering the cost of the sub-lease of the dedicated stores building.
- 3.2.4. The estimated cost of the new contract based on the estimated spend plus anticipated additional spend through the estate maintenance team is an anticipated value of £22m over a maximum of 120 months based on an estimated annual value of £2.2m. The initial term will be sixty months with the option to extend for a further sixty months. The contract will include a break clause which the council may enact should circumstances necessitate to end the contract earlier. The key aim of this contract is to build a long-term relationship with a supplier critical to the success of the housing repairs service. There are also significant costs associated with the disruption linked to earlier procurement including the IT integration, TUPE of staff and issues around the lease.
- 3.2.5. During the length of the contract the provider can request pricing amendments. The framework provider throughout the length of the contract will conduct a pricing review across all other suppliers on the framework and feed back to the Council if they deem the amendments to be necessary.
- 3.2.6. Over the past three years the service has been working with the existing supplier to explore new and alternative building material products with the aim of reducing costs where possible. This has included:
- Exploring the benefits of cheaper alternative products on the market, ensuring their use does not adversely impact on the effective asset management of our housing stock.
 - The use of improved quality products with expected longer lifespans than other alternative products.
 - Considering the supply of materials which are easier for our operatives to install and maintain in the future.
- At all times in these considerations, we have to ensure the use of any alternative materials is safe for our operatives to use and install, and for our residents to live with in their homes.
- 3.2.7. The changes resulting from these reviews of the products will be used in the revised service specification for the new contract.
- 3.2.8. The key cost drivers for the service include the following:
- The level of demand for individual repairs jobs to be completed in residents' homes.
 - Fluctuations in market prices for materials, in particular commodity items e.g. copper, wood, the costs of which are particularly volatile.

- The supplier will have to cover the costs of the sub-lease and related building and other resourcing costs including staff associated with the delivery of the service at the dedicated Islington store facility.
- In order for the services to operate effectively there needs to be significant integration between the successful supplier's IT system, the repairs team and other council systems to enable prompt and efficient ordering and delivery of materials and automated reconciliation and payment of invoices.

3.3. **Timetable**

3.3.1. The new contract needs to have been procured and fully mobilised, including the interfacing of IT systems before the contract go live date of 8 July 2024 to enable a seamless transition from the existing contract.

3.3.2. The estimated timetable for this procurement is:

- Approval of the procurement strategy: January 2024
- Publication of tender: January 2024
- Evaluation of submissions: February 2024
- Award of contract: March 2024
- Start of new contract: July 2024

3.3.3. Section 20 leaseholder consultation is not required for this procurement.

3.3.4. The following key services areas have been informed or consulted about this contract:

- Strategic Procurement have advised on the development of the procurement strategy.
- Legal Services will develop terms and conditions for the new contract.
- Finance have been informed and have provided advice on the costing of the current contract and proposals for the price framework for assessment of the new contract.
- Corporate Property Services has given advice on the arrangements relating to the head and sub-leases for the dedicated store building.
- Other building maintenance teams have been consulted on whether they would wish to use the new supplier for the provision of materials or equipment by their service areas.

3.4. **Options appraisal**

3.4.1. The procurement route options that were considered in the development of this strategy were:

- Do nothing
- Insourcing
- Collaboration – corporately and with a neighbouring authority

- Competitive tendering
- Use of an existing framework agreement

3.4.2. Do nothing – The provision of materials is critical to the delivery of the housing repairs service and other repairs services within the council. Therefore, this is not the recommended option.

3.4.3. Insourcing – The benefits of this option are the council would benefit directly by being able to negotiate costs for individual stock items across various different suppliers to get the best deal. Additional in-sourcing opportunities will continue to be explored where the benefits of doing so can be clearly demonstrated based on informed analysis and market evidence. However, this option is not recommended due to the significant risks and long term costs and time associated with the following:

- The need to procure and manage secondary suppliers of materials to provide stock to the store.
- The costs associated with the head lease and ongoing maintenance of the dedicated store build will have to be covered directly by the council.
- The council would require new IT systems to manage with the ordering, purchasing and control of stock within the store.

3.4.4. Collaboration – Internally – This is a corporate contract and therefore will be made available for other parts of the council to utilize it. However, they would be required to adopt specific IT systems. A separate procurement on the IT system for the Repairs team will take place during this contract duration giving the opportunity for other parts of the council to utilize the system as part of a separate collaboration piece giving other services areas access to both contracts corporately.

Collaboration with a neighbouring authority – The primary benefit of this option would be on the potential cost savings resulting from increased economies of scale. This benefit however is outweighed by drawbacks including:

- The additional travelling time for operatives to stores located in other boroughs in order to collect materials will be detrimental to key service objectives of productivity and rapid response to delivery of repair jobs.
- The catalogue of building materials required by the different repairs and maintenance services operated by the neighbouring boroughs would require an expanded stock list as well as being able to store higher volumes. With the collaborative working with the gas materials and also the Estate Maintenance Team also being offered the provision of acquiring bespoke items there simply would not be enough room within the current building.

- Variations in repairs management IT systems that are in place within each borough make the interfacing with a joint supplier more complex resulting in increased costs associated with the management of such systems.
- Preliminary market consultation has confirmed there is a limit on the level of discount suppliers are prepared to offer based on the scale of spend made through a contract i.e. there is a point where it gets no cheaper.

3.4.5. Competitive tender – A competitive tender process with the open market was considered and one of the benefits assessed was the control over the entire process and the ability to access the whole market. However, with extensive research all contractors within the framework offer a service to the standards that are required. Further disadvantages around time constraints as the process would take longer to complete and there would be a risk that the contract award would not be delivered on time.

3.4.6. Use of an external framework agreement – The recommended option is to secure a call-off contract pursuant of an external framework agreement following a mini-competition amongst suppliers on the agreement. A number of framework agreements were considered and the chosen agreement is the central purchasing body Procurement for Housing (PfH). The recommendation is to use the PfH Materials and Associated Managed Services Lot 3 – Building Materials framework agreement. The drawbacks of this option are a fee will be charged to the supplier and the market will be restricted to the suppliers on the framework agreement. These are outweighed by the benefits including a pre-selection phase has already been completed by PfH filtering out unsuitable suppliers. The mini-competition offers a quicker route to market than undertaking our own competitive tender. PfH will be able to assist the council to complete the mini-competition and support the council should any performance issues occur with the chosen supplier.

3.5. **Key Considerations**

- 3.5.1. As part of the terms and conditions the supplier will be expected to make a ‘trainee bursary’ which Islington Council will make available to residents of Islington a minimum of one apprenticeship opportunity per £1m of contract spend (which will include all payments for services and supplies made by the council to the supplier through this contract. In addition to this requirement the provider will also provide one or more of the following for the benefit of Islington residents:
- Advertise employment opportunities through Islington Council’s job brokerage service; creating accessible work opportunities.
 - Making work placements available.

The potential total length of the contract is an excellent opportunity for the council to recruit and train a full programme of apprentices with a view to moving them into full-time

employment by the end of the contract term. The contractors will work with the council's iWork service on a local first approach to recruitment of residents to fill vacancies linked to the delivery of this contract, especially those who are disadvantaged in the labour market, as a contractual requirement of this contract. The contractors will be encouraged to increase the diversity of their workforce, particularly in the training and recruitment of more women into the sector. The contractors will be required to support the council's 'Making Every Contact Count' initiative to ensure its workforce use interactions with residents as an opportunity to provide them with signposting to targeted support and guidance from council or other services. The contractors will also be encouraged to support the local economy by exploring opportunities to develop and work with locally based contractors in their supply chain. This commitment will increase local economic growth and help with local employment opportunities.

3.5.2. In addition, contractor will need to demonstrate their commitment and support to council priorities related to net-zero carbon and environmental protection. These measures will reduce the carbon footprint of the delivery of this service, for example, by using electric vehicles to undertake works and using sustainably sourced materials, whenever possible. Contractors will also be required to consider and take reasonable steps to protect wildlife when necessary or appropriate to the works.

3.5.3. Furthermore, the contractor will have to use a nominated list of local 3rd party suppliers and work is ongoing to add to this list with colleagues in Community Wealth Building who are in the process of releasing a local supplier list.

3.5.4. Environmental benefits of this contract include:

- Requirement to stock non-oil based products for health and safety reasons which will also have environmental benefits.
- Waste management policies and procedures. Ensuring the service meets hazardous waste, Waste Electrical and Electronic Equipment (WEEE) and Duty of Care Regulations especially in terms of WEEE disposal, asbestos and the environmental cleaning service.
- Chosen supplier to have robust waste management policy and practices in place.
- Encourage use of vehicles which release fewer pollutants, where this is possible and to minimise journeys through efficient stock management.
- Encourage supplier to use energy and water saving and recycling measures within the store.
- Pollution prevention – ensuring the service minimised the number of pollution incidents to land, water and air through well managed procedures and operational controls. The service/supplier needs to implement a certified Environmental Management System certified to ISO14001.
- Whole life costing of products purchased; especially in terms of products that require energy to function and the cost of parts for repair.

- Encourage supply of environmentally friendly and sustainably sourced products from accredited suppliers, wherever possible and practicable.
- 3.5.5. The provider will be expected to contribute offers of social value to be used by the council to support local community engagement projects. This may include donation of products or tools, training of volunteers or suppliers staff volunteering time to contribute to local projects.
- 3.5.6. Payment of the London Living Wage will be a contractual requirement of any of the staff working in the borough directly on the Islington contract. The successful contractor will need to ensure that the staff they employ have clear and fair Terms and Conditions of employment, access to Trade Unions and training opportunities. The contract specifications will ensure the successful contractor is prohibited from recruiting any staff – both operational and administrative – on a zero-hour contract
- 3.5.7. The service will deliver best value through the contract by agreeing a set of KPIs to monitor the performance of the contract throughout the term. Targets will be reviewed on an annual basis to ensure continuous improvement throughout the life of the contract. Performance of the contract will be reviewed in a monthly basis through core group meetings and at six monthly pricing review meetings.
- 3.5.8. There may be TUPE implications resulting from this contract. This is being checked with the current contractors and the results will be made available securely as part of the tender process.

3.6. **Evaluation**

A 'mini competition' will be carried out by Procurement for Housing (PfH) for the contract. This enables the council to use our own specification, cost model and award criteria including social value requirements into the tender evaluation criteria.

The contract will be awarded to the Most Economically Advantageous Tender (MEAT) and the award criteria will be set at 60% quality and 40% cost.

The quality criteria will consist of:

- Social Value (20%)
- Customer Service (20%)
- Management of the supply chain (10%)
- Health and safety (10%)

3.7. **Business risks**

- 3.7.1. There is a risk that owing to economic uncertainty of the materials market and increases in the cost of delivering the service during the life of the contract. The successful tenderer could request increases on stock prices. This will be mitigated through robust contract management, ensuring that the suppliers have the

opportunity to identify their risks and discuss these with the council and the framework provider doing a comparison piece of work across the frameworks other suppliers to see if pricing amendments are suitable, proving evidence and allowing the opportunity to resolve such issues in advance of such situations becoming critical to delivery.

3.7.2. The contract has an estimated 2% indexation annual adjustment in line with CPI inflation which acknowledges the consistent impact of inflation on material expenses, ensuring a proactive approach to budgeting.

3.7.3. Some of the other key risks identified associated with this procurement are:

Risk	Likelihood	Impact	Priority	Mitigation
Nobody from the framework responds to the mini competition	Low	Medium	Medium	Interim emergency measures will be sought and plans to reprocure put in place.
The successful provider pulls out of contract prior to start of the contract	Low	High	Medium	Interim emergency measures will be sought and plans to reprocure put in place.
Delays to procurement process result in limited mobilisation time for new provider	Medium	High	High	Procurement project team need to ensure procurement keeps to agreed plan and meets key milestones. Queries received from tenderers to be turned around as quickly as possible to avoid delays.
New lease proposal is unsuccessful	Medium	High	High	Housing Property Services working on contingency plans and emergency measures will be sought and plans to reprocure put in place

3.7.4. In each case, officers will consider emergency interim measures and seek to reprocure the contract.

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	<p>Building and construction materials, equipment and plant to deliver repairs works to all directly managed council homes across Islington.</p> <p>See paragraph 3.1</p>
2. Estimated value	<p>The combined estimated value per year is £2.2m.</p> <p>The combined estimate value overall is £22m</p> <p>See paragraph 3.2</p>
3. Timetable	<ul style="list-style-type: none"> • Advert – November 2023 • Publication of mini-competition – December 2023 • Evaluation - January 2024 • Award – March 2024 • Contract Start – July 2024 <p>See paragraph 3.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Following an options appraisal the recommend option is a 'mini competition' using the Procurement for Housing framework agreement</p> <p>See paragraph 3.4</p>
<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>As set out in the body of the report.</p> <p>See paragraph 3.5</p>
6. Award criteria	<p>Quality 60% and cost 40%</p> <p>The award criteria is more particularly described within the report.</p>

	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 4.1-4.3

4. Implications

4.1. Financial Implications

- 4.1.1. The proposals described in this report is financed through the Housing Revenue Account (HRA) Repairs and Maintenance budget of the Council. For the financial year 2023-24, this budget totals £45.211 million. The material purchases fall under revenue expenditure.

Year	Repairs HRCRR-CP00	Gas HRGAS-CP00	EMT HRREM-CP00
<u>Actuals 2021-22</u>	1,572,383	165,922	80,000
<u>Actual 2022-23</u>	1,953,181	199,080	80,000
Average Spend	1,762,782	182,501	80,000
<u>2023-24 Budgets</u>	2,234,000	601,800	80,000

- 4.1.2. The current budget allocation for materials of £2.915 million (£2.234m repairs, £0.602m gas and £0.080m EMT) is sufficient to meet the estimated annual materials cost of £2.200 million. The surplus budget will be reallocated to fund the additional costs arising from the increased use of gas sub-contractors supporting gas repairs and servicing in the north of borough as a result of a reduced in-house gas team.

- 4.1.3. It is expected that on each contract anniversary, an annual adjustment to the contract values will be implemented. The choice of indices to be used, which may encompass options such as the Retail Price Index (RPI), Consumer Price Index (CPI), or Building Cost Information Service (BCIS) Maintenance Cost Indices will need to be carefully evaluated and selected as the financial effects of each will vary.

4.1.4. In recent years, spending on the repairs and maintenance service has shown a consistent upward trend. Notably, the expenditure on subcontractors has consistently exceeded its allocated budget on an annual basis. While the broader repairs and maintenance budget has managed to mitigate some of the financial pressures stemming from subcontractor expenditure, the task of keeping expenditure within the existing budget limits is becoming progressively more difficult. Moreover, additional pressures faced by the HRA, such as addressing issues like damp and mould and complying with new building safety requirements, are likely to further burden HRA finances. Consequently, it has become increasingly vital to establish mechanisms that enable management to regularly assess and regulate activities, ensuring effective budget management and expenditure is kept within its budget envelope. In the event expenditure cannot be contained within allocated budgets then any financial pressures would represent growth to the HRA and it may become necessary to find savings from major works (capital) or from day-to-day landlord activities such as housing management.

4.2. **Legal Implications**

4.2.1. The council has an obligation to keep its housing properties in good repair and the installations therein in good working order (Part 2 of the Housing Act 1985; section 11 of the Landlord and Tenant Act 1985; tenancy conditions and rtb lease). The council has the power to procure and enter into contracts for the supply of materials to enable the council to deliver a repairs and maintenance service in respect of the council's housing stock under section 1 of the Local Government (Contracts) Act 1997.

4.2.2. The proposed contract is a supply contract which is above the threshold for application of the Public Contracts Regulations 2015 (the Regulations) for supply contracts, currently £213,477.00. The council's Procurement Rules also require contracts of this value to be subject to competitive tender. The proposed procurement strategy, to conduct a mini-competition via the PfH Materials and Associated Managed Services Lot 3 – Building Materials framework agreement, complies with the Regulations and the council's Procurement Rules.

4.2.3. On completion of the procurement process, the contract may be awarded to the highest scoring mini-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. Environmental considerations for this contract include:

- Requirement to stock non-oil based products for health and safety reasons which will also have environmental benefits.
- Waste management policies and procedures. Ensuring the service meets hazardous waste, Waste Electrical and Electronic Equipment (WEEE) and Duty of

Care Regulations especially in terms of WEEE disposal, asbestos and the environmental cleaning service.

- Chosen supplier to have robust waste management policy and practices in place.
- Encourage use of vehicles which release fewer pollutants, where this is possible and to minimise journeys through efficient stock management.
- Encourage supplier to use energy and water saving and recycling measures within the store.
- Pollution prevention – ensuring the service minimised the number of pollution incidents to land, water and air through well managed procedures and operational controls. The service/supplier needs to implement a certified Environmental Management System certified to ISO14001.
- Whole life costing of products purchased; especially in terms of products that require energy to function and the cost of parts for repair.
- Encourage supply of environmentally friendly and sustainably sourced products from accredited suppliers, wherever possible and practicable.

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, because the contract has an extremely low impact on residents and this was signed off on the 11 August 2023 by the Equalities team.

5. **Conclusion and reasons for recommendations**

- 5.1. It is recommended that a building and construction materials contract is procured through a mini competition via the Procurement for Housing PfH Materials and Associated Managed Services Lot 3 – Building Materials framework agreement. to replace the existing contract when it comes to an end.
- 5.2. This contract is required to ensure the continued delivery of the council's in-house repairs teams services.

Appendices:

- None

Background papers:

- None

Final report clearance:

Authorised by:

Executive Member for Homes and Communities

Date: 11 December 2023

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Homes and Neighbourhoods
222 Upper Street

Report of: Executive Member for Homes and Communities

Meeting of: Executive

Date: 11th January 2023

Ward(s): All

Subject: Procurement Strategy for Testing and Maintenance of Fire Protection, Fire Detection and Emergency Lighting

1. Synopsis

- 1.1 This procurement strategy report sets out a proposal to secure a new contract for the provision of regular safety checks and inspections and any associated remediation works to a broad range of fire safety equipment located in council housing blocks. The contract will also enable the same for equipment located in council buildings and council workplaces.
- 1.2 The procurement of this new contract will be completed in accordance with rule 2.8 of the council's Procurement Rules (the "Rules").

2. Recommendations

- 2.1. To approve the procurement strategy for Testing and Maintenance of Fire Protection, Fire Detection and Emergency Lighting as outlined in this report.
- 2.2. To delegate authority to award the contract to the Acting Corporate Director of Homes and Neighbourhoods, after consultation with the Executive Member for Housing and Development, following completion of the tender process.

3. Background

Nature of the Service

- 3.1. The council is a landlord to around 35,000 council tenants and leaseholders living in homes located across the borough. As a landlord the council is responsible for ensuring the provision of safe and fully operational fire safety and firefighting equipment located on council housing estates and blocks. In addition, the council manages 4,500 public buildings including offices, depots and school buildings.
- 3.2. This responsibility includes fire protection equipment which covers, for example passenger lifts, which are designed for use by fire fighters or for evacuation in the event of a fire; portable firefighting equipment; dry and wet rising mains, which are used by the fire service in the event of a fire in a building; and sprinkler systems. It also includes fire detection equipment, including fire alarm systems, smoke control and venting systems and emergency lighting systems.
- 3.3. Many of these types of equipment are already present in our existing council housing stock and across the public building estate. More equipment is due to be installed over the coming years, particularly in existing housing blocks through the council's capital improvement programme, and within new homes being built by the council.
- 3.4. New legislation concerning fire and building safety has been introduced by the Government and came into effect from the 23 January 2023. The Fire Safety (England) Regulations 2022 further tightened regulations linked to fire safety and these new requirements will be reflected in the scope of this new contract.
- 3.5. The current four-year contract expires on the 31 March 2024. The start of new contract is projected in May 2024. The Legal Team are drafting up temporary extensions to support the service with the delivery of contracts in any subsequent gaps that will occur between old and new contracts expiring.
- 3.6. The existing contract covers both fire protection and fire detection. It has been identified that contractors have experienced difficulties delivering both requirements under one contract, owing to the different skill sets required for each.
- 3.7. The current contract combines both the fire protection and fire detection elements into one contract for ease of management and to deliver best value. Taking into consideration the increased contract workloads, it has been identified that contractor expertise tended to be focused more on the mechanical expertise for fire protection, or the electrical expertise required for fire detection, with little overlap between the two. As a result, under the existing arrangements, where one contractor delivers both services, there is an increased likelihood that the contractor will sub-contract the service in which they have

more limited capacity. This has a potential to adversely impact quality and continuity of the service without effective contract management and supervision.

- 3.8. It is therefore recommended that the new contract is separated into two lots, one to deliver the fire protection element of the existing contract, and the other to deliver the fire detection element. Contractors will be able to apply for both lots but will only be awarded one contract even if they are the MEAT for both lots. Contractors will be asked for their preference and if a contractor is the MEAT for both lots, the contractor will be awarded their preferred contract and for the other lot, the second highest contractor will be awarded.

4. Estimated Value

- 4.1. This service will be funded through existing Housing Revenue Account Repairs and Maintenance budgets for works carried out linked to council housing stock. Any works raised against public buildings will be funded from existing General Fund Repairs and Maintenance budget.
- 4.2. The effective expenditure in the fiscal year 2022/23, combining fire protection and detection, amounted to £283,413. The work distribution between protection and detection was 45% and 55% respectively. Consequently, the initial benchmark for Protection stands at £127,536 (45% of £283,413), and for Detection £155,877 (55% of £283,413).
- 4.3. The table below set out the estimated spend on Protection and Detection works over the length of the new contract based on the spend in 2022/23. The projected rise in year 1 stands at 8.7%, in line with the contracted CPI inflation in 2023/24 for the existing contractor, accompanied by 5% asset growth. Subsequent years are forecast to increase by 2% which reflects the Bank of England target inflation rate and 5% asset growth over the following 9 years. It is important to note that the 2% estimated CPI applied in the table below is used for illustrative purposes only and the actual inflation rate prevailing at the time will be used to uplift the contract in line with the terms of the contract.

Year	Estimated inflation and asset growth	Protection (£)	Detection (£)
Starting Point		127,536	155,877
Year 1	8.7%+5%	129,283	177,232
Year 2	2%+5%	138,333	189,638

Year 3	2%+5%	148,016	202,913
Year 4	2%+5%	158,378	217,117
Year 5	2%+5%	169,464	232,315
Year 6	2%+5%	181,326	248,577
Year 7	2%+5%	194,019	265,978
Year 8	2%+5%	207,601	284,596
Year 9	2%+5%	222,133	304,518
Year 10	2%+5%	237,682	325,834
		1,786,235	2,448,719

4.4 It is proposed that the duration of this contract be for an initial period of forty-eight (48) months, with an option for a further extension of thirty-six (36) months, and a final option to extend by a further thirty-six (36) months. Should the contract be extended, the maximum total contract will be for a period of one hundred and twenty (120) months (10 years). With life safety systems being scrutinised more thoroughly, it is important that the service has contracted control to ensure high consistent quality standards. With this, the proposal for a 10-year total contract term will provide stability and allow for a strong relationship to develop to assist with contract management. A longer contract term will also support long-term planning, encourage investment in innovation and resources, and encourages contribution to the council's social value commitments.

4.5 The contract will include break clauses which the council may enact during the extension periods should circumstances necessitate the contract end earlier.

4.6 Based on the maximum contract term of one hundred and twenty (120) months, the estimated total contract value for Protection is £1.786M and for Detection, it is £2.449M.

4.7 Due to the legal requirements linked to the servicing and maintenance of this safety critical equipment and the likelihood that the number of items of equipment that is in scope of this contract will increase over the coming years, it is not considered possible or appropriate to consider a percentage reduction in the budget for this provision without compromising on the safety of residents and the level of protection of council housing stock.

4.8 The key cost driver for the provision of this service is the ongoing need to carry out regular safety checks to remain legally compliant and provide safety assurance to the council, Fire Brigade and Building Safety Regulator, as well as its residents and staff that occupy its buildings. The service will continue to work with the chosen contractors to identify any

potential for efficiency savings which should help to control the spend on these services. It will also ensure that each contractor delivers value for money through more targeted use of resources, and planning of works allocations, wherever appropriate and possible.

5. Timetable

- 5.1. To ensure a new contract that meets the council's specific needs is in place as quickly as possible, the indicative timetable for the procurement of the new contract is:
 - Approval of Procurement Strategy – October 2023
 - Publication of tender pack – October 2023
 - Approval of contract award – March 2024
 - Start of new contract – May 2024
- 5.2. In preparation of this procurement strategy the service has consulted with Health and Safety, Finance, Legal and the Strategic Procurement Teams.
- 5.3. Leaseholders will be consulted about this proposed procurement in line with Section 20 consultation regulations as set out in the Landlord and Tenant Act 1985, and as such, consultation will be built into the timetable for awarding the contract.

6. Options Appraisal

- 6.1. The following procurement routes have been considered as part of the planning for this procurement exercise:
 - Do nothing.
 - Deliver the service in-house.
 - Use of an external framework agreement
 - A competitive procurement process solely for Islington
 - A collaborative approach with other boroughs
- 6.2. In view of the nature of the service, doing nothing is not an option. The council has a statutory obligation to deliver the service. To allow the contract to expire without renewing means the council leaves itself open to legal challenge and enforcement measures. There is an increased risk of death or serious injury should equipment fail to be inspected and serviced in accordance with legislative requirements. This would also be a significant risk to the council's reputation.
- 6.3. The primary benefit of the insourcing option for the Council would be that it would achieve a greater level of control over the delivery of the service.

The drawbacks of this option are that it would require considerable lead-in time and a likely increase in the cost of delivering the service. Bringing the service in-house would

be an extensive undertaking and would require a significant investment of funding and officer time. The council would also need to purchase and maintain various pieces of specialist equipment to enable the testing element of this service to be carried out. It is not considered efficient or cost effective for the council to employ these specialist staffing resource and technical equipment and the nature of the service means there would likely be significant periods of downtime between servicing tasks and remedial repair jobs. Due to the levels of training required, the specialist nature of the work involved, and the types of accreditations and equipment required it is not deemed feasible to bring the service in-house at this time.

Furthermore, insourcing of such a tightly regulated market would involve significant investments in training, new technology and infrastructure to meet regulatory expectations and compliance.

- 6.4. A competitive procurement using the open procedure solely for Islington presents multiple positive opportunities for the council. The open procedure is a quicker route to market than the restricted procedure, the two-stage approach being more time-consuming, while the specialist nature of the work involved means that the market of specialist contractors able to deliver such a contract is relatively small, and as such, the contract procurement is better suited to the open procedure. It is envisaged there will be reasonable market interest due to the contract value. The open procedure allows for selection and award criteria, pricing, specification and terms and conditions to be specifically tailored to meet the council's needs. The council intends to appoint two contractors for the whole contract, using lots for each service area, to ensure continuity of service delivery, using the open procedure. Two contractors each delivering one lot is the service's preferred option, both in view of the annual value of each element of the contract – which would be more lucrative than offering each lot to more contractors – and with regard to the management of the contract, owing to it being council policy to alternate the service areas each year, potentially leading to issues regarding outstanding remedial works and can result in quality issues regarding the reporting of remedial works. By advertising this opportunity to the open market, the council hopes to encourage submissions from contractors that have not joined existing procurement frameworks or that may be based locally. While not the fastest route to market, this approach will ensure the council's specific needs are met.
- 6.5. Several existing external framework agreements were considered as part of the preparation of this procurement strategy. The benefits of using an existing framework agreement are that several contractors have already completed a pre-selection process to join the framework, meaning the council can complete the procurement exercise more quickly. Given the particularly important legislative requirements, and safety and compliancy consequences linked to the delivery of this contract, it is preferable to have maximum control over the full procurement process. A framework agreement can only be in place for a maximum of four years, while a long-term arrangement is required for these services to support the delivery of high quality and consistency, making this approach

unsuitable. Use of an external framework will also incur additional costs due to the fees involved.

- 6.6. The contract is a corporate contract and therefore will be made available for other parts of the council to utilize between the council's repairs and maintenance team and the corporate landlord team.

Several contract areas have been considered for neighbouring borough collaborations, however at this time, fire protection and fire detection are not suited for this approach. There are differences in service requirements, in relation to the nature of the contract itself and out, how the works are managed, and the IT system used for delivery of this service, would be an extensive project to undertake and require significant funding and time. The Council is undertaking work to look at future opportunities for collaborations with neighbouring boroughs and will continue to do so during the life of this contract.

- 6.7. The recommended option is to procure through a competitive tender, using the open procedure for the reasons set out above.

7. Key Considerations

- 7.1. Delivering social value to Islington residents will be a contractual obligation for the successful contractor. A clear set of rigorous social value measures and targets will be included in the contract specification. Social value proposals made within the tender submissions will form an important element of the quality evaluation, which will be 20% of the quality score. Performance in relation to delivery of social value commitments made will be monitored at regular contract meetings and will be a consideration in any decision to implement a contract extension.

- 7.2. The chosen contractors will be required to provide apprenticeship opportunities for residents to train to become specialist technicians in this field throughout the length of this contract. The potential total length of the contract is an excellent opportunity to recruit and train a full programme of apprentices with a view to moving them into full-time employment by the end of the contract term. The contractors will work with the council's iWork service on a local first approach to recruitment of residents to fill vacancies linked to the delivery of this contract, especially those who are disadvantaged in the labour market, as a contractual requirement of this contract. The contractors will be encouraged to increase the diversity of their workforce, particularly in the training and recruitment of more women into the sector. The contractors will be required to support the council's 'Making Every Contact Count' initiative to ensure its workforce use interactions with residents as an opportunity to provide them with signposting to targeted support and guidance from council or other services. The contractors will also be encouraged to support the local economy by exploring opportunities to develop and work with locally

based contractors in their supply chain. This commitment will increase local economic growth and help with local employment opportunities.

- 7.3. In addition, contractors will need to demonstrate their commitment and support to council priorities related to net-zero carbon and environmental protection. These measures will reduce the carbon footprint of the delivery of this service, for example, by using electric vehicles to undertake works and using sustainably sourced materials, whenever possible. Contractors will also be required to consider and take reasonable steps to protect wildlife when necessary or appropriate to the works.
- 7.4. London Living Wage will be included as a condition of the contract. The successful contractor will need to ensure that the staff they employ have clear and fair Terms and Conditions of employment, access to Trade Unions and training opportunities. The contract specifications will ensure the successful contractor is prohibited from recruiting any staff – both operational and administrative – on a zero-hour contract.
- 7.5. There may be TUPE implications resulting from this contract. This is being checked with the current contractor and the results will be made available as part of the tender process.

8. Evaluation

- 8.1. 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.
- 8.2. The contract will be awarded to the Most Economically Advantageous Tender (MEAT) and the award criteria will be set at 60% quality and 40% cost. The same criteria and weightings will apply to both Lots of the contract. The current market is volatile, and the cost and quality split will ensure the council appoints a contractor that can deliver a high level of service at a sustainable price, achieving the best value overall.
- 8.3. The quality criteria will consist of:
 - Proposed approach to Social Value and promoting economic, social and environmental sustainability (20%)
 - Proposed approach to maintaining compliance, organisation of certification/documentation and managing remedial works required (10%)
 - Proposed approach to health and safety (10%)
 - Proposed approach to quality management and managing and prioritising workloads (10%)
 - Proposed approach to business continuity, mobilisation, resourcing and service delivery (10%)

- 8.4. The successful tenderer for each lot will be required to make specific and measurable commitments to social value objectives as a percentage of the contract's value during the life of the contract. These commitments might include local recruitment, spend on community initiatives or providing support for residents, such as an apprenticeship scheme or a programme to improve community involvement in initiatives intended to reduce anti-social behaviour. These commitments will be legally-binding, embedded in the contract and progress reviewed by the contract manager.

9. Business Risks

- 9.1. The service has clear and measurable impacts on many of the council's priorities and corporate objectives, most notably 'A safe place to call home'. Due to the potential of the service to impact on the health, wellbeing and safety of the council's residents and staff, any break in the continuity of the service will have an impact on the council – particularly regarding the council's reputation.
- 9.2. The fire protection and fire detection equipment is specialist in nature and requires specialist knowledge and expertise to use. The service requires fast turnaround to ensure residents and staff are protected and that the council is legally compliant. It is therefore essential to ensure continuity of service and effective and efficient delivery of the contract.
- 9.3. While there is interest from the incumbent contractor and market review suggests there will be interest from other contractors, growing economic uncertainty and the impact of inflation presents a risk that the contract cannot be awarded whether as a result of no contractor tendering or being successful in the tender process. This will be mitigated by taking steps to ensure that both the existing supplier and other potential contractors are made aware that the contract is to be advertised, ensuring that a range of contractors have the opportunity to apply to work with the council, enhancing the pool from which the suitable contractors can be identified.
- 9.4. There is also a risk that owing to economic uncertainty and increases in the cost of delivering the service during the life of the contract, that the successful tenderer will pull out of the contract after it has been mobilised. This will be mitigated through robust contract management, ensuring that the contractors have the opportunity to identify risks and discuss these with the council, allowing the opportunity to resolve such issues in advance of such a situation becoming critical.
- 9.5. There is a risk the contractors cannot meet volumes of work. This risk is managed by clear requirements set out within the specification and rigorous assessment at method statement stage within the tender.

9.6. In each case, officers will consider emergency interim measures and seek to reprocure the contract.

Risk	Likelihood	Impact	Priority	Mitigation
Procurement is unsuccessful with no suitable contractor tendering or being identified	Low	High	High	Interim emergency measures will be sought and plans to re-procure put in place
The successful tenderer pulls out of the contract prior to start of the contract	Low	High	High	Interim emergency measures will be sought and plans to re-procure put in place
Delays to the procurement process result in limited mobilisation time for new contractor	High	High	High	A project plan is in place and the Project Team will ensure agreed key milestones are met.
The successful tenderer pulls out of the contract during the life of the contract	Medium	High	Medium	Interim emergency measures will be sought and plans to re-procure put in place

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

9.8. 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	The council's fire protection and fire detection systems require a contractor to undertake regular testing and maintenance.

	See section 3
2. Estimated Value	<p>The estimated total contract value for the entire contract period of ten (10) years for Protection is £1.786M and for Detection, it is £2.449M.</p> <p>The contract is proposed to run for a period of one hundred and twenty (120) months. The initial term will be forty-eight (48) months, with an option for a further extension of thirty-six (36) months, and a final option to extend by a further thirty-six (36) months.</p> <p>See section 4</p>
3. Timetable	<ul style="list-style-type: none"> • Approval of Procurement Strategy – October 2023 • Publication of tender pack – October 2023 • Approval of contract award – March 2024 • Start of new contract – May 2024 <p>See section 5</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>A competitive tender process has been selected to appoint two (2) contractors in two lots to deliver the two different components of the contract.</p> <p>See section 6</p>
<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>The service has clear impacts on social value and these will be embedded in the quality element of the tender process, which will form 20% of the overall quality component. LLW will be a requirement of the successful contractor. Best value will be achieved via regular contract review meetings.</p> <p>See section 7</p>
6. Award Criteria	<p>The contract will be awarded to the Most Economically Advantageous Tender (MEAT) and the award criteria will be set at 60% quality and 40% cost.</p> <p>See section 8</p>
7. Any business risks associated with entering the contract	<p>Owing to economic uncertainty, risks have been identified both in terms of a suitable contractor not being identified, as well as risk that the successful</p>

	<p>contractor will pull out of the contract during its life. There is potential that contractors will not meet work volumes during the life of the contract.</p> <p>See section 9</p>
8. Any other relevant financial, legal or other considerations.	See section 9

10. Implications

10.1. Financial Implications

Background

- 10.1.1.** The fire protection and fire detection services are currently funded from the housing revenue account (HRA). The budget as of 23/24 for Fire Protection is £124.4k and Fire Detection is £115.0k making the combined budget 2023-24 of £239.4k.
- 10.1.2.** The existing contractor has been the contractor for both elements protect and detection. It has been decided that the procurement of these services will be handled separately going forward.

Formulation of forecast

- 10.1.3.** The proposed contract figure is derived from two systems: Cedar, our finance system, and Oneserve, our job handling system. Historically, challenges related to data flow between Cedar and Oneserve have arisen, often due to inaccurate identification by operatives or system mapping issues. Hence, utilising the split from Oneserve, which has undergone service review, and subsequently combining the totals in Cedar, offers the most precise initial point of reference.
- 10.1.4.** The projected rise in year 1 stands at 8.7%, in line with the contracted CPI inflation in 23/24 for Alphatrack, accompanied by 5% asset growth. Subsequently, an illustrative 2% CPI inflation rate has been applied and a +5% asset growth has been included over the following 9 years. Based on the maximum contract term of 120 months, the estimated total contract value for Protection is £1,786.2k, and for Detection, it is £2,448.7k.

Financial Pressures

- 10.1.5.** The budget for fire protection and detection has an underlying shortfall which in financial year 22/23 amounted to £64.1k. In addition to the underlying variance the 5% asset growth is estimated to add on average £17.8k therefore bringing the total pressure to £81.9k. As has been the case in previous financial years, any shortfall between the budget and the actual expenditure will be expected to be covered by the broader repair budget allocation. The HRA business plan factors in an annual inflation-driven increment. However, it's

important to acknowledge that the divergence between projected and actual inflation rates can generate strains within each financial year. Furthermore, the HRA is currently facing significant increased, and at this stage unfunded in the long term, budget pressures of around £5m in respect of, primarily, fire safety, damp and mould & the 23-24 pay award, it is therefore imperative that management action is put in place to ensure that any additional budget pressure arising from this contract is accommodated from within the wider repairs budget.

10.2. Legal Implications

- 10.2.1.** The value of the proposed contract is below the threshold at which the Public Contracts Regulations 2015 (as amended) (“the Regulations”) applies to the procurement of works contracts (currently £5,336,937). As such, the council is not required to procure the contract fully in accordance with the Regulations, although as a public body should procure in accordance with the principles in the Regulations of transparency, equality and proportionality. The contract is also subject to the Rules.
- 10.2.2.** As detailed in paragraph 3.1.8, the commissioning intention is to procure the contract in two lots, one for fire protection and the other for fire detection. The proposal is also to permit contractors to submit a tender for both lots, but to only award one lot to a contractor as detailed in paragraph 3.1.8 so that the council’s exposure in the event of contractor failure is reduced. Provided that the council ensures that its procurement documents are entirely transparent as to its intention this approach is permissible.
- 10.2.3.** As detailed in paragraph 5.1.3, as both the fire protection and fire detection works will be undertaken on leasehold properties, the council will need to undertake statutory consultation with leaseholders in accordance with section 20 of the Landlord and Tenant Act 1985. The council will need to ensure that any consultation is sufficient and occurs sufficiently early in the process such that the outcome of the consultation can be considered in any decision.
- 10.2.4.** Procurement Rule 24.2 states that all contracts over £24,999 will need formal conditions prepared or agreed by the Legal Services Team. In this instance, the intention is to use the council’s standard Term Partnering Contract (TPC2005). The terms of this contract comply with the Rules relating to contract provisions. Following award, the contract and details of the award must be published on Contracts Finder. All contracts with a value above £500,000 will need to be sealed.
- 10.2.5.** As the estimated value of the contracts exceeds £2 million revenue spend decision to the award of the contract lies with the Executive (Rule 18.1.1). However, as set out in Rule 16.2 of the Rules, the Executive may delegate its responsibilities to Corporate Directors Officer. As such, it is possible to approve Recommendation 2.2.
- 10.2.6.** The Local Government Act 1999 requires the Council to make arrangements to achieve Best Value in the exercise of its functions when considering service provision.

10.2.7. The Council has power to enter the contract 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.

The decision maker can approve the Recommendations contained in this report provided they are satisfied with the contents of the report and they consider the award represents best value for the council.

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

10.3.1. Carrying out repairs and maintenance of fire protection and fire detection equipment has several environmental impacts. During the installation process, new materials may be used as well as energy consumption for equipment while the works may also generate waste. In addition, the contractor will be using vehicles to arrive at and deliver materials to sites, which will contribute to air pollution (unless electric vehicles are used) and congestion.

10.3.2. Provision has been made within the contract specification to mitigate impact for each of the above, with reference to relevant legislation and the stipulation that the contractor must adhere to the requirement of the council's Housing HSE Code of Conduct for Contractors and appropriate legislation. The council will include a provision in the contract detailing that the contractor should ensure that waste materials are kept to a minimum and that waste leaving sites is reused or recycled where practicable, referring to Waste Electrical and Electronic Equipment recycling opportunities where appropriate. The contractor will have a duty of care to ensure that any waste disposal is done legally and in alignment with the waste hierarchy.

10.3.3. In addition, contractors will have to commit to using ULEZ compliant vehicles, (or Euro emissions equivalent) or low or zero emission vehicles with a view to moving to electric/hybrid vehicles, where the charging infrastructure and technology is developed enough to support this. Where possible, the contractor will use recycled or sustainably produced materials, when doing so will not compromise relevant safety standards and requirements.

10.4. Equalities Impact Assessment

10.4.1. 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.

- 10.4.2.** An Equalities Impact Assessment was completed in May 2023. It is anticipated that the delivery of this service will not have any negative impact on any persons within the protected characteristics groups. It is important that the individual needs of residents be considered as part of the contract's delivery, in particular the needs of disabled people, such as those with mobility, visual or hearing impairments.

11. Conclusion and reasons for recommendations

- 11.1.** The council has a duty to carry out testing and maintenance of fire protection and fire detection equipment to keep existing installations in good working order. The procurement of two contractors is required to support the continuity of service for the delivery of the two key components.
- 11.2.** Following thorough options appraisal and market review, it is recommended that the contract is procured through a competitive tender using the open procedure.

Appendices:

Equalities Impact Assessment

Final report clearance:

Authorised by: Executive Member for Homes and Communities

Date: 11 December 2023

Report Author: Demetria Kinobe, Procurement and Project Officer
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Financial Implications Author: Onur Koca, Deputy Finance Manager
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Equalities Impact Assessment: Full Assessment

Before completing this form you should have completed an Equalities Screening Tool and had sign off from your Head of Service and the Fairness and Equality Team.

This Equality Impact Assessment should be completed where the Screening Tool identifies a potentially negative impact on one or more specific groups but it can also be used to highlight positive impacts.

Summary of proposal

Name of proposal	Testing and Maintenance of Fire Protection Equipment (Lot 1), and Testing and Maintenance of Fire Detection Equipment (Lot 2)
Reference number (if applicable)	2324-0028
Service Area	Housing Property Services
Date assessment completed	07/08/23

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

1. Please provide a summary of the proposal.

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

The service is seeking to secure a new contract for the provision of regular safety checks and inspections and any associated remediation works to a broad range of fire safety equipment located in council housing blocks. The contract will also enable the same for equipment located in council buildings and council workplaces. The total estimated value for this procurement is £2.44 million on Fire Detection and £1.962 million on Fire Protection, based on a maximum contract term of 120 months.

The service currently has an existing contract for the provisions outlined above and is currently up for renewal. The contract is managed by the Cyclical Testing Manager. The clerk of works team within the Repairs structure conducts post inspections of any works as well as highlighting any outstanding works that are required to be carried out following an inspection.

The council is a landlord to around 35,000 council tenants and leaseholders living in homes located across the borough. As a landlord the council is responsible for ensuring the provision of safe and fully operational fire safety and firefighting equipment located on council housing estates and blocks. In addition, the council manages 4,500 public buildings including offices, depots and school buildings.

This responsibility includes fire protection equipment which covers, for example

- passenger lifts, which are designed for use by fire fighters or for evacuation in the event of a fire;
- portable firefighting equipment; dry and wet rising mains, which are used by the fire service in the event of a fire in a building;
- and sprinkler systems.
- It also includes fire detection equipment, including fire alarm systems, smoke control and venting systems and emergency lighting systems.

Many of these types of equipment are already present in our existing council housing stock and across the public building estate. More equipment is due to be installed over the coming

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

years, particularly in existing housing blocks through the council's capital improvement programme, and within new homes being built by the council.

The current contract for Fire protection and detection covers, for example,

- passenger lifts which are designed for use by fire fighters or for evacuation in the event of a fire, portable fire-fighting equipment,
- dry and wet rising mains which are used by the fire service in the event of a fire in a building and sprinkler systems.
- It also includes fire detection equipment including fire alarm systems, smoke control and venting systems and emergency lighting systems.

While a fire protection and fire detection contract already exists, the new proposed contract will separate these into two contracts, with different contractors delivering each. Both contractors will ensure paperwork reflects incoming changes in legislation.

The reason why we propose to split the contract into 2 separate contracts for the first time is in response to challenges that face a single supplier having to specialise in both fire protection and fire detection works as these are two specialist areas that are different in skill. In the past this has resulted in issues around the use of sub-contractors and challenges with ensuring consistent quality of service, and delays whilst the one contractor finds a team to assist them.

A contract with two lots for each specialism will ensure the quality of service is consistent and will deliver confidence for both the council and residents that all aspects of the contract are delivered to a high standard.

The oversight of the contracts for Fire protection and detection will be designated to a Contract Officer within the Repairs structure that will conduct monthly operational meetings with the two separate suppliers. The Cyclical Testing Manager will also be present in both of these meetings to ensure the suppliers are aligned in delivering the best service delivery possible.

2. What impact will this change have on different groups of people?

Please consider:

- Whether the impact will predominantly be external or internal, or both?
- Who will be impacted – residents, service users, local communities, staff, or others?
- Broadly what will the impact be – reduced access to facilities or disruptions to journeys for example?

The contract will have a tangible impact in two key ways:

The first is that the contract itself will ensure residents in the council's housing stock are safe in the event of a fire. We will ensure that the contract is delivered effectively with full consideration of all residents, and ensure that all groups are protected as a result of having their individual needs considered and met.

The second is the manner in which the contract is delivered. The successful contractors' operatives will be key in ensuring residents' individual needs are met, acting as a mechanism for collecting information on the needs of residents, and developing strong product knowledge so effective fire detection and protection solutions can be put in place. Similarly, by having strong training programmes in place, operatives will be able to work effectively in occupied premises with a strong understanding of residents and their individual needs, ranging from cultural and language considerations to an awareness of different impairment groups to ensure those residents' needs are met in the best and most cost-effective way.

The contract itself will have a more noticeable impact on residents – particularly those living in council housing – however, when the contract is working well, this will have a clear reputational impact and will improve relations between the council and then with the residents if these contracts are delivered well and managed effectively there is potential to continue to improving council and resident relations.

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

This section of the assessment looks in detail at the likely impacts of the proposed changes on different sections of our diverse community.

3A. What data have you used to assess impacts?

Please provide:

- Details of the evidence used to assess impacts on people with protected characteristics and from disadvantaged groups (see guidance for help)
- A breakdown of service user demographics where possible
- Brief interpretation of findings

The service collates data on service users as part of general service provision. This includes data on protected characteristics and any other relevant information that will be beneficial to contractors and those delivering services on behalf of the council. This might include any preferences expressed by residents, such as cultural considerations or language needs, or any vulnerability issues – both in terms of protecting the resident(s), but also contractors and their operatives, enabling the contractor to make decisions regarding how to access occupied premises and whether lone working is appropriate. GDPR is standard as part of any contract that is provided to contractors and operational meetings that take place go through this as a regular agenda item to remind contractors of their requirements.

It is a contractual requirement for service providers to work to Islington Council's policies and procedures, where equality, diversity and an accessible service for all is factored into service delivery procedures. Contractors will also be expected to follow Islington Council's safeguarding procedures reporting back any concerns directly to Islington to go through their internal processes.

All of the service providers appointed by Repairs are required to have DBS checks for all of their staff working on an Islington contract, including any subcontractors they may use and this must be evidenced. This information is checked and updated on a quarterly basis to ensure any service provider's staff changes are taken into consideration. Service providers are not allowed to enter a property unless an adult over the age of 18 is present. Service providers are given leaflets and information regarding safeguarding and reporting any safeguarding concerns back to Islington Council. They also have to attend mandatory safeguarding training delivered by Islington Council. These are all contractual requirements irrespective of whether the service provider works within occupied or communal areas.

All prospective contractors are required to provide information as part of the procurement process that outline their approach to equality and how they ensure operatives are able to meet the needs of residents and to consider these as part of providing excellent services. In

Please provide:

- Details of the evidence used to assess impacts on people with protected characteristics and from disadvantaged groups (see guidance for help)
- A breakdown of service user demographics where possible
- Brief interpretation of findings

order to be awarded the contract, suppliers must evidence ways in which they have considered the needs of residents and ensured their needs are met in previous, similar contracts, as well as outlining how they will ensure needs are considered and met as part of this contract's delivery. It is not possible for a supplier to be awarded the contract without this information, as there are minimum standards that must be met in order for the contract to be awarded.

3B: Assess the impacts on people with protected characteristics and from disadvantaged groups in the table below.

Please first select whether the potential impact is positive, neutral, or negative and then provide details of the impacts and any mitigations or positive actions you will put in place.

Please 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

Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
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Age	Neutral	<p>The contract will deliver positive benefits for residents of different age groups. The successful supplier will be required to have due consideration of both the legislative requirements of the Equality Act 2010, but also more practical considerations that might impact residents in the course of the contract's delivery.</p> <p>There is a requirement to ensure any solutions, such as the equipment installed on a site, meet the needs of a diverse range of residents, such as those with loss of hearing as a result of old age, mobility issues, as well as the conduct of the supplier themselves, where</p>	<p>Effective contract management and supervision will ensure contractors are aware of the demographic makeup of different sites on which they will be working, and as such will be in a stronger position to identify and respond to the needs of residents.</p> <p>Good contract management will play an integral part of information sharing – particularly in view of any legislative changes or council initiatives that can have a positive impact on how the contract is delivered. As outlined, contractors will be expected to work to Islington Council's safeguarding policies ensuring they follow these at all times.</p>
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Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
		<p>works might take place in occupied residences, taking account of vulnerability issues and residents who may refuse access for this reason.</p> <p>The successful supplier will be required to outline their approach to working with diverse groups as part of the procurement process</p>	

<p>Disability (include carers)</p>	<p>Neutral</p>	<p>It is anticipated that the contract itself will have an overall positive impact on different impairment groups, however this will come as a by-product of the contract's effective delivery as opposed to the contract itself. Suppliers will be required to outline their understanding of the diverse needs of leaseholders, taking account of the borough's demographic makeup and more localised equality information wherever this is possible and practical, and this will inform effective delivery of the contract.</p> <p>As for older leaseholders, the supplier will be required to demonstrate an understanding of different impairment</p>	<p>As part of effective contract management, the supplier will be required to account for legislative change in the way in which they deliver the contract, as well as respond to new developments in the market, such as new or improved technologies, that will better support people with a wide range of impairments in the event of a fire.</p>
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		<p>groups, both in their specific needs in terms of supply of equipment, but also in terms of how operatives work in occupied sites and the individual needs of residents, including communicating with the leaseholder.</p> <p>It is anticipated that the nature of the contract will have a greater requirement to consider the needs of blind and visually-impaired leaseholders, deaf and hearing-impaired leaseholders, and those with mobility impairments. As a result, potential suppliers will be required to provide insights into how they take account of the needs of these groups as part of the procurement application process, with those suppliers</p>	
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Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
		<p>evidencing a greater awareness of the diverse needs of such groups likely to receive higher scores for their application as a result of this, and as such are more likely to be awarded the contract. Suppliers will also be subject to regular contract review meetings that will identify projects that require greater input from the supplier, as well as responding to any concerns the contract manager might have regarding the supplier's approach.</p>	

Race or ethnicity	Neutral	<p>It is not anticipated that the contract will have any identifiable impact on different racial or ethnic groups if the contract is being delivered as per the council's requirements. Overall, the impact of the contract is considered to be positive.</p> <p>As part of the procurement process, the successful suppliers will be required to outline how they will communicate with leaseholders and residents, as well as take account of local demographics in the way in which they deliver the contract. This might include taking account of specific language needs where needed, Islington council will make it known that translators or additional material is</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly. The internal clerk of works team attend site and carry out post inspections of works, they also ask for feedback from residents with regards to the works carried out. This feedback is raised within the operational meetings and if there are any issues around performance these are addressed and followed up in the subsequent meetings.</p>
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		<p>needed as part of the information that is provided when the works are handed over to the contractor. As this contract is mainly for works within communal areas this is minimal. As well as ensuring operatives are aware of any cultural sensitivity matters where appropriate, this includes ensuring shoe covers are worn if contractors are entering properties. further ensuring cultural sensitivity is maintained with regards to respecting social boundaries and by taking time and demonstrating extra care and patience with residents' who are elderly or have mobility impairments.</p>	
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<p>Religion or belief (include no faith)</p>	<p>Positive</p>	<p>The contract is not anticipated to have any impact on different religious groups, however, if delivered in line with the contract's specification, there will be a positive benefit to residents.</p> <p>As above, suppliers will be required to evidence understanding of the diverse needs of the borough's residents, including cultural sensitivity, making use of local demographic data and intelligence to improve service delivery. Contractors will be required to make good use of the council's demographic data in order to ensure any potential issues that will impact on the way the service is delivered are accounted for and</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.</p>
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Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
		operatives are able to meet these needs.	

<p>Gender and gender reassignment (male, female, or non-binary)</p>	<p>Neutral</p>	<p>The contract is not anticipated to have any tangible impacts with regard to gender and gender reassignment.</p> <p>All operatives will be required to adhere to the council's customer care standards in the delivery of the contract and as a result, this requires that operatives consider the sensitivities of working in occupied premises where there are lone or vulnerable women. Contractors would be expected to follow Islington Council's safeguarding procedure. It is anticipated that were such considerations are required, these will be notified to the operative and arrangements made where appropriate.</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.</p>
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Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Maternity or pregnancy	Neutral	Sensitivity around potential noise disturbances caused by construction workers and ensuring there is clear communication to residents around when these works are taking place is outlined within the term briefs around the times intrusive works can start and finish.	As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.

<p>Gender and gender reassignment (male, female or non-binary)</p>	<p>Neutral</p>	<p>It is not anticipated that the contract will have any impact with regard to gender and gender reassignment.</p> <p>The supplier and its operatives will be required to outline their approach to equality and diversity in their tender application, and this will be reviewed where appropriate when not in line with Islington Council's expectations. It is expected that the supplier will have training in place to ensure any sensitivities, such as working in occupied premises, are considered and that the suppliers' operatives do not assume gender and ensure they refer to the council's data on residents, in order to provide the most</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.</p>
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Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
		appropriate and sensitive service.	

<p>Sex and sexual orientation</p>	<p>Neutral</p>	<p>It is not anticipated that the contract will have any impact with regard to sex and sexual orientation. In terms of the delivery of the contract itself, there are no apparent considerations with regard to sex and sexual identity with regard to the fire protection and detection focus of the contract itself.</p> <p>However, the suppliers and their operatives are required to have due consideration for all residents and their individual needs, and this includes behaving with professionalism and treating residents with dignity and respect, and this will be built into the contract's delivery.</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.</p>
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<p>Marriage or civil partnership</p>	<p>Neutral</p>	<p>It is not anticipated that the contract will have any impact with regard to marriage or civil partnership. In terms of the delivery of the contract itself, there are no apparent considerations with regard to marriage or civil partnership with regard to the fire protection and detection focus of the contract itself.</p> <p>However, the suppliers and their operatives are required to have due consideration for all residents and their individual needs, and this includes behaving with professionalism and treating residents with dignity and respect, and this will be built into the contract's delivery.</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.</p>
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<p>Other Age (e.g. people living in poverty, looked after children, people who are homeless or refugees)</p>	<p>Neutral</p>	<p>It is not anticipated that the contract will have any tangible impact on the groups identified.</p> <p>Contractors on this contract or not necessarily working within properties however highlighting any issues where residents could be living in communal areas to Islington Council to ensure the relevant teams can deal with this efficiently.</p> <p>In terms of the delivery of the contract itself, there are no apparent considerations with regard to the identified groups with regard to the fire protection and detection focus of the contract itself.</p> <p>However, the suppliers and their operatives are</p>	<p>As per previous sections, effective contract management will be integral to the continued positive impact of the contract's delivery, with the contract manager working closely with the suppliers to ensure they are aware of any specific considerations that might affect delivery of the contract, while also ensuring demographic data is kept up to date and shared accordingly.</p>
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Characteristic or group	Positive/ Neutral/ Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
		required to have due consideration for all residents and their individual needs, and this includes behaving with professionalism and treating residents with dignity and respect, and this will be built into the contract's delivery.	

4. How do you plan to mitigate negative impacts?

Please provide:

- An outline of actions and the expected outcomes
- Any governance and funding which will support these actions if relevant

There were no negative impacts identified in the course of completing this impact assessment.

However, it is essential that in spite of this, effective contract management is in place to ensure that any issues that do arise as part of the contract's delivery can be identified and responded to effectively, in order to ensure that the contract itself continues to provide services that are accessible and have an overall neutral or positive impact.

5. Please provide details of your consultation and/or engagement plans.

Please provide:

- Details of what steps you have taken or plan to take to consult or engage the whole community or specific groups affected by the proposal
- Who has been or will be consulted or engaged with
- Methods used or that will be used to engage or consult
- Key findings or feedback (if completed)

Owing to the scope, length and value of the contract, section 20 consultation applies. Leaseholders will be given the opportunity to comment on the council's plans. A well-established consultation approach for section 20 is in place, and leaseholders will be consulted on the council's proposed approach.

Please provide:

- Details of what steps you have taken or plan to take to consult or engage the whole community or specific groups affected by the proposal
- Who has been or will be consulted or engaged with
- Methods used or that will be used to engage or consult
- Key findings or feedback (if completed)

Before entering into a long-term contract, the council will serve a "Notice of Intention" to enter into a long-term agreement for works. Having appointed suppliers, the council will draw up a detailed brief that will be costed against a schedule of rates. Leaseholders will be provided with an Indicative Cost letter, which gives a broad early estimate of the scope of works and costs.

Later, when the works and costs are fully agreed, the council will write to leaseholders with a "Notice of Estimates" (Section 20 notice), giving details of the works and costs and the estimated bill.

The section 20 notice provides detailed, yet easy to understand, information about the proposed works, how the proposed costs were calculated, and contact information for the officers involved.

There are a variety of ways residents can have their say, depending on the nature of the works and the costs involved. This might include stakeholder meetings or questionnaires.

6. Once the proposal has been implemented, how will impacts be monitored and reviewed?

Please provide details in the table below.

Action	Responsible team or officer	Deadline
Regular contract management meetings to ensure supplier performance is monitored and any	Contract Manager	Ongoing

Action	Responsible team or officer	Deadline
changes to legislative framework, council initiatives etc. are accounted for and fed back.		

Please send the completed EQIA to equalities@islington.gov.uk for quality checking by the Fairness and Equality Team. All Equality Impact Assessments must be attached with any report to a decision-making board and should be made publicly available on request.

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

Member	Name	Signed	Date
Staff member completing this form	Daniel Watkins	<i>Daniel Watkins</i>	08/08/23
Fairness and Equality Team	Hezi Yaacov-Hai	<i>Hezi Yaacov-Hai</i>	26/10/23
Director or Head of Service	Mike Hall	<i>Mike Hall</i>	26/10/23

Resources Department
Town Hall, Upper Street
London N1 2UD

Report of: Housing Scrutiny Committee

Meeting of: Executive

Date: 11 January 2023

Ward(s): All

Subject: Report of the Housing Scrutiny Committee: Strategic Review of Overcrowding in Islington

1. Synopsis

This report requests that the Executive receive the recommendations of the Housing Scrutiny Committee following the completion of its review of the Overcrowding Strategy. 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 Housing Scrutiny Committee be received.
- 2.2 That the Executive Member's response be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Housing Scrutiny Committee's recommendations.

3. Background

- 3.1 In July 2022 the Housing Scrutiny Committee commenced a review into Overcrowding in Islington. The overall aim of the review is to establish the extent of overcrowding in Islington, understand the consequences and impact, to be informed about best practices and innovative approaches of tackling explore how the council's Housing Services addresses Homelessness.
- 3.2 The objectives of the review included ensuring that the assessment criteria for applicants is robust and that the support and aligned services is targeted and effective. The final report of the committee was agreed in November 2023 and is appended.

4. Implications

4.1. Financial Implications

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

4.2. Legal Implications

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

Any environmental implications will be considered as part of the response to the review.

4.4. Equalities Impact Assessment

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

An 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

The Committee considered the challenges of overcrowding experienced by households and recognised that, although the housing crisis is a national issue, Islington has its particular characteristics which has made it very difficult to address.

The Committee has proposed a number of recommendations which in the short run addresses the waiting list on the housing register and in the long run seek to commence exploring innovative and collaborative ways of building social housing.

Appendices: Report of the Housing Scrutiny Committee

Background papers: None

Report Author: Ola Adeoye, Senior Democratic Officer

Email: olayiwola.adeoye@islington.gov.uk

STRATEGIC REVIEW OF OVERCROWDING IN ISLINGTON

FINAL REPORT OF THE HOUSING SCRUTINY COMMITTEE

London Borough of Islington
7 November 2023

EXECUTIVE SUMMARY

1. Introduction

The Committee commenced the review in July 2022 with the following aims:

- To establish the extent of overcrowding in homes in Islington in the public and private sector
- To understand the consequences and impacts of overcrowding
- To be informed about best practice and innovative approaches to tackling overcrowding and its impacts
- To produce a strategic review on the overcrowding issues affecting households in Islington
- To assess the impact in the provision of new Islington Council and Housing Association rented accommodation in alleviating overcrowding in Islington

A decision was taken at the committee meeting on 9 May 2023 for the review to continue into the 2023/24 municipal year as the committee had been unable to take crucial evidence from registered social landlords and receive resident feedback.

The review ran from July 2022 until November 2023. Evidence was received from a variety of sources:

Presentations from council officers

- Ian Swift, Islington's Director Housing Needs and Strategy
- Ramesh Logeswaren - Head of Housing Needs
- Helena Stephenson Islington's Head of Housing Partnership
- Alistair Gale, Islington's Assistant Director of Housing, Programming, Design and Customer Care
- Karen Sullivan, Director of Planning and Development.

Documentary evidence

Islington Council and the University College London Overcrowding survey
Partners' overcrowding survey questionnaire
Comparison data from other local authorities

Information from witnesses:

- Tracy Packer, Managing Director (North East London), Peabody Housing Association
- Catherine Kyne, Regional Director, Clarion Housing Association
- Ruth Davison, Chief Executive, Islington and Shoreditch Housing Association (ISHA)
- Fiona Mogre and Serdar Celebi, Islington Law Centre

Scrutiny visit

Visit to Council owned void properties

3. The Committee made a number of recommendations which in the short term seek to ensure that tenants on the Council's housing register are able to move into suitable high-quality accommodation and in the long run seek to address the supply of social housing for residents. These include:

4. **Recommendations:**

- 4.1 Housing Services should undertake a comprehensive tenancy and welfare audit of all its housing stock with a view of identifying overcrowding, under occupiers, and if additional housing support is needed for those in certain circumstances, such as people who have experienced domestic violence etc. This is currently being trialled in Halton Mansions
- 4.2 The Committee recommend that Housing Services rigorously promote issues around existing incentives for under occupiers such as mutual exchanges, and that financial incentives be reviewed. The downsizing scheme should receive a comprehensive review and the outcome of this review be reported to the Housing Scrutiny Committee. The council should also conduct regular sessions/briefings/community drop in sessions to promote downsizing and mutual exchanges to address overcrowding. *(Note: a report to the Housing Scrutiny Committee on the under-occupation scheme is appended to this report).*
- 4.3 The council should review the housing allocation scheme to make sure we are addressing local housing needs as it is clear that there are thousands of people who are living in overcrowded accommodation but not on the housing register.
- 4.4 The Council should consider building larger 4-5 bedroom accommodation through its new build scheme.
- 4.5 The Council should work with the GLA to try and develop /design a scheme that allows local authorities to access funds to purchase large properties to address overcrowding issues. At the moment, there are Government and GLA schemes that supports purchasing properties to accommodate refugees from Afghanistan and Ukraine, but there is no grant available that helps to address overcrowding and rehousing residents.
- 4.6 The council should adopt an overcrowding communication plan across the council that could be used by all departments when working with families experiencing overcrowding. This could include tips and ideas for addressing overcrowding and related issues.
- 4.7 The council should consider reviewing its tall building planning policy, and the circumstances that would allow taller residential buildings to be acceptable, as in the long term there may be a need for these types of property. This would apply to new developments, not just building on existing top of roof tops.

- 4.8 The Council should increase supply of 4 and 5 bedroom properties for families in need of larger homes using all means possible
- 4.9 The Committee welcomes the council's work with the community and voluntary sector in supporting residents in need. The Council should explore opportunities for collaborating more with community groups to promote advocacy services within all communities, to enable all sections of society to benefit from the positive work in this area.
- 4.10 The council should work with the GLA and other partner organisations to explore alternative schemes to incentivise downsizing. For example, expanding the GLA Seaside and Country Homes scheme for those aged over 55.
- 4.11 The Council should work in partnership with RSL's and others to assist in identifying more voids /abandoned homes that could be used to rehouse larger families.
- 4.12 As statutory overcrowding is difficult to address, the Council should lobby government for meaningful action to address overcrowding, and liaise with the GLA on lobbying for redefining the Overcrowding Standards as they are long overdue for a change.
- 4.13 Council should consider how language barriers may hinder under-occupiers from downsizing and engaging in mutual swaps, and consider what support can be made available to address this.
- 4.14 In response to evidence from Islington Law Centre, that many Islington residents experiencing overcrowding do not meet the council's threshold to bid for larger properties, the council should conduct detailed annual analysis for those accommodated through the Choice Based Lettings scheme and then consider amending policies accordingly, to ensure overcrowded households are able to be rehoused through the housing register.
- 4.15 When a void property is a 3, 4 or 5 bedroom property, these properties should be fast tracked through the voids process to ensure they can be re-let as soon as possible.
- 4.16 The council should consider how it can further facilitate "right size" moves on our estates to promote a series of chain lettings, allocating appropriately sized homes to local families in order to increase lettings locally and reduce overcrowding.
- 4.17 During community drop-in sessions the council should regularly seek the views of residents on how to improve services to people who are overcrowded or under-occupying properties. The council should then review policies and procedures in light of this feedback.

- 4.18 The Committee welcomes the council's work to empower residents through the resident empowerment framework. The Council should ask residents for their ideas to help the council to develop new ways of working to address overcrowding. It is important that these resident engagement forums include the views of a diverse range of residents that reflect our local communities.
- 4.19 It is important for the council and key partner organisations design a seamless service offer between Health, Adult Social Care, Housing, and Children's Services to ensure we address overcrowding, damp and mould, education attainment and health improvements holistically. The Council should consider how to further develop joint working between local services to best address these issues.
- 4.20 The council should develop and share data across the council to ensure a holistic approach to supporting residents who are overcrowded. This will help ensure that services are developed using this data and residents are empowered to influence the way we work.

5. Evidence Received

- 5.1 **The Committee received a presentation from Ramesh Logeswaran, Head of Housing Needs on 18 July 2022:**
- 5.2 Overcrowding is categorised as a household needing one additional bedroom and severe overcrowding is when a household requires two or more additional bedrooms.
- 5.3 Overcrowding needs to be tackled as it is associated with increased physical and mental health problems, poorer educational achievement by children, increased risk of infectious or respiratory diseases, increased risk of accidents and fires, reduced stature in children. It is also evident that poor diet and nutrition is higher in people living in overcrowded conditions which can have an impact on family life and relationships which in some instances lead to family breakdown and increased social tensions with neighbours.
- 5.4 Overcrowding may be caused as a result of family size growth with additional children, other wider family members joining the existing household, guardianship orders and foster arrangements etc.
- 5.5 Housing Needs supports families in overcrowded households, providing advice on mutual exchanges as one of the best ways for tenants to alleviate their overcrowding irrespective of housing points awarded. Advice is provided on how to prevent damp and mould formation as well as support to rent storage space from the council and to manage energy costs.
- 5.6 For severely overcrowded tenants, the service can arrange for the provision of space saving furniture to alleviate the effects of severe overcrowding, undertake home visits with tenants to signpost tenants to other services e.g. Social Care, Bright Spark, SHINE, Property Services (re repairs).
- 5.7 Advice is also provided on bidding, local letting schemes and mutual exchanges.
- 5.8 The Service supports downsizers to move to create voids, in particular offer personalised service to support tenants who are typically vulnerable through the process of downsizing. This generally comprises advanced identification of properties and joint viewings with tenants.

- 5.9 To promote downsizing, there is also support with financial incentives for each room 'released', support to access a decoration allowance, moving support, utilities re-connections etc.
 - 5.10 Mutual exchanges is a great way for residents to downsize, thereby releasing their larger home for a larger household. Housing Needs support tenants who wish to exchange properties with another social housing tenant and this is a joint exercise between Housing Needs and Homes and Communities.
 - 5.11 Within Housing Needs, officers advise residents on how to register online for the service and explain how tenants can entice others registered looking to move. There are also incentive provisions around decorative/white goods, what is referred to as 'works in occupation'.
 - 5.12 In terms of performance, the meeting was advised that the Service was unable to meet its target of assisting both overcrowded families and underoccupiers move into appropriate or suitable housing, however it met its target for moving households into appropriate housing via mutual exchange.
 - 5.13 The demand for social housing is on the rise due to high rents in the private sector, 2922 households approached the council for advice during 2021/22 financial year.
 - 5.14 In June 2022, 907 households live in temporary accommodation, of which 472 households are living in private sector accommodation. As of April 2022, 15,402 households are on the housing register.
 - 5.15 In 2021/22 financial year, the council let 829 LBI (Islington Council) properties and 193 Housing Association properties totalling 1022 properties.
 - 5.16 The meeting was advised that in 2021/22, 30% of lettings were social housing tenants moving home, 36% to homeless households and 34% are to households on the Council waiting list.
 - 5.17 Members were informed of the budgetary pressures on the Housing General Fund with the result that the Service will need to significantly reduce the number of households in private sector temporary accommodation to below 300.
 - 5.18 With regards to the 39 Islington Council New builds in 2021/22, the meeting was advised that 9(23%) allocated to downsizers, 8(21%) to tenants seeking a transfer from their existing homes, 11(28%) were for like for like transfers and not regarded as overcrowded and 11(28%) were let to applicants on the housing register.
 - 5.19 With the 28 Social housing transfers, multiple chain of moves were progressed leading to households in housing need being placed in suitable homes and this comprises of both overcrowded and severely overcrowded families, homeless families, downsizers, tenants with significant health and welfare issues, domestic abuse survivors, new generation scheme and care leavers.
 - 5.20 In the case of the 16 Housing Association new builds, 5 were let to waiting list cases, 8 were for overcrowded of which 2 were severely overcrowded, 1 for welfare/medical, 1 for medical/wheelchair need and 1 for downsizer.
6. **Helena Stephenson, Islington's Head of Housing Partnerships highlighted a number of issues of overcrowding from the tenants perspective and they include-**

- 6.1 1,396 LBI Overcrowded tenants are registered for rehousing due to fire safety concerns, noise and anti-social behaviour complaints and other wellbeing and safeguarding issues. Another reason for seeking to move is related to damp and mould and additional 'wear and tear' repairs.
- 6.2 A Fire Risk Assessment programme is undertaken to address items left in communal areas and associated fire safety advice which promotes storage solutions is provided.
- 6.3 A suggestion to include as part of the review exercise community groups such as the Somali Welfare Centre was noted. Officers were advised to contact GLA about the Seaside and Community Homes Schemes which provides social housing for over 55's.
- 6.4 The Director acknowledged that overcrowding is a national crisis and as the private sector is unable to meet high demand for housing there will always be instances of overcrowding in households and only building more homes will address this issue.
- 6.5 On the issue of living rooms being designated as a bedroom, the Director noted that legislation dates back to 1950's and successive governments have not passed a new legislation.
- 6.6 With regards to abandoned properties, the meeting was advised that the Council will have to investigate the circumstances first as in some cases tenants may be admitted to hospital temporarily or Nursing homes, after which the property can then placed into void status.
- 6.7 On the issue of language being a barrier for tenants interested in mutual swaps, the meeting was advised that the Council has a team in place and information is available online.
- 6.8 The meeting was informed that the Service works with its housing partners to address overcrowding and especially in identifying voids.

7.0 On 20th November 2022 Fiona Mogre and Serdar Celebi of the Islington Law Centre highlighted a number of case studies to demonstrate the severity and complexity of overcrowding which comes to attention of the Centre and they include:

- 7.1 Islington Law Centre provides a range of advice and assistance to Islington residents regarding their housing needs and runs two outreach projects in partnership with Islington Council to provide accessible housing advice to residents.
- 7.2 A significant number of enquiries relate to residents seeking to be moved to more appropriate accommodation due to overcrowding.
- 7.3 Islington Council uses a choice based letting scheme, with points awarded to residents based upon their circumstances which is in line with the Council's Housing Allocation Scheme.
- 7.4 Most Islington residents do not meet the average threshold of points to successfully bid for a larger property and experience shows that residents living in severely overcrowded conditions are highly unlikely to successfully bid for size appropriate accommodation.
- 7.5 Allocation schemes are required under the Housing Act 1996 to be framed to secure that reasonable preference is given to overcrowded households.

- 7.6 It was noted that households with opposite sex type of overcrowding only acquire 10points.
- 7.7 Overcrowding alone is unlikely to result in the tenant having sufficient points to be able to bid for and move to larger accommodation.
- 7.8 Presently Council literature states that to bid for 2 bedroom a tenant will require 226 points, 252 points for a 3 bedroom and 289 points for a 4 bedroom.
- 7.9 In the 2 typical overcrowding cases shared with Committee, it was noted the difficulty for tenants bidding for a suitably sized property, given that more points were required, for instance in the case of a secure tenant living with his wife and 3 children in a 1 bedroom property with 190 points, they would require 252 points.
- 7.10 Additional points would be required to improve the chances of bidding by tenants like medical problem, a welfare/social issue/a disrepair /decant issues, harassment/ASB from a neighbour.
- 7.11 In most cases seen by the Law centre, tenants rarely have additional issues that will attract additional points besides overcrowding concerns, so little prospect of them moving on to bigger and suitable accommodation.
- 7.12 It was noted that lack of available larger properties especially 4 plus bedrooms remains a big issue, that there is a recognition the need for more joined up working between Housing Options, Social services and the Disrepair team. Members were advised that even if medical and welfare points are awarded, larger households with disabled members seeking to move to more size appropriate accommodation it is virtually impossible to obtain rehousing through the Housing Allocation Scheme.
- 7.13 The availability of larger properties is very much limited and highly sought after leaving families stuck in unsuitable and severally overcrowded conditions indefinitely.
- 7.14 Condensation in severally overcrowded accommodation is common, however recognised with an award of welfare points only after the Centre intervenes on behalf of their clients as most times when tenants complain about condensation they are sometimes wrongly informed that this is not something for which rehousing points could be awarded but a disrepair issue.

8.0 In terms of overcrowding enforcement in the private rented sector, Godwin Omogbehin, Islington’s Environmental Health Manager stated the following points :

- 8.1 Relatively few households are assessed as statutorily overcrowded as the legislation in existence does not meet the criteria for overcrowding as standards are very low and prescriptive, outdated and does not reflect modern day standards, that space and room standards are not used by Residential Teams to enforce overcrowding.
- 8.2 Local Authority’s regulatory teams have been advised to use their powers under Part 1 of the Housing Act 2004 and follow the Enforcement Guidance rather than Part 10 of Housing Act 1985.
- 8.3 The meeting was advised that local authorities need to consider meeting its statutory duties versus it’s duty to rehouse occupiers, an understanding of

- homelessness implications and compensation, clarifying enforcement options under Housing Act via the Most Appropriate Course of Action (MACA).
- 8.4 It was noted that due to lack of housing stock, it is difficult to serve notices as reasons would need to be provided.
- 8.5 Powers available under Part 1 Housing Act 2004 and notices served include issuing landlords Hazard Awareness Notice, Improvement Notice, Prohibition Orders, Suspension of Prohibition Order's which is most commonly used power for crowding and space hazard), Emergency Action.
- 8.6 It was noted that although HHSRS can be used, there are more specific regulations under HMO Licence conditions which limits occupation levels, the HMO standards which regulates HMO space standards.
- 8.7 In addition to the above, specific powers exist for overcrowding in non-licensable HMO's, that notices can be issued where a non-licensable HMO is likely to be overcrowded and that maximum levels of occupancy can be set for overcrowding and authorities can impose a civil penalty as an alternative to prosecution for offences (in both dwellings and HMO's).
- 8.8 Failure to comply with HMO licence conditions (over occupation for example), offences can attract an unlimited fine or penalty of up to £30k.
- 8.9 The meeting was informed that 5 x overcrowding notices (non-licensable HMO's), 5x PO's for overcrowding in SFO's, 2x Hazard Awareness Notices in SFO's have been issued and in terms Selective Licensing Schemes (SFO's), 952 applications were received while 2647 applications have been received for HMO Licensing.
- 8.10 The meeting was advised that serving of a SPO will not entitle the tenants to any additional points under the council's system and is not likely to speed up any re-housing claim.
- 8.11 The Housing Service assess applications according to their housing allocation policy.
- 8.12 On the issue of extending the Licensing scheme beyond the Finsbury ward into other wards, meeting was advised that although public consultation closed in March 2022, the second phase which is the designation stage is yet to be finalised.
- 8.13 On whether the Council's Planning Department has powers in addressing the increasing demand for 3/4/5 bedroom homes, the meeting was advised that this is being handled via the Council's new build programme. In addition to above, Council officers continue to liaise with GLA to access funds to purchase 3 and 4 bedroom dwellings.
- 8.14 On the role of planning department in terms of addressing overcrowding in the borough, Committee requested an invitation be extended to an officer in the department to give evidence to committee.
- 8.15 With regards to the Council's Allocation Scheme, the meeting was advised that the item will be scheduled for members input at the November meeting
- 8.16 Concerns that tinkering with the Allocation scheme will not address the overcrowding, that the main issue lies with the lack of suitable type of housing, and that the Council should be looking at other solutions, was noted.
- 8.17 In response to a suggestion by a member, that issues of overcrowding should be considered in parallel with residents that want to downsize, the Director informed the meeting that in the last 12 months over 200 households have

downsized, noting its success. Issues around downsizing will be considered at a future meeting.

- 8.18 On the suggestion of finding suitable accommodation for overcrowded households outside the borough, the meeting was advised that most are secure tenants and have the right to remain due to family ties, schools and medical reasons, that the refreshing of the Allocation Scheme aims to address this issue.
- 8.19 In response to a question raised by the Community Plan for Holloway, the Director reminded the meeting of the local letting scheme agreed for the Holloway site.
- 8.20 It was commented that the Council builds the right type of housing, noting that Islington is a dense urban area with limited land that makes development difficult. In addition, the funding mechanism from central government had worsened the housing crisis; Islington Council like other authorities was awaiting an autumn announcement which may address the funding gap.
- 8.21 A suggestion that Council should not be averse to building more tower blocks, instead of its preference of demolishing estates and building on such sites single dwellings, town houses and apartments, was noted.
- 8.22 Islington's initiative in addressing the issue of under occupiers had been a lot more successful in comparison to the neighbouring authority of Hackney.
- 8.23 The housing crisis is not unique to Islington but a national one and factors such as lack of funding from both central and local government over many years have worsened the housing crisis.

9.0 **On 3rd November 2022, Tracy Packer, Managing Director for North East London, Peabody Housing Association provided evidence on its management of overcrowding issues. The following points were highlighted:**

- 9.1 Peabody has 5,500 homes across the borough with the majority being let at social rent, that currently 382 Peabody households in Islington have applied to move because of overcrowding and this would include households who have a need to move for other reasons such as medical/health needs, welfare and those fleeing domestic violence.
- 9.2 Peabody provides support to residents throughout the move process however, the number of empty homes available is limited and the wait can be lengthy.
- 9.3 In the year 2021/22 only 14 x larger homes became available in the borough (3/4 bed).
- 9.4 The number of lettings completed is driven by the availability of homes, that Peabody completed 115 lettings in 2021/22, however majority of these lettings were for 1 and 2 bed homes and that empty homes are let through working in partnership with LBI via nomination's agreement.
- 9.5 LBI receives 100% nomination rights of all 1st lets (new homes), 50% of studio/1bedroom relets and 75% of 2 bedroom or larger relets and that Peabody residents who have requested a move are considered when a relet becomes available and a priority move list for those in most need.
- 9.6 Move applicants are assessed based on need and are prioritised, that those overcrowded by 2 or more bedrooms are in the B4 priority band, those in an under-occupying household who wish to move are given a C1 priority

- band enabling Peabody's larger homes to be allocated to more suitably sized households.
- 9.7 Presently of the current households requesting to move because of overcrowding, 32% are in the B4 priority band needing 2 or more further bedrooms with 68% in need of 1 further bedroom.
- 9.8 Peabody offers a number of solutions and mitigations to address overcrowding for households requesting a move, whether in a priority band or not, and are supported through the bidding process however where there is long waiting times further support is provided.
- 9.9 Peabody promotes mutual exchange for its tenants, provide advice and guidance on the opportunities that a mutual exchange can bring and make it easier to engage with the process. This includes providing information in multiple languages.
- 9.10 1-2-1 advice sessions is also available where in-house experts in rehousing offer support in finding alternative accommodation through other tenures such as shared ownership, market rent and potential moves to areas with lower housing demand. Members were reminded that this option is customer led and possible options will depend on customer requirements.
- 9.11 Home visits to residents is undertaken and provides support such as offering possible space saving furniture to alleviate some shared sleeping arrangements. Also in light of the ongoing living costs concerns Peabody officers offer advice to help manage energy costs and other costs of living.
- 9.12 Peabody takes a broad view on other actions to help alleviate overcrowding, by offering incentives such as financial incentives in the form of providing decoration allowance for residents who want to move and assist with moving for those willing or wanting to downsize. Peabody is interested in the support and promotions for downsizers being led by LBI.
- 9.13 Peabody also takes a flexible approach, for example in a case of 2 residents, mother and daughter both living in different 3-bed homes on the same street and elderly mother requiring care, a request received from her adult daughter for them to move in together as joint tenants, clearly created a vacancy of a 3 bed home.
- 9.14 Residents in need of a home with 3+ bedrooms are able to bid for a home with one fewer bedroom even if this results in a low level of overcrowding.
- 9.15 Peabody's 'Next Steps' scheme, offers households overcrowded by 2 or more bedrooms with household members who are 21+ having grown up there as their principal home, will be considered for moving to a 1 bed accommodation.
- 9.16 Peabody aims to use its housing stock in the most effective way to meet housing need, actively support tenants requesting a move to assist in finding the option that will work best for them. The lack of larger homes means waiting times for a move can be lengthy.
- 9.17 With regards to nomination rights for the Holloway Prison site which recently was granted planning permission for social housing, the meeting was advised that Islington Council has 50% for 1 bedroom and 75% for 2 bed while the rest is for Peabody residents.
- 9.18 Any decision to sell or dispose of any property within Peabody's portfolio is not taken lightly and each case is assessed in terms of its cost in restoring the

property to a decent standard, cost of maintenance over a long period and the condition of the property. The Managing Director assured the meeting that selling of properties only occurs in very small instances, noting that over the next few years Peabody will be building new social housing on the Holloway site.

- 9.19 On the fire safety concerns which resulted in residents of Merry Mews being moved into temporary accommodation while being resolved, the Managing Director acknowledged that lessons had been taken on board going forward by both Peabody and the builders/developers.
- 9.20 There is a recognition that the offer of shared ownership to social housing tenants and its affordability as a means of addressing overcrowding was not ideal but was an option for those interested.
- 9.21 On the financial incentives for those willing to downsize, the meeting was advised that besides the decoration allowance and assistance with moving, Peabody are having ongoing conversation on what more can be done on this issue.
- 9.22 On the question of compensation for affected tenants being moved into temporary accommodation, the meeting was advised that tenants receive subsistence allowance which is paid in advance and also cover taxi fares, noting that figures can be provided. Peabody engages in individual arrangements with tenants and not necessarily offer a standard amount.

10.0 On 1st December 2022, Committee received a presentation from Alistair Gale, Islington's Assistant Director of Housing, Programming, Design and Customer Care on how its programme of building new homes help alleviate the shortage of housing especially in the context of overcrowding concerns. The following points were highlighted:

- 10.1 There is a desperate shortage of genuinely affordable homes, to which the Council has embarked on its biggest council-house building programme in the borough for a generation, which aims to meet the needs of residents.
- 10.2 Local council tenants have priority for new council homes through the Council's Local Lettings Policy and that New council homes are under construction at 12 different locations across the borough, that presently 750 new council homes have either been completed or under construction for the period 2023-27.
- 10.3 The new homes could be used to move a growing family into a larger home or downsizing an older person into ground floor, accessible housing.
- 10.4 371 council tenants are currently registered for a housing transfer who are under-occupying their current home and it is estimated that there could be 3000 tenants who under-occupy their current home who are not registered for a housing transfer.
- 10.5 In terms of New build delivery, the meeting was advised that of the new council homes completed, 77% are 2+ bedrooms, 27% 3+ bedrooms and the rest one bedrooms.
- 10.6 The meeting was informed that presently 257 new council homes are under construction.
- 10.7 In tracking housing needs trends, it was acknowledged that these change over time e.g. wheelchair accessible housing need is now for 3 and 4 bed properties, which the Council tries to accommodate in its pipeline programme.

- 10.8 Residents feedback is important and taken on board. The meeting was advised that although residents may not be on the transfer list waiting to downsize, they might be encouraged if there is an opportunity to move into a smaller, attractive, energy efficient and high quality new build home
- 10.9 Islington is a dense urban borough, any infill housing on existing estates requires carefully considered design to optimise the available land without over-densification and some sites are not suitable/appropriate for houses such as undercroft garages/roof top developments.
- 10.10 Dover Court was highlighted as an example of a typical large infill project which delivered 57 new council homes for 197 local people, 16 of which were 3 bedroom houses, 2 x 5 bedroom houses and 1 ground floor wheelchair accessible 5 bedroom home. The scheme has been built across under-used parts of the estate, including replacing derelict garages and a block of old bedsits.
- 10.11 Members were advised that 8 new homes were allocated to local residents downsizing, 18 new homes were allocated to families from overcrowded accommodation, an example of replacing low quality existing accommodation and optimising the available land for family-sized homes and that occupants from the bedsit block were rehoused into a new over-55s block, which also encouraged others to downsize.
- 10.12 Households who meet the bidding threshold will be able to bid for the new homes before anyone else in the borough.
- 10.13 The applicant bidding with the highest number of points, subject to matching the size and any other characteristics of the property in question, will be offered the property first.
- 10.14 Wheelchair adapted properties will be restricted to applicants who require such properties.
- 10.15 Ground floor properties will be restricted to applicants with an assessed need for ground floor accommodation.
- 10.16 Brownfield sites for the council to acquire to build social housing in the borough is extremely scarce. In the case of Parkhurst Road site, the meeting was advised that freehold is not owned by council, has been recently challenged in the courts, noting that the council has been able to ensure that going forward if developers were to build homes on the site they would have to meet the councils criteria on provision of social housing.
- 10.17 Although Council is considering other options beyond building new homes on garages, however due to affordability of land, the council is reliant on building social housing on its own land.
- 10.18 With regards to downsizing, the meeting was advised that the process is customer led, that the council does not force any of its residents to move into smaller homes.
- 10.19 On whether council is building the right type of properties and in the right location and if data used to ascertain housing needs is up to date, the manager advised that at the early stage of feasibility, the new build team considers existing data from colleagues in the housing needs team who have information on live transfer request, the ages of children across the estate etc, essential information which helps to determine what type of housing is needed , it's mix and in what location. Also council's regular engagement with resident is valuable in assessing housing requirements.

- 10.20 The Director acknowledged the difficulty of building social homes in the borough, that it is difficult to get a perfect fit in terms of housing mix, which is not the case with outer London boroughs where land is not an issue, as Islington is constrained and is a dense urban environment, factors which determines the type of mix of housing being built on individual schemes.
- 10.21 On the 188 void properties in the borough and why it has not brought back to use, the meeting was advised that officers will provide and circulate reasons to committee on why it has not put back onto the housing stock, noting that some of the properties are likely to be properties that were brought back in house following the end of PFI 2.
- 10.22 On a suggestion that cases such as Parkview Estate which received planning permission for 2 x 2 bedrooms and 38 x 1 bedroom, and then subsequently received funds from GLA should have been revisited by the Planning Committee, the officer advised that S73 is not applicable to minor amendments as this would be a change in the description of the scheme, that it could not be used to change the number of dwellings of the scheme.
- 10.23 The Executive Member acknowledged that going forward the council would look to revisit schemes like the Parkview Estate in terms of housing mix however in this instance there was a GLA funding deadline that required planning permission.

11.0 Karen Sullivan, Director of Planning and Development on 13 March 2023 gave evidence on overcrowding and planning policy. The following points were highlighted:

- 11.1 Planning permission has been secured for 1,112 genuinely affordable homes across four sites i.e. Holloway Prison, Barnsbury Estate, Vorley Road and Mount Pleasant. This includes 896 homes for social rent (including 60 extra care homes) and 216 homes for shared ownership.
- 11.2 291 new homes for social rent will replace homes demolished on the Barnbury Estate and provide better quality homes for the local residents and address overcrowding across the Estate.
- 11.3 Following negotiation with developers, 55 homes for social rent will now be delivered on the Mount Pleasant site considering that the previous planning permission did not secure any homes for social rent (all consented at 'affordable rent').
- 11.4 The Director acknowledged that construction on the Parkhurst Road site (TRA site) is also underway, delivering 50% affordable housing including 41 homes for social rent, noting that the former landowners originally proposed zero affordable housing, that this in general is viewed as a landmark legal case setting national policy.
- 11.5 In addition to CIL and s106 payments, the meeting was advised of the significance of small Sites Contributions, that the Council has received over £50m, £40m which has now been allocated to the New Builds team to build affordable homes. Members were reminded that small site contributions are not subject to the same restrictions that apply when Council receives grant to build homes, which is to be welcomed.

- 11.6 In terms of annual targets, the meeting was advised that 775 new homes is to be built in the borough, which is based on very detailed and rigorous analysis of site availability and when sites are likely to come forward.
- 11.7 The aim of the Council is to ensure that at least 50% of new homes is to be genuinely affordable (70% social rent and 30% intermediate i.e. London Living Rent or shared ownership).
- 11.8 The Director acknowledged that concerns exist on the affordability of intermediate tenure, noting that no intermediate housing is planned for the Barnsbury Estate.
- 11.9 Islington's Local Plan and policies on affordable housing exceeds London Plan policies with regards to provision of affordable, that a balancing act is required between providing good quality homes versus quantity of homes.
- 11.10 Council planning policies provide guidance on space standards and the size of new homes (number of bedrooms). Members were advised that the Planning department are regularly involved in detailed negotiations with colleagues in Housing Needs on each site to ensure that the size of the new homes reflects ward level demand.
- 11.11 The Director stated that the borough is already densely developed with low levels of developable land and that any developable sites tend to be constrained.
- 11.12 The Council considers the quality of life (amenity) for future residents vital, for example on issues such as space standards; sunlight and daylight in homes and open spaces; aspect, ventilation and overheating; privacy and overlooking; outdoor space; and play space, that these factors often compete with one another.
- 11.13 On providing affordable homes in Tall Buildings, the meeting was reminded that although Islington Planning policies as set out in the Local Plan and London Plan do restrict tall buildings (above 30 metres) some sites that are allocated for tall buildings.
- 11.14 A number of considerations regarding tall buildings, that Planning policies require exceptional design, to ensure that these buildings have an acceptable impact on the local microclimate (e.g. wind and overshadowing of surrounding buildings and open spaces); bio-diversity; streetscape; townscape; heritage; and views.
- 11.15 The Director informed the Committee of exceptions to Islington Tall Buildings policy, that recently the Planning Committee granted planning consent on housing sites which were not allocated for tall buildings for example the Holloway Prison site and the Barnsbury Estate, that in both cases, the harm caused by the tall building (s) was considered to be outweighed by public benefits including the delivery of genuinely affordable housing. Vorley Road site has also allocated been allocated for a tall building.
- 11.16 It was noted that construction costs and viability have been a factor in not providing affordable homes in tall buildings as there is the view that costs tend to increase for buildings over 18m tall.
- 11.17 Another factor has been resident's attitudes to tall buildings and the difficulty of letting them out especially as not all parts of tall buildings may be suitable , for example families and disabled and older people.
- 11.18 A number of challenges regarding delivery of affordable homes which are not unique to Islington but nationally recognised include the adoption of Local Plan and First Homes policy and the government's ongoing review of its policies on

the Community Infrastructure Levy (CIL) which will introduce an entirely different approach to securing affordable housing on sites that are not owned by the council.

- 11.19 Land in Islington is mostly public owned with very limited private owned land. In addition to the above challenges, the emerging GLA and Government approach to the fire safety of tall residential buildings is creating uncertainty and in general the prevailing uncertainty within the wider housing market.
- 11.20 In terms of opportunities, the Director informed the meeting that Planning Officers are in continuous discussions with the New Build Team so as to bring forward affordable housing on council owned sites such as the Finsbury Leisure Centre.
- 11.21 Officers are also in regular discussions with external landowners to bring forward development on sites that are not owned by the council for example Archway Campus site with potentially up to 100 new genuinely affordable homes being built.
- 11.22 The Council is in proactive discussions with owners of residential sites in the Borough encouraging them to come forward with schemes (including private landowners, RPs and the Corporation of the City of London).
- 11.23 Planning Officers are also encouraging the use of new architectural practices to test innovative approaches to address density.
- 11.24 Council will be reviewing the restrictive approach on roof extensions in conservation areas as part of planning powers, the Director acknowledged the ongoing communication with the resident on this issue, that his representation will be taken on board when the Local Plan is adopted and the supplementary planning documents have been reviewed. In addition to the above the Director acknowledged that presently there is no policy from the government regarding mansard extension, that this is presently out for public consultation.
- 11.25 In response to a question about the high maintenance cost of tall buildings in order to bring it to decent homes standard, the meeting was advised that tall buildings come with a range of challenges, some as a result of its initial design which is historical, however this will not be the case with the newly designed tall buildings.
- 11.26 On the request for average service charges on the different buildings, the Director indicated that this information could be made available.
- 11.27 Clarifying the issues of social housing and affordable homes, the Director acknowledged that the different tenures can be challenging, that anyone in council owned properties is in affordable housing and paying rent that is set according to the National formula. In the case of intermediate, housing is targeted at those not eligible for council housing and unable to meet the market rent, primarily for those with household income of up to £90,000.
- 11.28 The meeting was advised that the Council recognises tenures like shared ownership and London Living rent (a bit complicated as it is targeted on those with middle incomes which is based on a ward by ward basis, a formula defined by a formula on income of people living in the ward). The Director noted that the London Affordable rent is not acceptable by Islington Council as it is a form of rent of up to 80% of market rent as it is exceedingly high.

- 11.29 The priority for the planning team is social rent housing which is reflected in the recently consented schemes, that there is no intermediate tenure provided in the Barnsbury scheme.
- 11.30 With regards to the Council's target of 775 homes, the Director acknowledged that sites have been identified, that the plan is going through a rigorous assessment with an independent expert.
- 11.31 A member welcomed the suggestion that architectural design of council homes will be community led but had concerns with tall buildings as the way forward in light of the Grenfell incident some years ago.
- 11.32 A member welcomed tall buildings in so far as the design is of high quality and safe guards relating to fire safety are taken into consideration. The Executive Member advised that presently to the south of the borough, there are a number of high rise buildings, that the overriding factor at the moment is how to address the increasing number of people on the housing register which needs to be reduced.
- 11.33 On the issue of fire safety, meeting was advised that although all local authorities are awaiting the outcome of the governments consultation on building regulation, the GLA in the interim has now introduced in its planning process a stage 2 level which states that any building above 30m will require a second stair case to address safety concerns.
- 11.34 The Director reiterated that Islington is not against tall buildings being built as long as they are sited in the right place and meet the tall building policies.
- 11.35 The meeting was advised that as at February 2023, the Council has 11 projects on site being constructed with 3 due to be completed in the next 3 weeks delivering 75 new council homes. A further 83 new homes are planned to be completed during the end of 2023/24 year.
- 11.36 In terms of monitoring of council homes and benchmarking with other neighbouring authorities, the Director advised that some data will be put together and brought to committee at a later date, that nothing exists nationally.
- 11.37 GLA, the Mayor of London and the Department for Levelling Up, Homes and Communities all have separate registers which is primarily to track funding and not pertaining to the actual delivery of social housing. Officers will provide the Committee with some in-house work carried out by Islington officers and some comparison data from other London boroughs at a future meeting which will enable members the opportunity to scrutinise the Council's delivery of social housing.
- 11.38 The Chair reiterated that Committee is looking at overcrowding and how to address it, that it is important for members to narrow down the exact number of homes being built specifically council social rented homes and not housing association dwellings.
- 11.39 In response the Director stated that the Council target of direct delivery of 550 new homes by 2023 has been substantially met, that a further target of 750 homes is being proposed for 2026-2027 financial year which fits into the earlier projections stated by the Director of Planning in her presentation.

12.0 The Committee considered the Draft Allocation Scheme Policy, that was subject to public consultation

- 12.1 76% of residents in the Council housing stock and 86% in Partners managed properties were in favour of the changes to the scheme.
- 12.2 On the question regarding the new generation scheme and whether anyone whose parents own properties would be part of the scheme, the Director advised that nothing has been agreed and all feedback was welcome.
- 12.3 On the household total income figures provided in the proposed scheme, the meeting was advised that figures are from the GLA threshold used for low cost home ownership and intermediate rental scheme.
- 12.4 The online consultation exercise was an opportunity for all to participate and all feedback was welcomed. It was not guaranteed that all suggestions would be incorporated into the scheme, but it would be developed through an open and transparent process.

13.0 Findings -

- 13.1 Islington has significant levels of housing need in the borough.
- 13.2 The Committee agreed that a tenancy audit needed to be undertaken as a first step by the Council in its resolve to address overcrowding.
- 13.3 Incentives offered to residents especially for under occupiers would need to be more attractive so as to release accommodation for large households
- 13.4 The draft housing allocation scheme was being considered by Executive and its role in addressing the requirements of households living in overcrowded social housing is essential.
- 13.5 The definition of statutory overcrowding needs to be revisited as it is not fit for purpose.
- 13.6 There is a shortage of 4 and 5 bedroom properties for larger families in the borough
- 13.7 Supply of land is an issue and its acquisition is expensive, so the council should consider options such as building homes outside the borough.
- 13.8 The Council's planning policy regarding tall buildings needs to be reviewed in the long term as this will address shortage of social housing and overcrowding.
- 13.9 The demand for social housing from private renters is high, caused by increasing cost of living, interest rate hikes and welfare reforms introduced by the government.
- 13.10 That benchmarking data with other neighbouring authorities is challenging, as there is no single source which provides accurate comparison and the two sources provided to committee were from GLA Housing Starts and Completions and DLUHC.
- 13.11 Households from minority ethnic backgrounds are three times as likely to be affected by overcrowding than white households.
- 13.12 In terms of performances against the target of 550 over the 2018-2022 period, Council delivered a total of 527 new council homes (combined starts and completions).

14. Conclusions

The Committee commended the ongoing work of the Council in addressing overcrowding in its housing stock, acknowledging the shortage of 3- 5 bedroom properties to rehouse larger households. Members noted that some of the recommendations as a result of the review will help to address overcrowding in the short term, however the Council will need to consider innovative ways and working in partnership with other stakeholders to build new social housing.

APPENDIX A

MEMBERSHIP OF THE HOUSING SCRUTINY COMMITTEE 2022/23

Councillors:

Jason Jackson
Marian Spall
Valerie Bossman-Quarshie
Ilkay Cinko-Oner
Mick Gilgunn
Benali Hamdache
Michael O'Sullivan
Rosaline Ogunro
Rose Marie McDonald – Resident Observer
Dean Donaghy – Resident Observer

Substitute Councillors:

Jilani Chowdhury
Phil Graham
Ernestas Jegorovas-Armstrong
Ben Mackmurdie

MEMBERSHIP OF THE HOUSING SCRUTINY COMMITTEE 2023/24

Councillors:

Jason Jackson
Ilkay Cinko-Oner
Valerie Bossman-Quarshie
Gulcin Ozdemir
Mick Gilgunn
Ernestas Jegorovas-Armstrong
Michael O'Sullivan
Phil Graham
Rose Marie McDonald – Resident Observer
Dean Donaghy – Resident Observer

Substitute Councillors:

Jilani Chowdhury
Ben Mackmurdie
Heather Staff
Rosaline Ogunro

Acknowledgements:

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

Officer Support:

Ian Swift – Director of Housing Needs and Strategy

Ramesh Logeswaran- Head of Housing Needs

Helena Stephenson – Head of Housing Partnerships

Godwin Omogbehin – Environmental Health Manager

Alistair Gale - Assistant Director of Housing, Programming, Design and Customer Care

Karen Sullivan – Director of Planning and Development

Ola Adeoye– Democratic Services

APPENDIX B

SCRUTINY REVIEW INITIATION DOCUMENT (SID)

Review: Strategic Review of Overcrowding in Islington

Scrutiny Review Committee: Housing Scrutiny Committee

Director leading the review: Ian Swift – Director of Housing Needs and Strategy

Lead Officers:

- Ramesh Logeswaran Housing Needs and Strategy
- Ian Swift Housing Needs and Strategy
- Godwin Omogbehin Environmental Health
- Helena Stephenson Homes and Community Safety

Overall aim:

To establish the extent of overcrowding in homes in Islington in the public and private sector
To understand the consequences and impacts of overcrowding
To be informed about best practice and innovative approaches to tackling overcrowding and its impacts
To produce a strategic review on the overcrowding issues affecting households in Islington
To assess the impact in the provision of new Islington Council and Housing Association rented accommodation in alleviating overcrowding in Islington

Objectives of the review:

- To highlight the impact of overcrowding on Islington's residents
- To ensure Islington Council follows or establishes national best practice to improve the life chances of our residents living in overcrowded circumstances
- To ensure that homes are safe and healthy
- To place residents at the centre of this strategic review
- To understand and develop levers to reduce overcrowding in Islington
- To liaise with the Department for Levelling Up, Housing and Communities to modernise the legislative approach towards overcrowding following the outcome of this strategic review

How is the review to be carried out:

Scope of the review

The review will be conducted in writing reports, taking evidence from external organisations, and analysing data to focus on:

Understanding the scale of overcrowding and the impacts of overcrowding on residents' health, education attainment, well-being, housing conditions, safety, and the wider impact on the community

Making recommendations to ensure Islington adopts best practice approaches following the data analytics, benchmarking, evidence from partners and engagement with residents

Assessing the type of new build rented accommodation locally and the subsequent lettings of

these new build properties and subsequent re-letting of council and housing association homes

Liaising with statutory agencies Children’s Services, Adult Services, Health Agencies, Police Probation, Domestic Abuse Housing Alliance etc on the impact of overcrowding on their work. To review the housing allocations scheme relating to overcrowding and under-occupation

Types of evidence:

Written evidence from officers and partners

- Data analytics
- Assessment of the overcrowding across all tenures
- Witness evidence from another borough operating a similar service.
- Witness evidence from Shelter, the Chartered Institute of Environmental Health, Chartered Institute of Housing, TRA’s, Islington Law Centre, Private Rented Tenants organisation, Help On Our Doorstep
- Witness evidence from resident groups
- Benchmarking with other council’s
- Questionnaires to residents impacted by overcrowding and under-occupation
- Questionnaires to partners including housing associations
- Census data

Additional Information:

- To consider any useful comparators as part of a 12 month review if required.
- 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.
- The Housing Scrutiny Committee will also seek witness evidence from the following officers at the Housing Scrutiny meetings: Islington Council’s head of housing needs, Islington Council’s residential environmental health and HMO licensing lead Islington Council’s Property services, Islington Council’s Homes and Community Safety service Islington Council’s Safeguarding Lead Officer, Another London Borough, Shelter Islington VCS organisation working with residents experiencing overcrowding

Programme	
Key output:	To be submitted to Committee on:
1. Scrutiny Initiation Document	18th July 2022
2. Draft Recommendations	17 th July 2023
3. Final Report	25 th September 2023

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Report of: Corporate Director of Homes and Neighbourhoods
Cllr O'Halloran Executive Member for Homes and Communities

Meeting of: Housing Scrutiny Committee

Date: 7th November 2023

Report to Housing Scrutiny Committee

Portfolio Holder: Councillor O'Halloran

Officer Contact: Ian Swift Director of Housing Operations

Date: 7th November 2023

Subject: Under-Occupation scheme

Executive Summary

Review of Islington's downsizer scheme

Overview

The lack of housing supply, particularly in London, is a systemic issue facing local authorities. Like other metropolitan authorities, Islington Council is facing challenges in supporting residents to reside in sustainable, long-term accommodation. Housing stock within the borough is limited when contrasted with the size of the Housing Register, but there is a recognition that there is also an under use of existing housing stock. There are currently over 600 social housing tenants who have registered for a housing transfer because their home is too large in Islington. In addition, it is estimated that there may be more than 4000 social housing tenancies in the borough which are under occupied but whose tenants have not registered for a housing transfer.

Downsizer's typically have low housing need to move. As secure tenants they cannot be required to move by their landlord unless they are inherited tenants in very large properties. Demographically, downsizers tend to be older tenants who can be easily put off if they perceive difficulty in managing the moving process. Understandably, most people are also unwilling to move unless they can see clear long-term benefits for themselves in moving.

Recommendations

1. Recruit 1 additional officers in the mobility team so that every downsizer can have a named, dedicated officer to help them to move home and to work to engage people in the community by conducting community events on a regular basis to promote and

increase knowledge about downsizing and the benefits of moving as well as how the council can assist.

2. Relaunch the Downsizer scheme with a comprehensive advertising campaign.
3. Prioritise downsizers for a greater pool of lettings so that they are incentivized to move more quickly by including downsizers in council local lettings new build schemes, particularly for downsizers releasing more than 2 bedrooms.
4. Raise the financial incentive from £500 per bedroom given up to £2,000 in certain circumstances e.g., where all household members are aged over 65; where a property with 3 bedrooms or more are given up. All 2-bedroom households moving into a 1-bedroom property will be offered £1,000. Where the older adult in 3-bedroom properties has social care needs, promote downsize to 2 bed properties as part of the Homeshare offer (conditional to implications of recommendation 10)
5. Increase the removal expenses payment from £500 to £750 for all downsizers.
6. Raise awareness among other teams and departments and external partners about the Downsizer scheme so that timely referrals can be made to the mobility team.
7. Crossmatch the under-occupier register with Adult Social Care records to.
 - o Identify residents for targeted promotion of the benefits of downsizing via Care Act assessment and review process.
 - o Identify under-occupiers with care needs whose informal carers live in council housing to provide incentives to merge households and release a property.
8. Review the council's web pages related to the Downsizer Scheme to ensure residents can locate them and are provided clear information about the council's offer.
9. Create a dedicated phone line and mailbox for the mobility team to be able to field calls about downsizing, thereby enabling immediate action to be taken when a resident expresses an interest in moving.
10. The downsizing payments are restricted to Islington Council tenants and Housing Associations are encouraged to pay for downsizing moves from the budgets controlled by each landlord.
11. Explore the implications of promotion of Shared Lives and Homeshare schemes to under-occupiers. Crossmatching the under-occupier register with Adult Social Care records will identify potential appetite. Consideration must be given to the impact on Housing Benefits and inherited tenancy rights of homesharers.

What is a downsizer?

A downsizer is a social housing tenant living in either a council or housing association home who have spare bedrooms over and above the number required for their current household. This is because household members of the original tenancy have left the home usually because older children have moved out to live independently or there has been a relationship breakdown and a partner and some or all the children have moved away.

On occasion, a household may request a split move where the tenant and one or more adult children wish to move to a few smaller properties. If more bedrooms are given up by the tenant than are being offered to the family as a whole this can also be treated as a downsizer move for example if a tenant and adult child are in a three-bedroom property and require two, one-bedroom properties the tenant is a downsizer. However, if the same household lives in a two-

bedroom property and are requesting two, one-bedroom properties there is no downsizing, and the tenant is not eligible for the incentives and priority of a downsizer. In effect, there must be a net gain in rooms released for a move to be categorised as a downsizing move.

Inherited tenancies are where the original tenant has died leaving a family member in the tenancy who has succession rights to the tenancy but where the property has at least two bedrooms more than is required to house the remaining household. In these circumstances the landlord can refuse the succession but still has a duty to house the household into a suitable sized property. Islington has approximately 20 inherited tenants waiting to move.

The benefits of downsizers moving

When downsizers move this can create a “chain” of moves by existing council tenants, typically enabling three or four other households, who may be overcrowded, to move to more suitable accommodation. Alternatively, the move will provide an opportunity for a homeless household to obtain a secure and affordable tenancy, avoiding the need for, and costs of, providing temporary accommodation. There would also be indirect benefits by increasing the supply of stable housing for residents. These include increased access to employment, increased health and wellbeing outcomes, and for children, improved attendance and educational attainment at school.

If the moving downsizer is an older person, it means that they are living in more suitable accommodation which in time may reduce demand for other council services, particularly high-cost services needed to support complex needs such as domiciliary care packages or the need to make costly adaptations. On the other hand, recognising that moving to one bed properties may reduce the opportunities for other solutions that help to prevent, delay and reduce the need for care services.

Downsizer moves are very cost effective when compared to the cost of providing additional social housing through new build or buy back schemes where it can typically cost more than £150k for each additional bedroom provided.

The Islington Offer

Islington currently have two dedicated under occupation officers within our Mobility team. They work closely with our overcrowding advisor and our mutual exchange officers to try and assist downsizers via direct transfer, mutual exchange, and other options such as Seaside and Country Homes scheme or sheltered housing.

Islington offer £500 per bedroom released and up to £500 towards removal costs which is available to both Islington Council and Islington housing association tenants. The removal incentive can even be taken as a payment, or we can arrange removals through our contracted supplier.

We also offer £750 per bedroom to Islington Council tenants who exchange with an Islington Council overcrowded tenant This scheme is called Smartmove. This is a way of managing our housing stock effectively – helping both downsizing and overcrowded Council tenants.

This type of move is particularly cost effective for the Council as void costs are saved on both properties involved and there is no period of rent loss in addition to both parties being able to enjoy a home more suitable for their housing needs.

For Islington Council tenants downsizing into another Islington Council tenancy, we offer a rent guarantee, so the moving tenant will not pay a higher net rent in their new home than they are paying in their current home. This is important for downsizers who are moving to Council newbuild properties where the rent can on occasion be more than they had been paying in their original tenancy.

We have a flexible fund where we can utilise at our discretion cover for example:

- lumber clearance charge to Council tenants
- an extra 2 weeks overlap in rent allowing additional time to move for Council and HA tenants.
- pay for decorations to be done.
- pay for carpets, white goods or furniture for those in hardship.
- reconnection of white goods
- reassembling furniture
- packing service
- small carpentry jobs

We give a high priority for housing including help to bid for housing or making direct offers for those with specific needs or vulnerabilities.

Behavioural science approach findings

Islington recently commissioned a project with EY- a company who specialise in behavioural science and the Warwick Business school to carry out workshops with Islington downsizers to discover what motivates them to move and what put them off pursuing a housing transfer. They found that downsizers rarely moved just to move to a smaller home and were often motivated by other reasons including moving closer to relatives, moving to a better property, moving to a property which better suited their current or future medical needs. They also found that downsizers were easily put off pursuing a transfer if they were not given help to navigating the application, allocation and moving process.

They found that the most important time for the council to engage with downsizers is when they first applied. This is when they were most receptive to moving. This may be because they may have experienced a significant life event like a bereavement, having difficulties with a neighbour or have spotted a property which they would like to move to.

Critically, it was deemed that officers needed to engage at this time before the opportunity was lost. The research found that although the cash incentive was welcome to cover moving costs, the most important factor that encouraged people to move was to have a dedicated officer who could offer a hand holding approach to support downsizers through the moving process. The recommendations from that project have been incorporated into this report.

Benchmarking with other local authorities

Islington's approach to downsizing has consistently been recognised as an example of best practice that has been successful in facilitating a large number of moves over several years.

A recent benchmarking exercise with comparable local authorities noted most had a downsizer service and dedicated officers providing the service. Incentives ranged from £500 per bedroom given up to £5000 per room given up. However, it should be noted that those giving large incentives were no more successful in yielding greater numbers of downsizer moves than those providing smaller incentives. In fact, the authority providing the largest incentive achieved the smallest number of moves per 1000 units of stock.

Borough	Stock size	Moves	Years	Average moves per year	Moves per 1,000 units/year	Incentive per room given up
Encompass (Sutton)	6000	152	3	51	8.4	500
Islington	24000	676	5	135	5.6	500-750
Hillingdon	10000	149	3	50	5.0	2,000
Barnet	10000	207	5	41	4.1	1,000
Enfield	10000	166	5	33	3.3	500-1250
Camden	23000	228	3	76	3.3	1,500-3000
Hammersmith & Fulham	11500	172	5	34	3.0	2,000
Haringey	15000	218	5	44	2.9	1,000
Kingston	5000	62	5	12	2.5	750
Wandsworth	17000	202	5	40	2.4	2,000
Westminster	11000	89	5	18	1.6	1,000-3,000
Richmond	10000	63	5	13	1.3	2,500
Hackney	22000	136	5	27	1.2	750
Waltham Forest	10000	34	3	11	1.1	500-1000
Brent	8000	36	4	9	1.1	5000

Benchmarking with Registered Providers

A survey was circulated to the largest 7 registered providers (RPs) in Islington to ask what their approach to downsizers was and whether they were interested in aligning their approach with ours. Four responses were received with the replies summarised below:

- One RP has a dedicated Downsizer team.
- Two RPs offer financial incentives to downsizers.
- Only one RP was able to share data on successful moves (ISHA had four downsizer moves in the last two years)
- Mutual Exchange is encouraged by all RPs that responded.
- Two RPs are willing to align their approach to ours
- Two RPs were not willing to align their approach to downsizers to ours; one said that this was because they were already offering higher incentives than ours and the other said that they were undergoing a restructure following a merger and were unable to make any commitments at this time.

Alternative uses for underoccupied properties.

Aligned with the Islington Together 2030 Plan, Adult Social Care's vision is for Islington to be a place made up of strong, inclusive and connected communities, where regardless of background, people have fair and equal access to adult social care support that enabled residents to live healthy, fulfilling and independent lives.

There may be some circumstances where underoccupied properties can represent a resource which helps to meet council and Adult Social Care priorities to tackle inequality through prevention and early intervention.

Home Share - Some under-occupiers, in particular older people, will have support needs that can be met by a homesharer, who is an individual looking for affordable accommodation and is willing to provide companionship and practical support around the home. The relationship helps to improve the quality of life and wellbeing of the householder while providing a source of much needed affordable accommodation to the homesharer. It provides low level and preventative support at very low cost and reduces the use of care services, reduces the risk of falls, promotes safety, health and wellbeing for older people. It reduces the burden of high housing costs for younger people helping to recruit to lower paid roles or making higher education more affordable.

Novus Homeshare, the London broker, estimates that one match can prevent costs of around £4,800 per annum on average on social care and overall could represent an average of £20,000 savings to health and social care.

Shared Lives - Islington's inhouse Shared Lives scheme supports adults with learning disabilities, mental health problems or other needs that make it challenging to live on their own. Service users are matched with Shared Lives carers, who are ordinary people from within the community who open their own family home to the person needing support. The service is typically lower cost than alternative care services.

Both Homeshare¹ and Shared Lives² schemes have documented positive outcomes around community cohesion and social connectedness. Social isolation is known to negatively affect mental health and physical wellbeing and is a risk factor for early mortality.³

Only a small number of under-occupiers will meet the criteria for the Homeshare and Shared Lives schemes. It is anticipated that uptake will be relatively very small compared to the overall number of under-occupiers. The current caseload for Shared Lives is 30 matches. There is, therefore, scope to explore the feasibility of promoting these schemes including understanding implications for Housing Benefit and inherited tenancies without a significant impact on the impact on general needs housing availability.

Findings and recommendations

It is clear from both the Behavioural Science research and the benchmarking with other social housing landlords that the most important factor in achieving downsizer moves is having a

sufficiently resourced team available to provide a named dedicated officer for each downsizer to help them through the moving process.

There are two officers currently dedicated to downsizers, with a current caseload of 600 downsizers who have registered for a housing transfer. They are therefore only able to provide a hand holding service for the most vulnerable applicants. It is proposed therefore to increase the team by one officer at an additional cost of £58,835,000.

It is also important that the downsizer offer is advertised and promoted as widely as possible both within the council across departments as well as externally in the wider community so that tenants are aware that if they are considering downsizing, they know how to get in contact with the council and are put in touch with the Mobility team as seamlessly as possible. With additional staff, the mobility team will be able to hold regular training events with colleagues in the housing department who come into regular contact with tenants as part of their work such as caretakers, repair operatives, tenancy officers who carry out tenancy audits as well as raising awareness among other teams and departments within the council such as Adult Social Care, occupational therapy and other Access teams. They can also raise awareness with our external partners such as GPs and other health professionals, Housing Associations etc. so that timely referrals may be made to the Mobility team.

Although it is the council's aim to get customers to self-serve digitally where possible it is recognised that this cohort of residents tend to be older and have generally indicated that their preferred method of contact is to be able to speak directly with someone. It is therefore proposed to that a dedicated telephone line and mailbox for the Mobility team is implemented so that downsizers can be directed to the team without having to navigate the various council call centres.

Before Covid, the Mobility Team held regular events throughout the borough where the scheme could be promoted, and tenants could find out what was on offer. These events obviously had to be suspended during the various lockdowns, but it is now a good opportunity to refresh the offer, generate an extensive advertising campaign, re-introduce these events and hold them regularly throughout the borough.

The allowance to help pay for the costs of moving home such as furniture removals, disconnection and reconnection of white goods redirecting mail etc has remain at £500 for several years. While this amount used to be ample to cover moving costs, the mobility team have found that downsizers are struggling to find removal companies who will move them within this limit. It is proposed therefore to increase the allowance for removals to £750.

Increasing the per bedroom released incentive across all moves would obviously be popular, however there is no indication from the research that was carried out or the benchmarking with other local authorities that this would greatly increase moves and would be very expensive for the council as this would increase costs even if no additional moves where achieved.

However, some local authorities do have a higher rate for pensioner households as it is recognised that poorer pensioners on fixed incomes may be encouraged to move if they could see a clear financial benefit to themselves. It is also noted that the council receives the most benefit from stock churn and chain moves when properties with four bedrooms or more become available. There is also an extreme shortage of large family sized properties required for

families living in overcrowded conditions or waiting in temporary accommodation for a move, therefore, sadly, families waiting for properties with four or more bedrooms often must wait the longest. It is proposed therefore to increase the incentive for each bedroom given up from £500-£2000 for all pensioner households and for households giving up properties larger than two bedrooms and releasing a property which is a 2-bedroom property will receive a £1,000 incentive payment.

The service recognises that a moderate increase to the financial incentive may not necessarily lead to greater downsizing moves. Instead, unintentionally it could lead to greater financial pressure on the Housing Revenue Account (HRA). It is for this reason that the recommendation to increase the incentive is a nuanced proposal that specifically targets those who are able to release more than 2 bedrooms. All other households would be offered £1,000 per bedroom released again a modest increase.

Downsizers will only move if they can see an improvement in their housing situation. The most desirable type of accommodation is new build. Downsizers are given a high priority for a move reflected in the number of points they are awarded under the Housing Allocation Scheme; however, all new build property is let under the local lettings scheme where priority is given to housing applicants living on the estate or ward. This often means that downsizers miss out on properties they would have successfully bid for and have often expressed an interest in. It is proposed to treat downsizers releasing more than two bedrooms the same as housing applicants living on the estate or ward for new build properties. The council has recently approved a new Housing Allocation scheme which will be implemented shortly. The new scheme will enable the council to devise a Lettings Plan for each new build scheme which will provide a greater scope to consider downsizers for new properties that hasn't previously been possible.

In view of the benefits of Homeshare and Shared Lives for residents with care and support needs balanced against the relatively small impact on the reduction of under-occupiers, there is scope to explore the implications and feasibility of promoting these schemes to council tenants.

Cost of options

Recruit one additional Mobility officer at SO2 which will cost £50,835,000. All mutual exchange officers are currently 95% funded by the HRA.

Cost of Furniture removals increase to £750. This would equate to an additional £250 per move. With the average number of moves per year of 135, this would be an average increase of £33,750 per year.

The cost of the incentive per bedroom given up will vary from year to year depending on take up. In 2022/23, 114 bedrooms were given up by applicants who transferred to an empty property and 25 bedrooms were given up by downsizers exchanging with an overcrowded household. This cost £75,750 last year. If the incentive per bedroom given up were to increase across all downsizers moves to £2000 for transfer cases and £2500 for exchangers this would have cost £303,000 last year.

The cost of increasing the incentive payment for pensioner households where all residents are aged 65 or over to £1000 would have cost an additional £34,450 in 2022/23 for the 41

households applicable in incentive payments. To increase the incentive for the same group to £2,000 would have cost an additional £68,900.

Conclusion

Recruit 1 additional officer, increase the removal payment and increase the incentive payment for all downsizers to £2000 for transferers and £2500 for exchangers will cost an additional £348,000.

Some of the proposed additional costs on incentives will be absorbed by not making payments from our flexible fund, however there is a risk when increasing the incentive per bedroom given up that the marginal gains are very expensive and can be counterproductive. If the raising of the incentives do not result in substantial increases in take up, then they are very expensive. If there is an increase in take up which results in all of the budget being used before the end of the year, then the team may have to close the scheme. Adopting a phased increase in the incentive will allow us to evaluate the benefits of the increased incentive payment and to keep the flexibility in the scheme. We can then make a decision to increase the incentive at a later date if successful in increasing downsizer moves.

Explore the feasibility of targeted promotion of the Shared Lives and Homeshare schemes to under-occupiers to meet the council's prevention and early intervention priorities.

Comments from the Finance Team

The current total expenditure budget for Mutual Exchange is £730,800. The majority of this budget is funded by the HRA – 95% for salaries and over 90% in most years for grant payments (95% at budget setting) (actual % dependent on if tenants exchange are in HRA properties). Currently, the budget provides £351,900 for staff and £378,900 for grants (payments include incentive payments/removals/ and other discretionary costs to aid the process of movements – referred to collectively as grants in this FI). The budget for grants has not been utilised in full for some years, in FY22/23 £173,846 was spent, 46% of the available budget.

This proposal will seek to increase incentives and removal payments to increase property exchanges and hire an additional staff member to support the process. The staff member based on current S02 paygrades would cost £50,835 cost, 95% funded by the HRA. It is not possible to predict the additional utilisation resulting from increased incentives and removal costs but estimates based on existing exchange levels remaining the same suggest at a minimum grant cost will rise by £261,000. The total additional cost from the additional staff member and the minimum additional grant costs would be £311,835. Based on spend in FY22/23 this additional level of costs would create a budget pressure of £106,781.

If exchanges were to rise by 10% then costs would be £132,881 more than budgeted and similarly by 25%, they would be £158,981 more. 95% of the budgeted cost increase would be met from the HRA, being £126,236 and £151,032 respectively.

While other Councils do pay more in grants than Islington, it is not necessarily on a comparable scale of exchanges, meaning overall costs are not analogous. The department runs the risk that by increasing the grant payments there could only be a marginal increase in uptake, yet

resultant costs are 4x more than before. This would not be a good value for money for the Council. Moreover, if the Council were to limit the number of exchanges to the maximum of the existing budget level the proposal could be counterproductive, as the proposals exceed the budget based on the existing number of exchanges.

Cases are primarily between HRA tenants, but occasionally involve housing association tenants (<10%). Each year, the % of HRA tenants exchanging properties used to calculate the charge to the HRA has always been over 90% with minor variations each year. Agreement would need to be made with the HRA and HGF to ensure budgetary control each financial year.

There will be a pressure not to lower the grant payments once raised, but the department can take steps to reduce the flow and any discretionary payments to control budgets. This could result in idle periods for staff members involved or bottlenecks where funding shortfall results in the suspension in operation, resulting in complaints and reputational damage.

The consideration of Finance is that this runs financial and value for money risks to the Council which cannot readily be contained within existing budgets. Therefore, additional budgetary provision through the Housing Revenue Account will be required.