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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 **8 February 2024 at 7.00 pm.**

Enquiries to : Mary Green
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Despatched : 31 January 2024

Membership	Portfolio
Councillor Kaya Comer-Schwartz	Leader of the Council
Councillor Diarmaid Ward	Executive Member for Finance, Planning and Performance
Councillor Una O'Halloran	Executive Member for Homes and Communities
Councillor Rowena Champion	Executive Member for Environment, Air Quality and Transport
Councillor John Woolf	Executive Member for Community Safety
Councillor Santiago Bell-Bradford	Executive Member for Inclusive Economy and Jobs
Councillor Nurullah Turan	Executive Member for Health and Social Care
Councillor Michelline Safi Ngongo	Executive Member for Children Young People and Families
Councillor Roulin Khondoker	Executive Member for Equalities, Culture and Inclusion

Quorum is 4 Councillors

Please note

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

Details of any representations received about why the meeting should be open to the public - none

Declarations of interest:

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

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

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

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

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

A.	Formal Matters	Page
1.	Apologies for absence	
2.	Declarations of Interest	
3.	Minutes of previous meeting	1 - 6
B.	Budget, Performance and Monitoring matters	Page
4.	Budget proposals 2024/25 and Medium-Term Financial Strategy	7 - 234

5.	Procurement strategy for Financial System replacement	235 - 246
6.	Treasury mid year review	247 - 264
C.	Child-friendly Islington	
7.	Proposal on the future of Duncombe and Montem Primary Schools	265 - 374
8.	Admission to Islington Community Schools 2025-2026	375 - 466
D.	A safe place to call home	
9.	Procurement strategy for lift modernisation schemes	467 - 514
10.	Procurement strategy for responsive repairs and maintenance contracts	515 - 608
E.	Community Wealth Building	
11.	Executive response to the recommendations of the Environment and Regeneration Scrutiny Committee - Circular Economy and Jobs	609 - 624
F.	Greener, healthier Islington	
12.	Procurement strategy for Islington Adults Community Early Intervention and Prevention Wellbeing Service	625 - 660
G.	Urgent non-exempt matters	
	Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.	
H.	Exclusion of the press and public	
	To consider whether to exclude the press and public during discussion of the remaining items on the agenda, in view of their confidential nature, in accordance with Schedule 12A of the Local Government Act 1972.	
I.	Confidential / exempt items for information	
13.	Proposal on the future of Duncombe and Montem Primary Schools - exempt appendix	661 - 818

J. 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.

A provisional meeting of the Executive has been scheduled for 29 February 2024 (budget only, if necessary)

The next ordinary meeting of the Executive will be on 14 March 2024

WEBCASTING NOTICE

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London Borough of Islington

Executive - 11 January 2024

Minutes of the meeting of the Executive held in the Council Chamber, Islington Town Hall, Upper Street, London N1 2UD on 11 January 2024 at 7.00 pm.

Present: **Councillors** Kaya Comer-Schwartz, Diarmaid Ward, Una O'Halloran, Rowena Champion, John Woolf, Santiago Bell-Bradford, Nurullah Turan and Michelline Safi-Ngongo

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

Councillor Kaya Comer-Schwartz in the Chair

183 **VICTORIA LAWSON - CHIEF EXECUTIVE, ISLINGTON COUNCIL**

The Chair welcomed Victoria Lawson, the new Chief Executive of Islington Council, to her first Executive meeting.

184 **APOLOGIES FOR ABSENCE**

None

185 **DECLARATIONS OF INTEREST**

None

186 **MINUTES OF PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 30 November 2023 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

187 **DRAFT BUDGET PROPOSALS 2024/25 AND MEDIUM TERM FINANCIAL STRATEGY (POST-SETTLEMENT)**

RESOLVED:

The General Fund Budget 2024/25 and Medium Term Financial Strategy (MTFS)

(a) To agree and recommend to Council the latest assumed MTFS and 2024/25 budget, including the underlying MTFS principles, in-year monitoring position (to date) and the budget assumptions, as detailed in the report of the Executive Member for Finance, Planning and Performance.

(b) To agree and recommend to Council the proposed 2024/25 net budgets by directorate, as detailed in the report.

Executive - 11 January 2024

- (c) 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 would be reported for information to the Voluntary and Community Sector Committee on 30 January 2023.
- (d) To agree and recommend to Council the 2024/25 savings detailed in the report, noting that individual savings might be subject to individual consultation before they could be implemented.
- (e) To note the funding assumptions following the announcement of the Provisional Local Government Settlement on 18 December 2023.
- (f) To note that the fees and charges policy and the General Fund fees and charges from 1 January 2024 were as agreed by Executive on 30 November 2023.
- (g) To agree that a green garden waste chargeable service be introduced from 1 April 2024.
- (h) To agree and recommend to Council that the Section 151 Officer be delegated responsibility for any technical adjustments required for the 2024/25 budget (in line with the Council's Financial Regulations).
- (i) To agree and recommend to Council that centrally held demographic growth be allocated to service budgets in-year once a more evidenced assessment was available and had been approved by the Section 151 Officer.

Reserves and Balance Sheet Strategy and CIPFA Financial Management Code Assessment

- (j) To agree and recommend to 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, as detailed in the report.
- (k) To note the assessment of compliance against the CIPFA Financial Management Code and that this would be re-visited annually as part of the budget process, with any actions or recommendations implemented on an ongoing basis.
- (l) To note the balance sheet analysis, which provided a snapshot of the Council's financial position detailing assets, liabilities and reserves, and aided understanding of the underlying financial position of the Council.

The Housing Revenue Account (HRA) Budget and Medium Term Financial Strategy (MTFS)

- (m) To agree and recommend to Council the balanced HRA 2024/25 budget and note the latest estimates over the 3-year MTFS period.
- (n) To agree the HRA rents and other HRA fees and charges for 2024/25, as detailed in the report.
- (o) To agree and recommend to Council the 2024/25 savings and note that individual savings might be subject to individual consultation before they could be implemented.
- (p) To note that the HRA 30-year business plan was currently being updated to reflect latest government policy
- (q) To agree to delegate authority to the Acting Corporate Director of Homes and Neighbourhoods, in consultation with the Executive Member for Housing and Communities 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

- (r) To agree and recommend to Council the proposed 2024/25 to 2026/27 capital programme and latest indicative capital programme for 2027/28 to 2033/34.
- (s) To agree and recommend to 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.

(t) To note that the final version of the budget report to the Executive on 8 February 2024 and to Council on 29 February 2024 would include the Capital Strategy, Minimum Revenue Provision Policy Statement, Treasury Management Strategy and Investment Strategy.

Council Tax and Retained Business Rates

(u) To note that the detailed, statutory council tax calculation and the recommendations for the final 2024/25 council tax, including the GLA precept, would be included for agreement in the final budget report to the Executive on 8 February 2024 and Council on 29 February 2024.

(v) 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.

Matters for consideration in setting the Budget

(w) That the following be noted:

- The need 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.
- The Monitoring Officer comments.
- The Equality Impact Assessment and the need to take it fully into account in approving the overall budget and related proposals.
- That the Council was inviting residents and business rate payers (or representatives of business rate payers) in Islington to comment on the draft 2024/25 budget proposals in the report, as required under Section 65 of the Local Government Finance Act 1992.

(x) To agree and recommend to Council the Retail Relief Scheme for 2024/25

Reasons for the decision – to agree draft proposals in respect of the Council's 2023/24 budget and level of council tax and the latest assumed medium term financial position, for approval by Council as appropriate

Other options considered – all as detailed in the report of the Executive Member for Finance, Planning and Performance

Conflicts of interest / dispensations granted – none

188

PROCUREMENT STRATEGY FOR ENFORCEMENT AGENCY SERVICES FOR COUNCIL TAX AND BUSINESS RATES

RESOLVED:

(a) To approve the procurement strategy for Council Tax and Business Rates Collection Services, as outlined in the report of the Executive Member for Finance, Planning and Performance.

(b) To delegate authority to award the contracts to the Corporate Director of Resources, following consultation with the Executive Member for Finance, Planning and Performance.

Reasons for the decision – These services provided an important revenue stream for the Council whilst also ensuring residents, including vulnerable residents, were supported on matters related to debt management

Other options considered – All as detailed in the report of the Executive Member for Finance, Planning and Performance.

Conflicts of interest / dispensations granted – none

189

PROPOSALS ON THE FUTURE OF BLESSED SACRAMENT RC PRIMARY SCHOOL

RESOLVED:

(a) That the responses to the consultation on the proposal to close Blessed Sacrament RC Primary School, and detailed in the report of the Executive Member for Children, Young People and Families, be noted.

(b) That approval be granted to proceeding to the next stage and that a statutory notice be issued to close Blessed Sacrament RC Primary School on 31 July 2024, noting the outline draft statutory notice attached as Appendix D to the report.

(c) That, based on the feedback received during the consultation, the following commitments be made:

- To offer and provide individual support to pupils and their families with transition from the point a decision was taken, through to the settling into a new school
- To work with local headteachers of nearby Islington schools, including Islington Roman Catholic primary schools, to provide support to the school and its families, noting that there were places available for every child at Blessed Sacrament RC Primary School in nearby Islington schools, should the proposal to close proceed.
- 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 was because this was the largest year group at Blessed Sacrament RC Primary School and would 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 moved to secondary school.
- To provide early dedicated professional support for pupils with Education, Health and Care plans to support all aspects of transition, noting that the Special Education Needs and Disabilities team would 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.

(d) That Councillor Ngongo and Jon Abbey, Corporate Director Children and Young People, be thanked for their management of this issue.

Reasons for the decision – Blessed Sacrament RC Primary School had been significantly impacted by falling rolls over a number of years, with 64% of

places unfilled. Each surplus place was equivalent to a £5,700 loss of income, creating financial pressure on the School, which could result in an inability to deliver quality education because resources were stretched. Less funding for the School also created a pressure on staffing budgets.

Other options considered – All as detailed in the report of the Executive Member for Children, Young People and Families

Conflicts of interest / dispensations granted – none

190 **COMMUNITY WEALTH BUILDING STRATEGY**

RESOLVED:

(a) That the Community Wealth Building Strategy and full performance matrix appended to Appendix 1 of the report of the Executive Member for Inclusive Economy and Jobs, be approved

(b) That officers in Community Wealth Building be thanked for their work in producing the Strategy.

Reasons for the decision – to build resilience so that Islington’s communities may weather the storm and protect its most vulnerable residents and small businesses.

Other options considered – all as detailed in the report of the Executive Member for Inclusive Economy and Jobs.

Conflicts of interest / dispensations granted – none

191 **PROCUREMENT STRATEGY: SUPPLY OF BUILDING AND CONSTRUCTION MATERIALS**

RESOLVED;

(a) To approve the procurement strategy for the supply of building and construction materials as detailed in the report of the Executive Member for Homes and Communities.

(b) 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.

Reasons for the decision – The current gas materials contract was due to expire on 31 May 2024. A recent restructure had realigned the Gas Team to the Repairs Team and the renewal of the contract had provided an opportunity to combine the contracts, which would be beneficial to service delivery.

Other options considered – all as detailed in the report of the Executive Member for Homes and Communities

Conflicts of interest / dispensations granted – none

192

PROCUREMENT STRATEGY FOR TESTING AND MAINTENANCE OF FIRE PROTECTION, FIRE DETECTION AND EMERGENCY LIGHTING

RESOLVED:

(a) To approve the procurement strategy for testing and maintenance of fire protection, fire detection and emergency lighting, as outlined in the report of the Executive Member for Homes and Communities.

(b) 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 Communities, following completion of the tender process.

Reasons for the decision – The Council had 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 was required to support the continuity of service for the delivery of the two key components.

Other options considered – all as detailed in the report of the Executive Member for Homes and Communities.

Conflicts of interest / dispensations granted – none

193

REPORT OF THE HOUSING SCRUTINY COMMITTEE: STRATEGIC REVIEW OF OVERCROWDING IN ISLINGTON

RESOLVED:

(a) That the report of the Housing Scrutiny Committee on “Overcrowding in Islington” 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 Housing Scrutiny Committee be thanked for their report.

Reasons for the decision – The Housing Scrutiny Committee had considered the challenges of overcrowding experienced by households and recognised that, although the housing crisis was a national issue, Islington had its own particular characteristics which made it very difficult to address. The Committee had proposed a number of recommendations which in the short run addressed the waiting list on the housing register and in the long run sought to commence exploring innovative and collaborative ways of building social housing

Other options considered – all as detailed in the report of the Executive Member for Homes and Communities.

Conflicts of interest / dispensations granted – none

MEETING CLOSED AT 7.15 pm

Report of: Executive Member for Finance, Planning and Performance

Meeting of: Executive

Dates: 8 February 2024

Ward(s): All

Budget Proposals 2024/25 and Medium-Term Financial Strategy

1. Synopsis

- 1.1. The principal purpose of this report is for the Executive to agree budget proposals in respect of the council's 2024/25 budget, the level of council tax and the latest assumed medium-term financial position, for onward recommendation to Full Council.
- 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 4.0% in December 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 quarterly 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 2024/25 budget recommends an increase of core council tax by the maximum amount (2.99%) and a further 2% Adult Social Care (ASC) precept. For the average (Band D) property, the recommended 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 published the Greater London Authority (GLA) draft consolidated budget, capital spending plan and proposed council tax precept for 2024/25 for consultation on 19 December 2023. The consultation on the budget proposals closed on Wednesday 10 January 2024. The final precept will be approved formally at the London Assembly budget meeting on 22 February 2024.
- 1.10. The Policy and Performance Scrutiny Committee reviewed the budget proposals on 18 January 2024 and its comments have been considered in finalising the budget proposals and proposed level of council tax.
- 1.11. The Council invited 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 ran from 4 January 2024 to 24 January 2024 and 15 responses were received. A summary of these responses can be found in **Section 9**.
- 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. This also includes the Capital Strategy, Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Investment Strategy.
 - **Section 7** provides an overview of work the council is doing in respect of climate action and its Greener, Healthier Islington Mission.
 - **Section 8** includes the detailed, statutory council tax calculations and matters relating to retained business rates.

- **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, budget consultation summary, the Annual Pay Policy Statement and the Retail Relief Scheme.

2. Recommendations

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

- 1.13. To agree and recommend to Full Council the latest assumed MTFS and 2024/25 budget, including the underlying MTFS principles, latest in-year monitoring position and the budget assumptions. **(Paragraphs 3.7-3.8, Table 1, and Appendix A)**
- 1.14. To agree and recommend to Full Council the proposed 2024/25 net budgets by directorate. **(Paragraph 3.9, Table 2, and Appendix A)**
- 1.15. 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. **(Paragraphs 3.28-3.31, Table 4, and Appendix B)**
- 1.16. To note the funding assumptions following the announcement of the Provisional Local Government Settlement on 18 December 2023. **(Paragraphs 3.37-3.48)**
- 1.17. To note that the fees and charges policy and the GF fees and charges from 1 January 2024 are as agreed by the Executive on 30 November 2023. **(Paragraph 3.59)**
- 1.18. To agree that the fees and charges schedule is amended in respect of the previously agreed Green Waste Charge to include a concessionary rate at 50% for residents in receipt of Council Tax Support. **(Paragraph 3.60-3.62)**
- 1.19. To agree to amend the fees and charges schedule in respect of GLL activities and memberships. **(Paragraph 3.63)**
- 1.20. 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).
- 1.21. 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 and CIPFA FM Code Assessment (Section 4)

- 1.22. 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)**
- 1.23. To note the assessment of compliance against the CIPFA FM 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)**
- 1.24. 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)

- 1.25. 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**)
- 1.26. To agree the final HRA rents and other HRA fees and charges for 2024/25. (**Paragraphs 5.10-5.44, Tables 11-13, and Appendix D2**)
- 1.27. 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**)
- 1.28. To agree and recommend to Full Council the updated HRA 30-year business plan (**Section 5 and Appendix D4**)

Capital Investment and Treasury and Investment Management (Section 6)

- 1.29. 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, noting the changes since the previous version. (**Paragraphs 6.1-6.6, Tables 14-15, Appendix F1 and Appendix F7**)
- 1.30. 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 6.7-6.9 and Table 16**)
- 1.31. To agree and recommend to Full Council the Capital Strategy, Minimum Revenue Provision (MRP) Policy Statement, Treasury Management Strategy, Investment Strategy and Flexible Use of Capital Receipts Strategy. (**Paragraph 6.2 and Appendices F2-F6**)
- 1.32. To agree and recommend to Full Council the Flexible Use of Capital Receipts Strategy for 2024/25 (**Appendix F6**), up to a maximum of £20m, and note that approving the strategy does not commit the council to using it. (**Paragraph 6.3 and Appendix F6**)
- 1.33. It is further recommended that the Executive approve and recommend Full Council to delegate responsibility for the adoption of the Flexible Use of Capital Receipts Strategy to the Section 151 Officer, if it is considered appropriate to do so at the end of the financial year in the context of the council's overall financial position. (**Paragraph 6.3 and Appendix F6**)
- 1.34. To note that inclusion of a scheme in the capital programme does not in itself necessarily grant permission to commit expenditure against the approved capital budget. This remains subject to any additional approval requirements of the council's constitution, financial regulations and procurement rules.
- 1.35. To agree to delegate responsibility to the Section 151 Officer to incorporate any further changes to capital grants in the capital programme in the final version of the budget report to Full Council.
- 1.36. To agree to delegate responsibility to the Section 151 Officer to approve the business case to accept grant funding offers for decarbonisation requiring match funding. If grant funding offers are not received or accepted, the budget will be subject to review as part of the quarterly updates to the Executive.

Council Tax and Retained Business Rates (Section 8)

- 1.37. To agree and recommend to Full Council the calculations required for the determination of the 2024/25 council tax requirement and the level of council tax as detailed in **Section 8** and summarised below:
- The 2024/25 council tax requirement of £118,220,685.65 (**Paragraph 8.6 and Table 22**)
 - The relevant basic amount of Islington Band D council tax of £1,449.41, a 4.99% increase compared to 2023/24 (comprising 2% specifically for expenditure on adult social care and 2.99% for all expenditure), and that this is not 'excessive' in accordance with the council tax referendum principles for 2024/25. (**Paragraph 8.7 and Table 23**)
 - The basic amount of Islington Band D council tax for dwellings to which no special item relates (i.e. outside of the Lloyd Square Garden Committee area) of £1,449.13. (**Paragraph 8.9 and Table 24**)
 - The amount of 2024/25 council tax (excluding the GLA precept) for each valuation band over each of the council's areas. (**Paragraph 8.11 and Tables 25 and 26**)
 - The total amount of 2024/25 council tax (including the GLA precept) for each valuation band over each of the council's areas. (**Paragraph 8.13 and Tables 28 and 29**)
- 1.38. To note the council's estimated retained business rates funding in 2024/25, as per the 2023/24 NNDR1 return estimate. (**Paragraph 8.15 and Table 30**)
- 1.39. To note the council's forecast NNDR surplus/(deficit) for 2023/24 (**Paragraph 8.16 and Table 31**)

Matter to Consider in Setting the Budget (Section 9)

- 1.40. 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 9.1-9.14**)
- 1.41. To note the Monitoring Officer comments. (**Paragraphs 9.15-9.20**)
- 1.42. To note the Equality Impact Assessment (**Paragraphs 9.27-9.29 and Appendix G**) and to take fully account of it in approving the overall budget and related proposals.
- 1.43. To note that the council invited 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 and to note the summary of responses received. (**Paragraph 9.30-9.35**)
- 1.44. To agree and recommend to Full Council the Retail Relief Scheme for 2024/25 (**Appendix H and Paragraph 9.36**)
- 1.45. To agree and recommend to Full Council the Annual Pay Policy Statement for 2024/25 (**Appendix 9.37 and Paragraph I**)

3. General Fund MTFs and 2024/25 Revenue Budget

The Budget and Islington Together 2030 Plan

- 1.46. 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
- 1.47. 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.
- 1.48. 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.
- 1.49. 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.
- 1.50. 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.

1.51. 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

1.52. 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 £33.6m gap in 2025/26 and £24.7m 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	8.814	11.468	12.602	32.884
Base budget adjustments/growth	5.291	0.928	0.286	6.505
Corporate levies/capital financing costs	5.121	6.360	5.253	16.734
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	19.329	42.015	29.288	90.632
Proposed savings	(10.820)	(5.457)	(1.604)	(17.881)
Business rates inflation funding	(3.330)	0.000	0.000	(3.330)
Assumed council tax base decrease/ (increase)	0.487	(0.570)	(0.584)	(0.666)
Budget Gap (Before Council Tax Increases)	5.667	35.989	27.100	68.755
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	33.604	24.655	58.258

MTFS Principles

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

- Compliance with the CIPFA FM 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 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

- 1.54. **Table 2** summarises the 2024/25 net revenue budget by directorate (cash-limited budgets). The table is subject to change based on the final local government final settlement.
- 1.55. 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	8.143	1.336	(1.965)	59.746
Chief Executive's Directorate	1.327	(1.275)	0.000	0.000	0.052
Children and Young People	87.594	(7.809)	2.646	(0.577)	81.854
Community Engagement and Wellbeing	8.563	5.757	0.539	(0.999)	13.860
Community Wealth Building	21.312	(2.379)	0.185	(1.513)	17.605
Environment and Climate Change	0.496	(13.284)	5.179	(2.967)	(10.576)
Homes and Neighbourhoods	7.888	5.184	1.282	(0.687)	13.667
Public Health (fully grant funded)	0.000	0.000	0.000	0.000	0.000
Resources	35.146	(0.414)	0.335	(2.112)	32.955
Central Costs	29.944	6.077	18.065	0.000	54.087
Net Cost of Services	244.502	0.000	29.567	(10.820)	263.249
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	(5.866)	0.000	7.652
Non-Specific Grants	(3.530)	0.000	2.290	0.000	(1.240)
Net Budget Requirement	264.490	0.000	20.991	(10.820)	274.661
Settlement Funding Assessment	(116.967)	0.000	(6.534)	0.000	(123.501)
Business Rates Growth	(24.770)	0.000	(3.330)	0.000	(28.100)
Collection Fund (Surplus)/Deficit	(9.714)	0.000	4.875	0.000	(4.839)
Council Tax Requirement	113.039	0.000	16.002	(10.820)	118.221

Budget Monitoring Position 2023/24 – Q2 Budget Monitoring

- 1.56. The estimated outturn position for the current financial year (2023/24) is reported to 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.
- 1.57. 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 central government under-funding of council services since 2010, the 2023/24 financial position presents a challenge to keep in balance. This is 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.
- 1.58. 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 (£33.6m) and 2026/27 (£24.7m).

- 1.59. 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.
- 1.60. 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

- 1.61. The MTFS 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.
- 1.62. The MTFS 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 inflation 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.
- 1.63. A further, significant cost pressure for the council is the increasing quantum and complexity of demand for council services. Based on latest estimates, the MTFs 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.
- 1.64. 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.
- 1.65. 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.
- 1.66. 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
- 1.67. 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

- 1.68. 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.
- 1.69. 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	8.208	2.711
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	0.166	(0.018)
Total Levies	15.723	20.515	4.792

- 1.70. Islington's two largest levies are forecast to increase by 36% in 2024/25. The North London Waste Authority (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.
- 1.71. 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.
- 1.72. The London Councils Grant Committee report was considered by the London Councils Leaders' Committee on 12 December 2023. 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 were required 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. This contribution was agreed by the Executive on 11 January 2024.

Revenue Savings

- 1.73. 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

- 1.74. 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.
- 1.75. 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.
- 1.76. 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

- 1.77. 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.
- 1.78. 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.
- 1.79. 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.
- 1.80. 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.

- 1.81. 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)

- 1.82. The settlement for 2024/25 was announced on 18 December 2023.

This report will be updated for the Final Local Government Finance Settlement when it becomes available in February 2024, prior to Full Council despatch.

- 1.83. 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.
- 1.84. 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.
- 1.85. 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).
- 1.86. 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.
- 1.87. 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.
- 1.88. 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%

- 1.89. Islington does not benefit from the government’s minimum funding guarantee because the council’s CSP increase is already higher than 3%.
- 1.90. 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

- 1.91. 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 to £0.543m. 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.
- 1.92. 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).

Dedicated Schools Grant (DSG) Funding and Schools Balances

- 1.93. The following analysis is based on funding announcements from the Department for Education (DfE) following the settlement.
- 1.94. 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)	Variance (%)
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%

- 1.95. 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.
- 1.96. 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%).
- 1.97. 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.
- 1.98. 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.
- 1.99. 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.
- 1.100. 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%.

1.101. 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

1.102. 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.

1.103. It was agreed by the 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.

1.104. 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.

1.105. As agreed by the Executive on 11 January 2024, a chargeable green garden waste fortnightly recycling service will be 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.

1.106. In consideration of our residents, it is recommended that the flat rate of £75 per annum be amended to provide for a concessionary rate for residents in receipt of Council Tax Support, to be charged at 50% of the full rate.

1.107. This will make the service more affordable to residents on lower incomes, helping to ensure that all of our residents can make the right environmental choice relating to any garden waste they may need to dispose of.

1.108. It is recommended to agree GLL's price proposal from 1 April 2024. A 6.7% increase on activity prices membership prices and tennis prices is recommended. Charges for the Sobell Leisure Centre Ice Rink, Soft play charges and Trampoline charges have not been included due to the ongoing design of the Active Zone. It is recommended that the Executive approve the following amendments to the fees and charges report and schedule agreed by the Executive on 30 November 2023:

- GLL Activity Pricing (**Appendix J1**)
- GLL Membership Pricing (**Appendix J2**)
- GLL Tennis Pricing (**Appendix J3**)

1.109. HRA fees and charges are considered in the **Section 5** of this report.

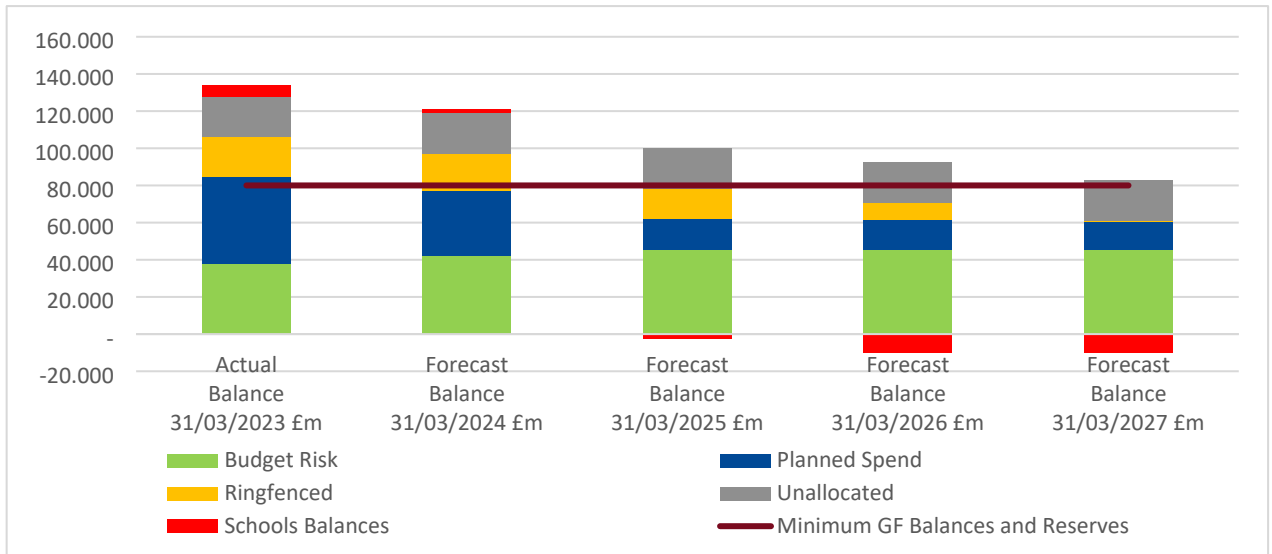
4. Reserves and Balance Sheet Strategy & CIPFA Financial Management Code Assessment

Reserves and Balance Sheet Strategy

- 1.110. 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.
- 1.111. 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.
- 1.112. 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.
- 1.113. 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.
- 1.114. 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 MTFs GF balance target of £40m.
- 1.115. 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.
- 1.116. 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



1.117. 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.

1.118. 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

1.119. 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.

1.120. 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.

1.121. 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.

1.122. 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.

1.123. 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	46.869	46.869	46.869
Planned Spend	47.076	34.774	16.490	15.490	14.490
Ringfenced	21.145	20.168	15.804	9.458	0.780
Total GF Earmarked Reserves*	106.072	96.972	79.163	71.817	62.139
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	28.010	23.869	19.041	11.973	11.973
HRA Earmarked Reserves	31.504	33.824	43.224	54.424	64.705
HRA Balances	17.521	17.521	17.521	17.521	17.521
Total HRA Earmarked Reserve and Balances	49.025	51.345	60.745	71.945	82.226
Major Repairs Reserve	0.921	11.872	4.290	12.111	17.370
Capital Grants Unapplied	24.807	0.000	0.000	0.000	0.000
Capital Receipts	49.988	45.171	44.354	31.092	20.680
Total Capital Reserves	75.716	57.043	48.644	43.203	38.050
Total Usable Reserves	258.824	229.229	207.593	198.938	194.388

*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.

CIPFA Financial Management Code Compliance Assessment

- 1.124. An initial compliance analysis against the CIPFA FM Code has been undertaken as part of the 2024/25 budget assurance work. 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 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 FM Code are being satisfied.
- 1.125. Demonstrating this compliance with the CIPFA FM Code is a collective responsibility of elected members, the Section 151 Officer, and professional colleagues in the leadership team.
- 1.126. 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 FM 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

- 1.127. 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.
- 1.128. 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.
- 1.129. 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

- 1.130. 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.
- 1.131. The council has a statutory duty to set a balanced HRA budget each financial year. To ensure financial viability and sustainability, and in-line with best practice across the sector, the council maintains a 30-year business plan. The proposed updated HRA 30-year business plan is detailed in **Appendix D4**.
- 1.132. The proposed 2024/25 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 proposed HRA 30-year business plan assumes that the new build programme will continue towards attempting to meet the council's Islington Together 2030 commitment of delivering an additional 750 social rented homes (with a start on site by December 2027).

1.133. Balancing the Business Plan has become more challenging over recent years due to various factors:

- Legislative requirements, such as building and fire safety, and a drive towards more energy efficient homes.
- Ongoing impact of damp and mould and the cost of legal disrepair claims.
- Prevailing economic conditions, including the impact of higher interest rates on capital scheme delivery, that require borrowing to balance new schemes. This 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.
- High-cost inflation on repairs and maintenance, alongside Government interventions in relation to Local Authority rent setting. There was a 7% rent cap in 2023/24 and a 1% reduction each year between 2016/17 – 19/20, taking £1.7bn income out of the Business Plan.

1.134. It should also be noted that whilst the 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 £1.829bn (over 30 years) when comparing this budget limited provision to a “traditional” investment model. This means our investment programme will meet statutory Health and Safety requirements, but due to the factors listed above, will result in the inability of the council to meet the Decent Homes Standard for all properties within the next 10 years.

1.135. There is limited scope to meet the significant shortfall in investment need, with rental increases, the largest source of income, restricted by government policy. As such the council recommends working alongside other social landlords to seek a more sustainable rent settlement from Central Government, which will enable greater certainty over long-term financial planning and investment in our housing stock.

1.136. The Business Plan is susceptible to changes in macro-economic conditions, and we also require a more informed view on the long-term trend of emerging costly, resource intensive issues such as damp and mould. Hence these factors and their impact will be extensively reassessed into next year. Consideration of options and measures to bridge the investment gap is currently underway, as we prepare the 2025/26 Business Plan.

1.137. 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

- 1.138. 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 four consecutive years between 2016/17 and 2019/20.
- 1.139. In February 2019, the Government issued a policy statement on rents for social housing effective from April 2020.
- 1.140. 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.
- 1.141. 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%.

1.142. A review of new build rent setting policies has been carried out to align existing tenant and re-let rents over a period of three years from 2023/24 to 2025/26 to ensure a consistent approach across all new build rents.

1.143. 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)

1.144. **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%)

1.145. 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%

1.146. 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.

1.147. 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

1.148. 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.

1.149. 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%.

1.150. **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

- 1.151. 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 three years commencing in 2023/24, to ensure a consistent approach.
- 1.152. 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.
- 1.153. 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)

- 1.154. 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

- 1.155. 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.
- 1.156. 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

- 1.157. 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
- 1.158. 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 (PF12) under a Private Finance Initiative (PFI) Contract by Partners for Islington

- 1.159. 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.
- 1.160. 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.

- 1.161. Re-Lets will be based on the outgoing tenants' rent as set out above.
- 1.162. **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

- 1.163. 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

- 1.164. Other HRA fees and charges are set out at **Appendix D2** and summarised below.
- 1.165. 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.
- 1.166. Digital TV Maintenance - Charges have remains unchanged at 22p per week in 2024/25 reflecting the cost of the provision of this service.
- 1.167. 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.
- 1.168. Concierge Service Charges - These have increased by 6.3% this increase relates primarily to the increase in staffing costs.
- 1.169. 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.
- 1.170. Diesel Surcharge (Off Street) - This charge has increased by £10 per year in 2024/25 in line with September 2023 CPI Sept.

1.171. 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.

1.172. Carpet Charges - Increase by 2% in line with the agreed annual contractual uplift.

6. Capital Programme

1.173. The council takes a strategic, long-term approach to managing and enhancing our community asset base through the planning of a 10-year capital programme. The 10-year programme comprises a proposed 3-year programme 2024/25 to 2026/27 for approval, and an indicative programme for the subsequent 7 years.

1.174. The Capital Strategy that underpins the capital programme, together with the inter-linked Treasury Management Strategy, MRP Statement and Investment Strategy are included at **Appendix F2-F5**.

1.175. The Flexible Use of Capital Receipts Strategy is included at **Appendix F6**. The recommended strategy for 2024/25 is allowable under the government's capital receipts flexibility programme, which grants local authorities the freedom to use capital receipts generated from the sale of assets (except for Right to Buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings. The current flexibility direction runs until 31 March 2025. Full Council agreed the power to use this flexibility in 2023/24 at the 28 September 2023 Council meeting. The Executive is asked to approve and onward recommend that Full Council agree the Flexible Use of Capital Receipts strategy for 2024/25, up to a maximum of £20m, and note that approving the strategy does not commit the council to using it. In addition, to approve and onward recommend that Full Council delegate responsibility for the adoption of the Flexible Use of Capital Receipts strategy to the Section 151 Officer if it is considered appropriate to do so at the end of the financial year in the context of the council's overall financial position.

1.176. The proposed 2024/25 to 2026/27 Capital Programme as well as indicative estimates for 2027/28 to 2033/34, totalling £1,157.736m 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 F1**.

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	32.052	20.052	24.784	76.888	18.986	95.874
Environment	39.536	10.364	13.127	63.027	61.204	124.231
Housing General Fund	20.081	44.629	40.541	105.251	5.416	110.667
General Fund Total	91.669	75.045	78.452	245.166	85.606	330.772
HRA Total	238.741	109.637	97.336	445.714	381.250	826.964
Total Capital Programme	330.409	184.682	175.788	690.880	466.857	1,157.736

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	260.375	154.266	137.878	552.519	388.067	940.585
Child-Friendly Islington	11.573	3.862	3.628	19.063	8.400	27.463
Community Wealth Building	15.943	16.703	21.519	54.165	21.690	75.855
Fairer Together	1.000	1.000	1.150	3.150	0.000	3.150
Greener, Healthier Islington	41.518	8.851	11.614	61.983	48.700	110.683
Total	330.409	184.682	175.788	690.880	466.857	1,157.736

1.177. Ongoing work has led to revisions to the capital programme since the previous version presented to the Executive. **Appendix F7** presents these changes at a capital scheme level by financial year and funding source. These changes include budget additions and changes in external funding and impact the General Fund only. Key changes are summarised below:

- A net increase to the current year and 3-year capital programme of £36.464m supported by an additional £23.345m of external funding and an increase in borrowing of £13.119m. The additional borrowing requirement is considered affordable within the overall MTFs assumptions, which will be reviewed on a quarterly basis.
- £7.000m included for works to Sobell Leisure Centre following a flood at the site which will be covered by insurance. These works are expected to be completed in 2024/25.
- £7.000m included for works to Ironmonger Row Baths following a fire at the site which is expected to be largely covered by insurance funding. These works are expected to be completed in 2023/24.
- £12.852m council match funding (funded by borrowing) if decarbonisation grant funding offers were to materialise. Delegated authority to the Section 151 Officer is being sought in this report to approve the business case to accept any such decarbonisation grant funding offers as an Officer Key Decision due to urgency. This is required due to the short window (e.g. 10 days) to accept these grant funding offers. If grant funding offers are not received or accepted, the budget will be subject to review.

- Other changes to grant and developer contribution funding included in the capital programme. Further review and confirmation of new external funding may lead to another update to be included in the final version of the budget report to be presented to Full Council.

1.178. 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 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. **Table 18** provides sensitivity analysis to model the impact of a 1% change in interest rates.
- The funding of some capital schemes is linked to delivery of the scheme's asset. There are risks in the assumptions made around this funding. There may be 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 to cover interest costs and MRP, or the use of HRA reserves. There may also be differences in the value of receipt assumed and actual receipt. Receipts in excess of the assumed amount can be applied elsewhere by the council, including to reduce external borrowing requirements. Receipts less than the assumed amount will increase the borrowing requirement and the associated revenue costs. Over the next 10 years, £118.609m of General Fund capital financing is assumed to come from the open market sales of completed housing projects.

1.179. **Table 16** summarises the funding of the capital programme by funding source, with this detailed at scheme level at **Appendix F1**.

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	13.140	4.142	4.141	21.423	11.104	32.527
S106/ CIL	3.542	0.000	1.276	4.818	0.600	5.418
Capital Receipts	20.081	44.629	40.541	105.251	5.416	110.667
Revenue Contributions and Other	5.470	0.560	0.000	6.030	1.500	7.530
Borrowing	49.436	25.714	32.494	107.644	66.986	174.630
Total General Fund Financing	91.669	75.045	78.452	245.166	85.606	330.772
Grants	57.801	0.000	0.000	57.801	0.000	57.801
S106/ CIL	7.652	3.200	0.000	10.852	0.000	10.852
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	381.250	826.964
Total Capital Financing	330.410	184.682	175.788	690.880	466.856	1,157.736

1.180. Over the life of the proposed and indicative capital programme, there is a total borrowing requirement of £399.551m, of which £174.630m relates to the General Fund. There will be General Fund revenue implications from this borrowing in the form of interest costs and the statutory Minimum Revenue Provision (MRP) that the General Fund 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 General Fund revenue impact of the proposed new borrowing. The MRP Policy Statement in **Appendix F5** provides the detailed basis for the MRP calculations. Interest costs have been prudently modelled for budget setting purposes at 5.72% for the General Fund and 5.32% for the HRA, which were the respective average 50-year maturity loan rates from the Public Works Loan Board in the 90 days to 31/12/2023 plus 50 basis points.

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	2027/28 -2033/34 £m	Total 10 Year Plan £m
New Interest Charge (5.72%)	3.157	2.149	1.665	6.972	2.845	9.817
New MRP Charge	1.389	2.304	0.634	4.326	5.818	10.145
Total Additional Revenue Charge	4.546	4.453	2.299	11.298	8.663	19.961

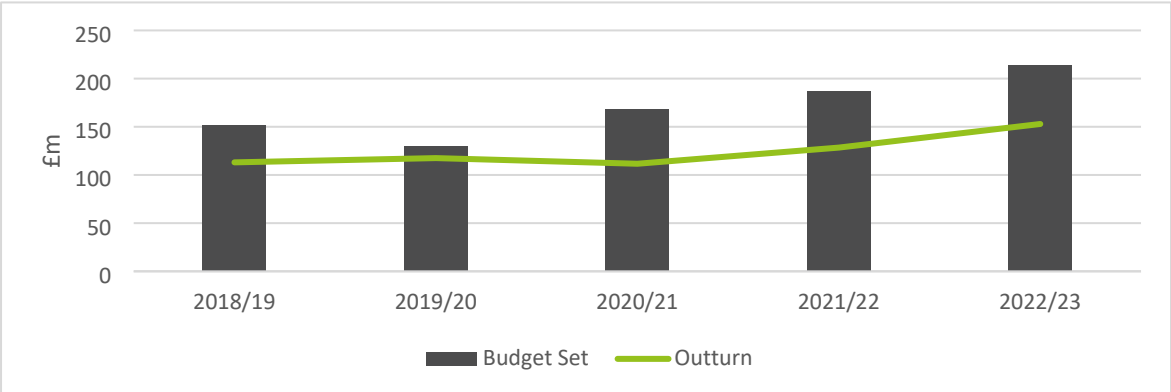
- 1.181. The capital programme and financial implications are based on several assumptions. These include the profile of spend to be incurred, and the interest rate charged on borrowing.
- 1.182. As referenced above, interest costs have been prudently modelled for budget setting purposes however interest costs are subject to change.
- 1.183. A 1% change in interest charged from the rate modelled would have the following impact on the revenue budget, based on the capital programme as profiled. This would be a benefit to the Council if interest rates fell, and an additional cost if they rose.

Table 18 - Impact of 1% Interest Rate Change

1% Interest Rate Change	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 – 2033/24 £m	Total £m
General Fund	0.552	0.376	0.291	0.497	1.716
HRA	1.420	0.797	0.352	0.327	2.897
Total	1.972	1.173	0.643	0.825	4.613

1.184. To set the capital programme, budget holders and project managers have informed the profiling of budgets based on their expectation of project delivery timescales. 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 is 74%. **Figure 2** below shows historic trends of outturn compared to the set budget. Robust budget monitoring in-year will identify where these slippages are occurring and with timely raising and reporting, management actions can be taken to manage capital financing, including adjusting the borrowing requirements and associated revenue charges.

Figure 2 – Analysis of Capital Budgets to Outturn



1.185. The table below models sensitivity analysis of the impact on revenue budgets of 10% slippage in projects funded by borrowing, at 5.72% interest rates.

Table 19 - Capital Slippage Impact on General Fund Borrowing

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 – 2033/34 £m	Total £m
Capital Programme as Profiled					
General Fund Borrowing Requirement	49.436	25.714	32.494	66.986	174.630
New Interest Charge (5.72%)	3.157	2.149	1.665	2.845	9.817
New MRP Charge	1.389	2.304	0.634	5.818	10.145
Total Revenue Charge	4.546	4.453	2.299	8.663	19.961
Capital Programme after 10% Slippage Annually					
General Fund Borrowing Requirement	47.541	28.086	31.816	70.235	177.678
New Interest Charge (5.72%)	2.929	2.163	1.713	2.919	9.724
New MRP Charge	1.048	2.011	1.204	5.882	10.145
Total Revenue Charge	3.977	4.174	2.917	8.800	19.868
Change in Total Revenue Charge	(0.569)	(0.279)	0.619	0.137	(0.093)

- 1.186. Slippage of capital schemes to be funded by borrowing has revenue budget implications as it will delay the associated revenue cost for interest being incurred. Delays on borrowing funded schemes also have a revenue impact on the charging of MRP. MRP charges begin the year after an asset becomes operational and so a delay on completion delays the timing of this charge.
- 1.187. Whilst Table 19 makes the impact of slippage in borrowing look positive in the early years, this is dependent on timely and realistic reporting of slippage to update the borrowing requirement. There is also the impact of slippage on other financing sources to factor in.
- 1.188. Grants, S106 and CIL funding often have restrictions, conditions and expiry dates attached. Slipping of capital schemes to be funded in these ways may result in the funding no longer being applicable due to expiry dates passing. In these instances, expenditure would need to be alternatively funded with borrowing a likely option. Due to the restrictions and conditions, there may be limitations over the ability to divert these funds to other existing capital projects.
- 1.189. In year monitoring and reporting of the capital programme will cover both expenditure and financing to highlight and manage any funding changes and/or risks.

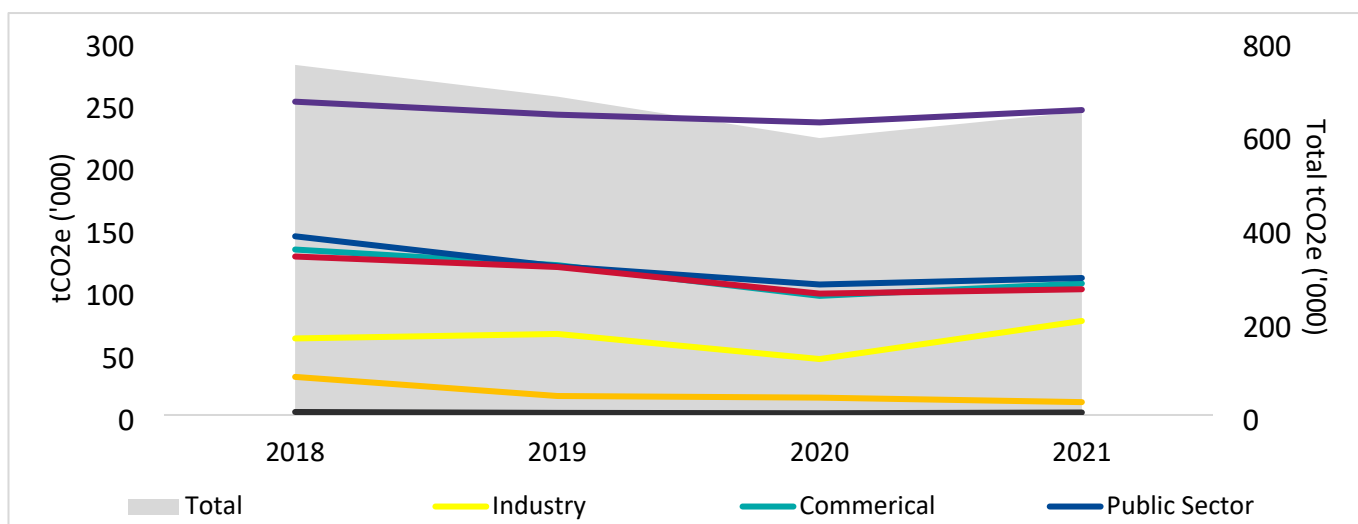
7. Climate Action

- 1.190. 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 (NZN) programme which coordinates and delivers our commitments to deliver change with eight multi-disciplinary workstreams
- 1.191. 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'.

- 1.192. 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.
- 1.193. 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))



- 1.194. 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.
- 1.195. 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).
- 1.196. 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.
- 1.197. 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.

- 1.198. 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.
- 1.199. 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.
- 1.200. 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.
- 1.201. 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 20 – 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	27.835	7.451	9.438	44.724

- 1.202. 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.
- 1.203. 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

1.204. The latest 2023/24 Collection Fund forecast for council tax, which is subject to change between now and end of the financial year, is a +£3.086m deficit (Islington share +2.348m, GLA share +£0.738m). This is summarised at **Table 21** and comprises a +£1.652m in-year deficit and a +£1.434m deficit relating to prior years.

Table 21 – Distribution of Forecast 2023/24 Council Tax (Surplus)/Deficit

	Islington Council's Share £m	GLA's Share £m	Total £m
1/3 of 2020/21 Exceptional Balance (Final Year of 3-Year Deficit Spreading)	0.478	0.130	0.608
Remainder 2022/23 In-Year Forecast (Surplus)/Deficit	(3.811)	(1.147)	(4.958)
Forecast (Surplus)/Deficit in 2023/24 Budget: Transfer (To)/From Core Funding Reserve	(3.333)	(1.017)	(4.350)
Prior-Year (Surplus)/Deficit Variance 2022/23 In-Year Forecast to Actual 2022/23 Outturn Position	1.091	0.343	1.434
2023/24 In-Year Forecast (Surplus)/Deficit	1.257	0.395	1.652
Total (Surplus)/Deficit in 2024/25 Budget: Transfer (To)/From Core Funding Reserve	2.348	0.738	3.086

1.205. In January 2023, a -£4.350m surplus for 2022/23 was estimated. However, at the end of 2022/23 the actual surplus was -£2.916m, giving the +£1.434m deficit relating to prior years.

1.206. The forecast in-year council tax deficit of £1.652m is due to the following variances:

- Additional gross council tax income of -£1.114m, mainly due to new dwellings in the borough.
- Higher than budgeted council tax exemptions which has adversely impacted the forecast by +£5.133m, mainly because the council had to retrospectively award exemptions for student accommodations, as set out earlier in this report.
- Higher than budgeted council tax discounts (mainly Single Person Discounts) adversely impacting the forecast by +£0.737m.
- Lower than budgeted costs of the council tax support scheme, -£0.512m
- A -£2.592m improvement in forecast collection compared to assumptions around collection losses when setting the 2023/24 taxbase.

Council Tax Base 2024/25

- 1.207. The council is required to calculate its council taxbase for the next financial year and notify precepting authorities by 31 January each year (31 January 2024 for this budget process). The council has delegated responsibility for determining the council taxbase to its Audit and Risk Committee. The Lloyd Square Garden Management Committee issues a special levy on the council to meet the expenditure involved in the maintenance of the private garden in Lloyd Square. The council separately calculates the taxbase for the Lloyd Square Garden area.
- 1.208. On 29 January 2024, the Audit and Risk Committee agreed a Band D equivalent council taxbase for 2024/25 of 81,564.7 properties for the council's whole area and 43.4 properties for the Lloyd Square Garden Committee area. The number of Band D equivalent properties is after taking into account the estimated collection rate for 2024/25 which continues to be forecast at 97%. This is the percentage of 2024/25 council tax bills that the council is budgeting to receive over time (as opposed to cash collection in-year).

Level of Council Tax 2024/25

- 1.209. Sections 31A and 31B of the amended Local Government Finance Act (LGFA) 1992 require the council to calculate its gross expenditure, gross income and council tax requirement. For these purposes, HRA expenditure and income is included even though it has no effect on council tax, and the gross expenditure figure includes special expenses relating to part only of the of the council's area. **Table 22** shows the council's net budget split between gross expenditure and gross income.

Table 22 – Section 31 (Amended LGFA 1992) Calculation 2024/25

	£
Aggregate of the amounts which the council estimates for items set out in Section 31A (2) (a) to (f) of the LGFA 1992 (A)	TBC
Aggregate of the amounts which the council estimates for items set out in Section 31A (3) (a) to (d) of the LGFA 1992 (B)	TBC
Calculation of the council tax requirement under Section 31A (4), being the amount by which the sum aggregated at (A) above exceeds aggregate at (B) above	TBC

Pending confirmation of final cash limits and gross expenditure and income within directorates, this calculation is TBC. This will be updated for the report Full Council.

- 1.210. The calculation of the relevant (average) 2024/25 council tax per Band D property is set out in **Table 23**.

Table 23 – Section 31B (amended LGFA) Calculation 2024/25

Council Tax Requirement	£118,220,685.65
Council Tax Base	81,564.70
2024/25 Relevant Basic Band D Council Tax	£1,449.41
Increase Compared to 2023/24 (%)	4.99%

- 1.211. Each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, a referendum must be held in relation to that amount. For 2024/25, the relevant basic amount of council tax for Islington would be excessive if it

is 5% or more greater than 2023/24 (comprising 2% specifically for expenditure on adult social care, and 3% for all expenditure). Therefore, the proposed 4.99% increase in the relevant basic amount of Band D Islington council tax, which comprises 2% specifically for expenditure on adult social care and 2.99% for all expenditure, is not excessive.

1.212. Additional council tax calculations are required where special items relate to part only of the council's area (for Islington, the Lloyd Square Garden Committee special expense). The calculation of the 2024/25 basic amount of council tax for dwellings in Islington to which no special item relates (i.e., outside the Lloyd Square Garden Committee area) is shown in **Table 24**.

Table 24 – 2024/25 Basic Council Tax for All Other Parts of the Council's Area

Council Tax Requirement (Including Special Expense)	£118,220,685.65
Less Lloyd Square Garden Committee Special Expense	£22,947.78
Council Tax Requirement (Excluding Special Expense)	£118,197,737.87
Council Tax Base	81,564.70
2024/25 Basic Band D Council Tax for All Other Parts of the Council's Area	£1,449.13
Increase Compared to 2023/24 (%)	4.99%

1.213. The Lloyd Square Garden Committee has agreed a special expense of £22,947.78 for 2024/25, an increase of 5% since 2023/24. When this is divided by the Lloyd Square Garden Committee Band D tax base (43.4), it gives a charge of £528.75 per Band D equivalent property for 2024/25. This will be charged to Lloyd Square Garden area dwellings in addition to the basic Islington Band D council tax for all other parts of the council's area.

1.214. The 2024/23 basic amount of Islington council tax for each valuation band for the Lloyd Square area (**Table 25**) and all other parts of the council's area (**Table 26**) are shown below. These amounts are calculated by multiplying the Band D council tax amount per property by the proportions set out in Section 5(1) of the LGFA 1992.

Table 25 – Lloyd Square Garden Area Basic Islington Council Tax 2024/25

Valuation Band	Lloyd Square Garden Area 2023/24 (£)	Lloyd Square Garden Area 2024/25 (£)	Lloyd Square Garden Area Increase (£)
A	330.39	352.50	22.11
B	385.45	411.25	25.80
C	440.52	470.00	29.48
D	495.58	528.75	33.17
E	605.71	646.25	40.54
F	715.84	763.75	47.91
G	825.97	881.25	55.28
H	991.16	1,057.50	66.34

Table 26 – All Other Parts of the Council’s Area Basic Islington Council Tax 2024/25

Valuation Band	All Other Parts of the Council’s Area 2023/24 (£)	All Other Parts of the Council’s Area 2024/25 (£)	All Other Parts of the Council’s Area Increase (£)
A	920.17	966.08	45.91
B	1,073.53	1,127.10	53.57
C	1,226.89	1,288.11	61.22
D	1,380.25	1,449.13	68.88
E	1,686.97	1,771.16	84.19
F	1,993.70	2,093.19	99.49
G	2,300.42	2,415.21	114.79
H	2,760.50	2,898.26	137.76

1.215. The proposed 2024/25 GLA precept for each valuation band is shown in **Table 27**. The proposed Band D precept for council taxpayers in the 32 London boroughs is £471.40 – a £37.26 or 8.6% increase compared to this year. This increase comprises £20 for Transport for London, £13 for the Metropolitan Police and £4.26 for the London Fire Brigade. This is in line with the maximum increase permitted under the GLA’s referendum limit – which is a monetary one – confirmed in the settlement.

Table 27 - GLA Precept 2024/25

Valuation Band	GLA Precept 2023/24 (£)	GLA Precept 2024/25 (£)	GLA Precept Increase (£)
A	289.43	314.27	24.84
B	337.66	366.64	28.98
C	385.90	419.02	33.12
D	434.14	471.40	37.26
E	530.62	576.16	45.54
F	627.09	680.91	53.82
G	723.57	785.67	62.10
H	868.28	942.80	74.52

1.216. The 2024/25 total amount of Islington council tax (including GLA precept) for each valuation band for the Lloyd Square area (**Table 28**) and all other parts of the council’s area (**Table 29**)

Table 28 – Total Islington and GLA Council Tax for the Lloyd Square Garden Area 2024/25

Valuation Band	Total Lloyd Square Garden Area 2023/24 (£)	Total Lloyd Square Garden Area 2024/25 (£)	Total Lloyd Square Garden Area Increase (£)
A	1,539.99	1,632.85	92.86
B	1,796.64	1,904.99	108.35
C	2,053.31	2,177.13	123.82
D	2,309.97	2,449.28	139.31
E	2,823.30	2,993.57	170.27
F	3,336.63	3,537.85	201.22
G	3,849.96	4,082.13	232.17
H	4,619.94	4,898.56	278.62

Table 29 – Total Islington and GLA Council Tax for All Other Parts of the Council’s Area 2024/25

Valuation Band	Total All Other Parts of the Council’s Area 2023/24 (£)	Total All Other Parts of the Council’s Area 2024/25 (£)	Total All Other Parts of the Council’s Area Increase (£)
A	1,209.60	1,280.35	70.75
B	1,411.19	1,493.74	82.55
C	1,612.79	1,707.13	94.34
D	1,814.39	1,920.53	106.14
G	2,217.59	2,347.32	129.73
H	2,620.79	2,774.10	153.31
G	3,023.99	3,200.88	176.89
H	3,628.78	3,841.06	212.28

Retained Business Rates

1.217. Under the existing business rates retention system, the council retains 30% of business rates income in the borough and receives Section 31 grant to compensate for the impact of government policy (e.g. new reliefs, freezing of business rates) on its retained business rates income.

1.218. The council's NNDR1 return (detailed business rates estimate) for 2024/25 has now been submitted following the 31 January 2024 statutory submission deadline. The financial implications of this return are fully incorporated in the proposed budget. **Table 30** summarises the NNDR1 return estimate in terms of the council's total retained business rates income.

Table 30 – Estimated Business Rates Income 2024/25 (£)

	2023/24	2024/25
Gross Business Rates	344,649,330.00	375,642,647.00
Small Business Rate Relief (net of additional yield from small business supplement)	103,794.00	(7,711,335.00)
Charitable Occupation	(25,190,312.00)	(27,887,128.00)
Unoccupied Property	(17,072,450.00)	(18,251,211.00)
Discretionary Reliefs	(1,238,254.00)	(1,235,622.00)
Discretionary Reliefs Funded by S31 Grant	(35,641,113.00)	(28,043,836.00)
Net Business Rates Payable	265,610,995.00	292,513,515.00
Estimated Bad Debts and Appeals	(15,426,345.00)	(20,321,137.00)
Net Business Rates Less Reliefs and Losses	250,184,650.00	272,192,378.00
Cost of Collection Allowance	(689,267.00)	(684,130.00)
Amount Retained for Renewable Energy Schemes	(103,293.00)	0.000
NDR Income – Total	249,392,090.00	271,508,248.00
NDR Income – Islington (30% share)	74,817,627.00	81,452,474.00
Section 31 Grant	28,982,720.00	28,969,299.34
Cost of Collection Allowance	689,267.00	684,130.00
Amount Retained for Renewable Energy Schemes	103,293.00	0.00
Total Retained Income – Islington	104,592,907.00	111,105,903.34

1.219. The 2024/25 NNDR1 return also includes a forecast 2023/24 surplus on business rates income to be incorporated in the 2024/25 budget. This is summarised in **Table 31**. The 2024/25 budgetary impact of the council's share of this surplus will be fully offset by a transfer to the Core Funding reserve that has been earmarked for this purpose.

Table 31 – 2023/24 Forecast NNDR Surplus/(Deficit) (£)

	Total	Islington 30% Share
Net Business Rates Income	270,725,357.00	81,217,607.10
Allowance for Non-Collection	(6,562,891.00)	(1,968,867.30)
Appeals Refunds and Provisions	(2,733,747.00)	(820,124.10)
Budgeted Demand based on Agreed Budget	(249,392,088.00)	(74,817,626.40)
Other Charges (e.g. cost of collection)	(689,267.00)	(206,780.10)
Total Surplus/(Deficit)	11,347,364.00	3,404,209.20
Opening Surplus/(Deficit)	33,877,189.00	10,163,156.70
Contribution towards Prior Year Deficit	(21,269,127.00)	(6,380,738.10)
Total Surplus/(Deficit) in Budget	23,955,426.00	7,186,627.80

9. Matters to Consider in Setting the Budget

Comments of the S151 Officer

- 1.220. 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.
- 1.221. 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.
- 1.222. The 2024/25 budget report and MTFs 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.

- 1.223. 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 MTFS 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 £275m 2024/25 net budget requirement on the GF and given the level of unforeseen service pressures in the current financial year.
- 1.224. 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.
- 1.225. The capital programme has been built on a prudent, affordable, and sustainable basis in accordance with the CIPFA Prudential Code framework. Approval is sought for the 3-year capital programme 2024/25 to 2026/27 only with an indicative programme of known/pipeline capital investment over the subsequent seven years.
- 1.226. When appraising new projects, the objectives of the scheme are checked against the council's priorities, and assumptions are built in for contingencies (e.g. impact of inflation on the cost of materials), optimism bias and interest rate risk. This ensures that sufficient funding is allocated as early as possible in the council's revenue and capital budget planning processes, and that the council only progresses with schemes that are affordable and fit with the vision for the organisation.
- 1.227. The capital programme is funded from a combination of capital receipts, grants and third-party contributions, HRA funding and borrowing. Grant funding is only factored into the programme once reasonably certain. Prudent provision for the revenue cost of borrowing is factored into the budget assumptions for both the General Fund (including Minimum Revenue Provision for the repayment of debt) and HRA.
- 1.228. The level of future capital receipts assumed as financing for the capital programme brings with it significant budgetary risk to both the General Fund and HRA. There may be 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 to cover interest costs and MRP, or the use of HRA reserves. There may also be differences in the value of receipt assumed and actual receipt. Receipts less than the assumed amount will increase the borrowing requirement and the associated revenue costs.

- 1.229. An additional budgetary risk around the capital programme is expenditure being incurred against approved capital budgets which ultimately does not meet the accounting definition of capital. This means that the expenditure needs to be charged to revenue, creating a revenue budget pressure. The council has previously mitigated this risk by earmarking funding in reserves to fund the associated revenue costs of capital schemes. Given the need to protect the council's reserves, the 2024/25 budget also sets aside revenue budget provision of £1m per annum for the associated revenue costs of capital schemes. Moreover, there will be an emphasis going forward of on identifying such revenue costs from the outset of scheme development.
- 1.230. 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.
- 1.231. 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.
- 1.232. 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.
- 1.233. 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

- 1.234. 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 sets 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.
- 1.235. 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.
- 1.236. 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.
- 1.237. 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.
- 1.238. 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.
- 1.239. 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

- 1.240. 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.
- 1.241. 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 further to the Executive decision taken on 11 January 2024) 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.
- 1.242. 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.
- 1.243. Services were also asked to consider environmental implications on all GF fees and charges. These were included in a report to the Executive dated 30 November 2023 and all the proposed fees and charges were approved by the Executive.
- 1.244. The council's budget proposes continued investment in the Climate Action Team and the capital programme as part of its Greener, Healthier Islington Mission.
- 1.245. 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

- 1.246. 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.
- 1.247. 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.
- 1.248. 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

1.249. 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.

1.250. 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.

1.251. The council invited 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 ran 21 days from 4 January 2024 to 24 January 2024.

1.252. In total, there were 15 responses received. These responses were split between residents (14) and 'Other' (1) with no specific responses from business ratepayers/representative.

1.253. A series of questions were surveyed as illustrated in the table below. The results demonstrate that there is some support for our budget proposals in 2024/25 including the option to increase council tax.

Question	Response Option	Total Responses
To what extent do you agree or disagree with our proposed budget for 2024/25?	Agree	6
	Disagree	4
	Neither Agree or Disagree	5
Do you support our proposal to increase core council tax in line with the maximum amount permitted by central government to help protect council services?	Agree	7
	Disagree	3
	Neither Agree or Disagree	5
Do you support our proposal to increase the adult social care precept element of council tax in line with the maximum amount permitted by central government to mitigate the impact of the national adult social care funding crisis?	Agree	10
	Disagree	4
	Neither Agree or Disagree	1

1.254. A number of further comments were received on the budget which have been reviewed and considered as part of the final budget papers for 2024/25 and will be considered throughout future Budget Setting processes.

Retail Relief Policy

1.255. 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.

Annual Pay Policy Statement

1.256. Section 38 of the Localism Act 2011 requires local authorities to publish an annual 'Pay Policy Statement', setting out their policies in respect of chief officer remuneration and other specified matters. Regard must be had to guidance to be published by the Secretary of State in preparing the statement, which must be approved by Full Council. The council is then constrained by its pay policy statement when making determinations on chief officer pay, although the statement may be amended at any time by a further resolution of Full Council. The council's Annual Pay Policy Statement for 2024/25 is provided at **Appendix I**.

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 D4: HRA Business Plan

Appendix E1: CIPFA Financial Management Code Compliance Assessment

Appendix E2: Balance Sheet Analysis

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

Appendix F2: Capital Strategy 2024/25

Appendix F3: Investment Strategy 2024/25

Appendix F4: Treasury Management Strategy 2024/25

Appendix F5: MRP Policy Statement 2024/25

Appendix F6: Flexible Use of Capital Receipts Policy 2024/25

Appendix F7: Capital Budget Changes from Previous Position

Appendix G: Budget Cumulative Equality Impact Assessment 2024/25

Appendix H: Retail Relief Policy 2024/25

Appendix I: Annual Pay Policy Statement 2024/25

Appendix J: Fees and Charges Amendment – GLL

Background papers: None

Authorised by:	Executive Member for Finance, Planning and Performance	31 January 2024

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/ Structruual 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	8.143	10.335	(8.999)	(1.965)	59.746	5.609	(0.300)	(1.601)	63.454	4.573	(0.600)	0.000	67.427	
Chief Executive's Directorate	1.327	(1.275)	0.000	0.000	0.000	0.052	0.000	0.000	0.000	0.052	0.000	0.000	0.000	0.052	
Children and Young People	87.594	(7.809)	2.551	0.095	(0.577)	81.854	0.840	(0.492)	(0.212)	81.990	0.409	(0.393)	(0.165)	81.841	
Community Engagement and Wellbeing	8.563	5.757	0.000	0.539	(0.999)	13.860	0.000	0.000	(0.953)	12.907	0.000	0.000	(0.088)	12.819	
Community Wealth Building	21.312	(2.379)	0.000	0.185	(1.513)	17.605	0.000	0.000	(0.469)	17.136	0.000	0.000	0.000	17.136	
Environment and Climate Change	0.496	(13.284)	1.382	3.797	(2.967)	(10.576)	0.500	(0.290)	(0.588)	(10.954)	0.500	0.250	(0.081)	(10.285)	
Homes & Neighbourhoods	7.888	5.184	1.312	(0.030)	(0.687)	13.667	0.000	0.000	(0.511)	13.156	0.000	0.000	0.000	13.156	
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	(0.414)	0.658	(0.323)	(2.112)	32.955	0.000	(0.075)	(1.063)	31.817	0.000	(0.150)	(1.270)	30.397	
Central Costs	29.944	6.077	17.539	0.527	0.000	54.087	24.134	1.849	(0.060)	80.009	23.794	0.905	0.000	104.708	
NET COST OF SERVICES	244.503	0.000	33.777	(4.210)	(10.820)	263.249	31.083	0.691	(5.457)	289.566	29.276	0.012	(1.604)	317.250	
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			(5.866)		7.652		(0.839)		6.813				6.813	
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	(12.786)	(10.820)	274.661	31.083	6.092	(5.457)	306.379	29.276	0.012	(1.604)	334.063	
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)			(3.330)		(28.100)				(28.100)				(28.100)	
Collection Fund (Surplus)/Deficit:															
- Business Rates	(6.381)			(0.806)		(7.187)		7.187		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	(17.775)	(10.820)	118.221	31.083	10.931	(5.457)	154.778	29.276	0.012	(1.604)	182.462	

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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 Hildrop 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	(6.253)	12.351	(12.247)	0.104	9.000	9.104	(1.000)	8.104
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	0.000
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	4.839	22.171	0.000	22.171	0.000	22.171
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		106.073	(9.100)	96.972	(17.809)	79.163	(7.347)	71.817	(9.678)	62.139

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.
- Restricted Grants and Contributions - This reserve will hold income received that is earmarked for a specific purpose where other accounting treatment is not appropriate.
- 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 3.21 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	3.03
2	1,154	4.44
3	1,518	5.84
4	1,821	7.00

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 D3: 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 D4

Housing Business Plan: providing the residents of Islington with a safe, decent affordable place to call home

1.	Executive summary	Page 2 - 4
2.	Introduction	Page 4
3.	The homes we manage	Page 5
4.	Investing in your homes and delivering landlord services	Page 6-20
	<ul style="list-style-type: none">• Matching resources and investment needs• Residents and compliancy impacts• How we prepare to provide investment in your home and fund the services you rely on• Driving value out of past investment• What we plan to spend on capital investment through our plan• Repairs• Housing management services• Council commitments to carbon reduction• Building new homes and property acquisition• How we fund our new build programme and property acquisitions programmes	
5	Income - Where it comes from, what are the constraints and how we spend it	Page 20 – 26
	<ul style="list-style-type: none">• Residential rents and service charges• Our approach to rent and service charge setting• PFI credits• Commercial rents• Right to Buy• Our Debt• Our approach to debt, interest rate assumptions and levels of reserves• Interest rates• Reserves• Impact of the cost of borrowing and inflation on the Business Plan• Depreciation	
6	Pressures and emerging pressures on the HRA	Page 26 – 18
	<ul style="list-style-type: none">• New Build• Saving programme• Inflation• Rent arrears• Electronic Communications Code 2017• Non-residential assets	
7.	Mitigation	Page 29-30
8.	Position Overview	Page 30

1. Executive summary

Islington Council's Housing Business Plan, relating to the ringfenced Housing Revenue Account or HRA, sets out the long-term financial forecast of how Homes and Neighbourhoods manage, maintain and invest in council homes for our tenants and leaseholders and deliver the council's mission to provide everyone with a safe, decent and genuinely affordable place to call home.

Over the 30-year lifetime of the Business Plan we will invest £2.9billion in existing council homes to keep our residents safe and ensure our buildings adhere to regulations regarding fire safety, gas servicing, electrical and water systems testing programmes. We do this alongside investing in and improving council owned homes for current and future residents and providing new council homes to increase supply towards the demand on our waiting list.

In addition to the capital programme the council operates an in-house repair service for repairs inside tenant's homes and communal areas of the estates. The cost of this service is £48 million annually or £2.5billion over the life of the Business Plan.

The Business Plan for 2024/25 is currently balanced. However, the capacity that the council has had to invest in our stock has been eroded by government controls on rent setting, taking £1.7 billion out of our Business Plan in recent years. This has severely affected our ability to meet the growing pressures on investment, such as fire safety, increased focus on resolving damp and mould and energy efficiency. Additionally, a mixture of revenue and capital pressures on our Business Plan mean that there is a significant shortfall between our desired level of sound investment and the resources available with a deficit in excess of £1.8 billion having crystallised.

The legislative changes to requirements for building and fire safety in tall buildings and the need to invest in homes to make them more energy efficient and meet relevant energy rating means there is an increased need for investment resources to meet these challenges. Meeting enhanced safety standards and energy efficiency requirements will increase the financial challenge of providing services on a tight budget. The known gap in the resources we need means that we must ensure that we drive value out of past investment, stretching our asset lives through repairs, until they are close to failure or have failed, before renewal. This means we can make the most of the limited funds available to invest in homes.

To ensure we can meet the expectations and needs of our residents, our own aspirations and the expectations of the Social Housing Regulator, we will continue to highlight these pressures to the government and articulate the need for long term commitment from them to adequately fund social housing. The council will continue with our approach of investing in homes using the resources available within the HRA, once the provision of essential services has been funded. The council recognises the impact that our large housing stock has on borough-wide carbon emissions and is ambitious to make significant progress towards carbon reduction and strides forward in low carbon technologies by 2030 through our Net Zero Carbon

strategy. Social landlords are expected to improve the energy efficiency of our tenanted homes to a minimum of SAP band "C" by 2030. However, available resources for investment are scarce and the government has not provided funding solutions for landlords to push forward with these ambitions at the desired pace.

There are a number of significant additional pressures on our plan which are not currently accounted for, including the growing pressure on our responsive repairs service, in our attempt to tackle damp and mould proactively and at pace. Viability challenges with many of the new build schemes and rising cost have constricted our development focus and continuing with progressed schemes has had to be funded from resources within the HRA, rather than scheme being self-financing.

Housing management services and responsive maintenance services are some of the most important services to our residents, making sure homes, blocks and estates are repaired and cleaned, tenancies are managed, vulnerable residents supported and anti-social behaviour is tackled.

The document covers the full 30-year Business Plan period, so it includes references to known and accounted for pressures but also include emerging pressures that are still crystallising and therefore are not currently accommodated within the Business Plan and will be part of our next review.

HRA B.Plan INCOME over 30 Years				
Rents	SC's Tenants & LeaseHolders+ Other Income	Interest Earned on HRA Balances	Reduction in Reserves by YR30	TOTAL
£Ms	£Ms	£Ms	£Ms	£Ms
£8,046.0	£2,695.7	£75.0	£4.7	£10,821.4
74.4%	24.9%	0.7%	0.0%	100.0%

Fig 1.

HRA B.Plan EXPENDITURE over 30 Years						
H.Management	Mandatory Contributions to the Major Repairs Reserve to fund Major Works	Revenue "Top Up" contributions from the HRA to fund Major Works	Repairs	Other Exp. (ADJ's to B.Plan)	Borrowing Costs (Interest Charges)	TOTAL
£Ms	£Ms	£Ms	£Ms	£Ms	£Ms	£Ms
£4,556.1	£1,925.1	£800.9	£2,459.9	£219.8	£859.7	£10,821.4
42.1%	17.8%	7.4%	22.7%	2.0%	7.9%	100.0%

Fig 2.

The Housing Business Plan provides long term financial forecasts of the effects of the council's spending, investment and rent-setting decisions, based on current income, expenditure and investment expectations. It is a key tool for funding and balancing the key priorities of the council and its residents.

We have increased borrowing in this period to increase the supply of temporary accommodation for homeless households, refugees and care leavers.

2. Introduction

Islington Council is committed to creating a more equal future by 2030, through its five missions of a Child-friendly Islington, a Fairer Islington, a Safe Place to Call Home, Community Wealth Building and a Greener, Healthier Islington. The Council's Housing Business Plan is key to the delivery of a number of these commitments but especially the mission to provide everyone with a safe, decent and genuinely affordable place to call home. The council's Housing Strategy sets out how we are working to deliver this mission through five priorities:

- Build new council homes – increase supply of genuinely affordable, low carbon homes in Islington
- Maintain council homes well – providing safe, energy efficient and comfortable homes and estates
- Support residents to live well in their homes and communities
- Prevent homelessness and support rough sleepers
- Standing up for private renters

The HRA Business Plan provides long-term financial forecasts of the effects of the council's spending, investment and rent-setting decisions, based on current income, expenditure and investment expectations. The Housing Business Plan together with the Medium-Term Financial Strategy (MTFS) and annual Housing Budget provide the tools for setting out our short-, medium- and long-term housing finances.

The Council, through its ringfenced HRA is accountable to tenants, residents and the government for funding the management, maintenance, and long-term investment needs of its housing stock, including ambitious energy efficiency and carbon reduction targets; delivering new social and affordable rented housing; and financing housing debt.

Several key variables influence the performance of our HRA which include government policy, welfare reform and the financial markets. The current UK and international financial climate have had, and will continue to have, a significant impact on the council's housing Business Plan for the foreseeable future. Higher levels of inflation, increased borrowing costs, the fluctuating energy market and enhanced regulation around building safety and carbon reduction have large financial implications for the council. At the same time, the income that the HRA receives has been impacted by government policy which imposed restrictions on rent levels and is compounded by the ongoing financial pressures for individual residents, affected by welfare reform and the on-going cost of living crisis.

3. The homes we manage

Islington’s housing stock is made up of a variety of styles and types of housing ranging from an unusually large stock of Victorian, Edwardian and Georgian street properties to large post war housing estates and new build homes. We manage over 25,000 tenanted and 10,700 leasehold properties and estimate that approximately 40% of these are sublet. The council’s Private Finance Initiative (PFI) partner, Partners for Improvement in Islington (Partners) manage over 2,300 tenanted and leasehold properties and a further 3,100 properties are co-managed by Tenant Management Organisations.

We also have an active programme of property acquisition which we are using to provide in-house good quality temporary accommodation to house homeless households in the borough.

TENANTED STOCK Type	NO's
G.Needs	19913
PFI1 (managed by Partners for Improvement)	1635
TA (RCs + GNTAs)	324
Property Acquisitions for TA & Ukranian & Afghan Refugees	449
NEW BUILD	545
Ex. PFI2 (now managed in-house)	2756
SO's	93
TOTAL	25715
Property Acquisitions for TA & Refugees in progress	310
NEW BUILD SRs Schemes in Progress	196
NEW BUILD SRs Future Schemes- Bemerton/Vorley&FLC	180

Fig. 3

4. Investing in your homes and delivering landlord services

4.1 How we match our resources with investment needs

An assessment has been carried out of the two models of investment in our housing stock to determine the extent of the emerging gap between investment need and available resources. These two models are:

1. Traditional model of investment (£3.4b excluding inflation). This approach represents a decent level of investment in our residential stock, keeping it in a reasonable condition over the 30-year landscape and making sensible investment

decision, to stretch the benefits we can get from our major assets throughout the life of the plan. This is the minimum level of investment we would want to be making in our stock to be a good landlord. Although this would represent a good investment in our existing stock, it completed focuses on investment in residential stock, because of the lack of resource for delivery of investment and excludes investment in new installations and other assets.

2. Replacement of life expired components (£2.5b excluding inflation). This model includes disinvestment in our stock) - This approach represents a decent level of investment in our residential stock, keeping it in a reasonable condition over the 30-year landscape and making sensible investment decision, to stretch the benefits we can get from our major assets throughout the life of the plan.

The resources we have available do not match to either of these levels of investment in our council homes because the income available to the council is significantly constrained and controlled by the government through the control of rent increases, preventing landlords from setting rents at a level that represents a sustainable level of investment in homes. The budget available for investment, once day-to-day maintenance and housing management and their associated costs have been funded provides investment resources of £1.6b (excluding inflation), which is not sufficient to maintain council homes over the 30-year landscape of this Business Plan. Throughout this document we refer to this model of investment as the Budget Limited model.

The table below at fig. 4 sets out an overview of key features of each model focusing on key areas of investment and compliancy with the required standards and how they would be delivered. Appendix A – sets out more detailed description of each investment approach – exemplifying the impact on residents, the condition of our housing estates and street properties and impacts on the council’s reputation as a landlord.

3. Budget Limited (£1.6b excluding inflation). Effectively this option is funding the best investment programme we can manage with the balance of resources available after funding our revenue services. This is a continuation of the practice that has been in place for some time, of investing at a level that is affordable once other landlord obligations have been met. The levels of investment per year are similar to previous years, but the gap between what is required to meet our investment needs is growing, as a result of both increased requirements to invest in areas like building safety and previous investment in major component, such as roofs and windows, coming to the point of requiring reinvestment. The available budget represents less than half of the resources we require for a good investment. Our ability to comply with the required standards of the Social Housing Regulator and legal requirements will be significantly impacted and increasing over time.

This model is used within this Business Plan in order to balance our resources over the 30-years. However, it will not be sustainable over that period, and is likely to become unsustainable within a 10-to-15-year landscape. Therefore, the council will

need to join with other council landlords to express to the government, the urgent need for this underfunding to be address by them through the rent settlement. Based on current conditions it has been calculated that a rent settlement across the next 30 years of CPI +3% for the first 9 years (between 2024-25 – 2032-33) and CPI +2% thereafter would enable the council to fund the traditional investment model.

The budget limited approach will be pursued over the next two years, whilst council landlords seek to gain traction with government about this issue, vital for the maintenance of levels of social housing across the nation.

Over the next three years, works commissioned will need to be limited to the available £159.6m budget and will therefore be prioritised to essential building safety works, key asset maintenance and essential services investment. Based on current calculations, we will be disinvesting in council homes annually by on average £61m per year (based on the Traditional Investment Model).

Sustained over a longer period, this approach will lead to deterioration in the condition of council homes. Ultimately, this investment approach is not sustainable over the life of the Business Plan and is likely to become unstainable within the next 10-15 depending on the life spans of component and the volumes in which they will begin to fail within that period, e.g. failure points of roofs and windows.

Building safety will always be our priority for investment and resources available should be sufficient to cover our legal obligations. The gap between what we have to invest and what we need will grow if further emerging pressures materialise. It will also mean that we are more likely to see components fail and are unable to address repairs in a timely way and not to meet some of our legal obligations.

This approach if pursued over the next 10 years will result in greater, more noticeable deterioration in the quality of our stock due to components failing and homes failing to be wind and weather tight. This level of available investment will have to lead to more works being commissioned as standalone projects, despite other areas of work becoming due and advisable to a blocks being worked on leading to poor value for money being achieved from projects and access equipment, as a result of the need to balance compliance and service supply risks.

Our obligations to invest in leasehold homes under our Right to Buy leases are quite onerous and investment either under the budget limited (as well as our mid-investment option) will not meet lease obligations and therefore will impact on our ability to collect leaseholder contributions due.

Resident and compliancy impacts

Over time, implementing a budget limited approach will lead to a significant reduction in resident's satisfaction with the quality of their home (affecting the regulators tenant satisfaction measure - TSM), significantly impacting on overall satisfaction rates (another TSM) too.

Decent homes failure would increase from 5% currently between 20 – 25% over the next 10 years. Estate decoration will significantly deteriorate – we would have to tell residents that

we cannot afford to carry them out. Over 20,000 fewer homes will be improved in the first 10 years of our programme than under the Traditional model.

Other impacts will include:

- Updating of single glazing will slow further in street properties and older buildings and existing windows will need to be painted to extend their lives further, rather than replaced with double glazing with better energy performance.
- Catch up on investment in Mechanical and Electrical installations (such as lifts, communal heating, emergency lighting, door entry and CCTV) will be slowed and invested in only when components can no longer be repaired.
- Energy efficiency improvements will be very limited – and will not be a driver of our investment decision-making.
- More repairs will be needed to extend the lives of major components, meaning residents will experience more repeated leaks, poor performing windows etc.

Fig. 4

	Traditional investment approach – residential only	Replacement at point of major asset life expiry	Budget limited
30-year cost (excluding inflation)	£3.4 billion	£2.5 billion	£1.6 billion
Safety investment – to meet required standards	Yes	Yes	Yes – this will always be our first priority for investment
Achieving decent homes	Yes	Yes overall – but periods where % failures would be higher during investment peaks	Over time unable to meet this standard (within the next 5-10 years increasing levels of non-decency)
How often are estates being decorated on average	Every 10 years	Every 15 years	Infrequently – when we scaffold
Major component replacement	On the basis of component age, some stretching where performance is good	When roof or window condition has demonstrably expired	Upon failure, when budgets allow. Overtime increased risk to wind and weather tightness
M&E investment	Catch up and then regular planned investment	Catch up slowed and investment stretched	Catch up based on affordability rather than need and prioritised against other pressures within the programme
Investing in energy efficiency of homes – SAP C achievement for all homes	Yes, but there may be some exceptions (period properties)	Yes, but the timetable will be longer (replacing single glazing with double glazing the priority)	Limited to easy wins where government investment is costs affective – properties where high cost investment needed improvements limited to improving energy performance but not meeting SAP C to PAS standards
Kitchens and bathrooms	Replaced in line with DHS timetables	Replacement timed for delivery efficiency and not avoiding DHS failure	Kitchen and bathroom replacement only at point of failure, where repair ceases to be cost effective
New installations (cctv, door entry, NZC investment)	No	No	No
Can we invest in communal spaces and community centres	No	No	No
Compliant with the expectation of our RTB leases	No – but close and likely to be defensible	No – we may receive some challenges from leaseholders	No – deteriorated position in terms of ability to defend challenges over leaseholder charging

4.2 How we prepare to provide investment in your home and fund the services you rely on

Major works and cyclical maintenance will continue to be commissioned on an annual basis, on the basis of intelligence from our asset data insights, including recent repairing history and observed condition of our blocks and estates.

Annually the Housing Investment Team and Capital Delivery Team will carry out commissioning visits to estates and blocks that are due for a review or where our data tells us the major components may need replacement or renewal to assess the condition and whether or not works are needed in the expected period or could be delayed to a future year – allowing investment terms to be stretched and investment prioritised within the budget.

Our Tall Blocks programme was commissioned on the basis of risk factors associated with those buildings in three phases. Thorough intrusive surveys were included in the commission to establish the scope of works. This surveying work is mostly completed now and works programmes on those blocks with the highest priority for safety works are being developed into works packages. A detailed programme of works will be put into place for all 87 blocks, based on the urgency and volumes of capital scale safety works needed. Some works, such as fire door works and communal area compartmentation, can be carried out through our fire safety team, on a more reactive basis.

The mechanical and electrical teams set out five-year programmes of investment priorities based on the performance of these assets and recent repairing performance. There is currently a more intense need for investment in these assets, some of which are functioning beyond their expected functional life. Further asset data is required in this area. Services have identified works priorities for the next 5 years and this has been built into the Business Plan. However, with the limited budget available, these plans will need to be tailored to available resource, as well as delivery priorities. Work continues on building condition information in to our Strategic Asset Management database, gaps in our knowledge are being clarified and once these are clear, condition surveys will be commissioned with the service teams to close these any gaps.

The council holds extensive energy efficiency data, often referred to as SAP data, for all of its directly managed properties and is now seeking to extend this to cover properties managed under the Partners (PFI 1) contract. The data held continues to be refined through data cleansing and onsite surveying as part of our programme to improve the energy performance of our lowest rated stock and the delivery of investment projects to council homes. Islington Council has been proactive in addressing thermal comfort in our buildings over a number of years, which means that a lot of the properties we need to tackle are pepper-potted across our street properties, mansion blocks and estates. We have made two successful bids to the Social Housing Decarbonisation Fund to help deliver more improvements to this challenging stock. However, there are significant delivery challenges as a result of

the required processes, which need to be considered for further bids within our very tight financial environment. We will continue to make bids to this core government funding stream to help us achieve improved energy efficiency in our stock, whilst being mindful of the match funding requirements being affordable. Intelligence on the level of investment needed to improve the remaining homes, not meeting the minimum SAP C banding, is being built up from the detailed work on these projects and will be fed back into our assessment of our investment need. University College London (UCL) were commissioned to look in detail at how the council could achieve NZC with its current buildings, further to this work they have been commissioned to overlay the prevalence of damp and mould to help co-ordinate delivery of investment, targeting where it is needed most to help inform our investment commissioning.

Developing our investment plan and refreshing it with improved information is an on-going process and helps inform our stock investment need to inform our Business Planning process as well as our dialogue with government about the funding of social housing. Work is being undertaken to audit our data and make recommendations for improvements to our confidence in our asset information.

Although we are ambitious about driving forward towards a Net Zero Carbon future, the financial challenge of this is huge. The assessed investment need of £1.5 billion is equivalent to nearly all of our planned investment programme over the next 30 years. Social landlords will need further guidance from government about how additional investment will be released by them to enable their 2050 target to be achieved for social homes.

Maintaining and improving our current housing stock is an essential element of the HRA Business Plan as it not only ensures residents are living in safe and comfortable homes but ensures that our buildings remain that way in years to come. It is vital that we make sure we have a sustainable plan to manage and maintain our current homes before we considering paying off debt or funding the building of further new homes from HRA resources.

We need to ensure our homes are safe, warm and comfortable for residents. We plan to invest 25% of the resources in our Business Plan across its 30-year life in investing in homes, ensuring they are kept up to a decent and secure standard and therefore will need to take action to close our investment gap.

4.3 How we drive value out of past investment

Our assessment of the gap in resources for investment demonstrates that it is vital that we drive value out of past investment, stretching our asset lives through repairs, until they are close to failure before renewal. This means we can make the most of the funds available to invest in homes and focus our resources towards building safety, legal and decent homes compliance and the reliable delivery of essential services.

What does this mean?

This means it is essential to programme our investment works to provide the best possible value and organise our investment around main component renewal needs. With our constrained resources this will mean we cannot keep our estate and buildings in the decorative order we would like, as we need to prioritise investment on areas with the biggest impact on the lives of our residents: keeping homes safe; energy efficient and comfortable.

4.4 How we fund our housing investment programme (figures below include inflation)

Funding of the Major Works Prog.					
Other RTB Receipts (Attributable Debt + LA Share)	Prop. Acqs. Borrowing TRANS to MWs for Prop. Acqs. financed by MRR/RCCO in PY's	MRR	RCCO	NB OMS Receipts/NON RTB Receipts (£35m) TRANS to MWs for NB financed by MRR/RCCO in PY's	TOTAL
£Ms	£Ms	£Ms	£Ms	£Ms	£Ms
£16.4	£48.2	£1,991.5	£800.9	£58.3	£2,915.3
0.6%	1.7%	68.3%	27.5%	2.0%	100.0%

Fig. 5

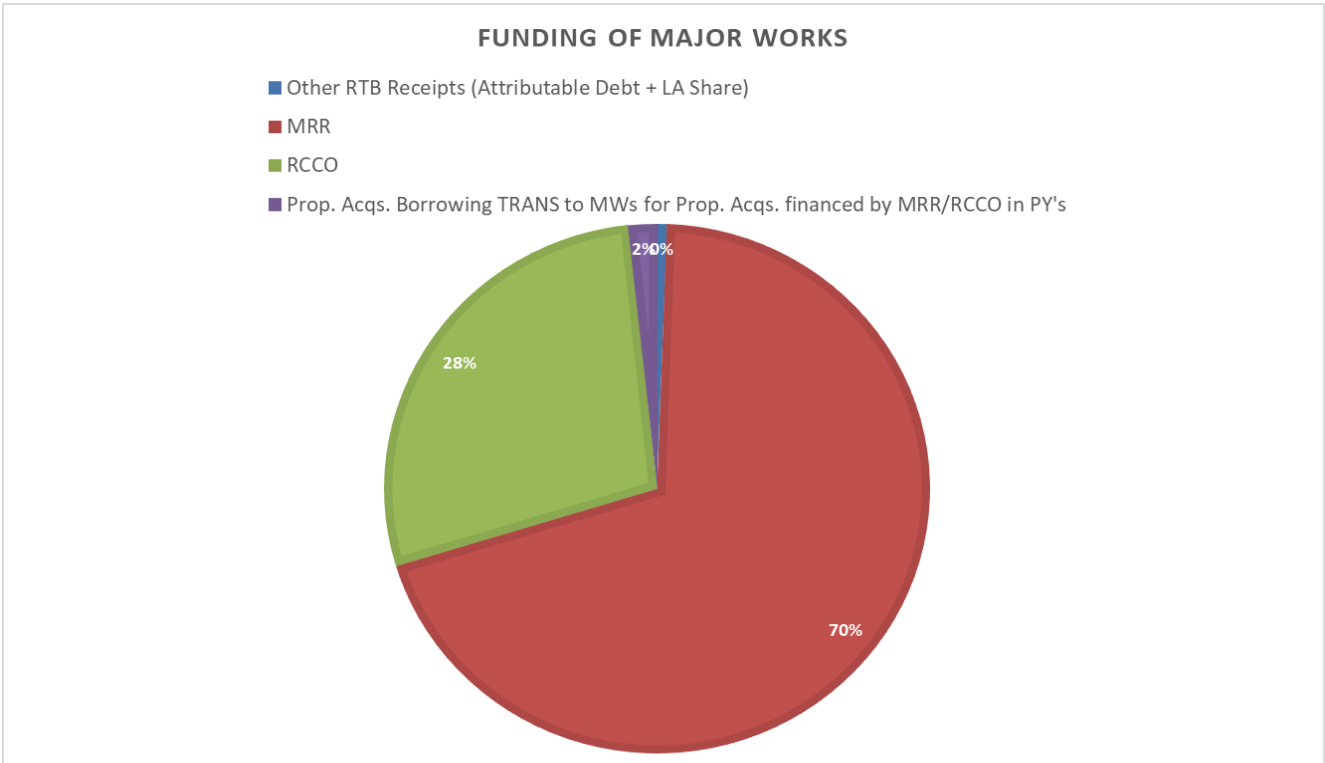


Fig. 6

4.5 How we deliver our repairs services

The council provides a high quality, in-house responsive repairs service to our tenants and leaseholders. We know that the standard of the repairs and maintenance service has the biggest effect on tenants' quality of life and we focus our energy and resources in getting this service right. The annual base budget for the repairs service is £48m.

The two teams that complete this work are the responsive repairs team, responsible for repairs inside homes, and the communal repairs team, who complete repairs in public areas of our estates and blocks.

This year the service has seen significant increase in demand in relation to issues of damp and mould, resulting from raised awareness of associated health issues and media attention. The council has agreed a one-off additional resource (from HRA contingency/reserves) to meet this need of £1.7m for the next two years (2023/24 & 2024/25) and then an additional £1m per year across the life of the Business Plan to support the increase in the scope of works, painting and surveying resources and works specification.

These costs have been accommodated within the Business Plan. The service has also restarted planned preventative maintenance of gutters and drains and commissioned in house checking of fire doors. However, there has been further significant growth in costs during this period; specifically, there is significant growth in the cost of sub-contracted labour both due to increased contractual costs and higher use of subcontractors due to increased service demand, legal disrepair costs due to more cases being closed down and settled and hotel accommodation due to prevention of damp and mould or subsidence.

This increased pressure in 23/24 is projected to be a further £7.7m; it is anticipated that this is part of a peak in spending which should result in less resources being required in future years. Whilst the pressure arising in 23-24 has been accommodated within the Business Plan it is unclear how much of this pressure will continue and the level of permanent growth that will materialise. Therefore, further scrutiny of this growth is required to understand the long-term impact on the Business Plan.

On-going monitoring and review will be carried out during 2023/24 and early 2024/25 to inform our next Business Plan. As an interim measure a total of £2.850m ongoing repairs growth and £1m unidentified ongoing growth has been included in the Business Plan with effect from 2024/25. Initial investigation into the cause of the growth indicates damp and mould and historic underinvestment in aspects of the stock are key drivers of the growth, suggesting that future years of underinvestment will drive further revenue pressures. Increasing annual capital investment and reliability from mechanical and electrical services will help counter this effect.

The council has also agreed a rolling programme of tenancy home visits and part of this process will include checks for damp and mould in all rooms.

4.5 What we plan to spend on capital investment through our plan

CAPITAL EXP. OVER 30 Years		
Major Works & Improvements	New Build & Property Acquisitions	TOTAL
£Ms	£Ms	£Ms
£2,915.3	£260.6	£3,175.9
92%	8%	100%

Fig. 7

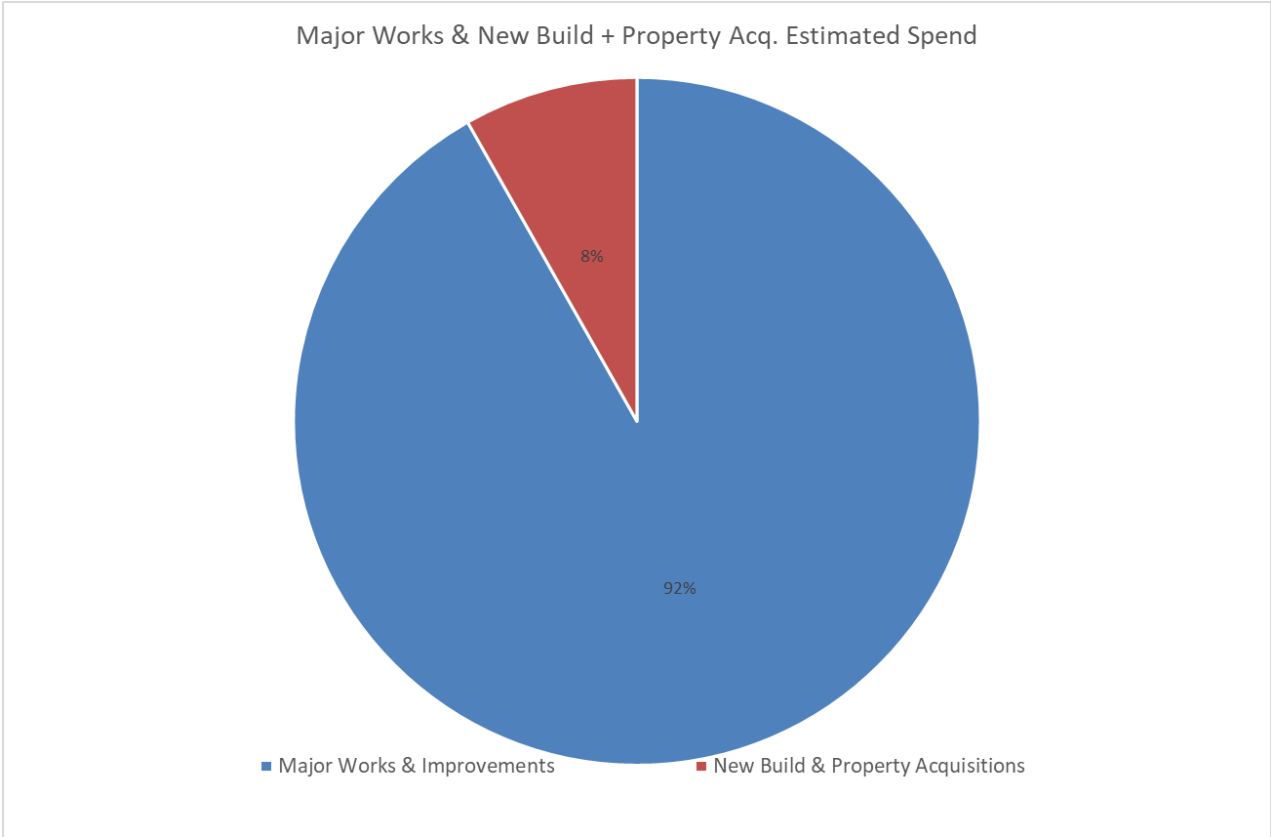


Fig. 8

4.6 Housing management costs

Housing management services and responsive maintenance services are some of the most important services to our residents, making sure homes, blocks and estates are repaired and cleaned, tenancies are managed, vulnerable residents are supported, and anti-social behaviour is tackled.

The Social Housing Regulator has established 22 Tenant Satisfaction Measures (TSMs) that monitor the delivery of key landlord services, including safety checks, the number of homes meeting the decent homes standard, repairs delivery, anti-social behaviour and complaints monitoring as well as resident satisfaction in these

key areas and overall, with their landlord. Landlords will have to measure and report these TSMs annually, as well as keeping residents informed on how they are performing on other key service measures that are important to them.

Landlords will also be inspected by the Social Housing Regulator to assess how they are meeting requirements, satisfying their residents, and engaging with them. We have established a Service Improvement Board to develop and oversee our plans for improvement and getting ready for the regulation inspection process. This improvement programme is grounded in ensuring residents are at the heart of everything we do as a landlord and that we engage with them to best understand how they would like to see our services focused and improved.

How we fund our revenue services

The table below shows the provisions being made for these services throughout the life of our plan.

Year	Income			Expenditure							Interest Earned on Balances	Surplus (Deficit) C/FWD
	Rental Income	Tenant+LH Service Charges+ Commercial Income	Other Income	Housing Management	Cont. to Major Repairs Reserve to fund Major Works	Repairs	Other & B. Plan Adj.'s	Interest Charges on Borrowing	HRA contributions to fund Major Works			
	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	£ Ms	
2023.24	£177.3	£58.4	£0.5	(£116.4)	(£35.2)	(£48.0)	(£22.5)	(£20.2)	£0.0	£2.6	£49.0	
2024.25	£197.3	£60.9	£0.5	(£121.9)	(£38.5)	(£51.5)	(£30.8)	(£23.9)	£0.0	£1.9	£39.5	
2025.26	£203.4	£62.5	£0.5	(£125.8)	(£40.6)	(£53.6)	(£18.0)	(£28.2)	£0.0	£1.5	£41.1	
2026.27	£210.2	£64.3	£1.0	(£129.4)	(£42.1)	(£55.4)	(£3.9)	(£28.3)	£0.0	£2.0	£59.5	
2027.28	£217.4	£66.2	£1.0	(£132.3)	(£43.6)	(£57.1)	(£4.0)	(£28.3)	£0.0	£2.2	£80.9	
2028.29	£222.1	£68.0	£1.1	(£135.1)	(£45.3)	(£58.6)	(£4.1)	(£28.3)	£0.0	£2.3	£102.9	
2029.30	£226.4	£70.0	£1.1	(£138.1)	(£46.8)	(£60.2)	(£7.3)	(£28.4)	(£0.2)	£2.4	£122.0	
2030.31	£235.3	£72.0	£1.1	(£141.0)	(£48.3)	(£61.9)	(£4.3)	(£28.5)	(£16.7)	£2.6	£132.3	
2031.32	£235.4	£74.1	£1.1	(£144.1)	(£49.9)	(£63.6)	(£4.4)	(£28.7)	(£17.2)	£2.7	£137.7	
2032.33	£240.0	£76.3	£1.2	(£147.2)	(£51.6)	(£65.3)	(£4.4)	(£28.8)	(£17.8)	£2.8	£142.8	
2033.34	£244.6	£72.4	£1.2	(£133.4)	(£53.3)	(£70.1)	(£6.9)	(£29.0)	(£22.7)	£3.0	£148.5	
2034.35	£249.4	£74.7	£1.2	(£136.0)	(£55.1)	(£74.0)	(£7.9)	(£29.0)	(£27.9)	£3.0	£146.9	
2035.36	£258.9	£77.0	£1.2	(£138.7)	(£57.0)	(£76.0)	(£4.0)	(£29.1)	(£28.8)	£3.0	£153.6	
2036.37	£258.7	£79.5	£1.3	(£141.4)	(£58.9)	(£78.1)	(£4.1)	(£29.2)	(£29.8)	£3.1	£154.8	
2037.38	£263.5	£82.0	£1.3	(£144.1)	(£60.8)	(£80.2)	(£4.2)	(£29.2)	(£30.8)	£3.1	£155.3	
2038.39	£268.4	£84.6	£1.3	(£146.9)	(£62.8)	(£82.4)	(£4.3)	(£29.3)	(£31.8)	£3.2	£155.2	
2039.40	£273.2	£87.3	£1.4	(£149.8)	(£64.9)	(£84.7)	(£8.7)	(£29.3)	(£32.9)	£3.1	£149.9	
2040.41	£278.3	£90.1	£1.4	(£152.7)	(£67.1)	(£87.1)	(£4.5)	(£29.3)	(£34.0)	£3.0	£148.1	
2041.42	£288.9	£93.0	£1.4	(£155.7)	(£69.3)	(£89.4)	(£4.6)	(£29.3)	(£35.2)	£3.0	£151.0	
2042.43	£288.6	£96.0	£1.5	(£158.7)	(£71.7)	(£91.9)	(£4.7)	(£29.3)	(£36.4)	£3.0	£147.5	
2043.44	£294.0	£99.1	£1.5	(£161.8)	(£74.1)	(£94.4)	(£4.7)	(£29.4)	(£37.6)	£2.9	£143.0	
2044.45	£299.4	£102.3	£1.5	(£164.9)	(£76.5)	(£97.0)	(£9.7)	(£29.4)	(£38.9)	£2.8	£132.5	
2045.46	£304.9	£105.5	£1.6	(£168.2)	(£79.1)	(£99.7)	(£4.9)	(£29.4)	(£40.2)	£2.6	£125.7	
2046.47	£310.5	£108.9	£1.6	(£171.4)	(£81.7)	(£102.5)	(£5.0)	(£29.4)	(£41.6)	£2.5	£117.6	
2047.48	£322.4	£112.4	£1.6	(£174.8)	(£84.4)	(£105.3)	(£5.1)	(£29.5)	(£43.0)	£2.4	£114.3	
2048.49	£322.1	£116.1	£1.7	(£178.2)	(£87.3)	(£108.2)	(£5.2)	(£29.6)	(£44.4)	£2.2	£103.4	
2049.50	£328.0	£119.8	£1.7	(£181.6)	(£90.2)	(£111.2)	(£10.7)	(£29.6)	(£45.9)	£1.9	£85.7	
2050.51	£334.1	£123.7	£1.8	(£185.2)	(£93.2)	(£114.2)	(£5.4)	(£29.8)	(£47.5)	£1.6	£71.5	
2051.52	£340.3	£127.7	£1.8	(£188.8)	(£96.3)	(£117.4)	(£5.6)	(£29.9)	(£49.1)	£1.3	£55.5	
2052.53	£353.2	£131.8	£1.8	(£192.5)	(£99.5)	(£120.6)	(£5.7)	(£29.9)	(£50.8)	£1.0	£44.3	
	£8,046.0	£2,656.7	£39.0	(£4,556.1)	(£1,925.1)	(£2,459.9)	(£219.8)	(£859.7)	(£800.9)	£75.0		

Fig. 9

4.7 Council commitments to carbon reduction

The council recognises the impact that our large housing stock has on borough-wide carbon emissions and is ambitious to make significant progress towards carbon reduction and strides forward in low carbon technologies by 2030 through our Net Zero Carbon strategy. Social landlords are expected to improve the energy efficiency of our tenanted homes to a minimum of SAP band C by 2030.

The energy efficiency of our housing stock has been improved through the replacement of single-glazed windows with energy efficient double-glazed units (where appropriate), replacement of older less efficient gas boilers with highly efficient condensing boilers, the installation of internal and external insulation through a variety of programmes, continued investment and commitment to much more energy efficient communal and district heat networks (including Bunhill Combined Heat and Power Plant (Bunhill CHP)) as well as the introduction of low energy LED lighting on our estates communal areas and within properties. All new council homes are also built to very high standards of energy performance.

There are tensions between the installation costs of new Net Zero Carbon systems, operating cost increases for residents and installation costs for leaseholders. The service has developed a decisions making tool considering the operating cost, carbon reduction and hierarchy of preferred solutions to make decisions in a transparent measured way.

These actions combined have had a significant impact on the energy performance of the council's stock and save our residents money. Although our average SAP banding per property of C means that a lot of our homes are relatively energy efficient, over 6000 of our homes are still below the required level. Some of our Victorian and Georgian street properties, other period properties and some estate-based properties do not perform so well and addressing these 6250+ properties is anticipated to be costly. The investment need in our stock in order to achieve closest to the net zero carbon target possible is understood to require in excess of £1.5 billion of investment. Much of this would be in addition to the cost of works to improve properties to SAP band C.

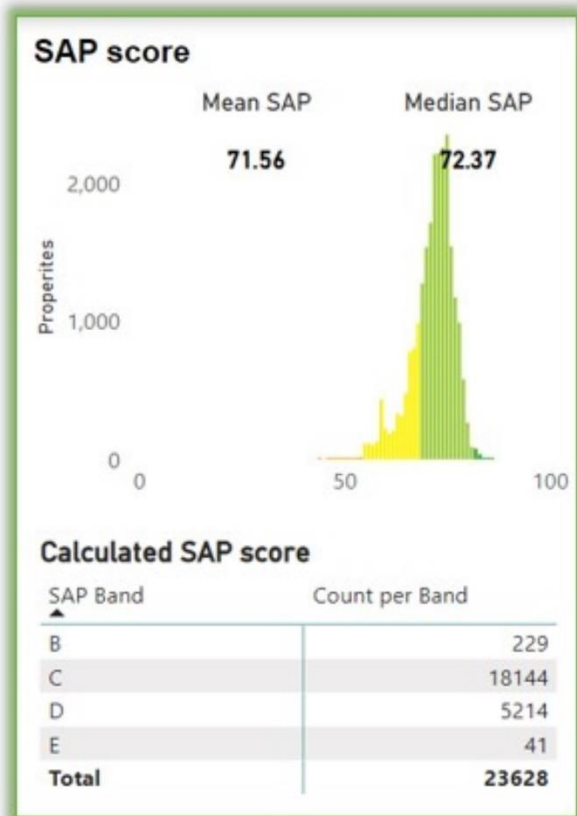


Fig. 10 (this figure excludes properties managed under our PFI1 contract, as the quality of data held for these properties is less reliable).

4.8 Building new homes and property acquisitions.

The council has an ambitious new build programme and has a target of having started on site 750 new social rented homes by December 2027, which means delivering over 1500 new homes to cross subsidise the delivery of the social homes. The new build programme has always been expected to deliver all new homes on a self-funding basis; meaning all capital, borrowing and on-going revenue costs (such as the new build delivery team) are covered by income from the scheme in conjunction with Right to Buy (RTB) sales receipts, grants from the Greater London Authority (GLA), disposal receipts and rental income.

The current Business Plan assumes that the new build programme will continue towards seeking to meet the Council's target to increase supply of new social housing through developing 750 new council homes (with a start on site by December 2027).

However, 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 Business Plan currently includes subsidised new build borrowing of £34.258m to take 180 new council homes through to completion and a further provision of £20.236m to continue developing a pipeline programme of 570

new council homes through to Planning stage. This subsidy of the new build programme has caused a budget pressure which will need to be funded by further reducing the budget provision available for investing in existing council homes, through our major works and improvement capital programme by 5% (or £2.7m) per year over 30 years. This will result in £81m less being available to invest in the maintenance of our existing stock.

In addition to the new build programme the council is undertaking two largescale acquisitions programmes, purchasing properties formerly sold under right to buy.

These 2 programmes aim to purchase 100 and 310 properties to meet urgent housing need within the borough. A mixture of properties acquired under the two schemes has been reflected in the Business Plan. The final acquisitions numbers will be reflected in the next update of the Business Plan. These acquisition programmes will be funded as follows: the 100-properties: £23.724m HRA borrowing & £23.226m GLA grant & the 310-properties: £85.169m HRA borrowing & £69.116m DLUHC grant. The programmes are designed to be self-funding with the borrowing costs being met from the net rent generated by the properties purchased.

4.9 How we fund our new build programme and property acquisitions programmes

Funding of the New Build Prog. & Property Acquisitions					
Borrowing £Ms	RTB 141 Receipts £Ms	Other RTB Receipts £Ms	Prop. Acqs. GLA Grant	Open Market Sale Surpluses £Ms	TOTAL £Ms
£132.5	£51.9	£3.5	£23.2	£49.4	£260.6
50.8%	19.9%	1.4%	8.9%	19.0%	100.0%

Fig. 11

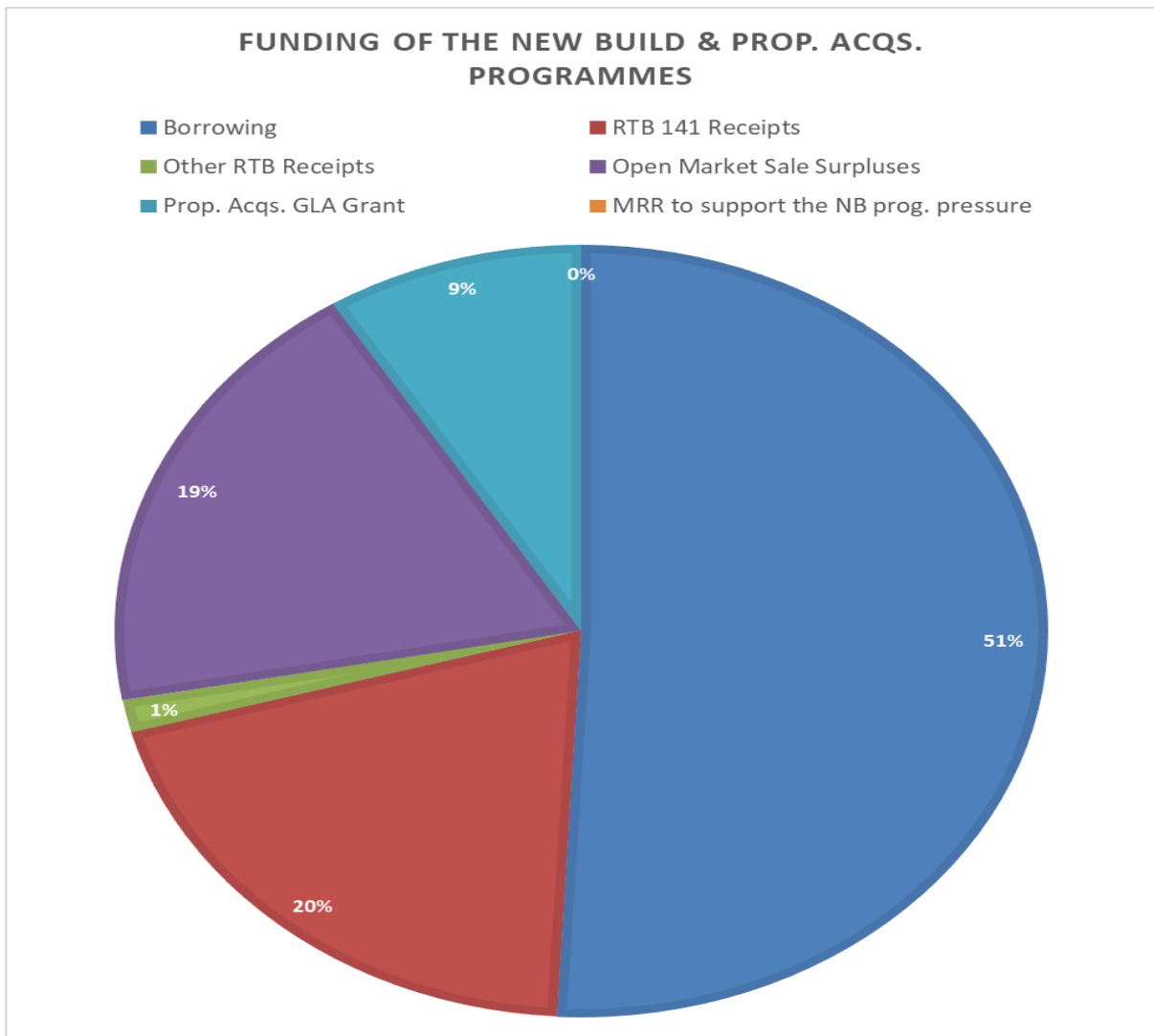


Fig. 12

5. Income - Where it comes from and what are the constraints and how do we spend it

HRA B.Plan INCOME over 30 Years				
Rents	SC's Tenants & LeaseHolders+ Other Income	Interest Earned on HRA Balances	Reduction in Reserves by YR30	TOTAL
£Ms	£Ms	£Ms	£Ms	£Ms
£8,046.0	£2,695.7	£75.0	£4.7	£10,821.4
74.4%	24.9%	0.7%	0.0%	100.0%

Fig. 13

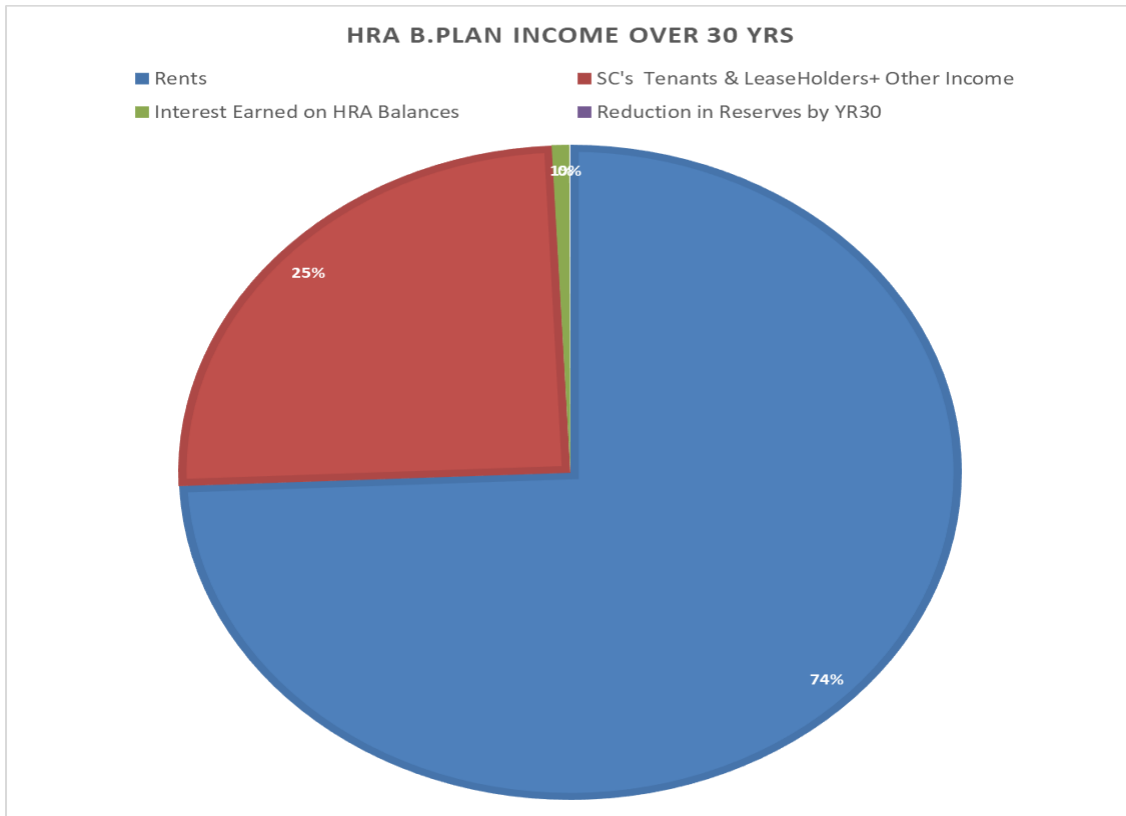


Fig. 14

HRA B.Plan EXPENDITURE over 30 Years						
H.Management	Mandatory Contributions to the Major Repairs Reserve to fund Major Works	Revenue "Top Up" contributions from the HRA to fund Major Works	Repairs	Other Exp. (ADJ's to B.Plan)	Borrowing Costs (Interest Charges)	TOTAL
£Ms	£Ms	£Ms	£Ms	£Ms	£Ms	£Ms
£4,556.1	£1,925.1	£800.9	£2,459.9	£219.8	£859.7	£10,821.4
42.1%	17.8%	7.4%	22.7%	2.0%	7.9%	100.0%

Fig. 15

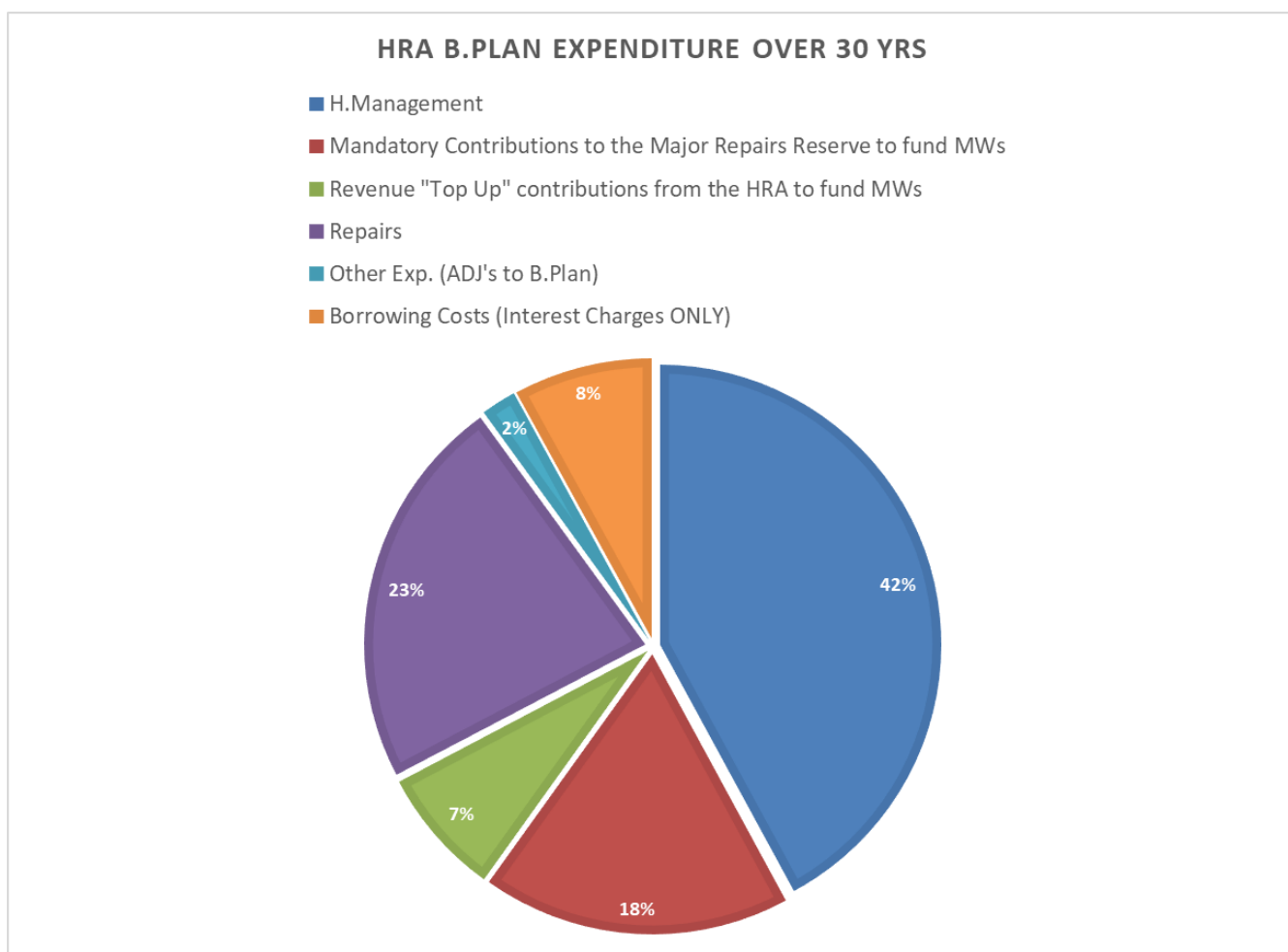


Fig.16

5.1 Residential rents and service charges. The vast majority of our income is generated from rents and service charges paid by residents. Rents are set annually and are constrained by the Rent Policy of the Social Housing Regulator, who set a maximum increase for rent of social homes each year. Leaseholder charges represent the costs of delivering services to leaseholders, in accordance with the lease between leaseholders and the council.

5.2 Our approach to rent and service charge setting. As our main source of income, it is imperative that our rents and the income they generate matches as closely as possible our management and maintenance costs and investment need. Small changes to government policy on rents or getting rent setting wrong can cause significant and lasting damage to the viability of the housing Business Plan in the short and long term.

The four-year rent reduction of 1% by the government, resulted in a net reduction of income of £1.5 billion over the life of the HRA Business Plan. Further, the recent capping of rent to an annual 7% increase during a period of high inflation in 2023/24 resulted in a further loss of £213m over the life of our Business Plan.

These, combined with government policy changes, build pressure on social landlords' ability to invest in social homes to keep them in a safe, energy efficient and

comfortable condition. Resulting in deterioration in condition of our housing over time. These constraints on our resources and a lack of alternative funding streams to the HRA means that the only way to seek to keep homes in the best possible condition is to set rents increases to the maximum level allowed by the government through the Social Housing Regulator.

Government policy in 2024/25 is to allow an increase of Sept.23 CPI 6.7% + 1%, after that the increase assumed within the HRA Business Plan is estimated CPI + 1% for the next 3 years falling to CPI only after that.

All rents are set in accordance with government policy and the Rent Standard meaning that no existing tenants rents will increase by more than 7.7% in 2024/25.

Existing tenants' general needs rents (excluding new build) will increase by 7.7% in 2024/25 and all re-lets will be set at the social rent applicable to the property.

New build rents have been set under a number of different rent setting approaches, reflecting the differing funding structures that individual schemes were developed under. These approaches sought to maximise the delivery of the maximum number of genuinely affordable homes as possible and minimise the number that needed to be sold to fund this. However, this has resulted in an inconsistent approach for rents on new homes. The council has therefore reviewed its rents and agreed to adopt a single consistent approach across all new build homes. Rents will be aligned over 3 years from 2023/24 to 2025/26.

Homes that are or were included in the PFI schemes are exempt from the Rent Standard. Therefore, were not subject to the 1% rent reduction requirement and were instead increased in line with original government Policy i.e. Sept. CPI + 1%. This helped to fund their continuing costs under the PFI1 and PFI2 contracts and continues to support expenditure on these homes, which are in general more costly to invest in and maintain than other homes within the council's stock. This has meant that over time rents for these properties are 15% higher. In order to start to address this divergence from other rents, the council has taken the decision to limit rent increases for these properties by applying a £0.50 reduction to the rent increase each year, bringing rents down towards the social rent level over time.

The Council provides support to residents to support them to access financial support and money and debt advice, as well as providing crisis support to residents who are struggling with the cost of living, as well as rental payments. Our income maximisation team helps ensure residents are able to access all the support that is available to them.

5.3 PFI credits. These are paid to the Council by the government as a contribution toward the cost of the remaining PFI contract with Partners. The contract covers 2300 homes and was a government initiative to fund decent homes investment in these properties in the early 2000s, where there was a significantly higher investment need. The government agreed to fund part of the on-going contractual costs related to these properties until the contract expires in 2033.

5.4 Commercial rents. The council owns and manages a small portfolio of non-residential commercial assets ranging from shops and underground car parking areas to rooftop lettings to mobile phone operators. This generates income of approximately £1.4m per year for the landlord account. There is an active programme which seeks to generate additional commercial income including the letting of shops under recent new build schemes, repurposing unused garage spaces (subject to necessary consents and approvals) and other such opportunities.

It is envisaged that commercial activity will increase within the HRA as we maximise the opportunities for generating income from our non-residential assets. It is important that income is maximised to support the delivery of our housing landlord services. The current estimate for increase is £895k PA and is incorporated into the Business Plan. The balance of any other schemes is excluded until the benefits have fully crystallised.

The council is developing a Strategic Asset Management Plan to confirm our approach to income generation and community benefit from buildings the council owns and are surplus to operational need. The plan will incorporate HRA commercial and community assets and ensure the maximum value is achieved from them, either through market lettings supporting the delivery of service, or community use that directly benefits council tenants and residents living in our social homes through the social value achieved from the buildings.

This approach will extend to the 50+ community centres currently held within the HRA. Officers will seek to explore the best balance of usage to community benefit and deriving an income from usage, that helps to support continued community activity in better equipped and maintained buildings or landlord service delivery.

5.5 Right to Buy. Tenants have a right to buy their homes from the council under certain circumstances and the council can currently use around 85% of these (RTB 141) receipts to support up to 40% of the build costs in relation to the increasing the supply of social homes. The current new build programme included in the Business Plan anticipates using £52m of RTB 141 receipts in order to progress towards meeting the 750 new social homes manifesto commitment.

5.6 Interest on Balances. The HRA aims to hold minimum reserves of 10% of annual expenditure. Interest earned on reserves held by the HRA, included in the Business Plan, is based on the estimated short term money market rates as at 31st March reduced by 1% to reflect the uncertainty both in terms of long-term interest rates and the value of reserves that will be held each year over the long term. This income is dependent on the stability of both the timing and values of income and expenditure over time given the volatility particularly in terms of capital expenditure this has been kept at a prudent rate.

5.7 Our Debt The council can borrow money and repay debt as a self-financing HRA, which also allows us to keep all of the rent we generate from tenants and use it to pay for improvements to our existing stock, new homes and services for tenants.

The long-term debt held by the council is funded by income, so it is imperative that it is sustainable over the life of the Business Plan.

The current debt held in the HRA (as @ 31st March 2023) totals £463.6m and is made up of the external borrowing of £165.6m and internal borrowing of £298.0m. Over the term of the Business Plan existing external debt totalling £136.8m is re-financed and new external borrowing is taken on for new housing and property acquisitions totalling £180.7m as set out below:

Item	Value	Notes
Current new build programme	£56.008m	Funded from the rent for these homes and a reduction in the average delivery cost per home for these new properties
Future new build properties	£52.733m	Part of our developing programme – funded from the rent generated by the properties = £18.475m & subsidised from the HRA £34.258m
Property Acquisition Programmes for Temporary Accommodation	£71.969m	Funded by the net rent generated by rents set at the lower of 80% of market rent or local housing allowance rates – homes are bought on our own estates and used as temporary homes for homeless families, care leavers, rough sleepers & refugees

Fig 17

5.8 Our approach to debt, interest rate assumptions and levels of reserves.

The council’s borrowing will total £644.3m at the end of the Business Plan term which equates to £26k per unit of stock owned as at 2052/53 or 5% of the open market value of the HRA residential asset base. The total debt held by the council is a mixture of historic debt, allocated by the government as part of the self-financing agreement with local authorities, and additional borrowing undertaken since that time. External borrowing is refinanced upon maturity of the debt as required.

5.9 Interest Rates. In recent years the UK interest rates have been both relatively low and stable. However, the recent turbulence in the financial markets coupled with the Bank of England’s (BoE) measures to control inflation has resulted in significant falls in the value of government debt (gilts) and a corresponding increase in gilt yields. The longer inflation & interest rates remain high the more gilt rates are likely to rise. It is gilt rates that directly affect the interest rates at which the Council can borrow from the Public Works Loan Board (PWLB). Since Jan 22 to 30th Nov.23 the PWLB 40-year maturity rate has risen from 2.06% to 5.49% and the BoE, over this same period, has raised the base rate 13 times from 0.25% to 5.25%. Current market forecasts suggest that inflation will take until late 2025 to fall to target levels of around 2% and that during this period the BoE base rate will remain high, only falling very gradually and that longer term the BoE base rate is likely to stabilise at

around 3.5%. However, as referred to above the PWLB rate is linked to gilt rates and there is not necessarily a correlation between BoE interest rates & PWLB rates.

The Business Plan currently assumes that all refinanced debt £136.8m (currently borrowed at on average 5%) and new borrowing £180.7m will be taken out at 5.91%. This is based on the 40-year PWLB maturity rate as at 25-09-23 plus a 50-basis point buffer. Market forecasts and current government monetary policy would suggest that PWLB rates are likely to fall in the medium to long term as such the rate used in the Business Plan is considered both reasonable and prudent. There is a balance that needs to be struck between delaying borrowing and hence annual interest charges (because in the short term there are sufficient reserves to cover the capital spend) and taking the opportunity to borrow as interest rates fall. This position is being closely monitored by the Council's Treasury Team particularly as the Govt. has made available an HRA borrowing concession of 40 basis points for borrowing taken out between June 23-June 25 (increased by a year as part of the Chancellor's autumn 2023 statement)

Finally, it should be noted that all new build schemes, that are progressing through the gateway stages prior to contract award will be subject to full financial viability assessments at key stages, which includes the application of the prevailing PWLB interest rate plus a 50-basis point buffer.

5.10 Reserves. The Business Plan requires a minimum of 10% of annual operating expenditure to be maintained in reserves each year, this equates to an average MINIMUM of £33m per year over the 30-year Business Planning term. The average reserve balance is £113m per year with a year 30 reserves position of £44m vs a minimum requirement at 10% of £43m. Whilst reserves appear higher than required on average, they are being used over the 30-year term of the Business Plan to support the £801m additional HRA RCCO contribution being made to support our major works investment programme.

Maintaining reserves at a minimum of 10% provides short term protection to the HRA allowing us to accommodate sudden or unforeseen costs in the short-term giving the Homes and Neighbourhoods time to consider and implement savings measures to offset these unforeseen costs in the medium-term.

Benchmarking with 10 other London Local Authorities has shown that the median level of reserves in 2022-23 is 12.2%, the 25th percentile is 7.7% and the 75th percentile is 15%.

5.11 Cost of Borrowing. Due to the level of debt held by the council, small changes in borrowing costs can have a significant impact on the Business Plan and our costs. For example, a 1% increase in interest rates (in respect of both external & internal borrowing) over the 30 year term of the Business Plan would create an unfunded cost pressure of £148m.

5.12 Depreciation. Application of depreciation is a requirement for all HRAs. The charge reflects component deterioration in both the housing stock and other housing assets and provides financial resource which contributes to the cost of the repair and maintenance of stock going forward. This means that we set aside a minimum contribution each year into the major repairs reserve (MRR), to ensure a minimum investment in our asset takes place in line with this requirement. However, this is not enough on its own, so we make additional contributions known as revenue contributions to capital (RCCOs) to closer meet the actual investment needs of our stock.

6. Pressures and emerging pressures

6.1 New Build

Stopped schemes and strategically important developed pipeline schemes:

Due to the recent constraints to the financial viability of new build schemes, a number of schemes not yet in contract have been stopped and resources reallocated to alternative schemes with greater strategic importance delivering more social homes. The cost of this to the HRA in abortive costs was £6m. The stopped schemes would have delivered 76 social homes, resources have been rediverted to 3 schemes intended to deliver 180 social homes.

New site finder programme: This pipeline of schemes to achieve the council targets for the supply of new homes was previously included in the Business Plan on the basis that it was self-funding i.e. the net rent generated from the new build social homes was sufficient to cover the borrowing costs required to balance the funding of the schemes. As a result of the current economic conditions schemes that would previously have been viable, are no longer viable. There is therefore a current proposal to keep on developing the new build programme towards meeting the 750 (start on site by Dec. 2027) social homes manifesto commitment. There are 3 schemes designed to deliver 180 social homes that have been developed out to planning stage, these 3 schemes require subsidised borrowing from the wider HRA of £34.258m after deducting the re-allocated borrowing resources, arising from the stopped schemes, the net cost to the HRA each year as a result of progressing these 3 schemes is £2m. In addition, it is proposed to set aside resources totalling £20.236m to take the remaining 570 social homes through to planning stage. In the event that the economic environment improves sufficiently within three years of planning being granted these costs will be self-funded if the developments proceed but will place an additional pressure on the Business Plan of £20.236m if they do not. At this time a provision needs to be made as a prudent assumption until it is evidenced that economic conditions have improved.

6.2 Savings programme

In 2022/23 a savings programme was established within the HRA to address budgetary pressures including funding pay inflation, contract inflation, needing to increase reserve levels, increases in interest rates, loss of income from rents and growing costs from the new build programme.

This £5.033m savings programme is applied over a four-year period to annual management and maintenance budgets. It will help to address these pressures and this proposed level of saving has been built into the HRA Business Plan.

Housing Property Services offered up savings of £4.10m in contribution to the overall target through a variety of sources. Against the backdrop of the significant strain facing the service at present there is a risk that these savings will not be achieved.

These savings are currently incorporated into the Business Plan.

There has been further significant growth in Repairs related costs during 2023/24; specifically, there is significant growth in the cost of internal staffing (repairs operatives & disrepair support staff), repairs sub-contractors, legal disrepair and hotel accommodation. The pressure in 2023/24 is projected to be around £9.4m, it is anticipated that this is part of a peak in spending which should result in less resources being required in future years. However, it is unclear how much of this pressure will continue and the level of permanent growth that will materialise. Further scrutiny of this growth is required to understand the long-term impact on the Business Plan. On-going monitoring and review will be carried out during 2023/24 and early 2024/25 to inform our next Business Plan.

The one off £9.4m pressure has been included in the Business Plan and in addition provision totalling £3.850m for permanent repairs/unidentified budget growth has been allowed for at this stage. There remains a high risk that this provision will not be sufficient to meet the ongoing cost pressures in respect of the repairs service and that the full £4.10m of anticipated savings will not be delivered. Requiring further reductions to the monies available to fund the required investment in existing stock.

6.3 Inflation

Rates of inflation is high in the UK and the levels of rents we have been able to charge over time, the council's main income, have not been allowed by government to increase proportionately. Where there is divergence between inflation related to capital investment and responsive repairs and the rates of inflation used for the rent settlement, this creates significant strain on the Business Plan.

There continues to be uncertainty regarding how rents will be set going forward. Where the inflation applied to rents and capital/repairs contracts are aligned then the expenditure increases can be covered off within the Business Plan however where rental income increases are pegged back by government policy then this creates a pressure in the Business Plan.

If **capital contract** inflation were to exceed the increase permitted for rent setting by 1% in all years, this would create an unfunded budget pressure of £552m.

If **repairs contract** inflation were to exceed the increase permitted for rent setting by 1% in all years, this would create an unfunded budget pressure of £218m.

In terms of **rent setting**: if the plus 1% rent increase above CPI, assumed in the Business Plan in the 3 years 2025-26 to 2027-28 were not permitted by government, this would create an unfunded budget pressure of £214m.

Conversely if the government were to extend the plus 1% rent increase above CPI across all 30 years in the Business Plan this would create surplus rental of income of around £1b.

6.4 Rent arrears have increased significantly over the past few years and current tenant arrears stands at £8m as at 31st March 23 compared to £3.1m as at 31st March 2018. The two main contributing factors for the increase are:

- **Welfare Reform** has represented the biggest change to the benefits system in a generation. Supporting our tenants through these changes, and the transition to Universal Credit, continues to be a key priority. The roll-out of Universal Credit is largely completely in Islington, with some limited exceptions. The impact of this rollout continues to impact arrears as payments to new claimants are paid in arrears and paid directly to residents, which has resulted in a negative impact on the health of the HRA through the need to increase bad debt provision.
- **Cost of Living Crisis** – The on-going cost-of-living crisis continues to affect our ability to collect rent from households who are struggling to fund basic costs. Considerable rent arrears were built up during the Covid -19 pandemic and this legacy continues. This in combination with the in-built delays in the Universal Credit application process meant that rent arrears increased for the council. Levels of arrear continue to be higher as result of these issues and the introduction of Universal Credit.

6.5 Electronic Communications Code 2017

The new Code became law in December 2017 and had a significant impact on the relationship between the council and electronic communications providers. It allowed Code providers, communications companies that are registered with OFCOM, to apply to have agreements imposed on the council, which allowed operators to install, keep and maintain electronic communications equipment on council land. The Code also impacted on the level of rent or compensation the council could receive for these agreements and allows large communications companies to pay less to the council than social housing tenants. The council expects to see this income diminish over the life of the Business Plan and has made provision for a reduction of £370k or 40% over the next 10 years.

6.6 Non-residential assets

An active programme of stock condition surveys is underway which will produce a 15-year costed planned preventative maintenance dataset which will enable appropriate financial budgets to be understood for non-residential buildings.

Additionally, a specific project will be a review of community centres to understand both liabilities and opportunities within the portfolio. The outcome of this work will need to feed into the asset management plan and demand additional resources creating further pressure on the HRA. There is also a wider review of the community centre portfolio taking place that will look at different delivery models – this will include some commercial lettings, a change in the terms under which groups occupy centres and a focus on having fewer but higher quality community centres overall.

7. Mitigation:

Rent Settlement and Review of Internal Costs

As our largest income source is derived from rent, which we have limited scope to increase outside of government policy, the council has few options to meet the significant shortfall in investment need of our stock over the life of the Business Plan.

Much of the HRA expenditure on the management of council dwellings is rechargeable through tenants and leaseholder service charges. Hence, we will continue to explore savings internally within our controllable areas of spend, including levels of support and recharge for non-core landlord services and through review of repairs and investment priorities.

As highlighted throughout this report, this is an area of significant financial challenges, with variable economic conditions and increasing legislative demands. We will also seek to generate income from non-residential assets and continue to lobby central government for a more equitable rent policy.

In theory, a source of income to meet investment requirements could be to dispose of high value and expensive to maintain homes throughout the borough. This would result in a net loss of socially rented homes within the borough during a period of sustained high demand and significant shortfall in supply and would run counter to the council's priority for increasing our general needs housing supply.

This is not recommended by the HRA business plan and is not Council policy, the below example illustrates the breadth of the challenge in meeting the investment gap and maintaining the Decent Homes standard through the life of the Business Plan.

The council currently holds more than 25,000 socially rented homes with an open market value of around £12 billion and an average value of £0.474m at 23-24 prices. Our annual void rate is currently between 800 – 1000 properties as such we could choose to dispose of a number of these properties per year to contribute to or meet the investment need. An illustration of the possible options is set out below:

- 10 sales a year would generate £4.7m or £141m (300 sales) over 30 years (without inflation)
- 20 sales a year would generate £9.5m or £285m (600 sales) over 30 years (without inflation)
- To meet the £933m Investment GAP in the Replacement of Expired Components model we would need to sell 65 voids a year.
- Traditional investment 1.829b would require sales of 129 per year.

However, as stated, this would run counter to the council's corporate priorities and high levels of demand for social housing.

As such the council recommends working alongside other social landlords to seek a more sustainable rent settlement from Central Government, which will enable greater certainty over long-term financial planning and investment in our housing stock.

8. Position overview

The Business Plan for 2024/25 is currently balanced. However, taking into account the pressures set out above, which are unfunded, the Business Plan would not balance and our resources would not match our requirements over 30 years. If no action is taken or if there is a significant shift in government policy, the Business Plan will require further reductions in our investment in existing stock which will in time lead to failures in decency and in meeting our obligations as a responsible landlord.

The Business Plan is a snapshot of the position at the time of writing, meaning it is often out of date once it is completed. Changes in the national and local economies, government and Council policy, addressing local and national needs and many other factors, can significantly impact the position and viability of the plan in the shorter and longer term. We will continue to review this document and our priorities to ensure that we meet our statutory obligations and balance the Business Plan to ensure the maintenance requirements of our stock are met.

Glossary

Housing Revenue Account (HRA)

The Council's landlord account held separately from all other council funds and ringfenced, which means it can only be used for activity related to the council in its role as a landlord. This is legal requirement for all councils who are landlords.

Private Finance Initiative (PFI)

Private Finance Initiatives were used by the government to fund public investment through private borrowing. The government offered this as a solution for social housing to meet the decent homes standard where the investment need was particularly high. This is why the council entered into a contract with Partners for Improvement in Islington to manage its housing under two contracts in 2002 and 2006.

Rents Policy

As a social housing provider, the council must set rents for residential properties in accordance with the Rent Policy Statement. The Rent Policy is issued annually by the Social Housing Regulator.

Social Housing Regulator

As a provider of social housing in England, the council is supervised and regulated by the Social Housing Regulator for England which promotes a viable, efficient and well-governed social housing sector able to deliver and maintain homes of appropriate quality that meet a range of needs.

Tenant Management Organisations (TMO)

Tenant management is a form of housing management in which the residents, through a formal management agreement with the council, take on the responsibility of providing some or all housing management functions on the estate or block in which they live. There are currently 23 TMOs operating in Partnership with Islington.

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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 style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 108</p>		<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	

	internal controls across the authority.	<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>	of work starting in January 2023.	
D: The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	1: The authority maintains an effective audit committee.	The Audit and Risk Committee meets at regular stages throughout the financial year. It has two knowledgeable and experienced independent members.		
	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	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-	A practice of referring all financial sustainability related recommendations to management and the consideration of their	

	<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 115	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>		

	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 120	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

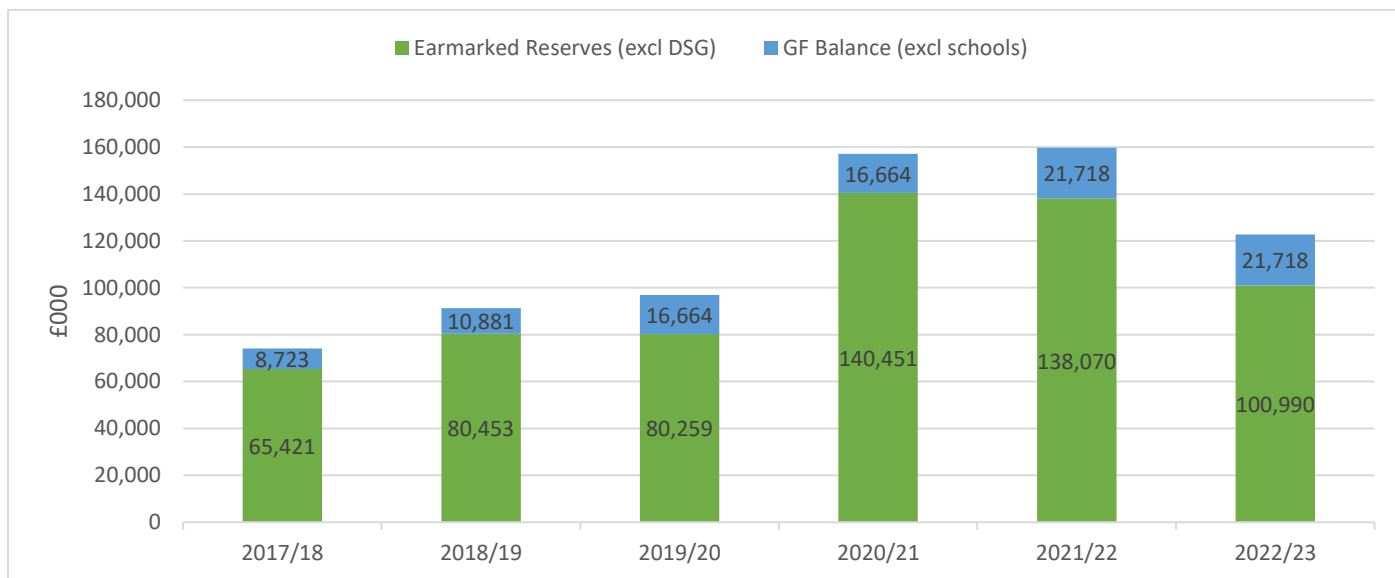
- 1.1. The balance sheet provides a snapshot of the council's financial position detailing assets, liabilities, and reserves. The balance sheet shows the complex and closely interlinked relationship between revenue, capital, borrowing and other existing and emerging risks. Analysing the council's balance 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.

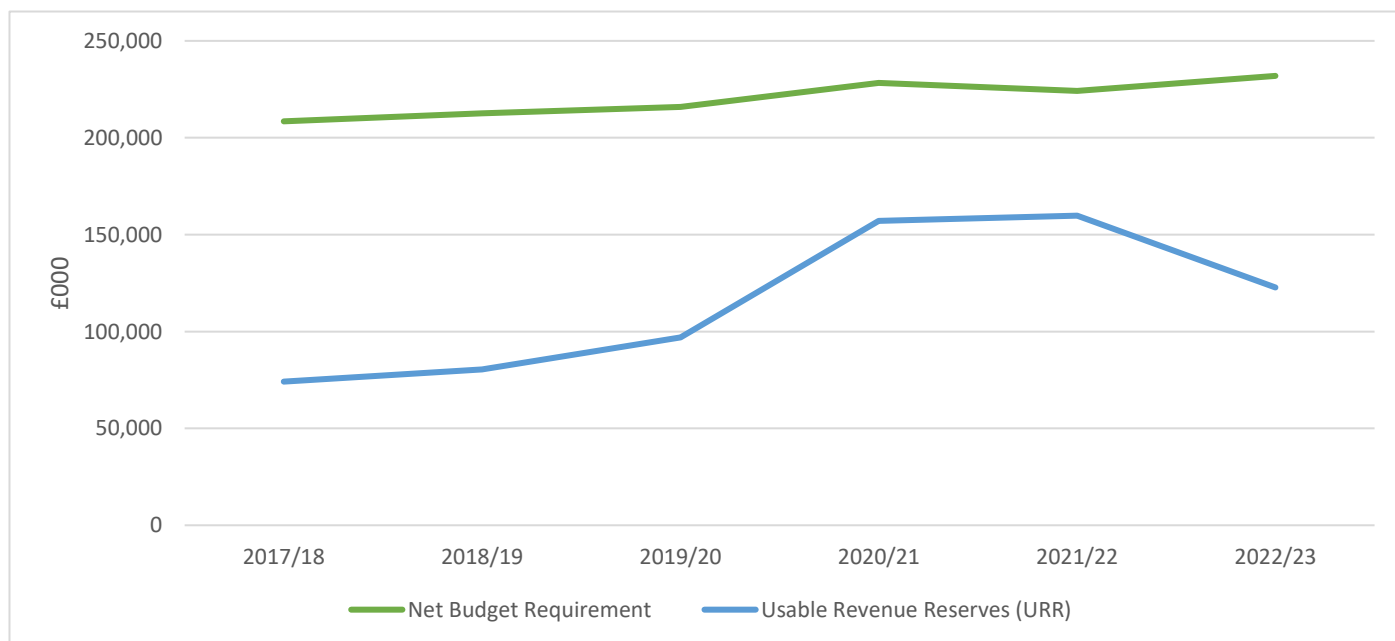
- 2.5. Useable revenue reserves can be split into ‘Earmarked’ and ‘General’. Earmarked reserves are reserves which have been set aside for the specific purpose. The specific purpose is sometime set by statute e.g. Public Health reserves can only be spent on public health activities. The specific purpose 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

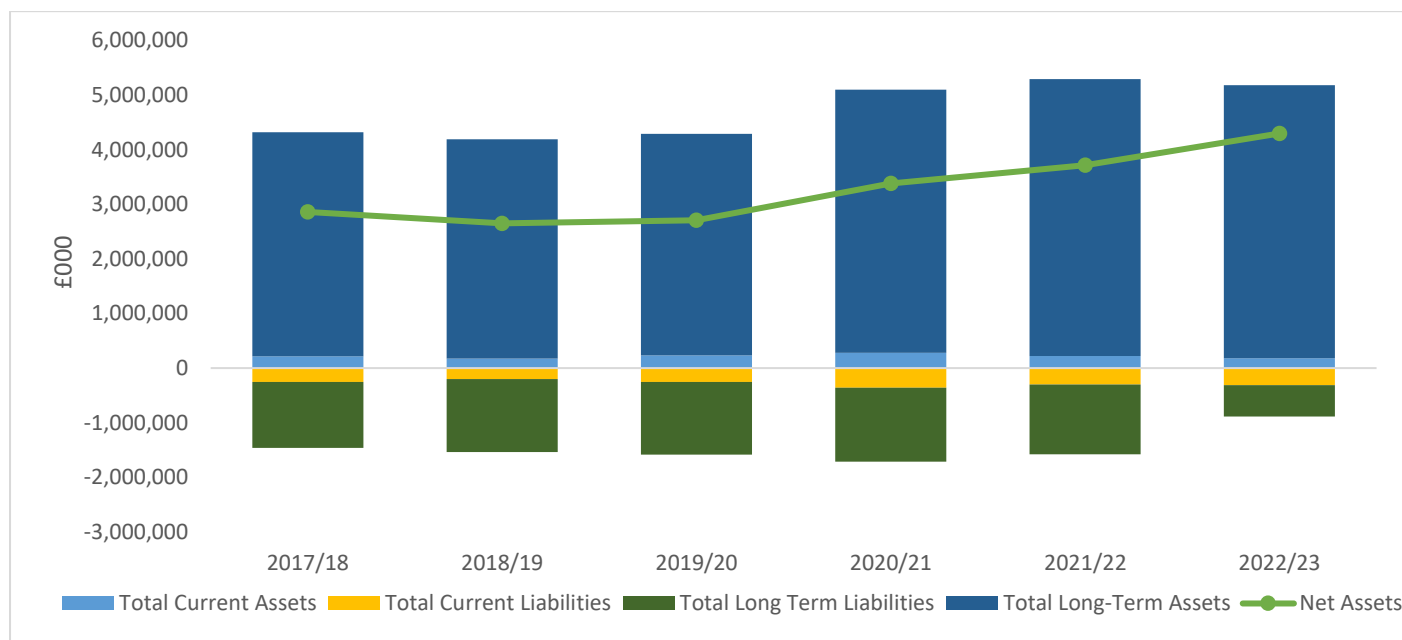


- 2.9. As shown in **Figure 2**, at 31 March 2023 useable revenue reserves were 53% of the council's 2022/23 net budget requirement. This is a decrease from 2021/22 where useable revenue reserves were the equivalent of 71% of the net budget requirement.
- 2.10. The council experienced a recent drop in 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.

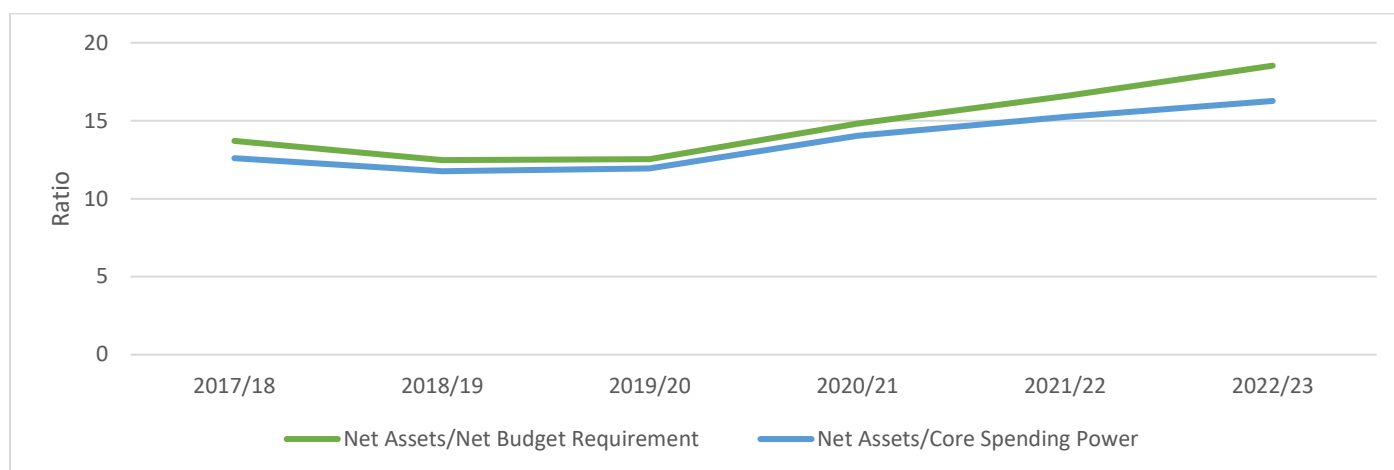
3.6. Assets and liabilities can be split into ‘current’ (short-term) or ‘non-current’ (long-term). Consequently, they can provide different information on the short-term and longer-term financial health of an organisation. **Table 1** and **Figure 4** below assess the short-term and long-term sustainability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

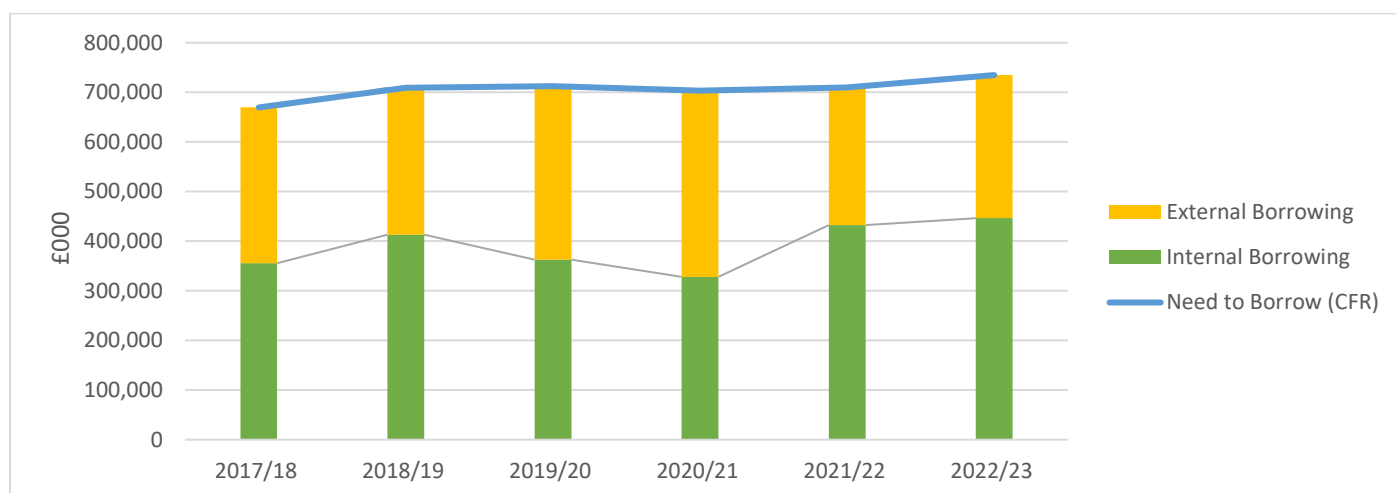


- 3.8. The Net Assets to Net Budget Requirement and the Net Assets to Core Spending Power indicators provide insight into the longer-term financial sustainability of an organisation, as they show the number of times the budget and available revenue can be funded through the council's net assets or vice 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
earmarked reserves (GF)/Net Budget Requirement	31.38%	32.73%	37.18%	61.52%	61.61%	43.54%
URR/Net Budget Requirement	35.56%	37.85%	44.91%	68.82%	71.30%	52.91%
URR/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	$\text{Capital Financing Requirement}/\text{Current Resources}$	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	$\text{Net Assets}/\text{Core Spending Power}$	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	$\text{Current Resources}/\text{Core Spending Power}$	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	$\text{Current Assets}/\text{Current Liabilities}$	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	$\text{Net Assets}/\text{Net Budget Requirement}$	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)

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

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	-	(0.002)	-	-	-	(0.175)	(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	0.157	-	-	-	-	0.157	-	(0.107)	-	-	-	(0.050)	(0.157)
Toffee Park & Radnor St Gardens	Child-Friendly Islington	0.123	2.812	0.233	-	-	3.168	-	(1.512)	-	-	-	(1.656)	(3.168)
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	1.101	-	-	-	-	1.101	(1.055)	(0.046)	-	-	-	-	(1.101)
Greenspaces - Barnard Park Renewal	Greener, Healthier Islington	1.300	2.315	-	-	-	3.615	-	(1.765)	-	-	-	(1.850)	(3.615)
Greenspaces - Bingfield Park (including Crumbles Castle legacy)	Greener, Healthier Islington	0.570	0.163	-	-	-	0.733	-	(0.663)	-	-	-	(0.070)	(0.733)
Greenspaces - Highbury Bandstand/Highbury Fields	Greener, Healthier Islington	0.034	1.428	-	-	-	1.462	-	(0.673)	-	-	-	(0.789)	(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)
Resident Experience	Community Wealth Building	0.330	-	-	-	-	0.330	-	-	-	-	-	(0.330)	(0.330)
Childcare Expansion	Child-Friendly Islington	0.245	-	-	-	-	0.245	(0.245)	-	-	-	-	-	(0.245)
Family Hub	Child-Friendly Islington	0.072	-	-	-	-	0.072	(0.072)	-	-	-	-	-	(0.072)
Newington Barrow Way Works	Community Wealth Building	0.234	4.079	-	-	-	4.313	(4.313)	-	-	-	-	-	(4.313)
UKSPF (shared prosperity fund)	Community Wealth Building	0.245	0.245	-	-	-	0.490	(0.490)	-	-	-	-	-	(0.490)
Community Wealth Building Total		25.876	32.052	20.052	24.784	18.986	121.750	(29.906)	(10.930)	(1.276)	-	-	(79.638)	(121.750)

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
Bunhill Energy Centre Phase 2	Community Wealth Building	0.796	-	-	-	-	0.796	-	-	-	-	-	(0.796)	(0.796)
Clerkenwell Green	Community Wealth Building	1.177	-	-	-	-	1.177	(0.093)	(1.084)	-	-	-	-	(1.177)
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)
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	1.536	1.513	1.513	1.513	11.104	17.179	(3.156)	-	-	-	-	(14.023)	(17.179)
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	2.738	3.653	3.252	3.500	12.650	25.793	(0.370)	(0.396)	-	-	-	(25.027)	(25.793)
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	0.440	-	-	-	-	0.440	-	(0.440)	-	-	-	-	(0.440)
Public Realm - Old Street/Clerkenwell Road	Greener, Healthier Islington	0.018	0.150	0.600	-	-	0.768	-	(0.018)	-	-	-	(0.750)	(0.768)
Public Realm - St Johns Street	Greener, Healthier Islington	1.004	0.300	-	-	-	1.304	-	(1.304)	-	-	0.000	-	(1.304)
Public Realm Improvements	Greener, Healthier Islington	-	-	-	-	0.600	0.600	-	(0.600)	-	-	-	-	(0.600)
Recycling Site Improvement & Estate Recycling and Refuse Bin Storage	Greener, Healthier Islington	0.198	-	-	-	-	0.198	-	-	-	-	-	(0.198)	(0.198)
Street Lighting - LED upgrades	Greener, Healthier Islington	0.450	0.450	0.450	0.450	2.700	4.500	-	-	-	-	-	(4.500)	(4.500)
Traffic & Parking - Cycle Schemes	Greener, Healthier Islington	0.215	0.653	0.560	0.560	0.960	2.948	(1.293)	-	-	-	-	(1.655)	(2.948)
Traffic & Parking - Electric Vehicle Charging Points	Greener, Healthier Islington	0.455	0.500	0.500	0.500	3.000	4.955	-	-	-	-	-	(4.955)	(4.955)
Traffic & Parking - Safety Schemes	Greener, Healthier Islington	0.290	0.300	0.300	0.300	1.800	2.990	-	-	-	-	-	(2.990)	(2.990)
Traffic & Parking - Traffic Enforcement/Parking	Greener, Healthier Islington	-	1.085	-	-	-	1.085	-	-	-	-	-	(1.085)	(1.085)
Parking - Extension of CP2	Greener, Healthier Islington	0.999	0.629	0.629	1.953	-	4.210	-	-	-	-	-	(4.210)	(4.210)
Vehicle fleet electrification (infrastructure)	Greener, Healthier Islington	2.908	1.969	2.000	2.000	20.990	29.867	-	-	-	-	-	(29.867)	(29.867)
Vehicle Replacement	Greener, Healthier Islington	0.052	-	-	-	-	0.052	-	-	-	-	-	(0.052)	(0.052)
Mull Walk & Pritchard Court - Welfare facilities upgrade	Greener, Healthier Islington	0.400	0.470	0.560	0.975	1.500	3.905	-	-	-	(2.930)	(0.975)	-	(3.905)
People-friendly Streets borough-wide roll out - Camera enforcement	Greener, Healthier Islington	-	1.100	-	-	-	1.100	(1.100)	-	-	-	-	-	(1.100)
Food Waste Collection	Greener, Healthier Islington	0.326	-	-	-	-	0.326	(0.326)	-	-	-	-	-	(0.326)
Air Quality Programme	Greener, Healthier Islington	0.175	-	-	-	-	0.175	(0.175)	-	-	-	-	-	(0.175)
Bus Priority Delivery Portfolio	Greener, Healthier Islington	0.073	-	-	-	-	0.073	(0.073)	-	-	-	-	-	(0.073)
Corridors	Greener, Healthier Islington	1.552	-	-	-	-	1.552	(1.552)	-	-	-	-	-	(1.552)
Cycleways Network Delivery Programme	Greener, Healthier Islington	0.106	-	-	-	-	0.106	(0.106)	-	-	-	-	-	(0.106)
Cycling Parking	Greener, Healthier Islington	2.000	5.000	-	-	-	7.000	-	-	-	(6.022)	(0.978)	-	(7.000)
Sobell Leisure Centre	Greener, Healthier Islington	7.000	-	-	-	-	7.000	-	-	-	(7.000)	-	-	(7.000)
Ironmonger Row Baths	Greener, Healthier Islington	0.140	-	-	-	-	0.140	-	-	-	-	-	(0.140)	(0.140)
Refuse Vehicles	Greener, Healthier Islington	-	12.852	-	-	-	12.852	-	-	-	-	-	(12.852)	(12.852)
Decarbonisation - Grant Match Funding	Greener, Healthier Islington	-	-	-	-	-	-	-	-	-	-	-	-	-

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
Bunhill Heat Network Extension	Greener, Healthier Islington	0.141	1.313	-	-	-	1.454	(1.454)	-	-	-	-	-	-	(1.454)
Environment Total		34.266	39.536	10.364	13.127	61.204	158.497	(12.824)	(4.246)	-	-	(15.952)	(125.475)	(158.497)	
Telfer House, EC1 - Current New Build	A Safe Place to Call Home	0.499	-	-	-	-	0.499	-	-	-	(0.499)	-	-	(0.499)	
Moreland School/Kings Square - Current New Build	A Safe Place to Call Home	0.112	-	-	-	-	0.112	-	-	-	(0.112)	-	-	(0.112)	
Elthorne & Sunken Pitch & Community Centre - Current New Build	A Safe Place to Call Home	2.989	4.130	0.242	-	-	7.361	-	-	-	(7.361)	-	-	(7.361)	
Dixon Clark Court - Current New Build	A Safe Place to Call Home	1.267	0.157	-	-	-	1.424	-	-	-	(1.424)	-	-	(1.424)	
Dovercourt Estate 1&2 - Current New Build	A Safe Place to Call Home	0.009	-	-	-	-	0.009	-	-	-	(0.009)	-	-	(0.009)	
Crouch Hall Crt - Laundry/Hanley Crouch - Current New Build	A Safe Place to Call Home	0.061	-	-	-	-	0.061	-	-	-	(0.061)	-	-	(0.061)	
173 Highbury Quadrant - Current New Build	A Safe Place to Call Home	0.283	0.790	-	-	-	1.073	-	-	-	(1.073)	-	-	(1.073)	
Elmore & Lindsey - Current New Build	A Safe Place to Call Home	0.089	2.323	0.820	-	-	3.232	-	-	-	(3.232)	-	-	(3.232)	
Finsbury Leisure Centre - Pipeline New Build	A Safe Place to Call Home	1.795	2.815	19.017	28.455	4.126	56.208	-	-	-	(56.208)	-	-	(56.208)	
Vorley Road - Pipeline New Build	A Safe Place to Call Home	0.451	4.063	9.203	7.034	0.894	21.645	-	-	-	(21.645)	-	-	(21.645)	
Bemerton South /Orkney Hse - Pipeline New Build	A Safe Place to Call Home	0.387	5.803	15.347	5.052	0.397	26.985	-	-	-	(26.985)	-	-	(26.985)	
Housing General Fund Total		7.942	20.081	44.629	40.541	5.416	118.609	-	-	-	(118.609)	-	-	(118.609)	
General Fund Total		68.084	91.669	75.045	78.452	85.606	398.856	(42.730)	(15.176)	(1.276)	(118.609)	(15.952)	(205.113)	(398.856)	
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)	
Andover Estate - Current New Build	A Safe Place to Call Home	11.744	4.377	-	-	-	16.121	-	-	-	(2.326)	(7.922)	(5.874)	(16.121)	
Park View - Current New Build	A Safe Place to Call Home	8.797	6.741	1.231	0.350	-	17.120	-	-	-	(2.106)	(8.751)	(6.263)	(17.120)	
Telfer House, EC1 - Current New Build	A Safe Place to Call Home	1.142	0.158	-	-	-	1.301	-	-	-	(0.214)	(0.632)	(0.454)	(1.301)	
Wedmore - Current New Build	A Safe Place to Call Home	0.223	-	-	-	-	0.223	-	-	-	(0.040)	(0.107)	(0.075)	(0.223)	
Moreland School/Kings Square - Current New Build	A Safe Place to Call Home	0.255	-	-	-	-	0.255	-	-	-	(0.046)	(0.123)	(0.086)	(0.255)	
Elthorne & Sunken Pitch & Community Centre - Current New Build	A Safe Place to Call Home	3.367	4.613	0.265	-	-	8.244	-	-	-	(0.862)	(4.231)	(3.151)	(8.244)	
Dixon Clark Court - Current New Build	A Safe Place to Call Home	2.640	0.475	-	-	-	3.115	-	-	-	(0.500)	(1.517)	(1.098)	(3.115)	
Charles Simmons House - Current New Build	A Safe Place to Call Home	0.608	0.152	-	-	-	0.759	-	-	-	(0.117)	(0.371)	(0.271)	(0.759)	
Windsor Street Car Pk/Garages - Current New Build	A Safe Place to Call Home	3.937	0.238	-	-	-	4.175	-	-	-	(0.725)	(2.019)	(1.432)	(4.175)	
Dovercourt Estate 1&2 - Current New Build	A Safe Place to Call Home	0.023	-	-	-	-	0.023	-	-	-	(0.004)	(0.011)	(0.008)	(0.023)	
Beaumont Rise - Current New Build	A Safe Place to Call Home	6.027	1.542	-	-	-	7.569	-	-	-	(1.162)	(3.700)	(2.706)	(7.569)	
173 Highbury Quadrant - Current New Build	A Safe Place to Call Home	0.584	1.598	-	-	-	2.181	-	-	-	(0.177)	(1.109)	(0.895)	(2.181)	
Harvist Estate - Current New Build	A Safe Place to Call Home	0.730	12.828	-	-	-	13.558	-	-	-	(0.707)	(6.998)	(5.853)	(13.558)	
Elmore & Lindsey - Current New Build	A Safe Place to Call Home	0.178	3.157	1.093	-	-	4.428	-	-	-	(0.359)	(2.629)	(1.440)	(4.428)	
Redbrick Estate - Current New Build	A Safe Place to Call Home	(0.163)	-	-	-	-	(0.163)	-	-	-	0.030	0.078	0.055	0.163	

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
Finsbury Leisure Centre - Pipeline New Build	A Safe Place to Call Home	1.850	2.903	19.606	29.336	4.253	57.947	-	-	-	(25.878)	(8.855)	(23.215)	(57.947)
Vorley Road - Pipeline New Build	A Safe Place to Call Home	0.477	4.296	9.729	7.436	0.944	22.881	-	-	-	(9.661)	(2.244)	(10.976)	(22.881)
Bemerton South /Orkney Hse - Pipeline New Build	A Safe Place to Call Home	0.537	8.059	21.316	7.017	0.551	37.479	-	-	-	(15.110)	(2.118)	(20.251)	(37.479)
Tier 2 Pipeline Schemes - Pipeline New Build	A Safe Place to Call Home	0.500	-	-	-	-	0.500	-	-	-	(0.247)	-	(0.253)	(0.500)
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	381.250	994.538	(89.507)	(4.228)	(12.015)	(147.617)	(438.564)	(302.607)	(994.538)
Total Capital Programme		235.658	330.409	184.682	175.788	466.857	1,393.394	(132.237)	(19.404)	(13.291)	(266.226)	(454.516)	(507.721)	(1,393.394)

Appendix F2: Capital Strategy Report 2024/25

1. Introduction

- 1.1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.3. The introduction of IFRS16: Leases from 1 April 2024 will have an impact on the Council's prudential indicators. A report will be presented to members at a subsequent date with amounts for the IFRS16 impact.

2. Capital Expenditure and Financing

- 2.1. Capital expenditure is where the Authority spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 2.2. In 2024/25, the Authority is planning capital expenditure of £1,157.736m over the 10-year budgeting period as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure (£m)

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget	Total 3 Year Budget	2027/28- 2033/24 budget	Total 10 Year Budget
General Fund services	33.494	68.084	91.669	75.045	78.452	245.166	85.606	330.772
Council Housing (HRA)	119.411	167.574	238.741	109.637	97.336	445.714	381.250	826.964
TOTAL	152.905	235.658	330.409	184.682	175.788	690.880	466.857	1157.736

Table 2: Capital Expenditure 2024/25 to 2033/34 summarised 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 10 Year Plan £m
A Safe Place to Call Home	260.375	154.266	137.878	552.519	388.067	940.585
Child-Friendly Islington	11.573	3.862	3.628	19.063	8.400	27.463
Community Wealth Building	15.943	16.703	21.519	54.165	21.690	75.855
Fairer Together	1.000	1.000	1.150	3.150	0.000	3.150
Greener, Healthier Islington	41.518	8.851	11.614	61.983	48.700	110.683
Total	330.409	184.682	175.788	690.880	466.857	1157.736

2.3. The bullet points below detail some of the key projects in the capital programme with their 10-year budget and strategic priority:

Safe Place to Call Home

- Finsbury Leisure Centre New Build - £56.208m: delivering new affordable housing alongside the wider redevelopment of Finsbury Leisure Centre.
- Thriving Neighbourhoods Scheme - £12.015m: investment to improve local areas based on ideas put forward by local people to improve shared spaces on estates.
- HRA Major Works and Improvement - £583.771m: ongoing investment in council homes and estates, including cyclical improvements, mechanical and electrical works, fire safety and energy efficiency improvements to maintain safe homes for residents.

Child Friendly Islington

- Schools Condition Schemes - £16.369m: investment to ensure the Borough's schools remain in a good and safe condition for children to attend.

Community Wealth Building

- Compliance and Modernisation - £17.033m: continuous investment in the Council's non-housing estate to ensure and maintain compliance with the appropriate statutory, regulatory and corporate standards.
- Highways - £17.179m: investment in the structural maintenance of highway infrastructure including carriageways, footways and drainage to fulfil the statutory duty to maintain the highway in a fit state to accommodate the ordinary expected to pass along them.

Greener, Healthier Islington

- Energy Decarbonisation Schemes - £21.384m: ongoing investment to enhance assets and deliver the Council's strategy 'Vision 2030 Building a Net Zero Carbon Islington by 2030' by reducing emissions and improving energy efficiency. This includes £12.852m to be used as match funding to accept decarbonisation grant offers. If grant funding offers are not received or accepted, the budget will be subject to review.
- People Friendly Streets - £25.793m: investment to improve the environmental impact of the highway network through development of liveable neighbourhoods, low traffic neighbourhoods and school streets.
- Vehicle Replacement - £29.867m: investment to replace vehicles with newer Euro 6/ULEZ compliant and electric vehicles.
- Sobell Leisure Centre - £7.000m: investment at the site following a flood which will be covered by insurance. These works are expected to be completed in 2024/25.
- Ironmonger Row Baths - £7.000m: investment following a fire at the site which will be covered by insurance. These works are expected to be completed in 2023/24.

2.4. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of 956 new homes over the forecast period.

Governance:

2.5. Oversight and governance of the capital programme is supported by a comprehensive framework of advisory boards with member and officer involvement:

- The Corporate Asset Delivery Board (CADB), comprised of officers and members, is accountable for the overall delivery of the corporate asset strategy, with oversight of all material asset and capital related decisions. It reviews the 10-year capital strategy and supporting annual programmes Subject to formal budget approval.

- The Housing Delivery Board, comprised of officers and members, integrates governance of new homes delivery and major works across the council's existing stock.
 - The Borough Investment Panel, comprised of officers and members, is accountable for recommending approval of all CIL/s106 investment decisions and spend oversight.
 - A series of Directorate level programme delivery boards, comprised of officers, are accountable for all other asset development and capital programme activity and linked to wider Directorate governance arrangements.
- 2.6. In relation to the annual capital programme, service managers submit capital submission bid requests annually to include projects in the authority's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully externally financed) and assess the overall affordability of the capital programme. This includes an assessment of the revenue implications of the projects as part of the revenue budget setting process.
- 2.7. An assurance and prioritisation exercise is then undertaken, assessing capital projects against their contribution to council priorities and their deliverability. The prioritisation process supports the council in making decisions about which project to progress, especially in an environment of challenging financial resources. All bids are appraised at Corporate Management Board who then make recommendations to members. The final capital programme is then presented to the Executive in January and to council in February/March each year.
- 2.8. For full details of the Authority's capital programme, see Capital Programme 2024/25 to 2033/34 (**Appendix F1**).

Risks:

- 2.9. 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.
- 2.10. Increasing interest rates in turn increase the revenue impact of borrowing to fund the capital programme. **Table 3** below provides sensitivity analysis to model the impact of a 1% change in interest rates.

Table 3: Impact of 1% Interest Rate Change

1% Interest Rate Change	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 – 2033/24 £m	Total £m
General Fund	0.552	0.376	0.291	0.497	1.716
HRA	1.420	0.797	0.352	0.327	2.897
Total	1.972	1.173	0.643	0.825	4.613

- 2.11. The funding of some capital schemes is linked to delivery of the scheme's asset. There are risks in the assumptions made around this funding. There may be 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 to cover interest costs and MRP, or the use of HRA reserves. There may also be differences in the value of receipt assumed and actual receipt. Receipts in excess of the assumed amount can be applied elsewhere by the Council, including to reduce external borrowing requirements. Receipts less than the assumed amount will increase the borrowing requirement and the associated revenue costs. Over the next 10 years, £118.609m of General Fund capital financing is assumed to come from the open market sales of completed housing projects.

- 2.12. Another commercial risk is the supply chain. The financial health of our current suppliers needs to be assessed regularly to minimise the risk of supplier insolvency which will have significant impact on the delivery and affordability of the projects. Due to cost-of-living crisis, many suppliers are in difficult situations, and it is important that robust contract management strategies are in place to highlight any potential issues. To mitigate the risk of supplier insolvency, all current and future contracts are being reviewed by the Assurance Team and Finance and the correct indexation is applied, ensuring value for money but also supporting the supplier. All new tenders are subject to financial appraisal, making sure companies certify the 'Going Concern' requirement.
- 2.13. To set the capital programme, budget holders and project managers have informed the profiling of budgets based on their expectation of project delivery timescales. 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. Robust budget monitoring in-year will identify where these slippages are occurring and with timely raising and reporting, management actions can be taken to manage capital financing, including adjusting the borrowing requirements and associated revenue charges.

Financing:

- 2.14. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative).
- 2.15. The main sources of capital funding the council uses are summarised below:
- Capital Grants: predominantly government grants and are usually provided to the council for the specific use of funding capital expenditure for certain schemes and programmes (e.g. Department for Education funding for schools' condition works).
 - Section 106/CIL: developer contributions towards infrastructure; Section 106 contributions relate to specific projects and outcomes.
 - Capital receipts: when a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The council primarily generates capital receipts from the open market sale homes used to finance the building of the council homes.
 - Other capital contributions: specific contributions received for projects from third parties who may have a specific output or benefit achieved through the capital works the council is providing (e.g. landlord/tenant contributions to modernisation works).
 - Revenue contributions: direct revenue contributions towards capital expenditure, a minimal source of funding due to pressures on the revenue budget.
 - HRA Reserves: direct funding from the HRA to support its capital programme through the use of the Major Repairs Reserve and revenue contribution to capital works.
 - Borrowing: typically, Public Works Loan Board (PWLB) loans to support capital expenditure. This form of capital funding has revenue implications (i.e. interest and provision to pay back loan) which are accounted for as part of the budget setting process.

The planned financing of the above expenditure is as follows:

Table 4: Capital financing (£m)

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget	Total 3 Year Budget	2027/28- 2033/34 budget	Total 10 Year Budget
General Fund								
Grants	4.374	10.203	13.140	4.142	4.141	21.423	11.104	32.527
S106/CIL	2.477	11.034	3.542	0.000	1.276	4.818	0.600	5.418
Capital Receipts	15.682	7.942	20.081	44.629	40.541	105.251	5.416	110.667
Revenue Contributions and Other	0.000	8.422	5.470	0.560	0.000	6.030	1.500	7.530
Borrowing	10.961	30.483	49.436	25.714	32.494	107.644	66.986	174.630
Total General Fund	33.494	68.084	91.669	75.045	78.452	245.166	85.606	330.772
HRA								
Grants	24.961	31.706	57.801	0.000	0.000	57.801	0.000	57.801
S106/CIL	5.476	5.391	7.652	3.200	0.000	10.852	0.000	10.852
Capital Receipts	9.376	28.231	26.060	46.588	25.423	98.071	21.315	119.386
Revenue Contributions and Other	58.266	24.559	18.590	29.033	32.326	79.949	334.056	414.005
Borrowing	21.332	77.687	128.638	30.816	39.587	199.041	25.880	224.920
Total HRA	119.411	167.574	238.741	109.637	97.336	445.714	381.251	826.964
TOTAL	152.905	235.658	330.410	184.682	175.788	690.880	466.857	1157.736

2.16. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 5: Replacement of prior years' debt finance (£m)

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Minimum revenue provision (MRP)	3.767	4.731	6.266	8.721	9.511
Repayment of PFI/ Leases	3.472	4.454	4.872	5.272	5.587
TOTAL	7.239	9.185	11.138	13.993	15.098

2.17. For the Authority's full Minimum Revenue Provision Statement see MRP Policy Statement (Appendix F5).

2.18. The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £155.052m during 2024/25. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

Table 6: Prudential Indicator: Estimates of Capital Financing Requirement (£m)

	31/03/2023 actual	31/03/2024 forecast	31/03/2025 budget *	31/03/2026 budget	31/03/2027 budget
General Fund services	190.702	216.454	259.625	276.618	299.600
Housing Revenue Account	463.593	541.280	669.918	700.734	740.321
PFI Liabilities	80.552	76.098	71.226	65.954	60.367
TOTAL CFR	734.847	833.832	1000.769	1043.306	1100.288

Asset Management:

2.19. To ensure that capital assets continue to be of long-term use, the Authority has a Strategic Asset Management Strategy (SAMP). The SAMP is currently being updated and is scheduled to be re-published in Summer 2024.

Asset Disposals:

2.20. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Authority is currently also permitted to spend capital receipts "flexibly" on service transformation projects until 2025/26. The Authority's Flexible Use of Capital Receipts Policy can be seen in **Appendix F6**. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £38.408m of capital receipts in the coming financial year as follows:

Table 7: Capital receipts receivable (£m)

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget	Total 3 Year Budget	2027/28- 2033/34 budget	Total 10 Year Budget
Right to Buy (Gross)	20.235	11.717	12.417	12.813	13.221	38.451	105.116	143.567
Open Market Sales	9.035	22.829	18.359	19.746	-	38.105	121.331	159.436
Non-Right to Buy Sales	1.931	7.632	7.632	7.632	7.632	22.896	-	22.896
TOTAL	31.201	42.178	38.408	40.191	20.853	99.452	226.447	325.899

3. Treasury Management

3.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

- 3.2. Due to decisions taken in the past, the Authority had £267.5m borrowing at an average interest rate of 4.05% and £74.2m treasury investments at an average rate of 4.56% as at 30.09.2024.

Borrowing Strategy:

- 3.3. The Authority’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 3.4. The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 3.5. Projected levels of the Authority’s total outstanding debt, which comprises borrowing, PFI liabilities, leases and transferred debt, are shown below, compared with the capital financing requirement shown in **Table 4**.

Table 8: Prudential Indicator: Gross Debt and the Capital Financing Requirement (£m)

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Debt (incl. PFI & leases)	285.606	302.544	273.876	255.208	249.873
Capital Financing Requirement	734.847	833.832	1000.769	1043.306	1100.288

- 3.6. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

Liability Benchmark:

- 3.7. To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10.000m at each year-end. This benchmark is currently forecast to be £373.369m at 31.03.2024 and is forecast to rise to £681.069m over the next three years.

Table 9: Borrowing and the Liability Benchmark (£m)

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Outstanding borrowing	285.606	302.544	273.876	255.208	249.873
Liability benchmark	241.906	374.564	569.367	625.831	692.951

- 3.8. The table shows that the Authority expects to remain borrowed below its liability benchmark.

Affordable Borrowing Limit:

- 3.9. The Authority is legally obliged to set an affordable borrowing limit, also termed the authorised limit for external debt, each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 10: Prudential Indicators: Authorised limit and operational boundary for external debt (£m)

	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit – borrowing	533.860	924.543	972.352	1034.921
Authorised limit – PFI and leases	74.973	76.226	70.954	65.367
Authorised limit – total external debt	608.833	1000.769	1043.306	1100.288
Operational boundary – borrowing	383.393	493.029	515.891	562.637
Operational boundary – PFI and leases	74.973	71.226	65.954	60.367
Operational boundary – total external debt	458.366	564.255	581.845	623.004

3.10. Further details on borrowing are available in the Treasury Management Strategy (**Appendix F4**)

Treasury Investment Strategy:

3.11. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

3.12. The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 11: Treasury management investments (£m)

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Near-term investments	43.700	72.020	295.491	370.623	443.078
Longer-term investments	10.000	10.000	10.000	10.000	10.000
TOTAL	53.700	82.020	305.491	380.623	453.078

3.13. Further details are available in the Treasury Management Strategy (**Appendix F4**).

Risk Management:

3.14. The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

3.15. The treasury management prudential indicators are available in the Treasury Management Strategy (**Appendix F4**).

Governance:

3.16. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the Treasury

Management Strategy approved by Council. Reports on treasury management activity are presented to the Executive and Full Council.

4. Investments for Service Purposes

- 4.1. The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth, the Authority's subsidiaries that provide services.
- 4.2. Total investments for service purposes are currently valued at £2m with the largest being soft loans to employees of £1.202m providing a net return after all costs of 0%. There is also loans to and equity investments in:
 - Three private companies responsible for managing schools under the Building Schools for the Future programme (a loan of £0.639m);
 - A local charity (a loan of £0.078m);
 - Equity investment in a private company responsible for managing schools under the Building Schools for the Future programme (fair value of £0.081m)

Governance:

- 4.3. Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 4.4. Further details on service investments are available in the Investment Strategy (**Appendix F3**).

5. Commercial Activities

- 5.1. The council hold investment property (with a value of £43.648m as at 31/03/2023) in order to generate income to spend on services in Islington. The council has consistently taken a prudent approach to this – no new commercial properties have been purchased in recent years and there are no current plans to invest in commercial properties over the medium term. In November 2020 PWLB guidance was updated and PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The authority intends to avoid this activity in order to retain its access to PWLB loans.
- 5.2. The council also has a wholly owned subsidiary – Islington Limited (iCo), the purpose of which is to trade for profit with public bodies, private organisations and members of the public to provide a return to the council. The service provided by iCo where activities relate to municipal functions in which relevant expertise is held.
- 5.3. Decisions on commercial investments are to be made by senior officers in line with the criteria and limits approved by council in the Investment Strategy. Property and most other commercial investments are also capital expenditure.
- 5.4. Further details on commercial investments, limits on their use and the risk management are available in the Investment Strategy (**Appendix F3**).

6. Other Liabilities

- 6.1. In addition to forecast 31.03.2024 debt of £302.544m detailed above, the Authority is committed to making future payments to cover its pension fund deficit, £249m as at the last valuation setting contributions – 31st March 2019. The Council has also set aside provisions to cover probable liabilities that can be measured reliably. The most significant of these are the NNDR appeals provision, £11.522m as at 31/03/2023, and the insurance fund provision of £16.345m as at 31/03/2023. The insurance fund provision covers anticipated liabilities for

Errors and Omissions, Libel and Slander, Motor (Third Party), Employers' Liability, Public Liability, Fire and other risks – up to a specific limit for any one claim. External policies cover claims in excess of these limits.

Governance:

- 6.2. Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Director of Finance and Director of Resources/Section 151 Officer. The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported as part of the annual closing of accounts process and as appropriate during the financial year. Corporate risks and risk management are also reported to Executive.
- 6.3. Further details on liabilities and guarantees are available in the 2022/23 Statement of Accounts.

7. Revenue Budget Implications

- 7.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

Table 12: Prudential Indicator: Proportion of financing costs to net revenue stream

	2023/24 forecast	2024/25 budget *	2025/26 budget	2026/27 budget
Financing costs (£m)	14.032	17.575	21.891	24.050
Proportion of net revenue stream	5.4%	6.5%	7.1%	7.2%

Sustainability:

- 7.2. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because revenue costs of borrowing have been fully incorporated in the 2024/25 revenue budget and MTFs. Additionally, the council is moving towards the development of a ten-year capital programme, and indicative requirements to 2033/34 are known. This enhanced long term budgetary planning will continue to be developed.

8. Knowledge and Skills

- 8.1. The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Authority pays for junior staff to study towards relevant professional qualifications including CIPFA (Chartered Institute of Public Finance and Accountancy).
- 8.2. Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

Appendix F3: Investment Strategy 2024/25

1. Introduction

1.1. The council invests its money for three broad purposes:

- Firstly, because it has surplus cash as a result of its day-to-day activities. For example, when income is received in advance of expenditure (known as treasury management investments).
- Secondly, to support local public services by lending to or buying shares in other organisations (service investments).
- Thirdly, to earn investment income (known as commercial investments where this is the main purpose).

1.2. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories. The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” This is interpreted to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

2. Treasury Management Investments

2.1. The council typically receives its income in cash (e.g. from taxes and grants) before transacting expenditure in cash (e.g. through payroll and invoices). The council holds reserves for future expenditure, for a variety of purposes and against a range of criteria. These activities and the timing of borrowing decisions lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA).

2.2. In supporting efficient and effective treasury management and financial activities, these investments contribute to the overall achievement of the council's five missions of building a safe place to call home; creating a greener and healthier Islington; a fairer local economy; creating a child-friendly Islington; and making sure people can access support where and when they need it. Full details of the council's policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the Treasury Management Strategy (**See Appendix F4**)

3. Service Investments: Loans

3.1. Contribution: The council lends money to support local public services and stimulate local economic growth.

3.2. The council had lent £0.639m (including accrued interest) to three private companies responsible for managing schools under the Building Schools for the Future programme (Transform Islington Phase 1 Holdings Limited, Transform Islington Phase 2 Holdings Limited and Transform Islington Limited). All loans were issued at market rates.

- 3.3. Where loans are advanced at below market rates they are classed as ‘soft loans’. As at 31 March 2023 the council had also issued around £1.202m of soft loans, mainly to employees (e.g. travel season ticket, gym membership, home computer loans).
- 3.4. Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. To limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for Service Purposes (£m)

Category of borrower	31/03/2023 Actual			2024/25
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Local businesses	0.639	0.000	0.639	0.750
Local charities	0.078	0.000	0.078	0.200
Employees	1.202	0.000	1.202	1.500
TOTAL	1.919	0.000	1.919	2.450

- 3.5. Accounting standards require the council to set aside a loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the council’s statement of accounts (SOA) are shown net of this loss allowance. However, the council makes every reasonable effort to collect the full sum owed and has appropriate credit control arrangements in place to recover overdue repayments.
- 3.6. Risk assessment: The council assesses the risk of loss before entering and whilst holding service loans:
- A soft loan is a loan with a below market rate of interest. Regarding ‘soft loans’ available for employees, there is a process in place whereby employees can apply for these loans (e.g. season tickets, gym membership and a home computer scheme) and a monthly deduction is taken from salaries to repay this loan. There are procedures in place to deduct any remaining amount due in the event that an employee leaves the organisation.
 - In relation to the loan to a local charity (Highbury Roundhouse associations Ltd), we provide grants to this organisation annually in excess of the loaned amount. In the event of a default, the organisation would reclaim payments through deductions grants or any other payments we make to them.
 - In relation to the three private companies responsible for managing schools under the Building Schools for the Future (BSF) programme, the council has representation (a senior officer) on the board and regularly monitors performance and financial risks.

4. Service Investments: Shares

- 4.1. The council invests in the shares of its subsidiaries, suppliers and local businesses to support public services and stimulate economic growth in the borough.
- 4.2. The council holds equity investments in Islington Limited (iCo), a wholly owned subsidiary providing local services, and minority (10%) equity investments in three private companies responsible for managing schools under the BSF programme (Transform Islington Phase 1 Holdings Limited, Transform Islington Phase 2 Holdings Limited and Transform Islington Limited). The fair value of these shares is nil, and the shares are not traded in an active market. The council has no current plans to dispose of any of these shareholdings. Minority investment is when an investor has a non-controlling stake of less than 50%.

- 4.3. Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. To limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares Held for Service Purposes (£m)

Category of Company	31/03/2023 actual			2024/25
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Local businesses	n/a	0.081	0.081	0.150
TOTAL	n/a	0.081	0.081	0.150

- 4.4. The council assesses the risk of loss before entering into and whilst holding shares. The council has no current plans to purchase any new shareholdings. In relation to the three private companies responsible for managing schools under the BSF programme, the council has representation (a senior officer) on the board and regularly monitors performance and financial risks.
- 4.5. Liquidity risk is considered low due to the nature of the shares held, their low value in the 2022/23 Statement of the Accounts (£0.081m for Transform Islington Limited) and the service reasons for holding the shares over the long term.
- 4.6. Shares are the only investment type that the council has identified that meets the definition of a non-specified investment in the government's guidance. The limits above on share investments are therefore also the council's upper limits on non-specified investments. The council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5. Commercial Investments: Property

- 5.1. Contribution: The council invests in local, regional, UK and commercial property with the intention of making a profit that will be used wholly for expenditure on local public services. The value in accounts of all such properties as of 31 March 2023 was £43.648m. The council has not purchased new commercial properties in recent years, nor does it have any plans to do so over the medium term.
- 5.2. The purchase cost of investment properties is not held as they do not have a revaluation reserve and all changes in value are credited/debited in the comprehensive income and expenditure statement.

Table 3: Property held for investment purposes (£m)

Property	31/03/2023 actual	31/03/2024 expected
	Value in accounts	Value in accounts**
Admin Building	0.611	0.611
Advertising site	0.076	0.076
Café	0.533	0.533
Offices	33.434	33.434
Store	3.709	3.709
Shop/Retail Unit	3.036	3.036
Warehouse	2.239	2.239
TOTAL	43.648	43.648

*** A fair value assessment of the council investment property portfolio has been made within the past twelve 12 months, and the underlying assets provide security for capital investment. Should the 2023/24 year- end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.*

- 5.3. Security: In accordance with government guidance, the council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
- 5.4. Risk Assessment: The council assesses the risk of loss before entering into and whilst holding property investments.
- 5.5. Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell depending on market conditions. To ensure that the invested funds can be accessed when they are needed (e.g. to repay capital borrowed) the council ensures dwellings are of a type and location that is marketable and has proven demand. The council also has scope to continue to generate an income stream whilst they are being marketed.

6. Loan Commitments and Financial Guarantees

- 6.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the council and are included here for completeness.
- 6.2 The council has provided a guarantee to its wholly owned subsidiary, Islington Limited (iCo), should it request it. There is currently no indication that this is likely to happen. The net current assets of iCo (Unaudited Statement of Accounts) as of the year 2021/22 were £0.181m.

7. Climate Action

- 7.1. As a responsible investor, the council is committed to considering environmental, social, and governance issues, and has a particular interest in taking action to contribute to our strategy of Building a Net Zero Carbon Islington by 2030. However, investment guidance, both statutory and from professional guidelines (CIPFA), dictates that investment activities must adopt 'SLY' principles – prioritising security, liquidity and yield.
- 7.2. There are already touch points with local authority investing, including the incorporation of Environment, Social and Governance (ESG) metrics into credit rating agency assessments. There are also a small but growing number of financial institutions and fund managers promoting ESG products. Advisors are looking at ways in which to incorporate these factors into their creditworthiness assessment service that will be shared and adopted. The council will continue to monitor this as the market develops, noting that the lack of consistency and coverage in current market products alongside the treasury management 'SLY' priorities means that it is not currently practicable to formally include ESG targets as part of our treasury management or investment strategies. It is the council's intention to exploit the treasury strategy to further the aims of the council and it will therefore actively consider appropriate ESG products as they emerge.

8. Proportionality

8.1. Whilst the council is dependent on some profit generating investment activity from treasury management and commercial property investments to achieve a balanced revenue budget, this amounts to less than 1% of the overall gross revenue budget and therefore is considered proportionate. The assumptions around profit generating investment activity are reviewed as part of the annual budget monitoring process and, if necessary, revised as part of the following year's budget setting process. The 2024/25 revenue budget includes a general, corporate contingency budget of £5m to mitigate against budget risks.

9. Borrowing in Advance of Need

9.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. The council has chosen to follow this guidance. However, if market rates were to fall considerably, or future rates were expected to rise, then some borrowing could be taken ahead of spend. The borrowing strategy will therefore consider opportunities to borrow not only for 2024/25 but ahead for the next two financial years.

10. Capacity, Skills and Culture

- 10.1. Elected Members and Statutory Officers: There are procedures and processes that enable Members and statutory officers to make appropriate investment decisions, including:
- All elected members and statutory officers are aware of the council's strategic objectives.
 - Training on treasury management is available and can be tailored to needs.
 - The council's constitution and financial regulations determine the authorisations required for investment decisions.
 - Financial and legal implications (including statutory and regulatory frameworks) are required as part of all decision-making reports.
 - The council has a multi-disciplinary governance process for reviewing budget proposals, including any future commercial investment proposals.
 - Specialist external advice is sought and considered where it is deemed necessary.
 - The council has an embedded risk management and reporting framework.
- 10.2. Commercial Deals: Financial and legal implications (including statutory and regulatory frameworks) are required as part of all decision-making reports. Specialist external advice is sought where appropriate to advise on commercial transactions. The council ensures external advisors are fully aware of the prudential framework and of the regulatory regime within which it operates.
- 10.3. Corporate Governance: The council's Annual Governance Statement details arrangements put in place to ensure accountability and responsibility for those making decisions and can be found here: [Draft Annual Governance Statement 2022-23 \(islington.gov.uk\)](https://www.islington.gov.uk/annual-governance-statement-2022-23)

11. Investment Indicators

- 11.1. The council has set the following quantitative indicators to allow Members and the public to assess the council's total risk exposure arising from its investment decisions.
- 11.2. Total Risk Exposure: The first indicator shows the council's total exposure to potential investment losses. This includes amounts the council is contractually committed to

lend but have yet to be drawn down and guarantees the council has issued over third-party loans.

Table 4: Total investment exposure (£m)

Total investment exposure	31/03/2023 Actual	31/03/2024 Forecast	31/03/2025 Forecast
Treasury management investments	53.700	52.700	54.700
Service investments: Loans	1.919	1.919	1.919
Service investments: Shares	0.081	0.081	0.081
Commercial investments: Property	43.640	43.640	43.640
TOTAL INVESTMENTS	99.340	98.340	100.340
Guarantees issued on loans	0.181	0.181	0.181
TOTAL EXPOSURE	99.521	98.521	100.521

- 11.3. How Investments are Funded: Government guidance is that these indicators should include how investments are funded. Since the council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the council's investments are funded by useable reserves and income received in advance of expenditure.
- 11.4. Rate of Return Received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred. The rate of return on other investments (e.g. service loans/shares) is considered immaterial. Investment properties are not included as we do not hold at purchase cost.

Table 5: Investment Rate of Return (Net of all Costs)

Investments Net Rate of Return	2022/23 Actual £m	2023/24 Forecast £m	2024/25 Forecast £m
Treasury Management Investments	1.29%	4.25%	4.0%
ALL INVESTMENTS	1.29%	4.25%	4.0%

Appendix F4: Treasury Management Strategy Statement 2024/25

1. Introduction

- 1.1. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risks are therefore central to the Authority's prudent financial management.
- 1.2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3. The Council is required to operate a balanced budget, which broadly means that monies received during the year will meet payments expenditure. The function of treasury management is to ensure that the Council's capital programme and corporate investment plans are adequately funded, and the cashflow is adequately planned, with cash being available when it is needed to discharge the Council's legal obligations and deliver Council services. Surplus monies are invested to obtain an optimal return, while ensuring security of capital and liquidity.
- 1.4. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy, which can be found at Appendix F3.

2. Economic Outlook

- 2.1. The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.
- 2.2. A more detailed economic outlook provided by Arlingclose is in Appendix A of this document.

3. Interest rate forecast

- 3.1. Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%, and The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose forecast rate cuts from Q3 2024 to a low of around 3% by early mid-2026.

- 3.2. Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.
- 3.3. A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix B of this document.
- 3.4. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 4.0%, and that new long-term loans will be borrowed at an average rate of 5.72%.

4. Local Context

- 4.1. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 4.2. On 31st December 2023, the Authority held £307.544m of borrowing and £86.7m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis in **table 1** below.

Table 1: Balance sheet summary and forecast

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
General Fund CFR	190.702	216.454	259.625	276.618	299.600
HRA CFR	463.593	541.280	669.918	700.734	740.321
PFI CFR	80.552	76.098	71.226	65.954	60.367
Capital financing requirement	734.847	833.832	1,000.769	1,043.306	1,100.288
Less: Other debt liabilities *	(80.552)	(76.098)	(71.226)	(65.954)	(60.367)
Loans CFR	654.295	757.734	929.543	977.352	1039.921
Less: External borrowing **	(285.606)	(302.544)	(273.876)	(255.208)	(249.873)
Internal (over) borrowing	368.689	455.190	655.667	722.144	790.048
Less: Balance sheet resources	(422.389)	(393.170)	(370.176)	(361.520)	(356.970)
(Treasury investments) or New borrowing	(53.700)	62.020	285.491	360.623	433.078

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

** shows only loans to which the Authority is committed and excludes optional refinancing.

- 4.3. The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £1,087.512m over the forecast period.
- 4.4. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2024/25.

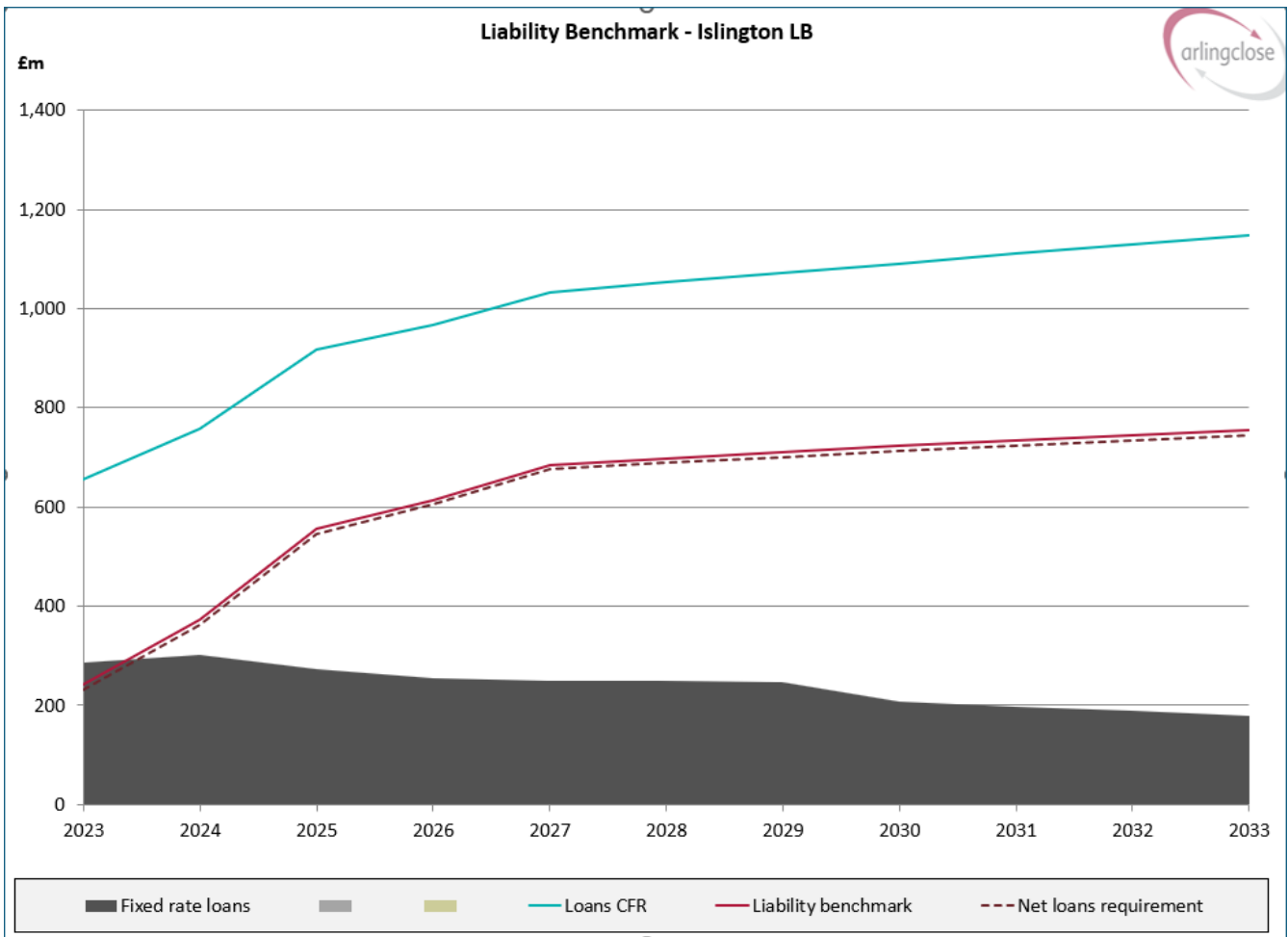
5. Liability benchmark

- 5.1. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 5.2. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Loans CFR	654.295	757.734	929.543	977.352	1039.921
Less: Balance sheet resources	(422.389)	(393.170)	(370.176)	(361.520)	(356.970)
Net loans requirement	231.906	364.564	559.367	615.831	682.951
Plus: Liquidity allowance	10.000	10.000	10.000	10.000	10.000
Liability benchmark	241.906	374.564	569.367	625.831	692.951

- 5.3. Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing, minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:



- 5.4. The chart above shows how the optimum position determined by the benchmarks compares to the current portfolio commitments. Positive balances show the loans position compared to the Liability Benchmark and negative balances show Investments compared to the Investment Benchmark. Any areas of the chart where the current loan commitments are below the Liability Benchmark show the need for external borrowing. The Council must borrow up to that level to avoid the determined liquidity allowance from being insufficient. Anywhere on the chart that shows the existing commitments above the level of the Liability Benchmark shows an excess level of borrowing over the required position and is reflected in over benchmark investment positions.
- 5.5. As the net position has been derived, and the level of external borrowing determined (the maximum of existing commitments or Liability Benchmark), the consequential level of investments can be solved. Where there is excess borrowing, there is excess investments, over the level of liquidity required. Where borrowing is required, it will be determined as such a level to ensure the liquid investments do not fall below the specified level required.

6. Borrowing Strategy

- 6.1. The Authority currently holds £307.544 million of loans, an increase of £21.938 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority expects

to borrow up to £272.4m in 2024/25. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £661.2million.

- 6.2. Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 6.3. Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.
- 6.4. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 6.5. The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.
- 6.6. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 6.7. Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 6.8. In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing:

- 6.9. The approved sources of long-term and short-term borrowing are:
 - HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - UK Infrastructure Bank Ltd
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except our local Local Government Pension Scheme)

- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance:

6.10. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

Municipal Bonds Agency:

6.11. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons:

- Borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and
- There will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs:

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

Short-term and variable rate loans:

6.13. These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling:

6.14. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

7. Treasury Investment Strategy

- 7.1. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £80 million and £112 million, and similar levels are expected to be maintained in the forthcoming year.
- 7.2. The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 7.3. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy

- 7.4. As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower and treasury investments will therefore predominantly be short-term low risk instruments to manage day-to-day cash flows. Limited longer-term instruments, where limited additional risk is accepted in return for higher investment income to support local public services, will be made where cash flows allow.
- 7.5. The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

ESG policy

- 7.6. Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models

- 7.7. Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore,

where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties

7.8. The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£15m	Unlimited
Secured investments *	25 years	£15m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£25m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£10m	£50m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£10m

Minimum credit rating*:

7.9. The Council has reviewed the way it formulates its counterparty criteria. The lending list criteria is devised from the use of rating agencies which will include) as well as other factors. The main sovereign states whose banks are to be included are Australia, Canada, Finland, France, Denmark, Germany, Netherlands, Switzerland and the US. These countries and the Banks within them have been selected after analysis and careful monitoring of:

- Credit Ratings (minimum long-term A+ minimum short term F1).
- Credit Default Swaps.
- GDP; Net Debt as a Percentage of GDP.
- Sovereign Support Mechanisms / potential support from a well-resourced parent institution.
- Share Price.
- The Council has restricted its investment activity to the following institutions while conditions in the financial sector are monitored for stability and cashflow positions are averaging around £100m.
- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure).
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV) and Variable Net Asset Value (VNAV).

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

Government:

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

Secured investments:

7.11. Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in.

7.12. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured):

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

Registered providers (unsecured):

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

Money market funds:

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

Strategic pooled funds:

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

Real estate investment trusts:

7.17. Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments:

7.18. This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts:

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

Risk assessment and credit ratings:

7.20. Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

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

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

Other information on the security of investments:

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

Reputational aspects:

7.23. The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

7.24. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

7.25. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits:

7.26. The Authority's revenue reserves available to cover investment losses are forecast to be £229.6 million on 31st March 2024 and £206.6 million on 31st March 2025. To limit risk in the case of a single default, the maximum that will be lent to any one organisation will be £15m million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

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

Liquidity management:

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

8. Treasury Management Prudential Indicators

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

Security:

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

Credit risk indicator	Target
Portfolio average credit	A+

Liquidity:

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

Liquidity risk indicator	Target
Total cash available within 1 months	£25m

Interest rate exposures:

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

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£8.850m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£6.200m

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

Maturity structure of borrowing:

8.6. This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	30%	0%
12 months and within 24 months	35%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	50%	0%

20 years and above	100%	40%
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8.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term treasury management investments:

8.8. The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£30m	£20m	£20m	£50m

8.9. Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Authorised Limit

8.10. The authorised borrowing limit for the Authority is £987.69m.

9. Related Matters

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

Financial derivatives:

9.2. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities’ use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

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

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

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

Housing Revenue Account:

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

Markets in Financial Instruments Directive

- 9.8. The Council has opted up to professional client status with its providers of financial services, including [advisers, banks, brokers and fund managers], allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of The Council's treasury management activities, the Corporate Director of Resources believes this to be the most appropriate status.

Financial Implications

- 9.9. The budget for investment income in 2024/25 is £1.75 million. The budget for debt interest paid in 2024/25 is £13 million. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

10. Other Options Considered

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

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

Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic External Context

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong, but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates,

taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook:

Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Appendix B – Arlingclose Economic & Interest Rate Forecast – December 2023

Underlying assumptions:

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures

suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.

- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

Forecast:

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.
- The interest rate forecasts for local authority borrowing, bank interest and investment rates are shown below:

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate	= Gilt yield + 1.00%
PWLB Certainty Rate	= Gilt yield + 0.80%
PWLB HRA Rate	= Gilt yield + 0.40%
UK Infrastructure Bank Rate	= Gilt yield + 0.40

Appendix C – Counterparty List

Minimum criteria	A+	F1	A1	P-1	A+	A-1						
	Fitch L/T	Fitch S/T	Moody s L/T	Moody s S/T	S & P L/T	S & P S/T	Sovereign Rating - F/M/S&P	Max Limit - £m	Max Term	LBI	Arlingclose Current Advice	Lending at 31/12/2023
UK Banks												
Barclays	A+	F1	A1	P-1	A	A-1	AA-/Aa3/AAu	£15m	100 days	Council Bankers from Mar 2015 - overnight liquidity only	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Handelsbanken plc	AA	F1+	NR	NR	AA-	A-1+	AA+/+Aa2/AA-	£15m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
HSBC	AA-	F1+	A1	P-1	A+	A-1	AA-/Aa3/AAu	£15m	6 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Lloyds Bank PLC / Bank of Scotland	A+	F1	A1	P-1	A+	A-1	AA-/Aa3/AAu	£15m	6 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
RBS	A+	F1	A1	(P)P-1	A	A-1	AA-/Aa3/AAu	£15m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
NATWEST PLC	A+	F1	A1	P-1	A	A-1	AA-/Aa3/AAu	£15m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Scotiabank UK	A+	F1	A1	P-1	A	A-1	AA-/Aa3/AAu	£15m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Standard Chartered	A+	F1	A1	P-1	A+	A-1	AA-/Aa3/AAu	£15m	6 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
UK Building Societies (except for those marked * below)												
Coventry*	A	F1	A2	P-1			AA-/Aa3/AAu	NONE			Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Leeds*	A	F1	A3	P-2			AA-/Aa3/AAu	NONE			Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Nationwide	A+	F1	A1	P-1	A-1	A+	AA-/Aa3/AAu	£15m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Yorkshire*	A	F1	A3	P-2	NR	NR	AA-/Aa3/AAu	NONE			Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Non UK Banks												
Australia												
Australia & NZ Banking Group	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Commonwealth Bank of Australia	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
National Australia Bank	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0

Appendix C – Counterparty List

Westpac Banking Corporation	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	£10m	100 days	Limit to 3 Months		
Canada												
Bank of Montreal	AA	F1+	Aa2	P-1	A+	A-1+	AA+/Aa1/AA+	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Bank of Nova Scotia	AA	F1+	Aa2	P-1	A+	A-1	AA+/Aa1/AA+	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Canadian Imperial Bank of Commerce	AA	F1+	Aa2	P-1	A+	A-1	AA+/Aa1/AA+	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Royal Bank of Canada	AA+	F1+	Aa2	P-1	AA-	A-1+	AA+/Aa1/AA+	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Toronto-Dominion Bank	AA	F1+u	Aaf1	P-1	AA-	A-1+	AA+/Aa1/AA+	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Finland												
Nordea Bank ABP	AA	F1+	Aa3	P-1	AA-	A-1+	AA+/Aa1/AA+	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Germany												
DZ BANK AG DEUTSCHE ZENTRAL-	AA	F1+	Aa2	P-1	A+	A-1	AAA/Aaau/AAAu	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
LANDESBANK BADEN-WÜRTTEMBERG	A	F1	Aa3	P-1	NR	NR	AAA/Aaau/AAAu	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	0
Netherlands												
Cooperative Rabobank	AA-	F1+	Aa2	P-1	AA-	A-1	AAA/Aaa/AAA	£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	
Local Authorities												
UK Local Authorities (except for those below)							AA-/Aa3/AAu	£15m(per authority)	24 Months +		Limit to 24 Months - WEF 11/12/2018	40,200,000
Birmingham City Council London Borough of Croydon Slough Borough Council Thurrock Borough Council Warrington Borough Council Woking Borough Council Nottingham Borough Council												
Other												
Supra-National Bonds (EIB)	AA+	F1+	Aa1	P-1	AAA	A-1+	N/A	Unlimited	25 years		Limit to 25 years 10% of portfolio -	
Transport For London (Suspended)	A+	F1+	A=	P-2	Baaa 1	A-1	AA-/Aa3/AAu	NONE			Up to 24 months - Limit 10% of portfolio	
UK DMADF	NR	NR	NR	NR	NR	NR	AA-/Aa3/AAu	Unlimited	50 years		Unlimited	16,500,000

Appendix C – Counterparty List

MMFs (except JP MORGAN ASSET MANAGEMENT GOV)		AAA mmf		Aaa-mf		AAA m		£10m	100 days	Limit to 3 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured	30,000,000
LCR Finance PLC	AA-	NR	Aa3	NR	AA	NR	AA-/Aa3/AAu	£15m	10 years		10 years - Limit to 10% of Fund Size	
Network Rail Infrastructure Finance PLC	AA-	NR	Aa3	P-1	AA	NR	AA-/Aa3/AAu	£15m	10 years		10 years - Limit to 10% of Fund Size	
UK Government	AA-	NR	Aa3	NR	Aau	A-1+u	AA-/Aa3/AAu	Unlimited	50 years		Unlimited	
Wellcome Trust Finance PLC	NR	NR	Aaa	NR	AAA	NR	AA-/Aa3/AAu	£10m	20 years		15 years - Limit to 10% of Fund Size	
TOTAL FUNDS INVESTED												86,700,000

Appendix F5: Minimum Revenue Provision Statement 2024/25

Annual Minimum Revenue Provision Statement 2024/25

- 1.1. Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the Guidance) most recently issued in 2018.
- 1.2. The broad aim of the Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.3. The Guidance requires the Authority to approve an Annual MRP Statement each year and recommends options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.
 - For unsupported capital expenditure incurred after 31st March 2008 up to and including 31st March 2023, MRP will be determined by charging the expenditure over the average expected useful life of the relevant assets as the principal repayment on an annuity with an annual interest rate equal to the average 20-year PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land has been charged over 50 years. MRP on expenditure not related to fixed assets but which was capitalised by regulation or direction will be charged over 20 years.
 - For unsupported capital expenditure incurred after 31st March 2023, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
 - For assets acquired by leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability. However, for long life or high value PFI contracts, MRP is spread across the expected life of the asset, in equal instalments.
 - Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
 - The Authority currently has no capital expenditure loans to third parties, if any are entered into the following approach will be taken. The Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year but

will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.

- The Authority has determined that no further revenue charge for MRP on the HRA CFR is required as prudent provision has been made through the Major Repairs Reserve (MRR) held and duty to charge depreciation. The Authority is satisfied that prudent and sufficient provision is made currently and across the HRA 30-year Business Plan for depreciation.

1.4. Capital expenditure incurred during 2024/25 will not be subject to a MRP charge until 2025/26 or later.

1.5. Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2024, the budget for MRP has been set as follows:

	31/03/2024 Estimated CFR £m	2024/25 Estimated MRP £m
Capital expenditure before 01.04.2008	87.480	1.039
Unsupported capital expenditure after 31.03.2008 and before 01.04.2023	98.491	3.838
Unsupported capital expenditure after 31.03.2023	30.483	1.389
Leases and Private Finance Initiative	76.098	-
Total General Fund	292.552	6.266
Total Housing Revenue Account	541.280	-
Total	833.832	6.266

Appendix F6: Flexible Use of Capital Receipts Strategy

1. Synopsis

- 1.1. In December 2017, the Secretary of State announced the continuation of the capital receipts flexibility programme, which grants local authorities the freedom to use capital receipts generated from the sale of assets (except for Right to Buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings. With extensions since, the current flexibility direction runs until 31 March 2025. Council agreed the power to use this flexibility in 2023/24 at the 28 September 2023 Council meeting.
- 1.2. Normally, only expenditure qualifying as capital may be funded from these capital resources. The additional flexibility therefore provides the council with a resource to invest in schemes which deliver savings or improvements.
- 1.3. Approval of a Flexible Use of Capital Receipts Strategy for 2024/25 is recommended for the type of scheme detailed in **Section 4** of this budget report 2024/25 appendix, **Appendix (F6)**, to a maximum of £20m in 2024/25. Approving the strategy does not commit the council to using it. The Section 151 Officer will consider the optimal funding strategy based on the actual and forecast level of reserves at the end of the financial year.
- 1.4. The council has some high-cost transformation projects, and the current funding strategy is to utilise some of its earmarked reserves to meet this cost. Given significant uncertainty around the medium-term financial position and reserves projections, it is considered sensible for the council to have multiple options available to fund these costs. It should be noted that, at this stage, there are sufficient reserves to cover projected one-off expenditure on the known transformation projects over the medium term, partly as the medium-term financial strategy (MTFS) already assumes some replenishment of reserves from 2025/26 and beyond. However, in the event of a significant overall depletion of reserves in a single year and/or deterioration in the financial outlook, the financial resilience of the council could be weakened whilst it waits for the schemes to 'pay back' through savings and reserves to be replenished over time.
- 1.5. By utilising the capital receipts flexibility, the capital receipts would no longer be available to finance capital expenditure. This gap in capital financing would need to be backfilled with an increase in the underlying need to borrow. The consequences would be that reserves are protected, but the council's borrowing and annual interest costs increase. The council would not be reliant on making any additional disposals of assets as a result of this strategy, as it would relate to the use of existing available and forecast capital receipts.

2. Process

- 2.1. Before the council can flexibly use capital receipts it must prepare, publish and maintain a 'Flexible Use of Capital Receipts Strategy'. This appendix to the 2024/25 budget report (**Appendix F6**) constitutes the Flexible Use of Capital Receipts Strategy. This must consider the impact of this flexibility on the affordability of borrowing by including updated prudential indicators. Full Council must approve this strategy before any qualifying expenditure is incurred. The current government direction for the flexible use of capital receipts ends on 31 March 2025.

- 2.2. Under the Flexible Capital Receipts guidance, the Secretary of State sets out that individual local authorities are best placed to decide which expenditure projects are best to be funded by this method in local areas. The key criteria for expenditure to qualify is that the schemes must be designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether a project qualifies for the flexibility'. The Guidance goes on to give examples of qualifying expenditure including: 'Funding the cost-of-service reconfiguration, restructuring or rationalisation (staff or non- staff), where this leads to ongoing efficiency savings or service transformation'.
- 2.3. Capital receipts used under the direction must be from genuine disposals (qualifying disposals). That is, disposals where the authority does not retain an interest, directly or indirectly, in the assets once the disposal has occurred.
- 2.4. Each authority should disclose the individual projects that will be funded or part-funded through the capital receipts flexibility to Full Council. This requirement can be satisfied as part of the annual budget setting process.
- 2.5. It is a required condition of the direction that authorities must send details setting out their planned use of the flexibility to the Secretary of State, in advance of its application and use for each financial year.

3. Qualifying Schemes – Flexible Use of Capital Receipts

- 3.1. The Capital Strategy Report 2024/25 (**Appendix F2** of the 2024/25 budget report) sets out at **paragraph 2.20** that the council plans to receive £38.408m of capital receipts in the coming financial year. The Flexible Use of Capital Receipts Strategy would enable capital receipts to be applied flexibly to fund revenue expenditure projects that generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. There are existing transformation-type schemes with one-off budget implications in 2024/25 where funding is assumed to be drawn from the Budget Strategy Reserve (an earmarked General Fund revenue reserve), including most significantly:

Resident Experience Programme Phase 3

- 3.2. The Resident Experience Programme Funding Approval report agreed at the 20 April 2023 the Executive set out the one-off revenue funding requirement.
- 3.3. For Phase 3, running to June 2025, there is a £10m one-off funding requirement, with £5m assumed to be funded from the Budget Strategy Reserve (and the remaining 50% funded by the HRA).

4. Rationale and Considerations

- 4.1. In the opinion of the Section 151 Officer the scheme expenditure for those programmes listed in **Section 3** of this Flexible Use of Capital Receipts Strategy (**Appendix F6**) for the council to apply the 'flexible use of capital receipt strategy' freedom, qualifies in line with the Guidance. The rationale for the approval of the flexibility is to reduce the burden on the council's earmarked reserves, if needed, and therefore support the wider financial resilience of the council.
- 4.2. Capital receipts are ordinarily used to support the funding of the council's capital programme. Re-directing capital receipts under a 'flexible use of capital receipts strategy' would therefore lead to a corresponding increase in the council's underlying need to borrow to fund its planned capital programme, and a significant, additional annual revenue cost of capital. The council would not be reliant on making any additional disposals of assets as a result of this strategy, as it would relate to the use of existing available and forecast capital receipts. Based on a recommended maximum £20m flexible use and borrowing impact, this would equate to an

estimated additional £2m per annum revenue cost of capital, split between £1m annual interest costs and £1m statutory provision for the repayment of debt ('minimum revenue provision').

- 4.3. It is recommended that the Executive approve and onward recommend Full Council to agree the Flexible Use of Capital Receipts strategy for 2024/25, up to a maximum of £20m, and note that approving the strategy does not commit the council to using it.
- 4.4. It is further recommended that the Executive approve and onward recommend Full Council to delegate responsibility for the adoption of the Flexible Use of Capital Receipts strategy to the Section 151 Officer, if it is considered appropriate to do so at the end of the financial year in the context of the council's overall financial position.

5. Financial Implications

- 5.1. Utilising the capital receipts flexibility would mean that the council's reserves would not decrease for the cost of qualifying transformation schemes. However, it would also lead to an increase in the council's underlying need to borrow for the capital programme. On a recommended maximum £20m application of the flexibility the estimated additional revenue cost of capital would be £2m per annum (split between £1m annual interest costs and £1m statutory provision for the repayment of debt). This is factored into the council's base budget proposals for 2024/25
- 5.2. Not utilising the flexibility would mean that there would be a decrease in the council's earmarked Budget Strategy reserve in respect of qualifying transformation schemes in line with **Appendix C** of the 2024/25 budget report 'General Fund Earmarked Reserves Balances'. However, through the alternative option set out, this could instead be replenished over a longer period whilst avoiding an additional £1m in annual interest costs.
- 5.3. Approving the 'Flexible Use of Capital Receipts Strategy' does not commit the council to adopting it. The Section 151 Officer will consider the optimal funding strategy, including the alternative option set out, based on available capital receipts and the actual and forecast level of reserves at the end of the financial year. This should consider any scope to re-purpose funding from other earmarked reserves to replenish the depletion of the Budget Strategy reserve. It should also weigh up the short and medium term need to protect reserves against the significant additional annual interest costs that could be incurred.
- 5.4. No prudential indicators would be breached through a decision to implement the flexible use of capital receipts. The prudential indicator for the revenue impact on interest rate risk would increase by a further £0.200m for every £20m of additional borrowing. This would mean that at £20m additional borrowing, the Upper Limit on a 1% rise in interest rates would be £0.200m higher than in the 2024/25 budget report (£17.125m to £17.325m). The proportion of financing costs to net revenue stream would increase due to the increased borrowing. Based on an interest rate of 5.72%, this will change this indicator from 6.3% to 7.1%. This increase in borrowing costs would be offset by corresponding revenue savings.

6. Legal Implications

- 6.1. Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities.
- 6.2. The Local Government Act 2003 ("the Act"), section 15(1) requires a local authority "... to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify ...".
- 6.3. The Statutory Guidance "Statutory Guidance on the Flexible Use of Capital Receipts (updated)" published 11 March 2016 and last updated on 2 August 2022 is issued under section 15(1) of the Act. This is an updated version of the guidance and statutory guidance to extend the

freedom for local authorities to use eligible capital receipts to fund the revenue costs of projects that deliver ongoing savings or improved efficiency. This direction revokes and replaces the direction of the same name issued on 4 April 2022.

- 6.4. Capital receipts are the money the council receives from asset sales, the use of which is normally restricted to funding other capital expenditure or paying off debt. The receipts cannot usually be used to fund revenue costs. The direction introduces a new restriction that authorities may not use the flexibility to fund discretionary redundancy payments i.e. those not necessarily incurred under statute. This does not affect other types of severance payments and, to be clear, does not restrict, including pension strain costs, which may still be qualifying expenditure.
- 6.5. The Direction allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue, or support a more efficient provision of services. This is an extension of the flexibility that has been in place since 2016 and will allow this freedom to continue to 2024/25 to help authorities plan for the long-term.
- 6.6. This Direction clarifies that the capital receipts obtained must be disposals by the local authority outside the “group” structure. As introduced in the direction issued on 4 April 2022, this direction includes the requirement to submit the planned use of the flexibility in advance of use for each financial year. This condition can be met by sending the authority’s own strategy documents provided they contain the detail asked for in the direction. This is not an approval process; the information must be sent to ensure transparency and allow proper monitoring by central government.
- 6.7. It is the Section 151 Officer’s opinion that the approach described within this paper for the Flexible Use of Capital Receipts meets the definition required within the Statutory Guidance.
- 6.8. Full Council approval is required for the use of the capital receipts.

Appendix F7: Capital Programme 2024/25 to 2033/34 Changes since Last Version

Scheme Title	Strategic Priority	New or Existing Capital Scheme	Expenditure Budget				
			23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget	Total
			£m	£m	£m	£m	£m
Newington Barrow Way Works	Community Wealth Building	New	0.234	4.079	-	-	4.313
Greenspaces - Barnard Park Renewal	Greener, Healthier Islington	Existing	-	(0.483)	-	-	(0.483)
Toffee Park & Radnor St Gardens	Child-Friendly Islington	Existing	-	(0.001)	-	-	(0.001)
Greenspaces - Highbury Bandstand/Highbury Fields	Greener, Healthier Islington	Existing	-	-	-	-	-
Greenspaces - Bingfield Park (including Crumbles Castle legacy)	Greener, Healthier Islington	Existing	-	0.093	-	-	0.093
The Zone Youth Club - Refurbishment and Reconfiguration	Child-Friendly Islington	Existing	(0.001)	-	-	-	(0.001)
Chapel Market	Community Wealth Building	Existing	0.025	-	-	-	0.025
Adventure Playgrounds - Martin Luther King	Child-Friendly Islington	Existing	-	-	-	-	-
Resident Experience	Community Wealth Building	New	0.330	-	-	-	0.330
Childcare Expansion	Child-Friendly Islington	New	0.245	-	-	-	0.245
Family Hub	Child-Friendly Islington	New	0.072	-	-	-	0.072
UKSPF (shared prosperity fund)	Community Wealth Building	New	0.245	0.245	-	-	0.490
Community Wealth Building Total			1.150	3.933	-	-	5.083
People Friendly Streets - Liveable Neighbourhoods, Low Traffic Neighbourhoods & School Streets	Greener, Healthier Islington	Existing	0.370	-	-	-	0.370
Clerkenwell Green	Greener, Healthier Islington	Existing	0.122	-	-	-	0.122
Food Waste Collection	Greener, Healthier Islington	Existing	-	0.600	-	-	0.600
King Square Shopping Area Public Space	Greener, Healthier Islington	Existing	(0.157)	-	-	-	(0.157)
Old Street and Clerkenwell Road - Bunhill	Greener, Healthier Islington	Existing	(0.182)	(0.050)	-	-	(0.232)
Air Quality Programme	Greener, Healthier Islington	New	0.326	-	-	-	0.326
Bus Priority Delivery Portfolio	Greener, Healthier Islington	New	0.175	-	-	-	0.175
Corridors	Greener, Healthier Islington	New	0.073	-	-	-	0.073
Cycleways Network Delivery Programme	Greener, Healthier Islington	New	1.552	-	-	-	1.552
Cycling Parking	Greener, Healthier Islington	New	0.106	-	-	-	0.106
Sobell Leisure Centre	Greener, Healthier Islington	New	2.000	5.000	-	-	7.000
Ironmonger Row Baths	Greener, Healthier Islington	New	7.000	-	-	-	7.000
Refuse Vehicles	Greener, Healthier Islington	New	0.140	-	-	-	0.140
Decarbonisation - Grant Match Funding	Greener, Healthier Islington	New	-	12.852	-	-	12.852
Bunhill Heat Network Extension	Greener, Healthier Islington	New	0.141	1.313	-	-	1.454
Environment Total			11.666	19.715	-	-	31.381
Total Capital Changes			12.816	23.648	-	-	36.464

Grant Funding	S106/ Local CIL	Strategic CIL	Capital Receipts	Revenue Contributions & Other	Borrowing	Total Funding
						£m
						£m
(4.313)	-	-	-	-	-	(4.313)
-	0.483	-	-	-	-	0.483
-	0.001	-	-	-	-	0.001
-	(0.428)	-	-	-	0.428	-
-	(0.344)	-	-	-	0.251	(0.093)
-	0.001	-	-	-	-	0.001
-	(0.025)	-	-	-	-	(0.025)
-	(0.002)	-	-	-	0.002	-
-	-	-	-	-	(0.330)	(0.330)
(0.245)	-	-	-	-	-	(0.245)
(0.072)	-	-	-	-	-	(0.072)
(0.490)	-	-	-	-	-	(0.490)
(5.120)	(0.314)	-	-	-	0.351	(5.083)
(0.370)	-	-	-	-	-	(0.370)
(0.093)	(0.029)	-	-	-	-	(0.122)
(1.100)	-	-	-	-	0.500	(0.600)
-	0.157	-	-	-	-	0.157
-	0.232	-	-	-	-	0.232
(0.326)	-	-	-	-	-	(0.326)
(0.175)	-	-	-	-	-	(0.175)
(0.073)	-	-	-	-	-	(0.073)
(1.552)	-	-	-	-	-	(1.552)
(0.106)	-	-	-	-	-	(0.106)
-	-	-	-	(6.022)	(0.978)	(7.000)
-	-	-	-	(7.000)	-	(7.000)
-	-	-	-	-	(0.140)	(0.140)
-	-	-	-	-	(12.852)	(12.852)
(1.454)	-	-	-	-	-	(1.454)
(5.249)	0.360	-	-	(13.022)	(13.470)	(31.381)
(10.369)	0.046	-	-	(13.022)	(13.119)	(36.464)

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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

Appendix I: London Borough of Islington Pay Policy Statement 2024/25

The London Borough of Islington supports openness and accountability and is pleased to publish its Pay Policy Statement and reaffirm its commitment to pay its employees on a fair basis to reflect the work that they do, a quarter of whom are residents of the borough, and to reduce inequality.

In compliance with the statutory provisions of section 38 of the Localism Act 2011, this annual statement outlines the Council's pay policy and benefits for Council employees and specifically for its Chief Officers. This pay policy is reviewed annually and is included with the budget setting report that is agreed at Full Council. This statement does not apply to Council employees based in Schools.

Updates since the last pay policy statement (2023/24)

National Pay Agreement

There has been a national pay agreement for Local Government Services employees, with effect from 1 April 2023, and this has added the following amounts to all pay points (spinal column points 2-65) for staff at Islington Council in the grade range scale 1 to Principal Officer 11, as below:

- An increase of £2,352 on all inner London pay points (up to and including pay point 48) and £1,925 on out of London pay scales (spine point 43 on the NJC pay scale), i.e., Ashton and Cardfields. Above these pay points an increase of 3.88% will apply
- Planned overtime rates and allowances increased by 3.88%

For Chief Officers (all senior management posts above PO11), grade range CO4 to CO1 including the Chief Executive, a national agreement was reached with effect from 1 April 2023, with an across the board increase of 3.5%.

The pay scales and allowances have since all been updated accordingly.

London Living Wage Update

The London Living Wage has been increased from £11.95 to £13.15 per hour (FTE £23,997 per annum based on a 35-hour week). Islington Council's lowest paid employees are currently paid the London Living Wage, and this new rate will apply from January 2024.

LGPS Pension Scheme

Islington Council's policy on abatement of pensions following receipt of a pension resulting from either voluntary or compulsory redundancy was amended in September 2016. Islington Council pension payments are not subject to abatement (this means no reduction

is applied) where re-employment is obtained either in local government or elsewhere. This has not been updated in previous annual statements and is now included for accuracy.

Chief Officer Pay Scales

The Council defines its senior management as the top tiers in the management structure. The Council's Chief Officers are its Chief Executive, Corporate Directors, Directors, Deputy Directors and Assistant Directors.

The Council's Chief Executive is paid on a spot salary, and this is currently £185,000 per annum.

Grade	Minimum	Midpoint	Maximum
CO1	£125,565	£138,054	£150,624
CO2	£113,874	£120,003	£128,529
CO3	£96,171	£104,670	£113,382
CO4	£82,014	£90,501	£99,369

Chief Officers are paid on the Council's Chief Officer pay scale. While the scale comprises five separate salary bands, this is locally determined, and Islington Council does not currently use the highest-grade range CO1+, although it has done historically for some roles.

Percentage increases in cost of living are applied in line with the national pay negotiations of the Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities.

There are no automatic pay increases. Progression through the scale is dependent on performance and achieving service targets agreed by the council.

Chief Officer Pay Policy Reporting Requirements

There are currently 31 Chief Officer roles as defined by the Localism Act reporting requirement, comprising:

- 5 Chief Officer roles at CO1 level
- 17 Chief Officer roles at CO2 level
- 3 Chief Officer roles at CO3 level
- 6 Chief Officer roles at CO4 level

These roles report into the Chief Executive Officer or a Corporate Director.

Grade	Pay Banding £	Number of points in pay banding including threshold point	Job Title
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CO1	£125,565 - £150,624	10	Corporate Director Homes & Neighbourhood Corporate Director Resources CD Community Wealth Building CD Community Engagement & Wellbeing Corporate Director Children's Services
CO2	£113,874 - £128,529	7	Director - Housing Property Services Dir Community Safety, Security & Resilience Director of Environment & Commercial Ops Director Housing Operations & Deputy CD Director of Human Resources Director of Digital Services Director of Finance Director of Law and Governance Director of Inclusive Economy & Jobs Director of Planning and Development Director of Climate Change and Transport Director of Adult Social Care Dir Strategic Commissioning & Investment Director of Family Help and Safeguarding Director - Young Islington Director of Learning and Achievement Director – Public Health
CO3	£96,171 - £113,382	7	DD - Assurance, Strategy & Improvement Deputy Director - Operations Deputy Director - Provider Services
CO4	£82,014 - £99,369	7	AD, Community Financial Resilience Assistant Director, Procurement & Supply AD Communications and Campaigns AD Access Islington and Complaints Programme Director - Savings Delivery Assistant Director - Transformation

Remuneration information about senior officers is published annually in accordance with the Accounts and Audit (England) Regulations 2011.

Senior posts with joint post holders (e.g., the joint Head of Internal Audit, shared with the London Borough of Camden) are employed by partners and are not included.

Pay ratios

The Council is committed to tackling income inequality as a means of ensuring a fairer Islington, and is setting an example to other local employers by reducing the pay differential between the lowest and highest paid employees. The Council also works with other local employers, and its own contractors, to ensure that the London Living Wage is the minimum amount paid to their staff.

The information below describes the pay ratio between the Council's highest paid employee (the Chief Executive) and other staff by reference to the following:

- i. The numerical difference between the highest and lowest paid employees
- ii. The mode (most common salary)
- iii. The median (mid-point between highest and lowest salaries); and
- iv. The mean average (the total amount of remuneration paid to employees, divided by the number of employees)

	Reference Point	Annual Salary	Ratio to highest paid employee salary
i.	Lowest paid full-time Council employee (London Living Wage - £13.15 an hour)	£23,997	1:7.70
ii.	Most common salary paid to a Council employee (the mode)	£41,286	1:4.48
iii.	Mid-point between the highest and lowest salaries (the median)	£41,286	1:4.48
iv.	Average salary (the mean)	£42,847	1:4.31

The Islington Fairness Commission, set up by the Council in June 2010 to look into how to make the borough a fairer place, produced its final report in June 2011. This report recommended that the pay ratio between the highest and lowest salaries should be no more than 1:10. This was adopted as policy by the Council in its Corporate Strategy.

Recruitment of Chief Officers

Recruitment to Chief Officer posts at Corporate Director and Director level is covered by the requirements of the Council's Officer Employment Procedure Rules, as set out in the Council's Constitution. The appointment of the Chief Executive is subject to the approval of the Full Council. The appointment of other eligible Chief Officers is by the Employment and Appointments Committee.

The starting salary level of such officers is also agreed by the Employment & Appointments Committee. This ensures that elected councillors are accountable for the salaries of these senior appointments, and that they are made in a transparent way without delay to

appointment processes. New entrants to the Council are generally appointed to the first point of the pay scale. Only in exceptional circumstances, such as the need to match a candidate's existing salary, are appointments made above the first point of the salary scale. All new entrants to the Council are placed on a probationary period of six months, regardless of previous local government service, including senior staff. During this time, the new recruit is expected to demonstrate their suitability for their job role. Failure to do so could lead to their appointment being terminated. Employees who successfully complete their probationary period are entitled to a salary increment, if it would otherwise mean that they would have to wait more than six months for their next salary increment.

On occasion, individuals are appointed on an interim basis to cover a vacant Chief Officer post, whether directly employed or engaged through an agency or as a contractor. The Council takes a proactive and stringent approach to ensuring that all arrangements are lawful, follow procurement rules, represent value for money and properly reflect the substance of the relationship between the Council and the individual concerned.

Pension Arrangements

All council employees up to 75 years of age, and who have a contract for at least three months service, are auto enrolled into the Local Government Pension Scheme (LGPS). There is also a scheme for staff to enhance their pension benefits by taking out Additional Voluntary Contributions, and the current AVC scheme provides tax relief on contributions made. A new Shared Cost AVC Scheme was implemented in 2023, which enables National Insurance savings to be made, providing a cost-efficient way for staff to save money for their retirement.

The LGPS is a contributory scheme, whereby the employee contributes to the scheme from their own salary. Details of the Council's policy and benefits of the scheme are published on the staff intranet and LGPS website, including contribution levels paid according to salary. Employers' contributions to the LGPS vary, to ensure that the benefits under the scheme are properly funded and are set independently.

The LGPS scheme offers the option to pay lower contributions for a short time where finances are tight, which can be helpful given the current cost of living crisis. Scheme members can elect to move to the 50/50 section of the scheme and pay half the normal contributions. Regardless of which section of the scheme staff are in, all members will get full life assurance cover. There is a right to opt out of the scheme, and employees can make their own private pension arrangements if they wish.

The Council's Flexible Retirement Policy allows employees aged 55 and over, who are members of the Local Government Pension Scheme (LGPS), to apply to reduce their working hours or pay grade (stepping down) and to draw pension benefits accrued up until the transfer to flexible retirement.

The Council includes staff that are transferred in from the NHS, and they continue to contribute to the NHS Pension Scheme, which is also a contributory scheme based on

salary. These rates are subject to review by Government, with the employer's contributions also determined by the Government.

Additional Payments

The Council recognises that in certain, limited circumstances, additional payments may need to be attached to particular posts because of recruitment difficulties, or particular employees may need to be remunerated or awarded an additional payment above that of their normal pay scale, either for exceptional performance or additional work undertaken. Such payments must be authorised in advance by senior management and are available to all Council employees except those employed in schools. Market supplements are applied following a robust, evidence-based case, that meets the criteria defined in the Market Supplement Policy.

Additional Payments

Type of Allowance	Reason for payment include:
Honorarium payments	One-off piece of work outside normal scope of duties, work or additional duties which falls short of taking on the full duties of a higher graded job, temporarily carrying out some but not all duties of an officer on a higher graded post.
Market Factor Supplements	To attract and retain employees with specialist skills in a competitive and/or changing job market, to enable an effective workforce to provide high quality public services.

The Corporate Director of Resources post receives an allowance for statutory duties as the Council's s.151 officer. Section 151 of the Local Government Act 1972 requires local authorities to decide for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements. As such, the CFO must lead on a local authority's financial functions and ensure they are fit for purpose.

The Director of IT and Digital Services post attracted a Market Factor Supplement of £5,000 during the 2023/24 year.

There are a few other allowances which are payable to designated employees related to their job role, for example on call or standby allowances. Chief Officers do not receive such payments other than those stated above, and the Council does not make bonus payments to Chief Officers.

Where Council Officers undertake special duties in relation to the Council's election functions, any fees in respect of these duties are paid in addition to their normal remuneration. The rate for these duties is in line with the London Council's Leaders Committee's published Scale of Returning Officers' Fees and Expenses.

Council Officers designated as Local Area Liaison Officers to undertake responsibilities under the Council's emergency planning Crisis Response Plan in the event of an incident occurring in the borough, may be paid a fixed allowance in respect of this responsibility. See the council's website for further details.

Hours of Work

The basic full-time hours of work for Council employees are 35 per week. Employees on grades below that of Chief Officer, who work more than 35 hours per week, may claim overtime for additional hours work, if authorised.

The minimum basic working week for Chief Officers is 35 hours a week, and additional hours worked above 35 per week attract neither payment in respect of overtime nor time off in lieu. Chief Officers are required to undertake reasonable hours of work as necessary to perform the duties of their post. This may involve evening and weekend working.

Annual and other leave arrangements

Annual leave plays an important part of the Council's commitment to work-life balance. The Chief Executive and senior officers of the Council on Chief Officer Pay and conditions are entitled to 27 days' annual leave, and after five years' continuous local government service a further 5 days. Other employees receive 26 days' annual leave with an additional five days after five years' service. All employees in addition to annual leave receive five privilege days and eight bank holidays per year. A maximum carry over of 5 days is permitted where leave has not been able to be taken due to work demands.

Benefits

To maintain employee engagement, the Council recognises, particularly in the current financial climate, that it is important to reward and motivate staff through other non-salaried means. The Council promotes a range of benefits which all staff, irrespective of grade, can access. These include training support, flexible and hybrid-working, salary sacrifice schemes including pension, childcare vouchers and information technology, white goods and bike schemes. There are interest free travel loans for commuting to work. There are many discounted shopping and service benefits such as discounted gym membership, holiday and travel offers. Staff are updated regarding benefits and promotions by email and the staff intranet. Professional fees and charges will be paid where this is a requirement of the role. Any benefits, gifts or hospitality must be properly authorised and recorded in accordance with the Council's Code of Conduct.

Leaving the Council

Employees who voluntarily resign from the council are not entitled to a termination payment. If the Council terminates the employment of an employee, including a Chief Officer, on the grounds of redundancy, they will be entitled to a redundancy payment based

on the statutory redundancy scheme with regards the calculation of the number of week's redundancy pay but, as sanctioned in the Local Government (Early Termination of Employment) Discretionary Compensation Regulations, actual salary is used rather than the statutory maximum per week.

From time-to-time the Council may run non contractual schemes to reduce staff numbers where there are challenging financial pressures that could result in compulsory redundancies. The Council has therefore run voluntary redundancy schemes in the past, and in November 2023 launched a Voluntary Business Efficiency and Redundancy Scheme for the second consecutive year, where staff could apply for approval where there was a business case to delete their substantive post or to enable their release where savings could be made from elsewhere, on the grounds of business efficiency. The payments and benefits for termination of employment are contained within the individual schemes run and are made available to all staff.

Where a Chief Officer's contract is terminated, in the interests of the efficient exercise of the Authority's functions, they are normally entitled to six months' notice, or may be paid in lieu of notice where their contract provides for this.

The Employment and Appointments Committee will hear and determine appeals in connection with disciplinary action or dismissal of Corporate Directors (except the Head of Paid Service, S151 Officer and Monitoring Officer).

In May 2022, Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England was published. The guidance sets out clearly which types of discretionary payments fall within the scope of the guidance (contractual payments are exempt) and includes the following thresholds for decision-making:

- Payments of £100,000 and above must be approved by a vote of full council
- Payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
- Payments below £20,000 must be approved according to the local authority's scheme of delegation

As part of the changes to the constitution and delegations agreed at full Council on 13 July 2023, the statutory guidance has now been incorporated into appropriate terms of reference.

At present, the council has determined that all recommendations to make a special severance or settlement payment between £20,000 and £100,000 must also be accompanied by a business case with finance, legal and HR advice before the decision is taken by the Head of Paid Service.

In order to ensure the most robust and transparent management of Special Severance Payments made specifically to those Chief Officers appointed by the Employment and Appointment Sub-Committee, the following additional protocols have been agreed:

1. The Chair of the Employment & Appointments Committee will be consulted and a record of their view incorporated in the decision-making documentation.
2. Officers will report to the Audit and Risk Committee twice a year if any of the above payments have been made above £50,000

The annual statement of accounts includes anonymised aggregated data on all exit payments made during the financial year. The reports to the Audit and Risk Committee will be exempt and reportable information will take account of any confidentiality requirements set out in individual agreements.

Returning to work for the Council after leaving

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be on merit. Employees who leave the Council voluntarily without a severance payment are free to apply for jobs that are advertised at their discretion.

Employees who leave the Council with a redundancy payment and no enhancement, and subsequently apply and are successful for a position within the Council, must repay any redundancy payment, if the appointment is within a month of their termination date. If the appointment start date is longer than a month, the employee can return to work in the position offered, but in accordance with the Redundancy Modification Orders, will lose their contractual rights to have their continuous service recognised for all purposes.

Employees who leave the Council with an enhanced severance package will not normally be re-employed or engaged under a contract for services for a period of two years. Employees who leave the Council on ill-health retirement with the possibility of a return to work under the Local Government Pension Scheme Regulations, or who are granted early retirement, will be considered on a case-by-case basis depending upon the circumstances and having due regard to their termination package.

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Appendix J1: GLL Activity Prices 2024/25

Department	Fee/Charge	Description/Unit	Better H&F over 60			Better H&F Adult Con			Better H&F Adult Non Mem			Better H&F Adult			Better H&F Jnr Non Mem			Better H&F Junior			Better H&F Jnr Con		
			2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change
Activities	Badminton	Adult Club/League	£6.34	£6.75	6.5%	£6.34	£6.76	6.7%	£9.74	£10.40	6.7%	£6.63	£7.07	6.7%	£0.00	£0.00	0%	£5.38	£5.74	6.7%	£0.00	£0.00	0%
Activities	Badminton	Clinic/Club	£8.08	£8.60	6.5%	£8.08	£8.62	6.7%	£10.76	£11.48	6.7%	£9.23	£9.85	6.7%	£0.00	£0.00	0%	£6.91	£7.37	6.7%	£0.00	£0.00	0%
Activities	Badminton	Course x five	£56.77	£60.60	6.7%	£56.77	£60.58	6.7%	£68.89	£73.50	6.7%	£60.62	£64.68	6.7%	£0.00	£0.00	0%	£58.35	£62.26	6.7%	£0.00	£0.00	0%
Activities	Badminton	Court 55 minutes: Off peak	£9.26	£9.90	7.0%	£10.38	£11.07	6.7%	£13.20	£14.08	6.7%	£11.10	£11.85	6.7%	£0.00	£0.00	0%	£10.54	£11.24	6.7%	£0.00	£0.00	0%
Activities	Badminton	Court 55 minutes: Peak	£14.81	£15.80	6.7%	£14.92	£15.92	6.7%	£19.37	£20.67	6.7%	£15.98	£17.05	6.7%	£0.00	£0.00	0%	£15.52	£16.56	6.7%	£0.00	£0.00	0%
Activities	Badminton	Junior Clinic/ Club 2 hrs	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.63	£7.07	6.7%	£0.00	£0.00	0%	£3.70	£3.95	6.7%
Activities	Badminton	Racket hire	£2.92	£3.10	6.2%	£2.86	£3.05	6.7%	£3.12	£3.32	6.7%	£3.17	£3.38	6.7%	£3.00	£3.20	6.7%	£3.06	£3.26	6.7%	£2.92	£3.11	6.7%
Activities	Basketball	1hr Basketball	£96.66	£103.15	6.7%	£96.72	£103.20	6.7%	£117.21	£125.06	6.7%	£103.44	£110.37	6.7%	£114.09	£121.74	6.7%	£100.61	£107.35	6.7%	£96.77	£103.26	6.7%
Activities	Basketball	2hr open session-Sobell	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.63	£7.07	6.7%	£5.27	£5.62	6.7%	£3.70	£3.95	6.7%
Activities	Basketball	Basketball at Finsbury	£64.40	£68.70	6.7%	£64.40	£68.72	6.7%	£82.77	£88.31	6.7%	£68.83	£73.44	6.7%	£80.44	£85.83	6.7%	£66.34	£70.78	6.7%	£64.46	£68.78	6.7%
Activities	Basketball	Block Booking at Sobell	£96.72	£103.20	6.7%	£96.66	£103.14	6.7%	£117.21	£125.06	6.7%	£103.44	£110.37	6.7%	£111.83	£119.32	6.7%	£99.53	£106.20	6.7%	£96.77	£103.26	6.7%
Activities	Classes	Aerobics 55 Mins: Off-peak	£2.69	£2.90	7.7%	£4.21	£4.49	6.7%	£9.29	£9.91	6.7%	£7.19	£7.68	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Classes	Aerobics 55 Mins: Peak	£3.37	£3.60	7.0%	£5.72	£6.11	6.7%	£11.10	£11.85	6.7%	£9.06	£9.67	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Classes	Aerobics 55+ mins: Off-peak	£3.25	£3.50	7.6%	£5.44	£5.80	6.7%	£10.42	£11.12	6.7%	£9.06	£9.67	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Classes	Aerobics 55+ mins: Peak	£3.48	£3.70	6.4%	£5.55	£5.93	6.7%	£11.95	£12.75	6.7%	£10.03	£10.70	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Classes	Mind and Body 1hour+: Off-peak	£3.25	£3.50	7.6%	£5.84	£6.23	6.7%	£11.39	£12.15	6.7%	£9.86	£10.52	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Classes	Mind and Body 1 hour+: Peak	£3.48	£3.70	6.4%	£6.40	£6.82	6.7%	£13.60	£14.51	6.7%	£11.55	£12.33	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Classes	Running Club	£3.25	£3.50	7.6%	£0.00	£0.00	0%	£5.61	£5.98	6.7%	£4.19	£4.47	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Gym with swim: peak- Inclusive	£0.00	£0.00	0%	£5.72	£6.11	6.7%	£9.92	£10.58	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Cally Gym with Swim- Off peak	£0.00	£0.00	0%	£3.25	£3.47	6.7%	£7.36	£7.86	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Cally Gym with Swim- peak	£3.25	£3.50	7.6%	£4.49	£4.79	6.7%	£7.36	£7.86	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Gym with swim: off-peak	£2.69	£2.90	7.8%	£4.43	£4.73	6.7%	£9.92	£10.58	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Gym with swim: Peak	£3.25	£3.50	7.6%	£5.67	£6.05	6.7%	£6.23	£6.65	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Non Member day membership Cally	£0.00	£0.00	0%	£0.00	£0.00	0%	£13.26	£14.14	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Non Member day membership Highbury	£0.00	£0.00	0%	£0.00	£0.00	0%	£13.26	£14.14	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Gym Session	Non Member day membership Other Gym	£0.00	£0.00	0%	£0.00	£0.00	0%	£13.26	£14.14	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Sauna Session	Sauna	£3.31	£3.55	7.3%	£5.67	£6.05	6.7%	£11.10	£11.85	6.7%	£9.01	£9.61	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Sauna Session	Sauna Partial Service	£2.69	£2.90	7.8%	£5.72	£6.11	6.7%	£8.21	£8.76	6.7%	£7.36	£7.86	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Swimming	Aqua Classes 55min	£1.12	£1.20	6.7%	£4.43	£4.73	6.7%	£9.29	£9.91	6.7%	£6.91	£7.37	6.7%	£5.33	£5.68	6.7%	£3.97	£4.23	6.7%	£2.92	£3.11	6.7%
Activities	Swimming	Casual/Lane Swim	£1.12	£1.20	6.7%	£2.86	£3.05	6.7%	£6.06	£6.47	6.7%	£5.04	£5.38	6.7%	£3.40	£3.63	6.7%	£1.13	£1.21	6.7%	£0.00	£0.00	0%
Activities	Swimming	Over 60's Free Swimming	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Swimming	Swim For A Pound	£0.00	£0.00	0%	£0.00	£0.00	0%	£1.19	£1.27	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£1.13	£1.21	6.7%	£0.00	£0.00	0%
Activities	Swimming	Aqua Card Monthly DD	£0.00	£0.00	0%	£0.00	£0.00	0%	£39.09	£41.71	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Table Tennis	Adult Drop in	£0.00	£0.00	0%	£5.39	£5.75	6.7%	£8.21	£8.76	6.7%	£6.46	£6.89	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Table Tennis	Bat Hire	£0.00	£0.00	0%	£2.98	£3.17	6.7%	£3.29	£3.51	6.7%	£3.29	£3.51	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Table Tennis	Court booking	£6.06	£6.45	6.5%	£6.06	£6.46	6.7%	£9.06	£9.67	6.7%	£6.46	£6.89	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Table Tennis	Junior drop in	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.51	£6.95	6.7%	£0.00	£0.00	0%	£4.99	£5.33	6.7%
Activities	Tennis Casual	Casual Coached Session	£0.00	£0.00	0%	£6.28	£6.70	6.7%	£14.50	£15.47	6.7%	£11.55	£12.33	6.7%	£9.40	£10.03	6.7%	£7.87	£8.40	6.7%	£4.04	£4.31	6.7%
Activities	Tennis Casual	Munchkin Tennis	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£5.50	£5.86	6.7%	£3.97	£4.23	6.7%	£3.25	£3.47	6.7%
Activities	Tennis Casual	Pay & Play: 2hrs	£0.00	£0.00	0%	£5.39	£5.75	6.7%	£10.99	£11.73	6.7%	£9.74	£10.40	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Tennis Casual	Pay & Play: 3hrs	£0.00	£0.00	0%	£6.51	£6.94	6.7%	£14.39	£15.35	6.7%	£11.79	£12.58	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Tennis Indoor Bookings	Adult Playing with Concession/ Child Off	£0.00	£0.00	0%	£0.00	£0.00	0%	£15.98	£17.05	6.7%	£15.75	£16.80	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Tennis Indoor Bookings	Tennis Centre	£0.00	£0.00	0%	£7.63	£8.14	6.7%	£35.01	£37.36	6.7%	£31.10	£33.18	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Tennis Indoor Bookings	Tennis : 7am-6pm + w/e	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£15.52	£16.56	6.7%	£12.58	£13.42	6.7%	£0.00	£0.00	0%
Activities	Tennis Indoor Bookings	Tennis: off-peak	£0.00	£0.00	0%	£7.35	£7.84	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£7.76	£8.28	6.7%	£0.00	£0.00	0%
Activities	Tennis Indoor Bookings	Tennis: Vacant Court	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.68	£7.13	6.7%	£5.38	£5.74	6.7%	£0.00	£0.00	0%
Activities	Tennis Outdoor bookings	Adult playing with Concession/ Child off	£0.00	£0.00	0%	£0.00	£0.00	0%	£7.70	£8.22	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Activities	Tennis Outdoor bookings	Tennis	£0.00	£0.00	0%	£0.00	£0.00	0%	£12.97	£13.84	6.7%	£11.16	£11.91	6.7%	£5.83	£6.22	6.7%	£4.65	£4.96	6.7%	£0.00	£0.00	0%
Activities	Tennis Outdoor bookings	Tennis : 7am-6pm + w/e	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£5.95	£6.35	6.7%	£4.76	£5.08	6.7%	£0.00	£0.00	0%
Memberships	Pay and Play Borough Card	Annual- 60 plus	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.80	£7.25	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Memberships	Pay and Play Borough Card	Annual- Concession	£0.00	£0.00	0%	£0.00	£0.00	0%	£33.76	£36.03	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Memberships	Pay and Play Borough Card	Annual- Junior	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£13.42	£14.32	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%
Memberships	Pay and Play Borough Card	Annual-Junior Concession	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.68	£7.13	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%
Memberships	Pay and Play Borough Card	Annual- Regular	£0.00	£0.00	0%	£0.00	£0.00	0%	£71.72	£76.52	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%						

Appendix J1: GLL Activity Prices 2024/25

Department	Fee/Charge	Description/Unit	Better H&F over 60			Better H&F Adult Con			Better H&F Adult Non Mem			Better H&F Adult			Better H&F Jnr Non Mem			Better H&F Junior			Better H&F Jnr Con		
			2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change
Centres	Archway	Fun and waves	£1.12	£1.20	6.7%	£2.86	£3.05	6.7%	£7.36	£7.86	6.7%	£5.33	£5.68	6.7%	£3.63	£3.87	6.7%	£1.81	£1.93	6.7%	£0.00	£0.00	0%
Centres	Archway	Lane Swimming	£0.00	£0.00	0%	£2.91	£3.11	6.7%	£6.34	£6.77	6.7%	£4.93	£5.26	6.7%	£3.40	£3.63	6.7%	£1.81	£1.93	6.7%	£0.00	£0.00	0%
Centres	Cally	Main Pool: 1hr: CAL	£0.00	£0.00	0%	£0.00	£0.00	0%	£112.96	£120.53	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Main Pool: 1hr: CAL- Anaconda	£0.00	£0.00	0%	£0.00	£0.00	0%	£86.84	£92.66	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Party Pool Hire: additional fee: CAL	£0.00	£0.00	0%	£0.00	£0.00	0%	£25.55	£27.26	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Training Pool: 1hr: CAL- Anaconda	£0.00	£0.00	0%	£0.00	£0.00	0%	£63.50	£67.76	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Training Pool: 1hr: CAL	£0.00	£0.00	0%	£0.00	£0.00	0%	£85.48	£91.21	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Main Pool	£0.00	£0.00	0%	£0.00	£0.00	0%	£186.04	£198.50	6.7%	£144.57	£154.26	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Shallow Pool	£0.00	£0.00	0%	£0.00	£0.00	0%	£130.97	£139.75	6.7%	£103.39	£110.31	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Cally	Cally Master/ Premier Swim	£2.80	£3.00	7.1%	£2.75	£2.93	6.7%	£7.08	£7.56	6.7%	£4.76	£5.08	6.7%	£3.34	£3.57	6.7%	£1.13	£1.21	6.7%	£1.12	£1.20	6.7%
Centres	Cally	Parent And Toddler	£4.71	£5.05	7.2%	£4.43	£4.73	6.7%	£7.70	£8.22	6.7%	£6.34	£6.77	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Activity Room- Day Rate	£0.00	£0.00	0%	£0.00	£0.00	0%	£234.19	£249.88	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Activity Room- Per hour	£0.00	£0.00	0%	£0.00	£0.00	0%	£50.99	£54.40	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Basement Sport: 1hr: Finsbury	£0.00	£0.00	0%	£0.00	£0.00	0%	£64.18	£68.48	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	DOJO Hire: per hour	£0.00	£0.00	0%	£0.00	£0.00	0%	£36.48	£38.93	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Main Studio- day rate	£0.00	£0.00	0%	£0.00	£0.00	0%	£275.55	£294.01	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Main Studio - Per hour	£0.00	£0.00	0%	£0.00	£0.00	0%	£66.11	£70.54	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Meeting Room: Community Use	£0.00	£0.00	0%	£0.00	£0.00	0%	£27.59	£29.44	6.7%	£13.82	£14.75	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Treatment Room	£0.00	£0.00	0%	£0.00	£0.00	0%	£44.81	£47.81	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Bouncy Castle	£0.00	£0.00	0%	£0.00	£0.00	0%	£71.72	£76.52	6.7%	£61.98	£66.13	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Football	£0.00	£0.00	0%	£0.00	£0.00	0%	£71.72	£76.52	6.7%	£61.98	£66.13	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Party Room	£0.00	£0.00	0%	£0.00	£0.00	0%	£44.19	£47.15	6.7%	£37.33	£39.83	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	5 A-Side Football League	£472.31	£5.04	-98.9%	£472.31	£503.96	6.7%	£518.01	£552.71	6.7%	£504.86	£538.69	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	6 A-side Evening League- Per evening	£552.19	£589.20	6.7%	£552.19	£589.19	6.7%	£604.06	£644.53	6.7%	£590.18	£629.72	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	6 A-side Lunchtime football League	£552.19	£589.20	6.7%	£552.19	£589.19	6.7%	£604.06	£644.53	6.7%	£590.18	£629.72	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Football Hire	£3.87	£4.15	7.2%	£3.87	£4.13	6.7%	£4.25	£4.53	6.7%	£4.19	£4.47	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Football League deposit	£0.00	£0.00	0%	£0.00	£0.00	0%	£137.77	£147.00	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Small Pitch 45 min: Peak	£83.81	£89.45	6.7%	£83.81	£89.43	6.7%	£96.47	£102.94	6.7%	£89.68	£95.69	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Small Pitch Junior 45 min: Off-peak	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£34.67	£36.99	6.7%	£30.42	£32.46	6.7%	£29.28	£31.25	6.7%
Centres	Finsbury	Small Pitch Off-peak weekends	£62.61	£66.80	6.7%	£62.61	£66.80	6.7%	£73.98	£78.94	6.7%	£66.85	£71.33	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Squash Clinic- Finsbury	£6.17	£6.60	7.0%	£6.17	£6.58	6.7%	£9.06	£9.67	6.7%	£6.68	£7.13	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Court 40min:FLC: Off-peak	£10.10	£10.80	7.0%	£10.10	£10.77	6.7%	£13.14	£14.02	6.7%	£10.76	£11.48	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Court 40min:FLC: Peak	£12.01	£12.80	6.6%	£12.01	£12.81	6.7%	£15.92	£16.99	6.7%	£12.86	£13.72	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Finsbury	Sport Session (Finsbury)	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.57	£7.01	6.7%	£5.33	£5.68	6.7%	£2.52	£2.69	6.7%
Centres	IRB	Main pool hire	£0.00	£0.00	0%	£0.00	£0.00	0%	£113.07	£120.65	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	IRB	Teaching pool hire	£0.00	£0.00	0%	£0.00	£0.00	0%	£85.48	£91.21	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	IRB	Self Service 7kg wash	£0.00	£0.00	0%	£5.72	£6.11	6.7%	£9.01	£9.61	6.7%	£8.04	£8.58	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	IRB	Self Service 16kg wash	£0.00	£0.00	0%	£8.35	£8.91	6.7%	£12.86	£13.72	6.7%	£11.49	£12.27	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	IRB	Self Service Dry	£0.00	£0.00	0%	£1.91	£2.04	6.7%	£4.53	£4.84	6.7%	£2.49	£2.66	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	IRB	Ironing service 5 item	£0.00	£0.00	0%	£2.98	£3.17	6.7%	£4.93	£5.26	6.7%	£4.93	£5.26	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	IRB	SPA London	£11.39	£15.00	31.7%	£11.11	£15.00	35.0%	£31.28	£35.00	11.9%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Tennis Centre	Studio: 1hr Off-peak	£0.00	£0.00	0%	£0.00	£0.00	0%	£37.33	£39.83	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Tennis Centre	Studio: 1hr Peak	£0.00	£0.00	0%	£0.00	£0.00	0%	£44.19	£47.15	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Market Road	Adult one hour full pitch off peak	£58.57	£62.50	6.7%	£58.57	£62.49	6.7%	£71.49	£76.28	6.7%	£62.77	£66.97	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Market Road	Adult one hour full pitch peak	£99.91	£106.60	6.7%	£99.91	£106.60	6.7%	£120.78	£128.87	6.7%	£106.78	£113.93	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Market Road	Block Bookings	£0.00	£0.00	0%	£0.00	£0.00	0%	£95.34	£101.73	6.7%	£0.00	£0.00	0%	£47.70	£50.90	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Market Road	Football Hire	£0.00	£0.00	0%	£0.00	£0.00	0%	£4.08	£4.35	6.7%	£0.00	£0.00	0%	£4.08	£4.35	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Market Road	Junior one hour full pitch peak	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£72.00	£76.82	6.7%	£56.03	£59.78	6.7%	£54.42	£58.06	6.7%
Centres	Market Road	Outdoor 5 a side 60min	£77.25	£82.45	6.7%	£77.25	£82.43	6.7%	£96.59	£103.06	6.7%	£82.60	£88.13	6.7%	£46.17	£49.26	6.7%	£39.09	£41.71	6.7%	£0.00	£0.00	0%
Centres	Sobell	Martial Arts	£0.00	£0.00	0%	£0.00	£0.00	0%	£34.39	£36.69	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Outdoor 5 a side 60min	£77.48	£82.70	6.7%	£77.25	£82.43	6.7%	£96.59	£103.06	6.7%	£82.60	£88.13	6.7%	£46.17	£49.26	6.7%	£39.09	£41.71	6.7%	£0.00	£0.00	0%
Centres	Sobell	Judo room: 1 hr	£0.00	£0.00	0%	£0.00	£0.00	0%	£42.71	£45.57	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Studio 1hr - SLC	£0.00	£0.00	0%	£0.00	£0.00	0%	£58.18	£62.07	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Studio- Day rate	£0.00	£0.00	0%	£0.00	£0.00	0%	£275.72	£294.19	6.7%	£0.00	£0.00	0%	£0.00	£							

Appendix J1: GLL Activity Prices 2024/25

Department	Fee/Charge	Description/Unit	Better H&F over 60			Better H&F Adult Con			Better H&F Adult Non Mem			Better H&F Adult			Better H&F Jnr Non Mem			Better H&F Junior			Better H&F Jnr Con		
			2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change	2023/24 Price	2024/25 Price	% Change
Centres	Sobell	Zumba tonic Dance Parties	£0.00	£0.00	0%	£0.00	£0.00	0%	£186.04	£198.50	6.7%	£165.42	£176.50	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Squash Clinic- Sobell	£8.19	£8.75	6.8%	£8.13	£8.68	6.7%	£10.42	£11.12	6.7%	£8.78	£9.37	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Court 40min:SLC: Off-peak	£6.06	£6.45	6.5%	£5.95	£6.35	6.7%	£11.16	£11.91	6.7%	£6.23	£6.65	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Court 40min:SLC: Peak	£12.01	£12.80	6.6%	£12.01	£12.81	6.7%	£15.98	£17.05	6.7%	£12.86	£13.72	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Leaguer Players Per Person	£6.79	£7.25	6.8%	£6.79	£7.24	6.7%	£9.06	£9.67	6.7%	£7.42	£7.92	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Racket hire	£2.92	£3.10	6.2%	£2.86	£3.05	6.7%	£3.17	£3.38	6.7%	£3.17	£3.38	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Football Hire	£0.00	£0.00	0%	£0.00	£0.00	0%	£4.14	£4.41	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Main Hall 60min	£96.83	£103.30	6.7%	£96.77	£103.26	6.7%	£117.21	£125.06	6.7%	£103.44	£110.37	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Outdoor 60min	£77.25	£84.45	9.3%	£77.25	£82.43	6.7%	£96.59	£103.06	6.7%	£82.37	£87.89	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%
Centres	Sobell	Junior Gym	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.57	£7.01	6.7%	£5.27	£5.62	6.7%	£3.70	£3.95	6.7%
Centres	Sobell	Sport session	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£6.57	£7.01	6.7%	£5.27	£5.62	6.7%	£3.70	£3.95	6.7%
Centres	Sobell	Holiday Programme 5.5 hour day	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£10.76	£11.48	6.7%	£8.27	£8.83	6.7%	£6.40	£6.82	6.7%
Centres	Sobell	Holiday Programme 5.5 hour playgroups	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£0.00	£0.00	0%	£7.02	£7.50	6.7%	£0.00	£0.00	0%	£0.00	£0.00	0%

Appendix J2: GLL Membership Prices 2024/25

	Prepaid Memberships									Swimming Lesson					
	Monthly			Annual			Joining Fees			Monthly			1-1 Lessons		
	2023/24	2024/25	% Change	Current	24/25	% Change	Current	24/25	% Change	Current	24/25	% Change	Current	24/25	% Change
60+	£23.93	£ 25.5	6.7%	£263.26	£255.36	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Adult Concession	£35.06	£ 37.4	6.7%	£385.62	£374.05	-3.0%	£10.00	£10.00	0%	£24.40	£26.03	6.7%	£31.05	£33.13	6.7%
Adult (BHF)	£59.55	£ 63.5	6.7%	£655.06	£635.41	-3.0%	£10.00	£10.00	0%	£34.67	£37.00	6.7%	£31.05	£33.13	6.7%
Student Spa	£61.97	£ 66.1	6.7%	£681.63	£661.18	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Junior	£18.93	£ 20.2	6.7%	£208.26	£202.01	-3.0%	£10.00	£10.00	0%	£27.89	£29.76	6.7%	£31.05	£33.13	6.7%
Junior Concession	£13.00	£ 13.9	6.7%	£0.00	£138.71	0%	£10.00	£10.00	0%	£18.21	£19.42	6.7%	£31.05	£33.13	6.7%
BHF Off Peak	£54.38	£ 58.0	6.7%	£598.20	£580.26	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Joint	£120.23	£ 128.3	6.7%	£1,322.48	£1,282.80	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Saver Archway	£40.45	£ 43.2	6.7%	£444.95	£431.60	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Health Archway	£46.29	£ 49.4	6.7%	£509.22	£493.94	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Saver Cally	£34.83	£ 37.2	6.7%	£383.15	£371.65	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Health Cally	£37.08	£ 39.6	6.7%	£407.87	£395.63	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Saver Highbury	£40.45	£ 43.2	6.7%	£444.95	£431.60	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Health Highbury	£57.87	£ 61.7	6.7%	£636.52	£617.42	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Saver IRB	£40.45	£ 43.2	6.7%	£444.95	£431.60	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Health IRB	£46.29	£ 49.4	6.7%	£509.22	£493.94	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Saver ITC	£40.45	£ 43.2	6.7%	£444.95	£431.60	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Health ITC	£46.29	£ 49.4	6.7%	£509.22	£493.94	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Saver Sobell	£34.83	£ 37.2	6.7%	£383.15	£371.65	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%
Better Health Sobell	£41.57	£ 44.4	6.7%	£457.31	£443.59	-3.0%	£10.00	£10.00	0%	-	-	0%	-	-	0%

Appendix J3: GLL Tennis Prices 2024/25

Tennis Lessons	Unit	2023/24	2024/25	% Change
L&C Junior Concessionary Dry Tennis	30 Minutes, Monthly	£13.31	£ 14.2	6.7%
L&C Junior Dry Tennis	30 Minutes, Monthly	£19.67	£ 21.0	6.7%
L&C Junior Concessionary Dry Tennis Sch Yr 1-3	60 Minutes, Monthly	£22.06	£ 23.5	6.7%
L&C Junior Dry Tennis Yr1-3	60 Minutes, Monthly	£42.34	£ 45.2	6.7%
L&C Junior Concessionary Dry Tennis Sch Yr 4-5	60 Minutes, Monthly	£26.02	£ 27.8	6.7%
L&C Junior Dry Tennis Yr4-6	60 Minutes, Monthly	£44.79	£ 47.8	6.7%
L&C Junior Concessionary Dry Tennis Sch Yr 6-11	60 Minutes, Monthly	£27.14	£ 29.0	6.7%
L&C Junior Dry Tennis Yr6-11	60 Minutes, Monthly	£47.67	£ 50.9	6.7%
L&C Junior Dry Tennis	120 Minutes	£58.33	£ 62.2	6.7%
L&C Junior Dry Tennis	180 Minutes, Monthly	£84.41	£ 90.1	6.7%
L&C Junior Dry Tennis	240 Minutes, Monthly	£97.81	£ 104.4	6.7%
Better Squads Tennis	5 Hours, Monthly	£132.83	£ 141.7	6.7%
Islington Parks	Unit	2023/24	2024/25	% Change
L&C Adult Dry Tennis	60 Minutes, Monthly	£54.05	£ 58	6.7%
L&C Junior Concessionary Dry Tennis Sch Yr 1-3	60 Minutes, Monthly	£23.16	£ 25	6.7%
L&C Junior Dry Tennis Yr1-3	60 Minutes, Monthly	£31.64	£ 34	6.7%
L&C Junior Dry Tennis Yr4-6	60 Minutes, Monthly	£33.41	£ 36	6.7%
L&C Junior Dry Tennis Yr6-11	60 Minutes, Monthly	£39.79	£ 42	6.7%

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Town Hall, Upper Street
London, N1 2UD

Report of: Chair of the Policy and Performance Scrutiny Committee

Meeting of: Executive

Date: 8 February 2024

Ward(s): All

Subject: Budget Proposals & Medium Term Financial Strategy 2024/25 – Comments of the Policy & Performance Scrutiny Committee

1. Synopsis

- 1.1. The Policy and Performance Scrutiny Committee considered the budget proposals at its meeting on 18 January 2024 and questioned the Executive Member for Finance, Planning and Performance, Councillor Diarmaid Ward, the Corporate Director of Resources, and the Director of Finance on related matters.
- 1.2. This report summarises the comments of the Policy and Performance Scrutiny Committee. The Executive is invited to review the committee's comments and take note of them when considering budget matters.

2. Recommendation

- 2.1. That the comments of the Policy and Performance Scrutiny Committee on the Budget Proposals 2024/25 and Medium Term Financial Strategy be noted.

3. Background

- 3.1. Councillor Ward introduced the budget proposals and emphasised the challenging financial position across local government. Islington Council had lost around £300m of funding from central government over the last decade. Due to increased

costs arising from inflation and demographic pressures, and continued government austerity, it was essential that the council continued to operate efficiently. The budget identified £10.8m in savings, prioritising frontline services, however it was expected that the next financial year would be even more challenging.

- 3.2. The Executive Member commented on the need for a fair funding deal from central government. In particular, support was needed to help local government address the housing crisis through developing new social housing and maintaining its existing stock, and a fair funding deal was needed to ensure the sustainability of Adult Social Care. The cost of delivering Adult Social Care in Islington was increasing by £20m a year.
- 3.3. The proposed budget reflects the current crisis in local government finance. There were currently significant budget overspends across London Boroughs and several councils nationally had declared Section 114 Notices. The Committee noted the cost pressures associated with inflation, demographic change, and the impact this was having across council budgets. There were acute pressures on school budgets across inner London and there were longer-term challenges associated with the funding of social housing.
- 3.4. The proposed budget made use of contingency budgets to balance the overspends in the current financial year. As a result, there was a decrease in the contingency budgets for proposed for 2024-25. The Council was not proposing to make use of financial reserves to balance the budget, while this was an option that several London Boroughs were having to resort to.

The Policy and Performance Scrutiny Committee made the following main comments on the budget proposals:

- 3.5. The Committee considered paragraph 4.9 of the report, which states

‘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.’

The Committee queried the implications of this and the possible impact on future service delivery. In response, the Executive Member explained that the council may need to undertake a fundamental review of how services are delivered. Due to the unprecedented financial challenges in local government, it would not be sufficient to spread efficiency savings across services to minimise the impact of budget cuts. It would not be possible to continue to deliver services on the current

basis without increased financial support from central government. The council would be prioritising frontline services for residents, but it was essential that services are joined-up and delivered as efficiently as possible.

- 3.6. Central government was aware of the significant financial challenges across the local government sector. The Department for Levelling Up, Housing and Communities was currently consulting on capitalisation plans, allowing councils to use capital receipts and borrowing to fund day-to-day services. This policy would load councils with significant debt, impacting their financial sustainability, and should be avoided at all costs.
- 3.7. At the end of Quarter 2 2023-24, the council had a budget overspend of £17.7m, largely driven by inflation and demographic pressures in Adult Social Care and Children's Services. While increased demand for services was occurring at the same time as significant financial challenges, it was asked if this funding gap would mean the council must resort to delivering only statutory services. In response, it was considered that providing the statutory minimum in service levels would not meet the needs of Islington residents. The Committee considered the range of non-statutory services provided by the council; while these focused on supporting residents and addressing the significant challenges in the borough, there would need to be difficult choices made about the sustainability, delivery and prioritisation of non-statutory services in line with the Islington Together strategy. There was potential to transform services to reduce costs and deliver them in a different way, but this would be a significant challenge after services had already made significant efficiencies due to government austerity.
- 3.8. The Committee asked if the Executive was satisfied with the financial assumptions in the budget report, and confident that the council would not need to make use of financial reserves to balance the 2024-25 budget. In response, it was noted that the budget report set out a prudent plan that had been endorsed by the Chief Finance Officer. Local government was in a precarious financial position, but the council was setting a balanced budget and had a reasonable plan to achieve financial sustainability over the Medium Term Financial Strategy, on the assumption that the council would receive adequate funding settlements in future.
- 3.9. The Committee expressed concern at the potential impact of further government budget cuts. There was a £20m cost pressure on Adult Social Care; London Living Wage had increased by 10%, and the council's spending power was significantly impacted as a result. The achievement of financial savings must be a priority and focus, and it would be important to review the capacity of the organisation to achieve these savings.
- 3.10. In relation to Adult Social Care, the Committee commented on the need for a holistic plan to reduce costs, increase efficiencies, and manage demand across

the service. The Committee noted the work of officers to control overspends against the agreed budget and this would continued to be monitored by the committee.

- 3.11. The Committee suggested that the five missions in the Islington Together strategy may need to be prioritised to give a clear focus to the council's activities. In response, the Executive Member advised that all five missions were priorities and addressing these would both meet the most pressing challenges faced by the borough and save money in the longer term.
- 3.12. While the Committee commended the focus on delivering frontline services, it was commented that this could be an ambiguous term, and it was asked how frontline services would be prioritised and protected, while ensuring that the council did not incur significant overspends as it had in the current financial year. In response, frontline services were considered to be those that directly contributed to the delivery of the council's five missions, and the Executive Member emphasised the importance of transforming services to achieve savings. As an example, the Executive Member commented on the investment made to improve IT systems in the contact centre which had led to efficiencies and improvements in service performance. There was scope for greater automation across services to achieve efficiencies and improve performance. It was also suggested that further investment in data would assist the council in taking service decisions and managing spend. The Council had also implemented Finance Challenge Panels to review how services with significant overspends were operating.
- 3.13. The Committee noted the shortfall in parking revenue and asked if this was expected to be repeated in 2024-25. It was noted that parking revenue had been impacted by a decrease in pay and display transactions, fewer Penalty Charge Notices (PCNs) being issued, and fewer PCNs being collected. Finance officers had worked with the Parking Service to rigorously review the service's financial assumptions and would continue to invest in this approach to diligence across services. The Committee noted that the delivery of transport projects was funded through parking revenue and suggested that the council's ambitious projects may need to be reviewed if parking income continued to decline.
- 3.14. It was advised that the Housing Revenue Account (HRA) reserves position was relatively healthy in comparison to other local authorities. However, Islington faced big financial challenges, and it was important to retain a moderate level of reserves to address any potential safety concerns or other significant issues. It was noted that the HRA had been heavily impacted by central government policy over recent years, including rent freezes, below inflation rent settlements, and a reduction in government grants. Inflation in the building sector was also a challenge. Councillors commented on ongoing repairs casework and the need to

fix repairs first-time to both provide a better service to residents and reduce ongoing costs.

- 3.15. The Committee commented on the council's employment of agency staff and the need to reduce agency spend to achieve financial savings. The council made use of challenge panels to review the need for agency staff and it was noted that the recruitment of agency staff was subject to management oversight. The council considered business needs, performance and outcomes when considering agency recruitment.
- 3.16. The Committee emphasised the need for prioritisation of services and highlighted the consequences of seeking to fund day-to-day services through borrowing. Financial assumptions made in previous years that projects can be funded through future income may need to be reviewed.
- 3.17. The Committee considered the financial assumptions behind the capital programme and how this would be impacted by national economic conditions, including future levels of inflation and interest rates. It was expected that the stability of the economy would improve in comparison to the current position, however national political decisions would have an impact on the council's spending power, and rigorous scrutiny of budget performance would be needed to ensure that the council's financial plans remained aligned with economic conditions.
- 3.18. Overall, the Committee's most significant concern was the decrease in contingency budgets and the reduced capacity to offset budget overspends as a result. It would be essential for the council to focus on transformation work, deliver efficiencies and review discretionary spend, including the use of agency staff, and to challenge overspends robustly. The Committee thanked officers for their work in preparing the budget proposals, noting the difficulty in the current financial climate.

4. Implications

4.1. **Financial Implications**

The financial implications are set out in the main budget report.

4.2. **Legal Implications**

The legal implications are set out in the main budget report.

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

The environmental implications are set out the main budget report.

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.

The equalities impacts are set out in the main budget report.

5. **Conclusion and reasons for recommendations**

- 5.1. The Executive is asked to note the comments of the Policy and Performance Scrutiny Committee on the budget proposals.

Appendices:

- None.

Background papers:

- None.

Final report clearance:

Authorised by: Chair of the Policy and Performance Scrutiny Committee

Date: 30 January 2023

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Report of: Executive Member for Finance, Planning and Performance

Meeting of: Executive

Date: 8th February 2024

Ward(s): ALL WARDS

Subject: Procurement Strategy for the Replacement of Current Financial System

1. Synopsis

- 1.1. This report sets out the Procurement Strategy for the organisation's main financial system as the contracts are due to expire at the latest date of December 2025 and July 2027.
- 1.2. The procurement will be supported by an in-house project team as the best way to secure in a timely manner a system that will be fit for purpose, by replacing the functionality of the current finance systems and providing the opportunity to integrate other existing systems into the new system.
- 1.3. As part of the process the Council will seek to replace the core financial systems which are due to expire. These are the general ledger, the accounts payable and budget forecasting systems. Officers will seek to keep bespoke requirements as low as possible to increase cost effectiveness and simplicity of implementation.

2. Recommendations

- 2.1. To approve the Procurement Strategy for the replacement of the current financial system, using the Crown Commercial Services (CCS) Framework RM6194 Lot 1 Back Office Software (without system integrator).
- 2.2. To delegate the contract award decision to the Corporate Director of Resources, following consultation with the Executive Member of Finance, Planning and Performance.

3. Background

3.1. Nature of the service

- 3.1.1. London Borough of Islington (LBI) has financial systems which are in need of replacement. The new financial replacement system could be an Enterprise Resource Solution (ERP) with functionality for Finance, Procurement, Payroll and HR. However, at the start, only the finance functionality will be “switched on”. Options for integration (e.g. with Portt for Procurement, Zellis HCM for HR and Payroll) can be explored after the implementation of the new financial replacement system.
- 3.1.2. The current systems do not meet LBI’s business requirements because:
 - There has been no competition for a number of years to test value for money or “fit for purpose” functionality.
 - The current contracts expire in the near future: Advanced Finance systems (Dec 2025) and CivicaPay (Jul 2027).
- 3.1.3. This gives LBI two years for its option selection, procurement and implementation.
- 3.1.4. To date, LBI have commissioned an external consultancy to write an Outline Business Case (OBC) in line with HM Treasury Five Case Model. This covered the strategic, economic, commercial, financial and management cases.
- 3.1.5. The consultants reviewed the ERP landscape dividing it into three groups from Tier 1 (the most complex and expensive) to Tier 3 (basic and lacking in functionality). The recommendation is that LBI focus on Tier 2 solutions, as these are most likely to fulfil the council’s requirements in a cost effective way.
- 3.1.6. As part of this work a detailed market analysis has been completed, which examined a long list of 22 solutions across all tiers for their suitability across broad requirements. The pre-tender market analysis concluded that of the 22 solutions analysed across all tiers 12 solutions would not meet our requirements, 10 would meet our broad requirements and 5 of the 10 would meet our detailed requirements.
- 3.1.7. This scoping exercise has provided valuable insights and benchmarking in preparation for our tendering exercise, however no pre-determined assumptions will be taken into the tendering process.

3.2. Estimated Value

- 3.2.1. Ten year revenue costs for a financial systems replacement will range between £1.783m to £3.539m for the contract duration of 7 years with a further option to extend at the council discretion for 3 further years. For comparison, the “do-

nothing” option would cost £6.740m over 10 years. One off implementation costs are not part of this procurement but for information are estimated at between £3.101m and £3.151m, depending on which provider is successful. The project will be largely supported in-house.

- 3.2.2. The implementation costs relevant to the procurement will only be external consultancy provided by the software supplier, estimated to range between £0.340m and £0.400m. There is no provision for a systems integrator.
- 3.2.3. The implementation costs count as a transformation of the council’s business, which can be capitalised in accordance with the Capital Receipts Regulations. The current annual budget for financial systems is £0.674m and this would be available to cover the ongoing revenue costs over ten years.
- 3.2.4. The value of the procurement is between £1.783m to £3.539m, depending on which provider is selected. This is based on a 10-year contract period.
- 3.2.5. The two lowest cost solutions based on our benchmarking analysis could potentially save between £0.320m and £0.496m per annum excluding implementation. There is an agreed saving built into the Medium-Term Financial Strategy (MTFS) of £0.150m for 2027/28 related to the reduced cost of the finance systems.
- 3.2.6. The aim of the procurement is to secure a combination of VfM and improvements in functionality. Therefore, although there maybe cost reductions, it may also be possible to buy more or better with the same money. When drafting the OBC the benchmarking costs where included.
- 3.2.7. There is an agreed saving of £0.150m for 2027/28 related to the reduced cost of the finance systems. The key cost drivers are SaaS (which covers licencing and platform/cloud costs), and in-house support (Finance and IT).
- 3.2.8. There are a number of cashable benefits - for example, utilising automated processes to perform routine tasks and removal of current manual handling – these are difficult to quantify at the moment.
- 3.2.9. The key non-cashable benefits are:
 - Additional business critical functionality
 - Integrated back-office systems
 - Reduced manual intervention by using automated and online process steps
 - User defined reporting for meaningful and real-time decision-making
 - Self-service will reduce the administrative burden on support staff
 - An improved user experience will encourage better engagement with the system
 - Off-the shelf software will reduce maintenance costs and effort
 - Restricted user access will improve security

- Standardise and improve the effectiveness of end-to-end processes.

3.2.10. The drawbacks are that this is a major implementation of a critical business system to tight and unmoveable deadlines. As the intention is to initially implement only core financial system of the ERP, there would need to be developed interfaces to other financial (income collection) and non-financial (HR) systems. This would be a stop-gap measure, if the systems are eventually onboarded onto the ERP system which would be a subsequent decision.

3.2.11. The use of a systems implementation partner has both advantages and disadvantages. On a plus side, it buys in knowledge and experience in a specialist area, but on the downside, detachment from the BAU aspects of the council's operations can lead to a sub-optimal off-the-shelf solution. System implementation partners are also another group of contractors to manage and therefore a potential point of failure. There is no provision within the cost estimates for the engagement of a system implementation partner.

3.2.12. There are no other financial implications, which are not covered in the Financial Implications section (4.1).

3.3. **Timetable**

3.3.1. The key dates for the procurement and implementation are:

- Invitation to tender (ITT) – February 2024,
- Completion of procurement/ Contract award – May 2024,
- Implementation – May 2024 until November 2025.

3.3.2. The current contracts expire in the near future: Advanced Finance systems (Dec 2025) and CivicaPay (Jul 2027).

3.3.3. There are no statutory requirements for the project, however the new system will be needed to discharge the statutory financial duties on the organisation, such as to produce the accounts on time. The system must therefore be live and fully functional by 31 March 2026.

3.3.4. The proposed procurement has been discussed by the Corporate Management Board on 31 October 2023.

3.4. **Options appraisal**

3.4.1. The following eight procurement routes were considered: G-Cloud, Further competition call-off pursuant to CCS Frameworks RM6193 Software Design and Implementation Systems and RM6194 Back Office Software, Restricted

Procedure, Open Procedure, Competitive Dialogue, Competitive Procedure with Negotiation and Innovation Partnership. The first was dismissed as G-Cloud contracts only allow for a maximum contract term of 4 years, including any extension and the last three were deemed inappropriate for off-the-shelf solutions.

- 3.4.2. The preferred procurement routes are the use of a Further competition call-off via CCS Frameworks RM6193 Software Design and Implementation Systems or RM6194 Back Office Software. Both options are suitable as they cover the software packages under consideration. The difference between the two is that the first allows for a systems integrator, which provides for both, the solution and implementation work. The preferred option is a further competition via RM6194 Back Office Software without a systems integrator as in-house resource and external support will be used for the system implementation.
- 3.4.3. Whilst the system integrator would bring external knowledge and experience, this would come at a price, which is both financial (in terms of additional costs) and operational (as the systems integrator would be remote from the operations of the system).
- 3.4.4. Accordingly, an approach based on in-house support with limited software provider consultancy is viewed as likely to provide the most effective solution at the lowest cost. The call-off will combine the ability to purchase off-the shelf software and minimal associated professional services to help configure, implement, support and maintain a new system, with support, hosting and maintenance.
- 3.4.5. Utilising an external framework agreement will cut down the time to procure when compared to Open and Restricted Procedures. These could take up to 6 months which would result in missing the May 2024 deadline for the completion of the procurement. The CCS framework RM6194 Back Office Software covers a wide range of Tier 2 solutions with an optimal mix of software vendors and reseller partners.
- 3.4.6. A direct award via RM6194 was considered but is not an option as direct award via RM6194 Back Office Software is only suitable and recommended as the best route to market for low value low complexity requirements.
- 3.4.7. Collaboration with other authorities was not viewed as a viable option within the timescales required for this procurement. No other borough is likely to need the same service mix with the result that structuring of a collaborative bid would be extremely difficult and probably not cost effective.

3.5. **Key Considerations**

- 3.5.1. Delivering a contribution to the council's social value objectives is a key element of this procurement strategy. The successful supplier must demonstrate their

contribution over the duration of the contract to economic, environmental, and social benefits.

- 3.5.2. The CCS RM6194 framework agreement provides sufficient flexibility to ensure that any call-off contract will address social value commitments and inclusion of a London Living Wage clause within the final call-off contract.
- 3.5.3. In addition, the procurement process will ensure that the chosen supplier demonstrates their commitment to social values, which will include:
- Carbon neutral software, which will be 100% powered by renewable energy,
 - Sustainably sourced and recycled office consumables, supported by a recycling scheme for all hardware and electronic appliances,
 - Embedded sustainability in the sourcing and procurement processes, enabling other suppliers to be socially, legally and ethically responsible.
- 3.5.4. The social value benefits that the chosen supplier may deliver within LBI include:
- Contribution of expert volunteering hours,
 - Contribution to the council's net zero ambition,
 - Participation in the council's 100 Hours of World of Work Programme,
 - Offering digital development and skills opportunities, better connectivity, and greater accessibility to meet service user needs, including those dependent on assistive technology to access digital services,
 - Delivery of social value donations, including equipment or resources donated to VCSEs (Voluntary, Community and Social Enterprise) and or donations or in kind contributions to local community projects.
- 3.5.5. Best value considerations have been taken into account as the aim of the initial exercise is to secure a cost-effective product that has been market tested. The product type is intended to be flexible and scalable to enable future onboarding of other services, e.g, HR and income collection.
- 3.5.6. The product will be current and supported, adaptable to changing circumstances (legislative and regulatory) and capable of improvement as Islington gains familiarity and becomes more sophisticated and agile in specifying its business information needs. The whole procurement is geared around selecting the most cost-effective solution (economy), that works in the best way (efficiency) to deliver what is required (effectiveness).
- 3.5.7. There should be no TUPE, Pension or Staffing implications as the existing staff will be running the new system as part of their normal duties. There are no staff/colleagues contractors affected by this system procurement .

3.6. Evaluation

3.6.1. The CCS RM6194 Back Office Software framework has been designed to provide the wider public sector a procurement route to buy software as a service, including ERP solutions directly from major vendors. The list below shows a step-by-step process of how we will buy from the CCS framework RM6194 Back Office Software:

- Further pre-market engagement by issuing a request for information to suppliers on CCS framework RM6194 Back Office Software
- Issue Expression of Interest to gauge interest to suppliers on CCS framework RM6194 Back Office Software
- Create detailed specification and assessment criteria
- Invite interested suppliers to bid
- Evaluate tenders and suppliers
- Communicate outcomes by notifying suppliers of further competition process
- Complete and sign call-off contract pursuant to RM6194 Back Office Software.

3.6.2. For the final award criteria to be set out in the further competition documents will strike a balance between Price 40%, Quality 40% and Social Value 20%. Example criteria are given for illustrative purposes in 3.6.4 below.

3.6.3. The Quality criterion 40% will look to address the following;

- Approach to delivery of the system solution, including the strategy, expertise, management systems, methods and procedures within the proposal;
- Technical requirements, including the competence skills and experience of the management, professional, and technical personnel proposed for the project for the system solution.
Functional Requirements covering the detailed functionality as specified in the contract specification.

3.6.4. The Price criterion 40% will address the following:

- Software License revenue costs testing a range of licensing models (per user, per device, enterprise wide)
- Support and maintenance including upgrades application management and support
- Minimal installation, implementation and configuration costs
- Service desk, hosting, system solution review, disaster recovery and backup services
- Data handling and validation costs
- Any additional professional Service charges.

3.6.5. The Social Value criterion 20% will be developed in greater detail in the further competition tender and will cover in detail key elements mentioned in section 3.5.2 above.

3.7. Business risks

- 3.7.1. All the following risks have been considered for system implementation and can be mitigated with the appropriate treatment and monitoring:
- Market not able to fully meet the Islington Council requirements
 - Complexity and number of systems requiring integration
 - Project timelines may not allow sufficient time for test phases (Integration System Testing and User Acceptance Testing)
 - Ability to secure contract extensions if they are required
 - Cost overruns outside an agreed threshold
 - Scope control and over ambition
 - Internal capacity for project teamwork
 - Implementation does not deliver desired benefits
 - Complicated and lengthy data audit, harmonisation and cleansing across all the systems and processes impacted by the project.
- 3.7.2. All of the business risks identified for this procurement will be managed through a Risk Log which would be a standing item at the board meetings.
- 3.7.3. The business opportunities are set out in the non-cashable benefit section.
- 3.7.4. There are service user implementations to be considered, if the system implementation partner is not appointed as there would not be a hand holding role thus requiring more in-house SME and management involvement. The solution will however be better focussed on a business-as-usual needs for the council and would be better understood by those who must manage the system on an ongoing basis. It is critical to get this balance right.
- 3.7.5. There are other implications that should be taken into consideration, these include the need to engage with other business areas that may be bought on later, e.g. Procurement HR and income collection.
- 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	Provision of core financial systems See paragraph 3.1
2. Estimated value	The estimated value per year is £0.178m to £0.354m The agreement is proposed to run for a period of 7 years with an optional extension of 3 years. See paragraph 3.2.
3. Timetable	<ul style="list-style-type: none"> - Invitation to tender (ITT) – February 2024, - Completion of procurement/ Contract award – May 2024, - Implementation –May 2024 until November 2025. See paragraph 3.3.
4. Options appraisal for tender procedure including consideration of collaboration opportunities	Preferred option is further competition pursuant to Framework RM6194 Back Office Software See paragraph 3.4
5. Consideration of: <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	. See paragraph 3.5
6. Evaluation	<ul style="list-style-type: none"> - Quality – 40% - Social value – 20% - Price – 40% Percentages are indicative at this stage See paragraph 3.6
7. Any business risks associated with entering the contract	Business risks have been identified and control and mitigation measures put in place. See paragraph 3.7

8. Any other relevant financial, legal or other considerations.

See paragraph 4

4. Implications

4.1. Financial Implications

- 4.1.1. This procurement strategy sets out the plan to replace the current financial systems. The council currently spend £0.674m per annum on financial systems.
- 4.1.2. The ongoing costs for a new system could amount to between £0.178m-£0.354m per annum. This would be funded from the revenue systems budget and make a potential saving of between £0.320m-£0.496m. £0.150m has been built into the MTFS as a saving from 2027/28 in relation to this.
- 4.1.3. There will also be implementation costs of replacing the financial systems which could amount up to £3.151m. Most of this will be spent on an in-house team however an estimated £0.400m will be spent on external consultancy provided by the software supplier. Any additional costs relating to an implementation partner will be separate to this. These costs can be capitalised in accordance with the Capital Receipts Regulations.
- 4.1.4. The total value of the procurement (solely for the system costs) over a ten year period will be between £1.783m-£3.539m dependant on the provider selected.

4.2. Legal Implications

- 4.2.1. With our above timetable to procurement in mind, we may consider an early 'no fault' termination of the current call-off contracts governing the existing financial systems. We shall furnish our Legal Officers with copies of these contracts in anticipation of their further advice.

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

- 4.3.1. Environmental Implications must be reviewed by the Energy Services team. Energy Services requires eight working days for implications to be reviewed.
- 4.3.2. There are no environmental impacts arising from this report.

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 it has been determined that there is no negative impact as a result of this procurement.

5. Conclusion and reasons for recommendations

- 5.1. The requirement to replace the existing financial systems, which are no longer fit-for-purpose and at the end of their contract affords the council the opportunity to procure a right-sized solution that delivers the council's business needs and through preference for an ERP solution allows future integrations with other core business systems.
- 5.2. The preferred procurement route of using a CCS framework RM6194 Back Office Software will ensure a timely procurement at low costs.
- 5.3. The recommendation is to use the recommended framework, which will allow the council to choose from its shortlisted suppliers to secure the most economically beneficial solution.

Appendices:

- None

Background papers:

- None

Final report clearance:

Authorised by: Executive Member for Finance, Planning and Performance

Date: 09/01/2024

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Report of: Executive Member for Finance, Planning and Performance

Meeting of: Executive

Date: 8th February 2024

Ward(s): All

Subject: Treasury Management Mid-Year Review

1. Synopsis

- 1.1. This report reviews the activities of the Council's treasury management function over the half year period ended 30 September 2023. The month of September has been a challenging environment with volatile interest rate and gilt markets.
- 1.2. Over the reporting period, all treasury management (TM) activities have been carried out in accordance with the approved limits and the prudential indicators (PI) set out in the Council's Treasury Management Strategy.
- 1.3. Treasury Management comprises:
 - 1.3.1. Managing the Council's borrowing to ensure funding of the Council's future capital programme is at optimal cost;
 - 1.3.2. investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security of capital and liquidity.

2. Recommendation

- 2.1. To note the Treasury Mid-Year Review

3. Background

- 3.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 3.2 The Council's treasury management strategy for 2023/24 was approved at the Council meeting of 2nd March 2023. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

4. Detailed Report

- 4.1 On 31st March 2023, the Council had net borrowing of £231.906m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below:

Table 1: Balance Sheet

	31.3.23 Actual £m
General Fund CFR	190.703
HRA CFR	463.593
Total CFR	734.849
Less: *Other debt liabilities	(80.552)
Loans CFR	654.297
External borrowing	(285.606)
Internal (over) borrowing	368.691
Less: Balance Sheet Resources	(422.4)
Treasury Investments	53.7
Net [borrowing / investments]	231.906

* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

- 4.2 On 30th September 2023, the Council had net borrowing of £193.3m arising from its revenue and capital income and expenditure. The treasury management position as at 30th September 2023, the change over the six months is shown in Table 2.

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	30.9.23 Balance £m	30.9.23 Rate %
Long-term borrowing	265.606	(18.062)	247.544	3.95
Short-term borrowing	20.000	0.000	20.000	5.30
Total borrowing	285.606	(18.062)	267.544	4.05
Long-term investments	10.000	0.000	10.000	0.55
Short-term investment	43.700	20.500	64.200	5.18
Total investments	53.700	20.500	74.200	4.55
Net [borrowing / investments]	231.906	2.438	193.344	

Economic Update

- 4.3 The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on 20 September 2023, the MPC voted by a majority of 5–4 to maintain Bank Rate at 5.25%. The Committee also voted unanimously to reduce the stock of UK government bond purchases held for monetary policy purposes, and financed by the issuance of central bank reserves, by £100 billion over the next twelve months, to a total of £658 billion.
- 4.4 Twelve-month CPI inflation fell from 7.9% in June to 6.7% in August, 0.4 percentage points below expectations at the time of the Committee's previous meeting and triggering the exchange of open letters between the Governor and the Chancellor of the Exchequer that is being published alongside this monetary policy announcement. Core goods CPI inflation has fallen from 6.4% in June to 5.2% in August, much weaker than expected in the August Report. Services CPI inflation rose from 7.2% in June to 7.4% in July but declined to 6.8% in August, 0.3 percentage points lower than expected in the August Report.

Arlingclose View:

- 4.5 Q2 GDP growth surprised to the upside, with the office for national statistics (ONS) revising the first estimate of -0.1% to +0.2%, driven by upward revisions to household and government spending. While the revision suggests that the UK economy has avoided a technical recession so far, growth remains soft and is on a downward track. We expect growth to be negative in Q3 and thereafter due to the heightened impact of the rising cost

of living, higher interest rates and slowing global growth. However, this will not stop the BoE tightening monetary policy further to combat perceived inflationary pressures.

Borrowing

- 4.6 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decisions that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the council.
- 4.7 Public Works Loan Board (PWLB) loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity to retain its access to PWLB loans.
- 4.8 The 2023/24 Treasury Management Strategy sets out an operational borrowing limit of £383.4m and maximum borrowing limit of £533.9m for the year. As at 30th September there is still a potential for the Council to borrow up to a further £115.8m, this level of borrowing has been revised due the current level of capital programme slippage. This matter is being closely monitored through the Council's 5-year capital programme model and the cash flow model.
- 4.9 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
- 4.10 The Council retains flexibility to renegotiate loans should the Council's long-term plans change. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 4.11 A new PWLB HRA rate which is 0.4% below the certainty rate was made available from 15th June 2023. Initially available for a period of one year, this discounted rate is to support local authorities borrowing for the Housing Revenue Account (HRA) and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing and to replace the Council's loans relating to the HRA maturing during this time frame.
- 4.12 In keeping with these objectives, the strategy is to replace the HRA maturing debt of £8m, borrow additional sums to fund the existing capital programme and the purchase of ex-right to buy properties in line with the authorised borrowing limits. This strategy enabled the Council to reduce net borrowing costs and reduce overall treasury risk.

Borrowing Update

4.13 The Council currently holds £267.5 million of loans, a reduction of £18.06 million from the previous year, as in line with the strategy to borrow only if required hence use internal resources in lieu of borrowing despite the increase in rates. During this half year the Council considered it to be more cost effective in the near term to either use internal resources and short to medium term borrowing to minimise the “cost of carry”. Outstanding loans on 30th September 2023 are summarised in Table 3 below:

Table 3: Borrowing Position

	31.3.23 Balance £m	Net Movement £m	30.9.23 Balance £m	30.9.23 Weighted Average Rate %	30.9.23 Weighted Average Maturity (years)
Public Works Loan Board	234.606	(8.062)	226.544	4.1465	19.92
Local authorities (long-term)	31.000	(10.000)	21.000	1.8595	1.33
Local authorities (short-term)	20.000	(0.000)	20.000	5.3000	0.22
Total borrowing	285.606	(18.062)	267.544	4.0532	16.99

4.14. The Council's short-term borrowing cost has continued to increase with the rise in line with the Bank and England base rate and short-dated market rates. The average rate on the Council's short-term loans at 30th September 2023 of £20m was 5.3%.

4.15 There was a substantial rise in the cost of both short- and long-term borrowing over the last 18 months. The base rate rose by 1% from 4.25% at the beginning of April to 5.25% at the end of September. The base rate was 2% higher than at the end of September 2022.

4.16 UK gilt yields were volatile, mainly facing upward pressure since early April following signs that UK growth had been more resilient, inflation stickier than expected, and that the Bank of England saw persistently higher rates through 2023/24 as key to dampening domestic demand. Gilt yields, and consequently PWLB borrowing rates, rose and broadly remained at elevated levels. On 30th September, the PWLB certainty rates for maturity loans were 5.26% for 10-year loans, 5.64% for 20-year loans and 5.43% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

Forward starting loans

4.17 To enable certainty of cost to be achieved without suffering a cost of carry in the intervening period, the Council may arrange forward starting loans with fixed interest rates of for the

delivery of cash a specified future year date. The Council has not actively pursued this option currently and does not seem prudent with rates at their current levels.

- 4.18 There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

Other Debt Activity

- 4.19 After £4.5m repayment in 2022/23 of Private Finance Initiative liabilities, total debt other than borrowing stood at £77.6m on 31st March 2023.

Treasury Investment Activity

- 4.20 CIPFA revised TM Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 4.21 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £54 million and £110 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.23 Balance £m	Net Movement £m	30.9.23 Balance £m	30.9.23 Income Return %
Government (incl. local authorities)	53.7	(8.5)	45.2	4.09
MMF	0.0	29.0	29.0	5.28
UK Banks	0.0	0.0	0.0	0.00
Total investments	53.7	20.5	74.2	4.56

- 4.22 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 4.23 The Council expects to be a long-term borrower and new treasury investments therefore primarily made to manage day-to-day cash flows short-term low risk instruments where

limited additional risk is accepted in return for higher investment income to support local public services.

- 4.24 Bank of England base rate increased by 1%, from 4.25% at the beginning of April to 5.25% by the end of September. Short-dated cash rates rose commensurately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%. The rates on DMADF deposits also rose, ranging between 4.8% and 5.4% and Money Market Rates between 5.22% and 5.35%.
- 4.25 The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.09.2023	4.62	A+	39%	95	4.54
30.09.2022	4.73	A+	19%	154	1.12
Similar LAs	4.54	A+	67%	48	4.94
All LAs	4.47	AA-	59%	50	4.79

Non-Treasury Investment

- 4.26 The definition of investments in CIPFA’s revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).
- 4.27 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.
- 4.28 The Council lends money to its subsidiaries, local businesses, local charities, local residents and its employees to support local public services and stimulate local economic growth.
- 4.29 As at 31/03/2023, the Council had lent £0.639m (including accrued interest) to three private companies responsible for managing schools under the Building Schools for the Future

programme (Transform Islington Phase 1 Holdings Limited, Transform Islington Phase 2 Holdings Limited and Transform Islington Limited). All loans were issued at market rates. Where loans are advanced at below market rates they are classed as ‘soft loans. As at 31/3/2023 the Council had also issued around £1.302m of soft loans, mainly to employees (e.g., travel season ticket, gym membership, home computer loans).

- 4.30 The Council invests in the shares of its subsidiaries and local businesses to support local public services and stimulate local economic growth. The Council holds equity investments in Islington Limited (iCo), a wholly owned subsidiary providing local services, and minority (10%) equity investments in three private companies responsible for managing schools under the Building Schools for the Future programme (Transform Islington Phase 1 Holdings Limited, Transform Islington Phase 2 Holdings Limited and Transform Islington Limited). The fair value of these shares is nil, and the shares are not traded in an active market. The Council has no current plans to dispose any of these shareholdings.
- 4.31 The Council holds investments in local and regional, commercial property with any profits spent on local public services. The Council does not actively invest in these markets currently. The market value of all such properties as at 31/3/2023 was £43.6m. In 2022/23, rental income from investment property was £1.6m against direct operating expenditure arising from investment property of £0.3m.
- 4.32 The Council also made a loan to the Highbury Roundhouse Association which is valued at £78k on the balance sheet (31/03/23).

Compliance

- 4.33 The Corporate Director of Resources reports that all treasury management activities undertaken during the period complied fully with the CIPFA Code of Practice and the Council’s approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.
- 4.34 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	H1 Forecasted	30.9.23 Actual	2023/24 Operational Boundary £m	2023/24 Authorised Limit £m	Complied? Yes/No
Borrowing	345.848	267.5	383.393	533.860	Yes
PFI and Finance Leases			74.973	79.973	

Total debt			458.366	608.833	Yes
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4.35 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Indicators

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

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

Table 8: Credit Ratings

	30.9.23 Actual	2023/224 Target	Complied?
Portfolio average credit rating	A+	A+	Yes

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

Table 9: Liquidity of investments

	30.9.23 Actual	2023/24 Target	Complied?
Total cash available within 1 months	£48m	£25m	Yes

4.39 **Interest Rate Exposures:** This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Table 10: Interest Rate risk (income)

Interest rate risk indicator	30.9.23 Actual	2023/24 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£0.530m	£2.6m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£0m	£1.6m	Yes

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

4.41 **Maturity Structure of Borrowing:** This indicator is set to control the Councils exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Table 11: Maturity Structure

Refinancing rate risk indicator	30.9.23 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	18%	30%	0%	Yes
12 months and within 2 years	5%	35%	0%	Yes
24 months and within 5 years	6%	40%	0%	Yes
5 years and within 10 years	19%	40%	0%	Yes
10 years and within 20 years	9%	50%	0%	Yes
20 years and above	43%	100%	40%	Yes

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

4.43 **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 12: Amounts invested for more than one year

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	£10m	£10m	£0
Limit on principal invested beyond year end	£30m	£20m	£20m
Complied?	Yes	Yes	Yes

5. Implications

5.1. Financial Implications

5.1.1. The report is wholly financial in nature.

5.2. **Legal Implications**

5.2.1. Treasury risk management at the Council is conducted within the framework of the CIPFA Code, which requires the Council to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

5.2.2. In addition, Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Good Treasury Management supports the discharge of this responsibility.

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

5.3.1. There are no environmental considerations.

5.4. **Equalities Impact Assessment**

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

5.4.2. An Equalities Impact Assessment is not required in relation to this report, as it does not impact individuals.

Appendices:

Appendix 1: External context

Appendix 2: Interest Rate Forecast

Final report clearance:

Authorised by: Executive Member for Finance, Planning and Performance

Date: 13 December 2023

Report Author: Jeannette Mckenzie-Taylor, Treasury & Pension Investment Manager
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Appendix 1

External Context from Arlingclose

Economic background

UK inflation remained stubbornly high over much the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to the regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.

Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.2%. However, monthly GDP data showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.

July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.

The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.

Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September MPC meeting, and to then expecting 5.25% to be the peak by the end of the period.

Following the September MPC meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, the GfK

measure hit -21 in September, it is likely this will reverse at some point. Higher rates will also impact business and according to S&P/CIPS survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.

The US Federal Reserve increased its key interest rate to 5.25-5.50% over the period, pausing in September following a 0.25% rise the month before, and indicating that it may have not quite completed its monetary tightening cycle.

Having fallen throughout 2023, annual US inflation started to pick up again in July 2023, rising from 3% in June, which represented the lowest level since March 2021, to 3.2% in July and then jumping again to 3.7% in August, beating expectations for a rise to 3.6%. Rising oil prices were the main cause of the increase. US GDP growth registered 2.1% annualised in the second calendar quarter of 2023, down from the initial estimate of 2.4% but above the 2% expansion seen in the first quarter.

The European Central Bank increased its key deposit, main refinancing, and marginal lending interest rates to 4.00%, 4.50% and 4.75% respectively in September, and hinted these levels may represent the peak in rates but also emphasising rates would stay high for as long as required to bring inflation down to target.

Although continuing to decline steadily, inflation has been sticky, Eurozone annual headline CPI fell to 5.2% in August while annual core inflation eased to 5.3% having stuck at 5.5% in the previous two months. GDP growth remains weak, with recent data showing the region expanded by only 0.1% in the three months to June 2023, the rate as the previous quarter.

Financial markets

Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak.

Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%. The Sterling Overnight Rate (SONIA) averaged 4.73% over the period.

Credit review: Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days. This stance continued to be maintained at the end of the period.

During the second quarter of the period, Moody's revised the outlook on Svenska Handelsbanken to negative from stable, citing concerns around the Swedish real estate sector.

Having put the US sovereign rating on Rating Watch Negative earlier in the period, Fitch took further action in August, downgrading the long-term rating to AA+, partly around ongoing debt ceiling concerns but also an expected fiscal deterioration over the next couple of years.

Following the issue of a Section 114 notice, in September Arlingclose advised against undertaking new lending to Birmingham City Council, and later in the month cut its recommended duration on Warrington Borough Council to a maximum of 100 days.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress and although no changes were made to recommended durations over the period, Northern Trust Corporation was added to the counterparty list.

Heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Appendix 2

Arlingclose's Economic and Interest Rate Forecast as at 25th September 2023

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.38	4.50	4.50	4.40	4.25	4.00	3.75	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.27	4.40	4.35	4.30	4.25	4.15	4.00	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.67	4.65	4.60	4.55	4.45	4.35	4.25	4.20	4.20	4.20	4.20	4.20	4.20
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.25	4.25	4.20	4.15	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Downside risk	0.00	-0.50	-0.70	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
 PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

UK inflation and wage growth remain elevated, but the August CPI data suggested that inflation was falling more rapidly. In a narrow 5-4 vote, the MPC took the opportunity to hold rates at 5.25%, a level we see as the peak. Near-term rate cuts are unlikely, although downside risks will increase as the UK economy inevitably slides into recession.

While the MPC vote was close, and the minutes contained the warning about the need for further tightening if inflationary pressures persist, both the decline in closely-watched inflation measures and confidence that wage growth had peaked, clearly allowed policymakers to focus on the weaker activity data.

The UK economy has so far been resilient. However, recent data indicates a further deceleration in business and household activity growth as higher interest rates start to bite. Global demand will be soft, so offer little assistance in offsetting weakening domestic demand. A recession remains a likely outcome.

Employment demand has weakened and unemployment has increased, although the tight labour market has resulted in higher nominal wage growth. Anecdotal evidence suggests slowing recruitment and wage growth, and we expect unemployment to rise.

Consumer confidence has improved due to signs of real wage growth amid strength in the labour market, but household spending will remain weak as mortgaged households suffer higher interest

payments and unemployment rises. Business investment/spending will fall back due to higher borrowing costs and weaker demand.

Inflation will continue to fall over the next 12 months, albeit with upside risk. The MPC's attention will remain on underlying inflation measures and wage data. Policy rates will remain at the peak for another 10-12 months, until the MPC is comfortable the risk of further second round effects have diminished.

Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling (as the recent PMI data indicate), will require significant policy loosening in the future to boost demand and inflation.

Global bond yields remain volatile. Like the UK, the Federal Reserve and other central banks see persistently higher policy rates through 2023/2024 as key to dampening domestic inflationary pressure. Data points will therefore prompt changes in bond yields as global interest rate expectations shift.

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Children's Services
222 Upper Street N1 1XR

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

Meeting of: Executive

Date: 8 February 2024

Ward(s): Finsbury

Subject: Proposal on the Future of Duncombe and Montem Primary Schools

1. Synopsis

- 1.1. Across Islington, 46% of schools are projecting deficit budgets by the end of 2025-26, cumulatively this adds up to a projected deficit of £15m based on the ratified budgets submitted by schools at the end of 2022/23 financial year. The School Organisation Plan agreed by the Executive Board in October 2022 is the strategic plan to reconfigure the school estate to reflect the falling numbers of pupils so that all schools are financially viable. The School Organisation Plan was submitted to Executive Board alongside the Education Plan, 'Putting Children First' and the SEND Strategy to ensure the proposals presented do not compromise the quality of education or our corporate commitment to Inclusion.
- 1.2. The objective of this paper is to support the recommendation that Islington Council issue a statutory proposal to amalgamate Duncombe and Montem Primary Schools on 31 August 2024 on the existing Duncombe site. This would technically close Montem Primary School and automatically transfer all existing pupils from Montem to Duncombe.
- 1.3. Duncombe and Montem Primary Schools are in the Hornsey Planning area which has the highest vacancy rate in Reception across all of Islington, with 32% vacancies. 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. Both Duncombe and Montem Primary Schools are two-form entry schools with 60 pupils in each year group, and both have a vacancy rate of over 50% in Reception. We expect these numbers to decline further in the coming years. This means either school has the capacity to absorb pupils from the other.

- 1.5. Each surplus place is equivalent to a £5,700 loss of income and so this level of surplus creates financial pressure for both schools. As stated above across Islington, 46% of schools are projecting deficit budgets by the end of 2025-26, including Duncombe and Montem Primary Schools. 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 an additional financial pressure.
- 1.6. The Local Authority has 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.
- 1.7. An informal consultation was undertaken from 15 November to 20 December 2023 on a proposal to amalgamate Duncombe and Montem Primary Schools, this report details the process for consultation and summarises the feedback for consideration by Executive Board on whether to progress to formal consultation and the issuing of a statutory notice to amalgamate.
- 1.8. The amalgamation will address the existing and projected deficit at both schools, by reducing overall operating costs and creating a viable two-form entry school that is at full capacity.
- 1.9. The advantage of an amalgamation rather than a school closure is that existing staff will be ring-fenced to staffing positions in the amalgamated school.

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 amalgamate Duncombe and Montem Primary Schools.
- 2.3. This followed a proposal in 2023 to close Pooles Park Primary School, which has the most vacancies in the planning area (62%). However, following an 'inadequate' judgement from Ofsted, the Department for Education issued an academy order and subsequently appointed an academy sponsor, The Bridge London Trust, to run this school. It is therefore no longer possible to proceed with our proposal to close Pooles Park school.
- 2.4. As a result of the academisation of Pooles Park there is a need to reduce capacity in the Hornsey area to account for falling rolls and reduced demand for primary school places. Duncombe and Montem Primary Schools are the two community schools with the next highest vacancy rates in the Hornsey planning area.
- 2.5. This report details the process of the first stage consultation on the proposal to amalgamate Duncombe and Montem Primary schools and the responses received for consideration by the Executive to determine whether to issue a statutory notice to amalgamate.

- 2.6. The first stage consultation ran for five weeks from 15 November to 20 December 2023 with a series of consultation meetings held for parents and carers at both schools and a public meeting at a nearby, neutral, venue.

3. Recommendations

- 3.1. To review and consider the responses to the consultation.
- 3.2. To proceed to the next stage and issue a statutory notice to amalgamate Duncombe and Montem Primary Schools on 31 August 2024.
- 3.3. Based on the feedback received during the consultation, this report recommends the council makes the following commitments:
 - 3.3.1. To provide early, dedicated, professional support as part of a comprehensive needs led transition plan for pupils with Education, Health, and Care plans to support all aspects of transition. Additional resources will be allocated to the SEND team to work with individual children and their parents/carers to support their transition should the proposal proceed.
 - 3.3.2. To facilitate a parent/carer group with representatives from both primary schools as part of the transition process and bringing the two school communities together.
 - 3.3.3. Officers will work with the parent/carer group and school staff to mitigate the risks of air pollution through developing safer walking routes to school.
 - 3.3.4. Dedicated HR resources will be provided to support any staff impacted by the proposed amalgamation.
 - 3.3.5. To provide additional capacity to the schools to support this process should the proposal proceed.
- 3.4. A draft statutory outline statutory notice is attached as Appendix E.

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. The Local Authority has 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 the amalgamation of Duncombe and Montem Primary Schools, and a consultation on reducing the Published Admission Numbers (PAN) for Drayton Park, Prior Weston, Rotherfield and Tufnell Park Primary Schools.
- 4.6. An informal consultation on the proposal to amalgamate Duncombe and Montem Primary Schools took place from 15 November to 20 December 2023. This report provides the detail of the consultation and the responses to the consultation.

5. The Proposal

- 5.1. The consultation focused on a proposal to amalgamate Duncombe and Montem Primary Schools on 31 August 2024.
- 5.2. School places are planned by dividing Islington into six different planning areas. Duncombe and Montem Primary Schools are in Planning Area 2, Hornsey. Hornsey has the highest levels of surplus capacity in the borough with 32% vacancies in reception as shown in Table 1.

Table 1: the number of vacancies by planning area

Vacancies by planning area for October 2023	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%

Vacancies by planning area for October 2023	No. of places available	Vacancies	Vacancy rate
Planning Area 6: Finsbury	300	70	23%
Totals	2,175	536	25%

5.3. Duncombe and Montem Primary Schools are the two community schools with the highest number of spare places in the Hornsey area as shown in table 2. Only Pooles Park Primary School and Whitehall Park Primary School have higher vacancy rates, but as these schools are converting to an academy and are an academy respectively, we do not have the power to close or alter these schools.

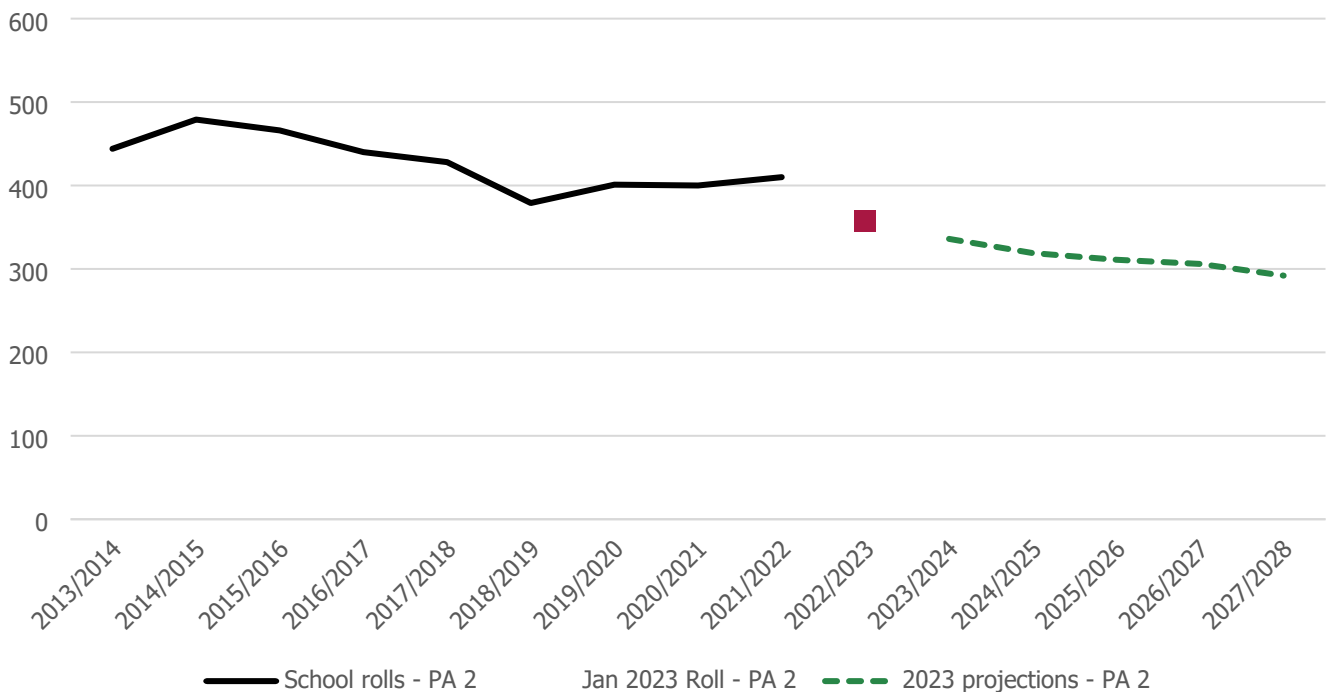
Table 2: Spare places by school in the Hornsey Planning area

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
Ashmount	60	60	0%	378
Christ the King RC	45	34	24%	243
Duncombe	60	29	52%	313
Grafton	60	60	0%	399
Montem	60	28	53%	270
Pakeman	45	35	22%	272
Pooles Park	45	16	64%	143
St Marks CE	30	30	0%	190
Whitehall Park (Academy)	60	23	62%	245

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
Total	465	315	32%	2,542

5.4. Roll projections for the Hornsey Planning Area show an overall reduction in pupil numbers since 2014-15. This trend is expected to continue, with a further reduction projected each year in the coming years with expected numbers in Reception in this planning area dipping below 300 by 2027-2028.

Chart 1: Roll projections for Planning Area 2 - Hornsey, Reception year



5.5. Montem and Duncombe are both based in large Victorian school buildings and have both experienced a significant roll drop in recent years. Without more pupils being admitted, they will not be viable in the medium to longer term.

5.6. Montem and Duncombe are situated just over half a mile apart and within walking distance from each other. By amalgamating the schools, we can bring together the strengths of both, whilst significantly improving their long-term financial viability.

5.7. By operating from one site, the amalgamated school will have lower running costs, and due to the size of the buildings, can accommodate all existing pupils and operate as a two-form entry school, with bulge classes for the larger higher year groups.

5.8. Amalgamation will ensure all existing pupils from the school that is closed are automatically moved to the other site. This significantly reduces the risk of any child not having a school place in September 2024.

- 5.9. The Local Authority completed a feasibility study in advance of the consultation period to determine which school we would propose to close and which we would propose as the site of the amalgamated school. This considered and scored factors around four categories:
- 5.9.1. Buildings and site condition – both sites are suitable for an amalgamated school and can accommodate the required pupil numbers
 - 5.9.2. Financial position and running costs – Both schools were in deficit. Duncombe is now projected to be in surplus this financial year. Duncombe has lower running costs in comparison with Montem.
 - 5.9.3. Location – more pupils from both schools live within 1km of the Duncombe site and there are more neighbouring schools near Montem
 - 5.9.4. Air quality and congestion – air quality is better at Duncombe and congestion is less as the site is on a school street
- 5.10. There was no weighting on educational attainment within the feasibility study, as both schools are judged 'good' by Ofsted. Amalgamation will ensure that both schools' culture, teaching practices, and policies can be incorporated into the amalgamated school. However, consideration was given to the quality of education, educational outcomes across both schools.
- 5.11. Based on the outcomes of the feasibility study, we are recommending that the amalgamated school operate from the Duncombe site and keep the Duncombe name.
- 5.12. We recommend that the amalgamated school be on the Duncombe site because:
- 5.12.1. more existing pupils from both schools live closer to the Duncombe site
 - 5.12.2. there are fewer schools nearby to Duncombe. If Duncombe school were to close, there would be less choice for parents in the local area with only one other school within 500m. There are four other schools within 500m of Montem.
 - 5.12.3. the Duncombe site is already on a school street whereas Montem's location means a school street is not possible and the air quality is better in the Duncombe area and has lower Nitrogen Dioxide (NO₂) levels.
- 5.13. The recommendation based on the findings from the feasibility study and the considerations within it is that the amalgamated school is located on the Duncombe site, retaining the Duncombe name and Ofsted number. The rationale underpinning this recommendation is that although both schools currently have deficits, the financial position at Duncombe is projected to improve, meaning that the newly amalgamated school would start in a better financial position, this would safeguard the financial position of the school and help to secure the school's long-term future.
- 5.14. A redacted version of the feasibility study that expands on the rationale underpinning the recommendations within this report is attached as Appendix C.

6. The Consultation

6.1. The consultation process

- 6.1.1. An informal consultation was undertaken from 15 November to 20 December 2023 on a proposal to amalgamate Duncombe and Montem Primary Schools in line with the statutory guidance on Opening and closing maintained schools. The consultation document is at Appendix A.
- 6.1.2. Translated versions of the consultation document were provided in Arabic, Bengali, Somali, and Turkish.
- 6.1.3. All documentation was 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.
- 6.1.4. Seven meetings were held for parent and carers, including a meeting with interpreters, and a public meeting for the wider community.

Table 3: Consultation Meetings

Date	Location	Audience	Approximate number of participants
15 November 2023	Montem Primary School	Parents and Carers	>100
16 November 2023	Duncombe Primary School	Parents and Carers	26
21 November 2023	Montem Primary School	Parents and Carers	>100
22 November 2023	Duncombe Primary School	Parents and Carers	2
23 November 2023	Montem Primary School	Parents and Carers	>100
24 November 2023	Duncombe Primary School	Parents and Carers	6

Date	Location	Audience	Approximate number of participants
29 November 2023	Montem Primary School	Parents and Carers (with interpreters)	27
12 December 2023	Arts and Media School Islington	Local community	35

- 6.1.5. Over 400 people attended the parent and community meetings where they asked questions and fed back their views and concerns.
- 6.1.6. A redacted version of the feasibility study which determined the site of the proposed amalgamated school was published on the consultation webpage on 19 December. This was provided for information purposes only and did not form part of the consultation documentation.
- 6.1.7. 786 responses¹ were received to the online consultation questionnaire.
- 6.1.8. Respondents to the questionnaire could make additional comments. 590 respondents chose to leave additional comments.
- 6.1.9. Respondents were also invited to submit their comments by email to a dedicated mailbox. Eight comments were received by email.
- 6.1.10. The Trade Unions provided a joint response from four trade unions to the consultation.

6.2. Main themes from the consultation

- 6.2.1. 786 responses were received to the online consultation questionnaire.
- 6.2.2. Respondents were asked to select an option that described who they were. 436 respondents (55% of the total respondents) said they were parents of children at Duncombe or Montem Primary Schools. 84 respondents (11%) said they were staff members and 13 (2%) were governors. The remaining 253 respondents (32%) selected 'Other'. 24 of the respondents said they were a pupil at Duncombe or Montem Primary School in their comments.
- 6.2.3. Respondents were asked whether they had children at either school. 162 said they had children at Duncombe and 310 said they had children at Montem, in total this represents 60% of the total responses.

¹ The number of responses does not necessarily equate to the number of people submitting a response. We did not require users to register to complete the questionnaire and as such it was possible for an individual to submit more than one response

- 6.2.4. Respondents were asked whether they agreed with the statement “I agree with the proposal to amalgamate Duncombe Primary School and Montem Primary School”. Of the total respondents, 20% either definitely or somewhat agreed, 3% neither agreed or disagreed, 4% somewhat disagreed, and 71% definitely disagreed. 1% skipped this question.
- 6.2.5. Of the 310 respondents that said they currently had children at Montem, 4% either definitely or somewhat agreed, 2% neither agreed or disagreed, 4% somewhat disagreed, and 90% definitely disagreed.
- 6.2.6. Of the 162 respondents that said they currently had children at Duncombe, 66% either definitely or somewhat agreed, 6% neither agreed or disagreed, 6% somewhat disagreed, and 22% definitely disagreed.
- 6.2.7. A report on the responses to the consultation is provided at Appendix B.
- 6.2.8. The main themes from the consultation comments and meetings and our responses to them are set out as follows:

6.2.9. Alternative Resource Provision (ARP) and Special Educational Needs and Disabilities (SEND) [86 comments]

- 6.2.9.1. 75 responses raised concerns about the number of children with SEND at Montem Primary School and how they would be supported to move to another school. Many were concerned about how a change of routine could disrupt learning and how children with SEND would cope with change. There were also concerns that the timeline is not sufficient to prepare the children. They also spoke highly about the SEND provision at Montem, including the sensory rooms. Some were concerned about how the school would manage an increase in children with Education, Health, and Care (EHC) Plans and if children would be disadvantaged by reduced capacity. They questioned why the Local Authority was proposing to amalgamate two schools with very high levels of children with SEND. 11 respondents specifically raised the ARP at Montem and their concerns about the impact closure would have on children who benefit from this provision. The impact on children with SEND and the implications for the ARP was also raised at the consultation meetings on 15, 21, and 23 November and 12 December.
- 6.2.9.2. **Response:** Across Islington primary schools, approximately 16% of pupils were identified as requiring SEN Support in January 2023. This indicates they have some special educational need, but do not meet the threshold for an EHC Plan. 5% of Islington primary school pupils have an EHC Plan. At Montem, 17% of pupils receive SEN support and around 9% have an EHC Plan. The level of SEN support at Montem is slightly higher than the Islington average and is 4% higher for children with an EHC Plan. It is therefore essential that additional support is provided for these children if the proposal to amalgamate progresses. This support is detailed within a comprehensive transition plan to support all pupils, should the amalgamation proceed, including detailed actions for SEN support and EHC Plans. Additional resource will be allocated to support a needs led approach to ensure that each child has a smooth

transition. The proportion of children with SEN support at Duncombe is 16.5% and with an EHC Plan is 6%, this is similar to the ratio of children with SEN needs at Montem. By combining both schools, through the amalgamation, should it proceed, the number of pupils will potentially double and therefore the percentage of children with SEN support and EHC Plans at the newly amalgamated school would remain at a similar percentage. The ARP at Montem gives mainstream children access to specialist support when they need it. Careful consideration will be given to the individual needs of children accessing this support to ensure that when it is relocated the provision meets the needs of children well. Duncombe Primary School does not currently have an ARP. There is a sensory room and skilled staff who support mainstream children with SEN when they require additional help. There is a statutory duty to ensure that all children with additional needs are fully supported, the staffing structure of the newly amalgamated school would draw from the expertise across both schools to ensure that there is a sufficient level of support to meet the needs of all children. A robust transition plan has been drafted for implementation should the proposal progress, this plan will support all children, including those with SEN and EHC Plans. Additional resource has been identified to support the implementation of this plan should the amalgamation proceed.

6.2.10. Attainment [45 comments]

- 6.2.10.1. Respondents asked why attainment, quality of education, and educational outcomes had not been considered when forming the proposal. They cited the most recent attainment results which indicate that more children are performing better at Montem than at Duncombe. Respondents are concerned that the quality of education would be affected if all children are moved to Duncombe. Participants also raised this at the consultation meetings on 15, 16, and 21 November and 12 December.
- 6.2.10.2. **Response:** The proposal is to amalgamate Duncombe and Montem Primary schools, rather than the closure of one school, to ensure that the amalgamated school benefits from the strengths of both schools. The quality of education is good at both schools and so this is not a differentiating factor between them. Officers completed a comparative analysis of outcomes at key stages between the two schools which demonstrates that in Phonics and EYFS, Duncombe's outcomes are higher. At Key Stage 1, their outcomes are aligned. The combined data at Key Stage 2 shows Montem performing above Duncombe. The data comparison shows different areas of strength across both schools. Both Ofsted reports are good, and Duncombe is outstanding in the area of personal development. We are confident that the quality of education would not be negatively impacted by this proposal and by creating a viable two-form entry school, we will ensure the amalgamated school offers the best educational outcomes for all new and existing pupils.

6.2.11. Class sizes and Capacity [37 comments]

6.2.11.1. Respondents raised concerns about how all children will be accommodated in the amalgamated school and whether children will be taught in classes larger than 30 pupils. They also were concerned that the proposed site of the amalgamated school (Duncombe) would not be large enough and whether outside space, including the playground, would be suitable. These points were also raised at the consultation meetings on 15, 16, 21 and 29 November.

6.2.11.2. **Response:** No class sizes in any school will be larger than 30 pupils. Should this proposal proceed, the amalgamated school will be a two-form entry school, which means two classes of 30 children in each year group. Where year groups are larger than 60 pupils, we will also arrange for additional classes, either as a third class or a mixed class across different year groups. Ultimately, all pupils will be in classes of no more than 30. In terms of capacity, both Duncombe and Montem Primary Schools are designed to be two-form entry schools and exceed government requirements on the minimum size required for a two-form entry school. Duncombe has enough classrooms to accommodate all children (20) should all existing pupils remain at the amalgamated school.

6.2.12. Air Quality and traffic [33 comments]

6.2.12.1. Some respondents supported the proposal as Duncombe is on a school street which is better for safety at drop-off and pick-up and improves air quality at the school. They gave anecdotal examples of their children with asthma and other health conditions which was improved by the school street programme at Duncombe. Others suggested that the difference in air quality at Duncombe and Montem is negligible at 1-3 $\mu\text{g}/\text{m}^3$, plus the access routes to Duncombe meant children are exposed to high levels of pollution and sound when walking to the school. They are concerned what impact this would have on children with SEND, including those with autism.

6.2.12.2. **Response:** Duncombe is located on a school street, whereas Montem is situated on a busy junction preventing the ability to create a school street at this site. This means Duncombe is safer, and the air quality is significantly better than the air quality at Montem. Across all schools in Islington, the average air pollution level for Nitrogen Dioxide (NO_2) was 22 $\mu\text{g}/\text{m}^3$. The average result for Duncombe in 2021 was lower than the average at 19 $\mu\text{g}/\text{m}^3$ whereas at Montem it is higher at 26 $\mu\text{g}/\text{m}^3$. The SEND transition plan will consider the impact of all changes to children.

6.2.13. Feasibility study [31 comments]

6.2.13.1. Respondents questioned the feasibility study and believed it to be flawed due to the recommendation that Duncombe Primary be the site of the amalgamated school. They believe the feasibility study should have considered attainment, SEND, and safeguarding and should have been shared publicly. Participants at the consultation meetings on 23 and 29 November asked for a copy of the feasibility study.

6.2.13.2. **Response:** Both Duncombe and Montem Primary Schools are judged 'good' by Ofsted and achieve similar outcomes for pupils. The purpose of the feasibility study was to determine which site to host the amalgamated school based on the buildings and site condition, the financial position and running costs, location, and air quality and congestion. Both schools were scored against each of the criteria for evaluation within the feasibility study. The study determined that: both sites are suitable for an amalgamated school and can accommodate the required pupil numbers; both schools are in deficit but Duncombe is projected to be in surplus this financial year and has lower running costs than Montem; more pupils from both schools live within 1km of the Duncombe site; there are more neighbouring schools near Montem with available places; the air quality is better and there is less congestion at Duncombe. It is for these reasons that we are proposing Duncombe as the site of the amalgamated school. Consideration on attainment and SEND are referred to in other parts of this report. We have referenced the SEND transition plan that will support a needs led approach to every child identified with SEN. Educational outcomes were reviewed across both schools and strengths were identified in both. A redacted version of the feasibility study has now been published and is included as Appendix C.

6.2.14. Timescale [24 comments]

6.2.14.1. Respondents questioned the timing of the proposal and argued that it did not give enough time for parents to consider their options or for staff to look for other jobs. They were also concerned that if the proposal is approved in April, this would leave only one term to implement the proposal which would involve a staffing restructure and the transition of Montem pupils to another school. They did not think this was sufficient time. Some asked if this would mean that staff would be expected to work over the summer holidays to complete the amalgamation. Parents, carers, and community members also raised the timescale at the consultation meetings and were concerned that the proposed timeline does not give sufficient time for staff to apply for other jobs.

6.2.14.2. **Response:** The timing of the proposal is in keeping with DfE statutory guidelines around opening and closing maintained schools that the local authority must operate within. Consideration was given to extending the timeline for implementation to 2025, however this would have a negative impact on the financial viability of both schools. Parents / Carers would be likely to withdraw their children and seek alternative education should the amalgamation be prolonged owing to the instability that this would create. Staff are likely to seek secure alternative options for employment during this extended period. This would lead to reduced children and reduced staffing numbers adding to the financial vulnerability of both schools that would impact on the quality of education and children's wellbeing.

6.2.15. Transition support and wellbeing [20 comments]

6.2.15.1. Respondents raised concerns about the impact the amalgamation would have on children's wellbeing. This included concerns about transitioning to another school site, having new children in individual classes, and the impact, changes may have on extra-curricular activities. Concerns about transition and what

support would be provided to pupils was raised at the consultation meetings on 15, 16, and 23 November.

- 6.2.15.2. **Response:** Based on the feedback received, we will ensure that additional resource is provided to support the transition of pupils from Montem to Duncombe - or another Islington school (if that is what parents / carers choose) – and to support pupils at Duncombe who will also be impacted by the proposal. This will include a SEND Transition Plan for those children with SEND or an EHC Plan.

6.2.16. Federation [19 comments]

- 6.2.16.1. 17 respondents raised concerns about what impact the proposal would have on the Edventure Collaborative; the federation Montem Primary School is currently in with Drayton Park Primary School. They wanted to understand what would happen to the federation and what impact it would have on any surplus or deficit held by the federation. Two emails were also received about this, and it was raised at the consultation meetings on 21 and 23 November and 12 December.

- 6.2.16.2. **Response:** Should the proposal proceed, it would have an impact on Drayton Park School as it would be the only school in the Edventure Collaborative Federation and therefore the Edventure Collaborative Federation would need to be dissolved. This would mean Drayton Park would no longer be part of this federation and new governance arrangements would need to be established. Any change to the Federation would only happen after the final decision has been made and before the new school year in September 2024. When two or more schools federate, this means they share a single governing body. By law, they remain individual schools and continue to receive individual budgets and how that is managed is determined by the governing body.

6.2.17. Pooles Park [20 comments]

- 6.2.17.1. Respondents asked why the Local Authority was not proposing to close Pooles Park school instead, that was judged 'inadequate' by Ofsted in 2022. Some recognised that the Local Authority was unable to close Pooles Park following an academy order. Respondents suggested that the council challenge the decision by the Department for Education to issue an academy order for Pooles Park. This was also raised at the consultation meetings on 15, 16, 21, 23 and 24 November.

- 6.2.17.2. **Response:** A proposal was made in 2023 to close Pooles Park Primary School, which has the most vacancies in the planning area (62%). However, following an 'inadequate' judgement from Ofsted, the Department for Education issued an academy order and subsequently appointed an academy sponsor, The Bridge London Trust, to run this school. When an academy sponsor is identified by the DfE, the local authority is unable to propose closure. It is therefore, no longer possible to proceed with the proposal to close Pooles Park school. With a surplus capacity of 32% across the Hornsey locality area, it is necessary to take action as this creates financial vulnerability for the schools that is not

sustainable. The Local Authority has challenged the decision taken by the DfE to support the academisation of Pooles Park and is awaiting the decision.

6.2.18. Samuel Rhodes School [19 comments]

- 6.2.18.1. 17 respondents asked what impact closure would have on Samuel Rhodes Primary School, which shares a building with Montem Primary School. Participants at the consultation meetings on 15, 21 and 29 November and 12 December also asked this question.
- 6.2.18.2. **Response:** This proposal is considering an amalgamation of Duncombe and Montem Primary Schools specifically. Samuel Rhodes Primary is located on the top floor of the Montem school site. Prior to this proposal, consideration had been given to the best long-term location for Samuel Rhodes Primary owing to the specific requirements of the children placed there and the suitability of the current site. Officers continue to work with the headteacher of Samuel Rhodes Primary on how to best support the needs of each child on a needs led basis.

6.2.19. Amalgamation [18 comments]

- 6.2.19.1. Respondents raised concerns about the rationale of the proposal and why amalgamating other schools had not been considered. They also questioned how the proposal could be described as an amalgamation when it appeared to be a takeover and an amalgamation in 'name only' because the amalgamated school would keep Duncombe's name, site, and governing board. Respondents wanted reassurance and guarantees that Montem's staff would be given equal opportunity to staffing positions. Some suggested it would make more sense for Duncombe to close and Montem used as the site for the amalgamated school as it is part of a federation with Drayton Park. These points were also raised by participants at the consultation meetings on 21 November and 12 December.
- 6.2.19.2. **Response:** We are proposing an amalgamation of Duncombe and Montem Primary Schools, rather than closure of one of the schools because an amalgamation guarantees a place at the newly amalgamated school for all pupils from both schools and ringfences staff to roles within the newly amalgamated school. This will ensure that the amalgamated school keeps the strengths of both schools. The recommendation is that the amalgamated school keep the Duncombe name and Ofsted number because the financial position at Duncombe is more secure than Montem. This would mean that the newly amalgamated school opens in a more secure financial position, which will secure a viable, long-term future. Based on the feedback received, officers will recommend to the Duncombe Primary School governing board to keep vacancies open for representatives from Montem Primary School. A further recommendation will be that a joint parent group is established with representatives from both schools. All staff will be given the same opportunities to apply for roles within the newly amalgamated school.

6.2.20. Travel times [13 comments]

- 6.2.20.1. 13 respondents said they were concerned about the increase in travel time by moving from Montem to Duncombe and the impact this would have on children.

This was also raised at the consultation meetings on 15, 16, 21, 23 and 29 November.

- 6.2.20.2. **Response:** Duncombe and Montem Primary Schools are less than half-a-mile apart and data indicates that all existing pupils at both schools live within the Department for Education's maximum distance from home to school of two miles. However, help will be provided for any child that needs additional support for increased journey time and will also support those parents who think another school would be more suitable for their child.

6.2.21. Leadership [12 comments]

- 6.2.21.1. 12 respondents mentioned the leadership of both schools, and either raised concerns about the current leadership or were concerned that the proposal did not include a proposed leadership structure. Respondents also asked about the governance arrangements for the amalgamated school.
- 6.2.21.2. **Response:** At this stage, we cannot comment on the staffing structure or leadership arrangements for the amalgamated school as this can only be determined should a formal proposal be published.

6.2.22. Accessibility [7 comments]

- 6.2.22.1. Related to the ARP and SEND, some respondents raised the practical point of building accessibility, and specifically that Montem has lift access to all floors and Duncombe does not. They are concerned what impact this would have on disabled children. This was also raised at the consultation meetings on 29 November and 12 December.
- 6.2.22.2. **Response:** Whilst Montem does have a lift to access all floors, there are other factors which are detailed within the feasibility study which mean Duncombe is a more desirable option as the site for the amalgamated school. These include more children from across both schools being closer to Duncombe than Montem and also that Duncombe is located on a school street rather than a busy road. Should the proposal proceed, accessibility improvements will be made to the Duncombe site.

6.2.23. School name [7 comments]

- 6.2.23.1. Some respondents suggested that the school should have a new name and the amalgamation is an opportunity for this.
- 6.2.23.2. **Response:** Under statutory guidance, we cannot give the amalgamated school a new name as this would be considered a new school rather than an amalgamated school where the same Ofsted registration number will apply. Instead, the governing body can change the name of the school and may want to consider this should the proposal proceed.

6.2.24. Long-term plans [5 comments]

6.2.24.1. Five respondents asked about the long-term plans for the school site with suggestions including turning the school into a hospital or as a SEND school, including as the site for an expanded Samuel Rhodes school. Some asked if the building would be turned into accommodation and if so, whether the impact on local demand for school places had been considered. This was also raised at the consultation meeting on 16 November.

6.2.24.2. **Response:** Should the proposal proceed, we would seek to retain the Montem site for other educational or community purposes. We cannot determine this until a formal proposal has been issued when we can complete a full study. Current roll projections are based on all known building developments in the local area. The School Organisation Plan is working on the basis that our school estate remains resilient should demand increase in the much longer term, and this proposal will result in a two-form entry school on a site that has capacity for additional bulge classes as required.

6.2.25. Staff options [6 comments]

6.2.25.1. Some respondents left comments asking about how staff will be affected by the amalgamation and what options were available to them. They wanted reassurances around staff redundancies. Parents, carers, and community members at the consultation meetings were concerned that the proposed timeline does not give sufficient time for staff to apply for other jobs.

6.2.25.2. **Response:** We appreciate that more information would be welcomed by staff and parents in relation to the future of staff and that this proposal has created uncertainty for staff. However, it is too early to say as a formal staff consultation can only take place if the decision is taken by the council's Executive to agree the proposal. We will, however, seek to protect employment as far as possible for staff currently working at Duncombe and Montem Primary schools.

6.2.26. Parental choice [5 comments]

6.2.26.1. Five respondents said that they had chosen to send their children to Montem despite living closer to Duncombe because of the reputation of Duncombe. At the consultation meeting on 29 November, parents asked if they could choose to send their children to another school.

6.2.26.2. **Response:** Should the proposal proceed, all existing pupils at Montem will automatically be offered a place Duncombe Primary School. However, support will be made available to any parent who wishes to transfer their child to another Islington school.

6.2.27. Safeguarding [4 comments]

6.2.27.1. Four respondents raised safeguarding concerns related to a historical issue. It was also raised at several consultation meetings.

6.2.27.2. **Response:** We take safeguarding extremely seriously. This was an issue that pre-dates the current leadership of the school and was comprehensively dealt with at the time. We do not have any concerns about safeguarding and the safety of children at Duncombe Primary School.

6.2.28. School uniform [3 comments]

6.2.28.1. Three respondents mentioned school uniforms: one suggested that the school should have a new uniform to create a new school identity; one suggested the uniform should remain the same to save parents money; and one asked how parents were expected to afford purchasing a new uniform.

6.2.28.2. **Response:** School uniform policy is determined by the governing body. We understand that parents are concerned about any additional costs of purchasing new uniform, and where possible will seek to provide additional funding to mitigate this.

6.2.29. Community cohesion [2 comments]

6.2.29.1. Two respondents raised concerns about community cohesion and the impact amalgamating the two schools will have on gang-related activity.

6.2.29.2. **Response:** Although there are historical issues, we are not aware of any current issues.

6.2.30. Funding [1 comment]

6.2.30.1. One respondent said they believe the proposal is the only way to guarantee sufficient funding for the school. A participant also asked at the consultation meeting on 15 November if Duncombe and Montem Primary Schools were the only schools in deficit. Another participant at the meeting on 22 November recognised that amalgamation was the only way to create long-term certainty and ensure the amalgamated school had more resources. The public meeting on 12 December included a discussion about both schools' financial positions, the financial modelling used to justify the proposal, and the impact amalgamation would have on their financial position.

6.2.30.2. **Response:** The proposal to amalgamate Duncombe and Montem Primary Schools is to secure financial viability of the amalgamated school and reduce the fixed running costs of the amalgamated school as it will operate from one site. Existing pupil numbers will mean that the school will operate as a two-form entry school at capacity. Funding is based on pupil numbers, and this will therefore ensure the long-term financial viability of the school.

6.2.31. Equality Impact Assessment [1 comment]

6.2.31.1. One respondent said that the proposal had no equality impact assessment which is a legal duty on all public bodies and should consider the disproportionate impact this proposal will have on children with disabilities. This was also raised by a participant at the consultation meeting on 21 November.

6.2.31.2. **Response:** An equality impact assessment was produced alongside the proposal and approved by Islington's Executive. Further equality impact assessments will be completed and updated should the proposal proceed to the next stage. The assessment includes analysis of the risks for individual groups, and how these risks will be mitigated. A second Equality Impact Assessment has been completed and is appended to this report.

6.2.32. EYFS [1 comment]

6.2.32.1. One respondent asked about the Early Years Foundation Stage Provision (nursery and under-twos) and whether this would continue at the amalgamated school.

6.2.32.2. **Response:** At this stage, it is too early to determine the structure or arrangements for the amalgamated school. However, we would be determined to ensure that existing educational provision remains in place at the amalgamated school.

6.2.33. Response from the Edventure Collaborative

6.2.33.1. A formal response was received from the Edventure Collaborative governing board which set out their reasons for why they disagree with the proposal. These were: they considered the feasibility study to be flawed, that the amalgamation is in name only, and the timescales for the amalgamation put vulnerable children at risk. Their proposed solutions were to: redo the feasibility study according to Islington's own published principles in the School Organisation Plan, recommend a genuine amalgamation, and extend the timescale for amalgamating the schools.

6.2.33.2. **Response:** The purpose of the feasibility study was to determine which site to host the amalgamated school based on the buildings and site condition, the financial position and running costs, location, and air quality and congestion. Both schools were scored by a panel of officers with different areas of expertise and the study determined that Duncombe Primary School would be the site of the amalgamated school. A redacted version of the feasibility study has now been published and is included as Appendix C. The local authority operates within the DfE statutory guidance 'Opening and Closing Maintained Schools' January 2023 where the process to amalgamate is set out clearly. Technically amalgamation does mean the closure of one school but it brings about the benefits from both schools whereas a closure does not require staff to be ringfenced from both schools and therefore can not be seen to draw from the expertise within both. We are proposing an amalgamation of Duncombe and Montem Primary Schools to ensure that the amalgamated school keeps the strengths of both schools. A recommendation will be made to the Duncombe Primary School governing board that they keep vacancies open for representatives from Montem Primary School. We will also recommend that both schools establish a joint parent group to ensure the amalgamation involves stakeholders from both schools. We are recommending that the amalgamation proceed on 31 August 2024 as proposed and is not extended

because any extension will present significant financial and reputational risks and prolong the period of uncertainty for the school community. We will provide additional resource to support the transition of pupils from Montem to Duncombe, and to support all pupils, including those with SEND or an EHC Plan. Completing the amalgamation by 31 August will safeguard the financial position of the school and help secure the school’s long-term future.

6.2.34. YouTube video from Year 6

6.2.34.1. A Year 6 class created and shared a video outlining their views on the proposal: [A message to Islington Council Oak Class \(youtube.com\)](#).

6.2.34.2. **Response:** The contents of the video are noted and each point is addressed elsewhere in the responses.

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 a proposal to amalgamate Duncombe and Montem Primary Schools on 31 August 2024.

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

7.3. 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
Formal Consultation	Four-week statutory representation period if the proposal is agreed to take place from 19 February to 18 March.
Determination	Executive to consider public report of the response received during the representation period.
Implementation	August 2024

7.4. Impacts and risks

7.4.1. 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. We 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.

- 7.4.2. We will identify the needs of the existing cohort at both schools, 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 D.
- 7.4.3. The feedback from the consultation has highlighted key risks around the proposed timeline for the implementation of the proposal. If the proposal is agreed in April 2024 for implementation in September 2024. Work will be carried out to transfer all existing pupils, complete a staffing reorganisation, and for Montem to dissolve its existing federation arrangements. This risk has been fully considered and is balanced against the implications of an extended implementation date of September 2025 that would create prolonged financial vulnerability for both schools ultimately impacting on children and staff's wellbeing.
- 7.4.4. The proposed timeline presents risk due to the high number of children with SEND and EHCPs who will require additional support with transition to another school site, or with new children joining existing class groups. This risk will be mitigated through the implementation of a needs led SEND transition plan ensuring all children are supported.

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 to 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. Schools that are in deficit or are expecting 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.
- 8.1.4. If a school closes, the local authority meets the cost of any deficit balance from the General Fund, if the local authority does not retain contingency funds from the schools' block funding. Islington does not retain these funds. 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.

- 8.1.5. Duncombe primary school began 2023-24 expecting to end the financial year with a -£130k deficit, however, current projections now indicate a £40k surplus, which would equate to a £170k in-year cost reduction compared to the original forecast. Based on the three year budget plans, however, the school is forecasting to re-enter a significant cumulative deficit in 2024-25, which will increase by the end of 2025-26 if nothing changes.
- 8.1.6. Based on the quarter 3 budget monitoring submitted by Montem primary, the school is projecting to end 2023-24 with a -£65k cumulative deficit. This indicates a £100k cost reduction when compared to the school's ratified budget of a -£167k deficit. Based on the three year budget plan the school is presently projecting to remain in deficit over the three-year budget planning period, ending 2025-26 with a significant cumulative deficit if nothing changes.

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' (January 2023), sets out the procedure for closure of schools.
- 8.2.3. The first stage consultation and the proposals set out in this report comply with the above legislation and guidance. The outline draft statutory notice at Appendix E will require completion in accordance with the Regulations and Guidance set out above.
- 8.2.4. In addition to the public sector equality duty, discussed below, the Children and Families Act 2014 and the statutory guidance 'Special educational needs and disability code of practice: 0 to 25 years' (January 2015) sets out responsibilities the council have towards children with special educational needs and disabilities. The proposed SEND transition plan will need to ensure that the council continue to meet these responsibilities and ensure the continuous provision of SEN support and the participation of children and parents in the decision making about their individual support and local provision.

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. A revised Equalities Impact Assessment was completed on 21 December and is included as Appendix D.

9. Conclusion and reasons for recommendations

- 9.1. This report recommends that the Executive agree to issue a statutory notice on a proposal to amalgamate Duncombe and Montem Primary schools on 31 August 2024, by closing Montem Primary School and keeping the Duncombe name and Ofsted number.
- 9.2. There was a high-level engagement with the first stage consultation process, with 778 respondents completing the online consultation questionnaire and over 400 people attending the consultation meetings.
- 9.3. The main themes emerging from the consultation were concerns that the amalgamation would impact negatively on children with SEND and that the proposed timeframe for implementing the proposal was too short, with not enough time for an adequate staffing reorganisation, or to adequately support children with transitioning from one school site to the other.
- 9.4. The proposal will also affect the Edventure Collaborative which would need to be dissolved and a new governing board established for Drayton Park Primary School.

- 9.5. We are recommending that the proposal proceed with an implementation date of 31 August 2024 due to the financial risks of a delay and to reduce the period of uncertainty a longer timeframe would cause.
- 9.6. Whilst we recognise and responded to the concerns raised by the proposal, the council must take assertive action to reduce the surplus capacity in the local area, and to support the financial viability of the school estate to ensure children have access to quality education. We will provide additional resource to support the transition, including a SEND transition plan for those children with special educational needs or an EHC Plan. We will also recommend the schools convene a parent group to support the transition.
- 9.7. We will support children and families on a case-by-case basis. Where children have an EHC Plan, we will need to amend and review those plans based on the change of school location. We do not anticipate any systemic challenges to this work.
- 9.8. Issuing a formal proposal will provide certainty and allow preparatory work for implementing the amalgamation to move forward, including completing a staffing organisation plan and staffing consultation, curriculum planning, and delivery of the SEND transition plan.

10. Appendices

- Appendix A – Consultation document on the Proposal on the Future of Duncombe and Montem Primary Schools
- Appendix B – Analysis of responses to the Public consultation
- Appendix C – Redacted Feasibility Study
- Appendix D – Equalities Impact Assessment
- Appendix E - Proposed outline statutory notice
- Appendix F – Individual responses – **Exempt from publication (exemption 2: Information which is likely to reveal the identity of an individual)**

Final report clearance:

Authorised by: Executive Member for Children, Young People, and Families

Date: 30 January 2024

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Informal Consultation on the future of Duncombe and Montem Primary Schools

15 November – 20 December 2023

Your views are invited on our proposal to amalgamate Duncombe and Montem Primary Schools on 31 August 2024 and keep the Montem school site for other education and community uses.

Give your views by completing our consultation online at www.letstalk.islington.gov.uk/duncombe-and-montem

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

You must submit your response by **20 December 2023**.

Summary of the proposal

- Islington Council is proposing to amalgamate – or merge - Duncombe Primary School and Montem Primary School into one school due to falling pupil numbers and subsequent decrease in government funding
- If we proceed, the amalgamation will happen on 31 August 2024, with the school retaining the name Duncombe Primary School and operating from the existing Duncombe site
- All existing pupils at Montem would be automatically transferred to Duncombe Primary School, but we will support parents who wish to transfer their children to another school
- We are seeking your views on this proposal
- No decision has been made with a final decision made in April 2024 at the earliest

Introduction

Islington Council is seeking the views of parents and carers, staff, the local community, and other interested groups on its proposal to amalgamate, or merge, Duncombe Primary School and Montem Primary School into one school.

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

Schools with fewer pupils get less government funding which risks their long-term future and the quality of education. Duncombe and Montem Primary Schools both have falling pupil numbers. Because of this, we are proposing to amalgamate Montem Primary School into Duncombe Primary School which will bring together the identities and strengths of both schools under one roof and one name.

The amalgamation would mean these schools merging to operate from a single site, enabling them to make the best use of the staff expertise whilst securing the merged school's financial future. We are proposing that the school be called Duncombe Primary School and be on the existing Duncombe site.

By amalgamating, we can automatically move all existing pupils to Duncombe school meaning children at Montem won't have to apply for another school place.

This consultation gives information about why we have made this proposal and asks your views about it. We welcome your feedback 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 proposal at its meeting on 8 February 2024. If it does decide to proceed, there will be a further period, known as the representation period, during which interested groups can express their views, before the Executive makes a final decision on the proposal in April 2024 at the earliest. The earliest date the amalgamation will take place is 1 September 2024.

Please read this information carefully and respond to our short survey before the closing date of **20 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 amalgamate Montem Primary school into Duncombe Primary School on 31 August 2024 so that we can:

- make the best use of existing staff expertise across both schools
- guarantee a place for all existing pupils
- ensure the amalgamated school is financially viable in the long-term

Technically, based on Department for Education guidance, this is a closure of one school. However, in practice, the proposal would see Montem School join Duncombe School so that the strong community identity of both schools would not be lost.

This proposal would therefore allow both schools to continue together as one amalgamated school.

The amalgamated school will have space for 60 pupils in each new year group from September 2024 and with a total capacity of 585 from reception through to year 6 so that all existing pupils have a school place.

Should the proposal go ahead, all existing pupils at Montem Primary School would continue their education at Duncombe Primary School along with their classmates.

There will be no changes this school year.

Any pupil currently in Year 6 at Montem will complete their primary schooling at Montem Primary School.

Pupil projections and numbers

We plan for school places by dividing Islington into six different planning areas. Duncombe and Montem Primary Schools are in Planning Area 2: Hornsey.

Hornsey planning area

Hornsey is the area with the highest vacancy rate in Islington. Schools operate most efficiently when full or nearly full and any surplus places should be kept to a minimum.

In October 2022, there were vacancies of 23% in reception classes in this planning area, and in September this year, this increased to 32%. 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%

The number of pupils at Duncombe and Montem Primary Schools

Montem and Duncombe are both based in large school buildings designed to accommodate more pupils than they currently have. Duncombe and Montem Primary Schools both have a vacancy rate of over 50% in reception.

Numbers at both schools have been falling. Table 2 shows the total pupil numbers at both schools from 2019 to 2023.

Table 2: Pupil numbers at Duncombe and Montem from Reception to Year 6 at October census each year

School	2019	2020	2021	2022	2023
Duncombe	359	355	353	340	313
Montem	310	280	271	262	270

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.

Duncombe and Montem schools both have high levels of spare school places, with pupil numbers set to reduce further. As a result, both schools are expected to experience budget deficits in the future. If we do not take action, this could lead to a decline in the quality of education for pupils at both schools. Amalgamating the schools will mean that there is then only one set of running costs, presenting significant savings.

Options considered

Amalgamation

One way to improve this situation is to amalgamate the schools so that all pupils are at one school. Both the Duncombe and Montem buildings can accommodate the number of children currently at both schools.

Table 3 shows the expected numbers in each year group in September next year, and how the combined total could be accommodated in one school.

Table 3: Projected Numbers for Amalgamated School in September 2024

School	R	1	2	3	4	5	6
Duncombe	28	29	43	47	59	49	39
Montem	27	28	45	41	46	30	36
Combined total	55	57	88	88	105	79	75

By bringing together both schools, we can also ensure the culture, learning methods, and school policies from both form part of the amalgamated school.

Reduce the Published Admission Number (PAN)

Each school must publish the maximum number of pupils it can expect. This is called the Published Admission Number - or PAN. Another way to manage falling pupil numbers is to reduce the PAN at Duncombe and Montem.

Duncombe has a PAN of two-forms (60 pupils in each year group) and Montem is due to reduce to a 1.5 form entry PAN (45 pupils in each year group) in September 2024.

Reducing the PAN of each school further to a one-form entry (30 pupils) is not a viable solution, as the schools would not have sufficient funding to pay for the running costs of the large buildings. Doing this would also lead to a higher level of deficit budgets in the future. This is because smaller, one-form entry schools are particularly vulnerable to changes in pupil numbers as they have less flexibility to group classes of 30 children.

Only by amalgamating can we be confident that there will be sufficient pupils in each year group to ensure there will be a healthy budget for a combined school.

What the amalgamated school will look like

The proposal is for the amalgamated school to be established in September 2024.

Montem and Duncombe Schools are an important part of the lives of the children and families who attend the schools, of the staff and of the local community. That is why we are proposing to expand Duncombe school in the higher year groups to make sure that the experience of pupils at Montem continues at a different site as both schools are brought together.

The headteachers of both Duncombe and Montem schools will work together with the Local Authority to plan the arrangements for the proposed amalgamated school, should the proposals be agreed.

The delivery of an excellent educational experience and making careful arrangements to support the transition would be at the heart of the planning. We know that the staff at both schools are highly regarded by parents and pupils alike and that they will want some reassurance about the future of staff. A formal staff consultation can only take place if a decision were to be taken by the council's Executive to agree the proposal and it is too early to offer certainty regarding future staffing arrangements. We will, however, seek to protect employment as far as possible for staff currently working at Duncombe and Montem.

Journey times

Many pupils live close to both schools and we hope it will not change their travel plans. More than 70 per cent of current pupils live within 1 km of Duncombe school, meaning most journeys are approximately a 10-minute walk.

Should any individual pupils live further away, or not want to make the alternative journey, we will support any application to move to an alternative school.

The Edventure Collaborative

Montem Primary School is part of the Edventure Collaborative federation along with Drayton Park Primary School.

Should this proposal proceed, the Edventure Collaborative Federation would only have one school left within it and would need to be dissolved. This would mean Drayton Park would no longer be part of this federation and new governance arrangements would need to be established.

Any change to the Federation would happen after the final decision has been made and before the new school year in September 2024.

The timelines

Informal consultation: 15 November – 20 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: 8 February 2024

The council Executive will consider all responses to the consultation and then at its public meeting on 8 February 2024, it will decide whether to proceed with a formal proposal to amalgamate Duncombe and Montem Primary Schools.

Representation Period: spring 2024

If the Executive decides to proceed with a formal proposal to amalgamate Duncombe and Montem Primary Schools, there will be a second stage consultation that will run for four weeks in the spring.

Final Decision: April 2024

The final decision would be made by the council Executive at its meeting in April 2024.

If approved, the changes will be in place for the start of the school term in September 2024.

How to give your views

Give your views by completing our online consultation form at www.letstalk.islington.gov.uk/duncombe-and-montem

You must submit your response by 5pm on 20 December 2023.

Consultation on the future of Duncombe Primary School and Montem Primary School

SURVEY RESPONSE REPORT

15 November 2023 - 20 December 2023

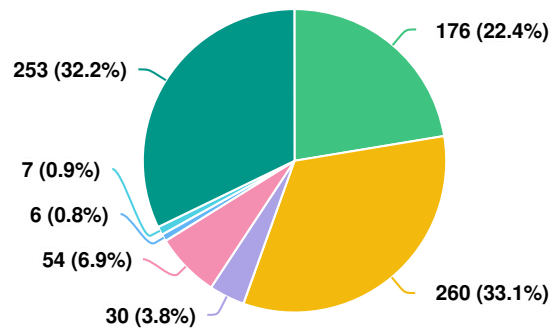
PROJECT NAME:

Consultation on the future of Duncombe Primary School and Montem
Primary School



SURVEY QUESTIONS

Q1 | What best describes you?

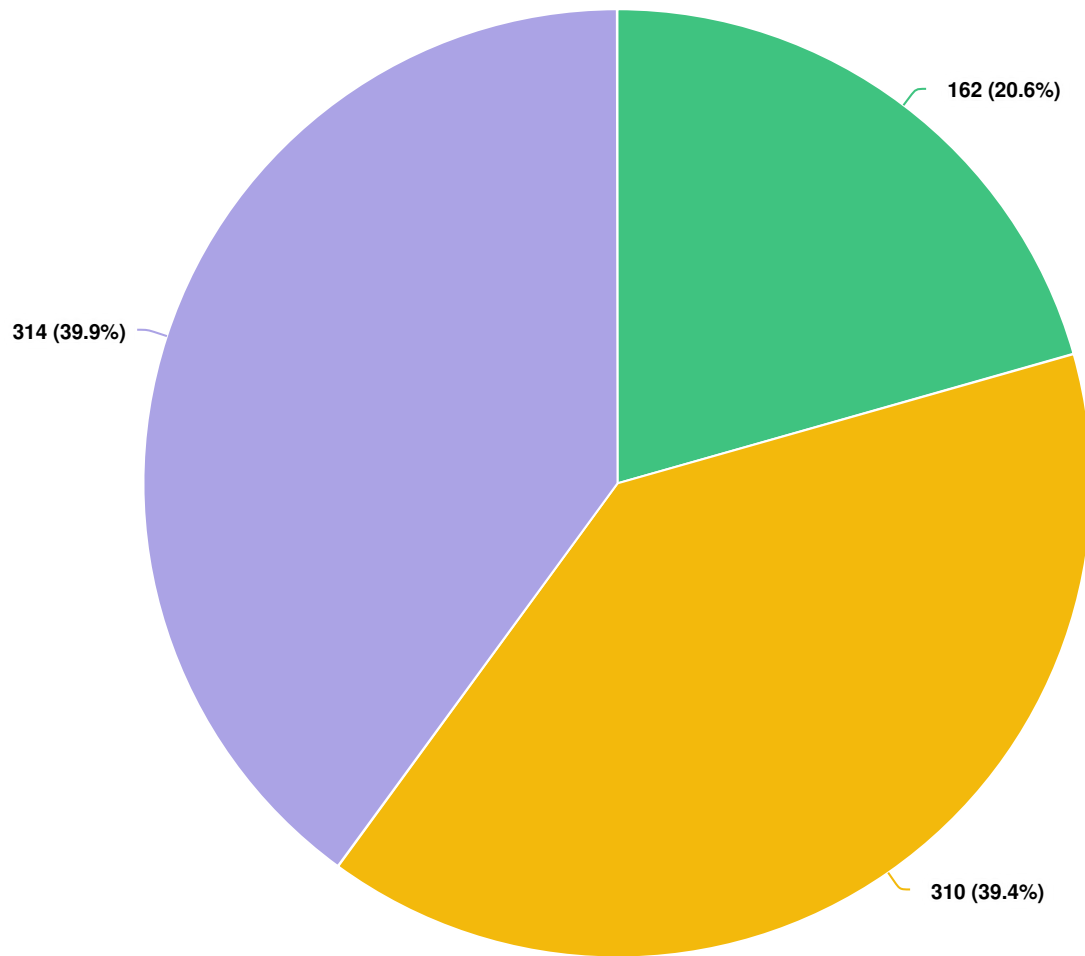


Question options

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

Mandatory Question (786 response(s))
Question type: Radio Button Question

Q2 Do you have any children who currently attend either school?

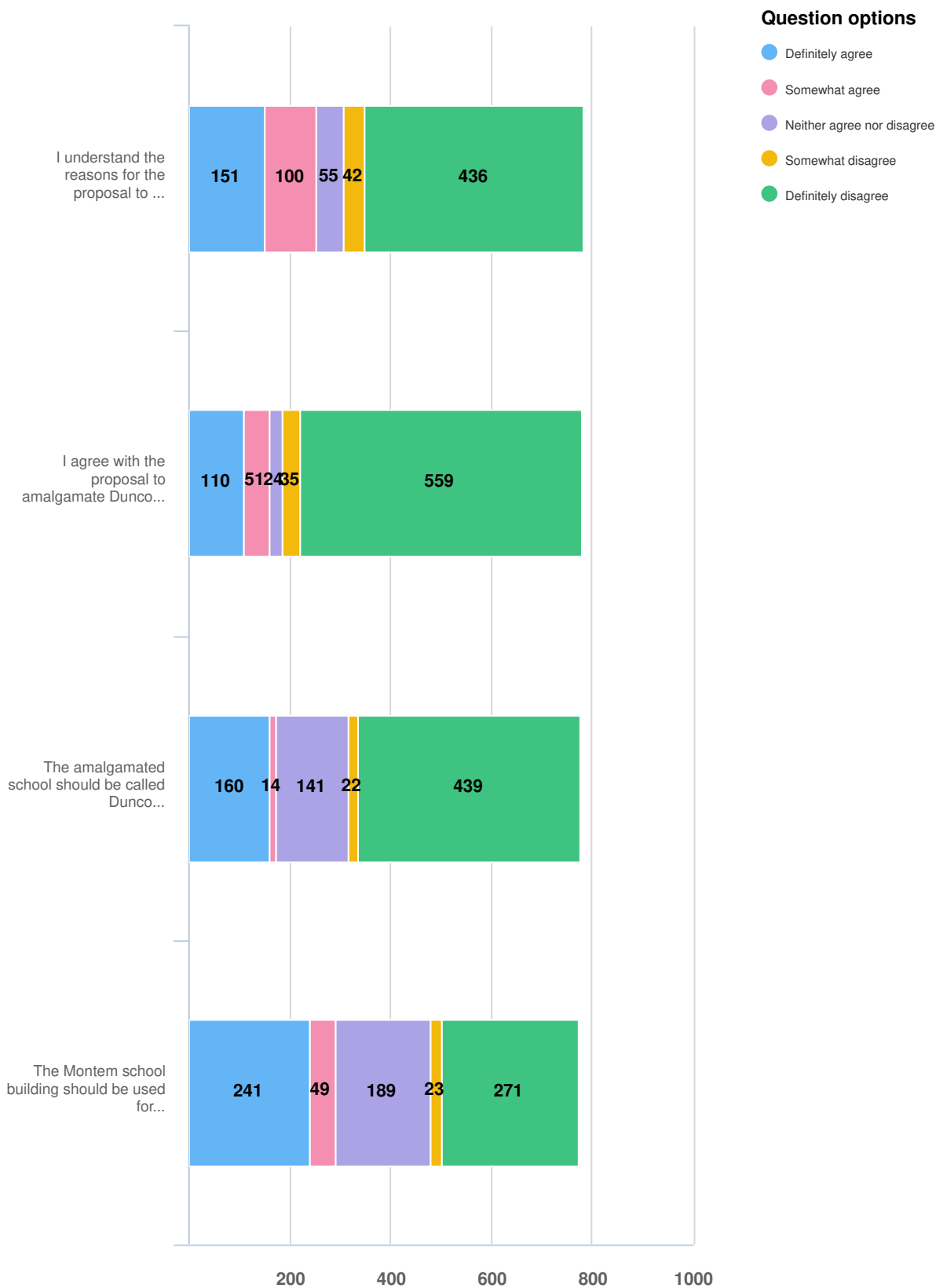


Question options

- Yes - at Duncombe Primary School
- Yes - at Montem Primary School
- No

Mandatory Question (786 response(s))
Question type: Radio Button Question

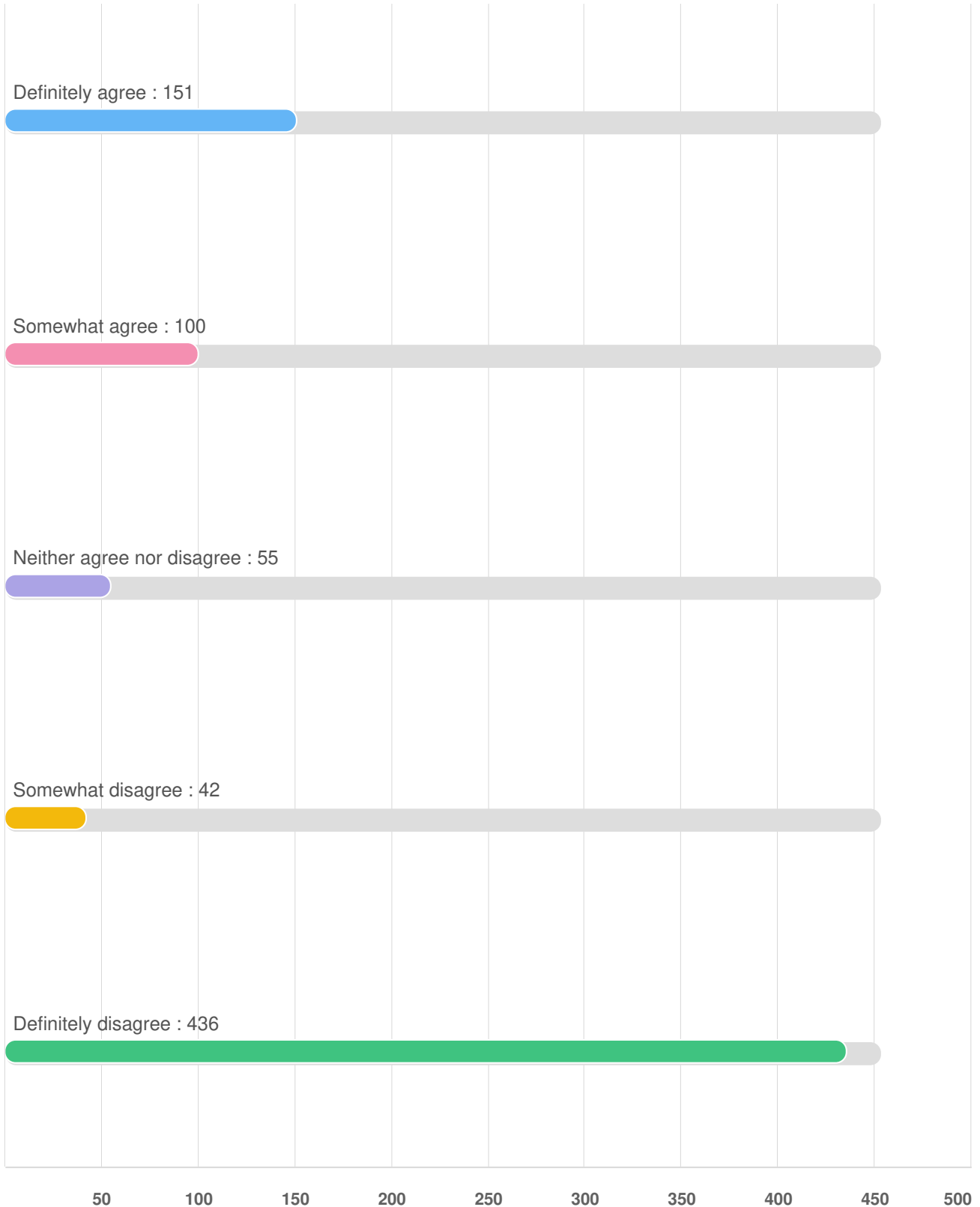
Q3 Please rate how much you agree with the following statements:



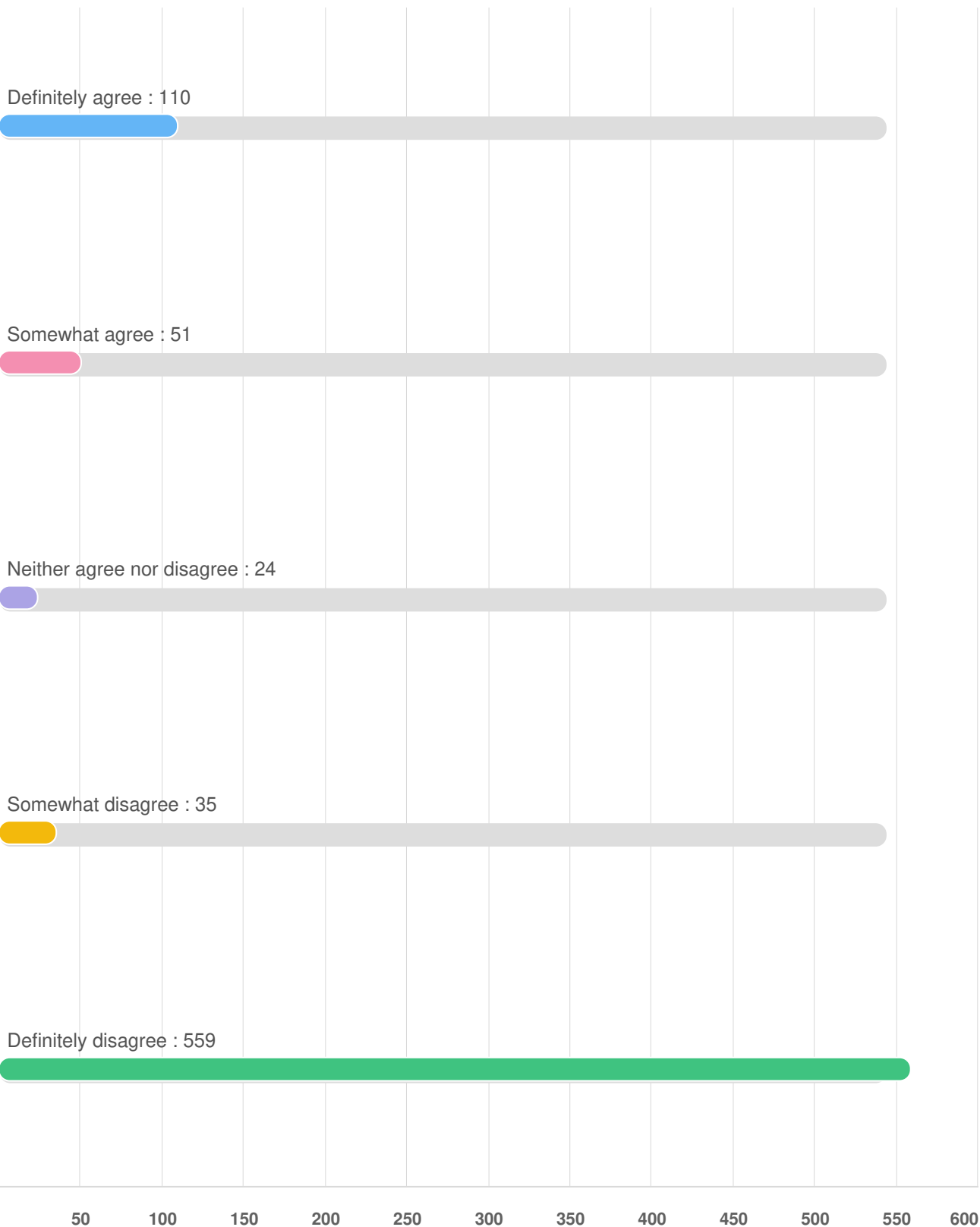
Optional question (785 response(s), 1 skipped)
Question type: Likert Question

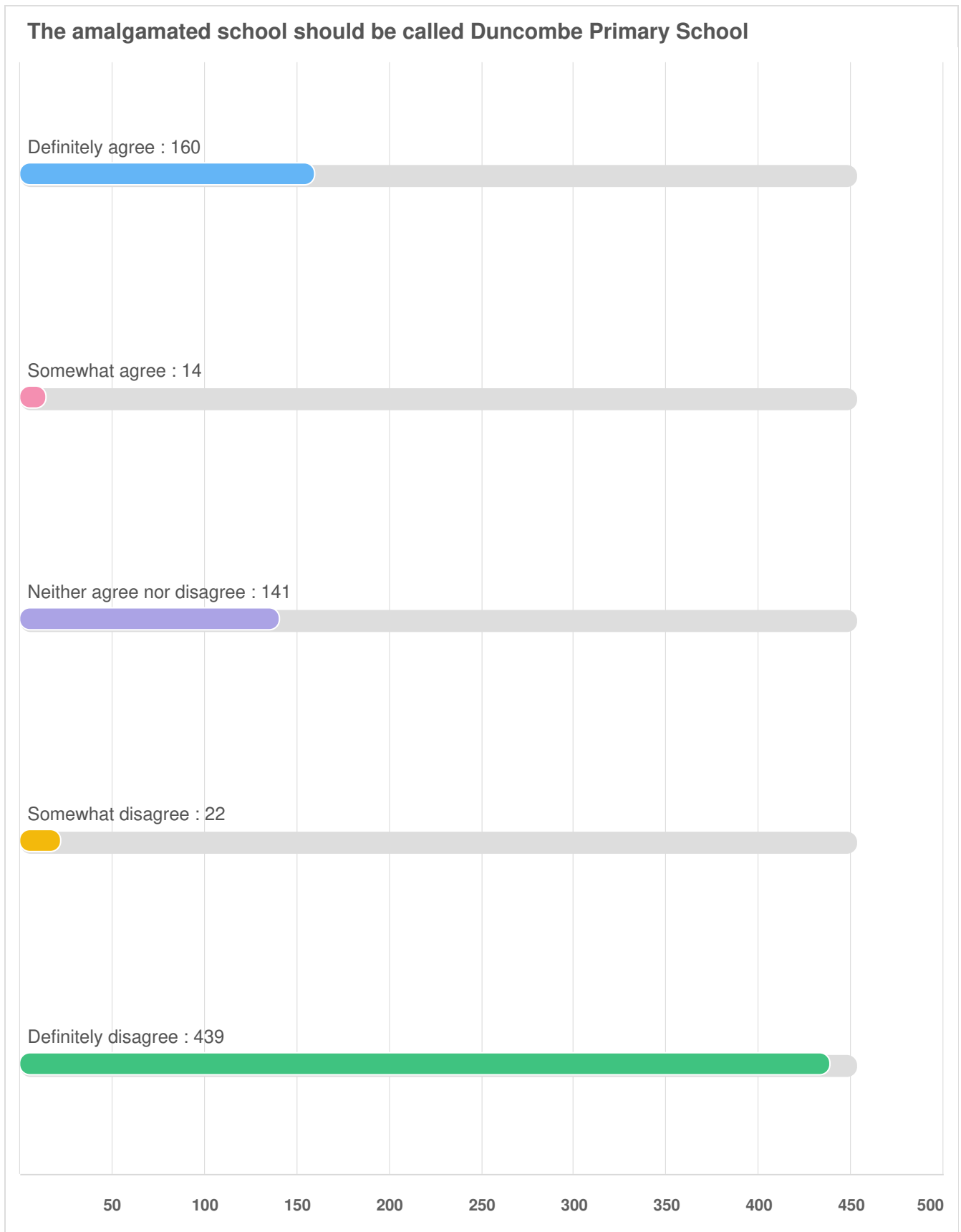
Q3 | Please rate how much you agree with the following statements:

I understand the reasons for the proposal to amalgamate Duncombe Primary School and Montem Primary School



I agree with the proposal to amalgamate Duncombe Primary School and Montem Primary School





The Montem school building should be used for education and community services

Definitely agree : 241



Somewhat agree : 49



Neither agree nor disagree : 189



Somewhat disagree : 23

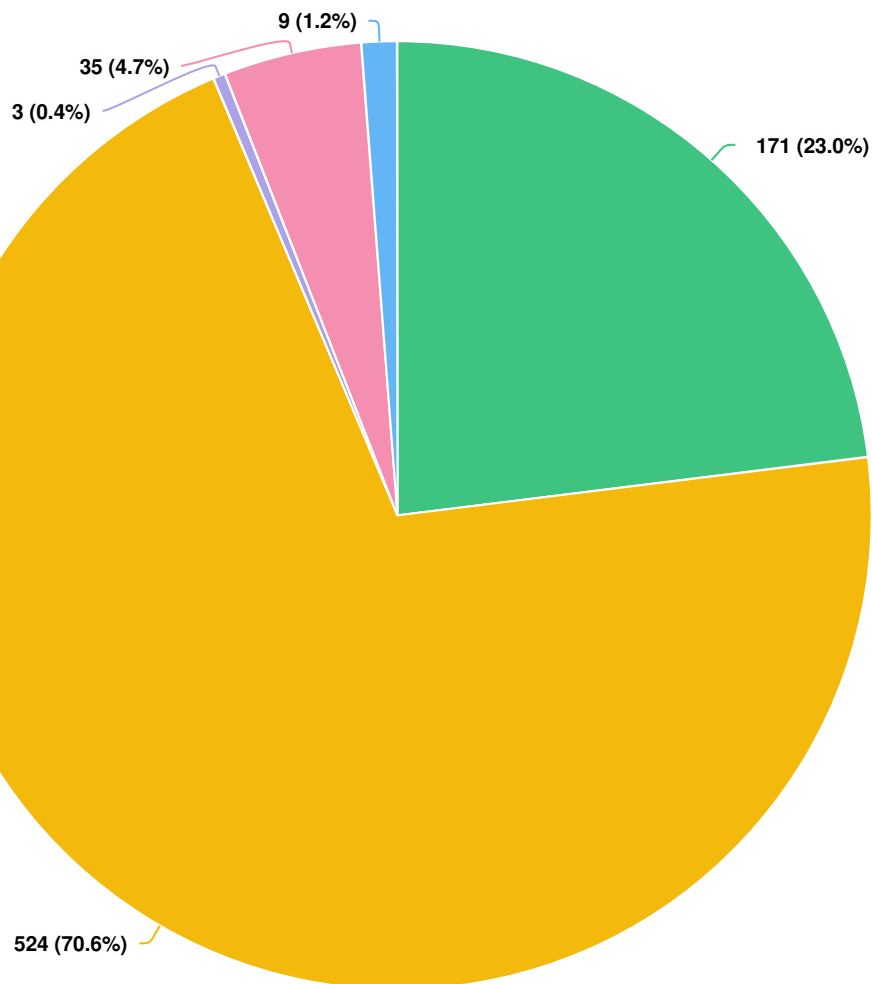


Definitely disagree : 271



25 50 75 100 125 150 175 200 225 250 275 300

Q4 Gender

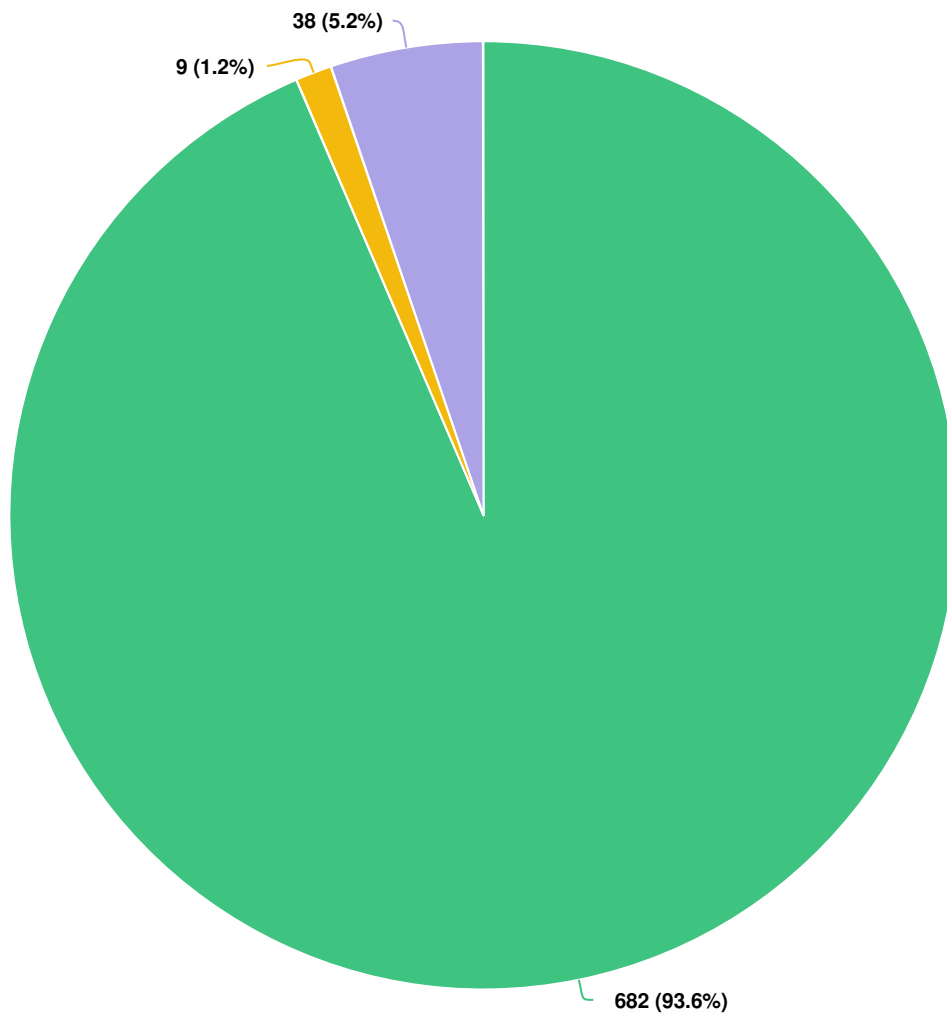


Question options

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

Optional question (742 response(s), 44 skipped)
Question type: Radio Button Question

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

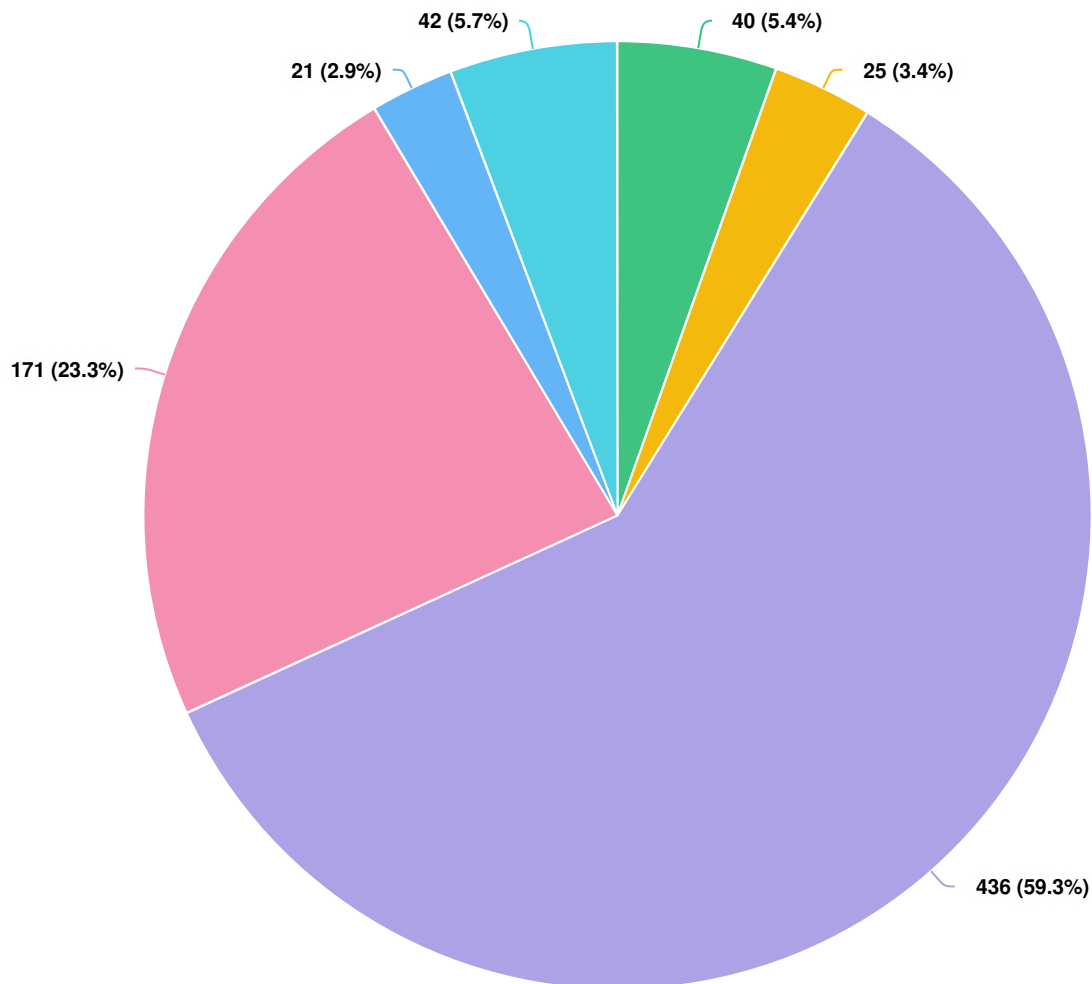


Question options

- Prefer not to say
- Yes
- No

Optional question (729 response(s), 57 skipped)
Question type: Radio Button Question

Q6 Age

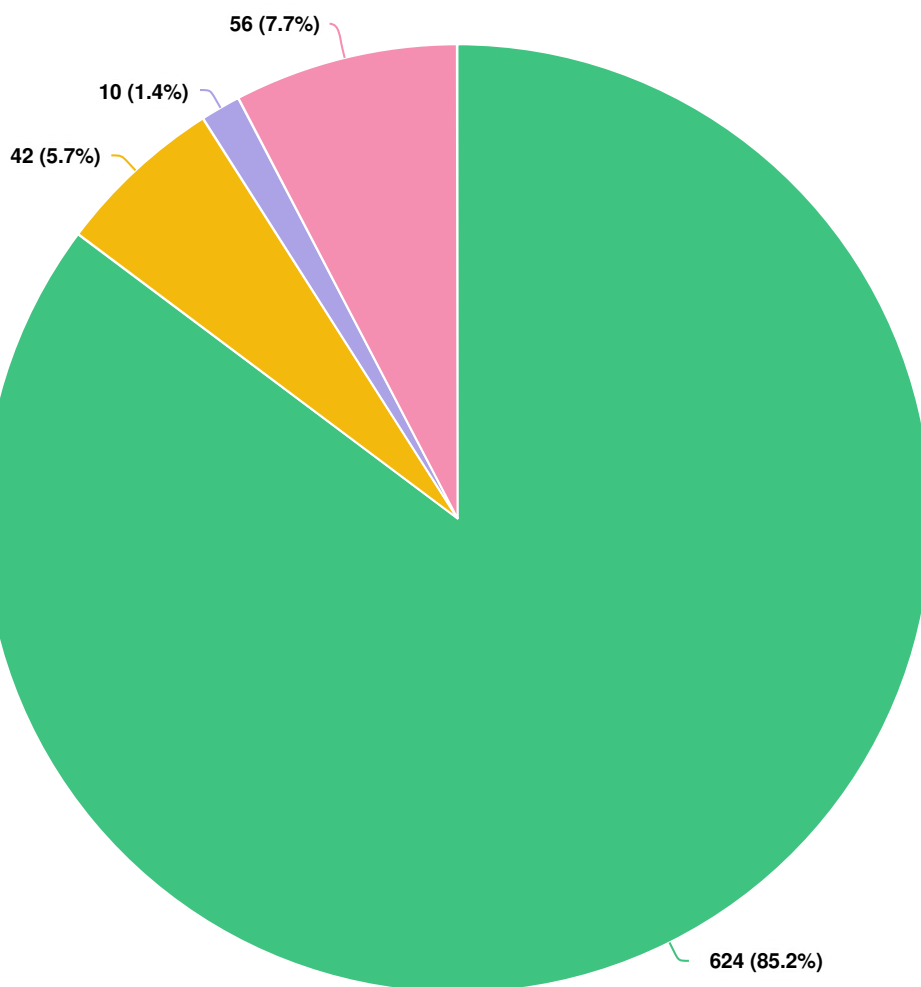


Question options

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

Optional question (735 response(s), 51 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?

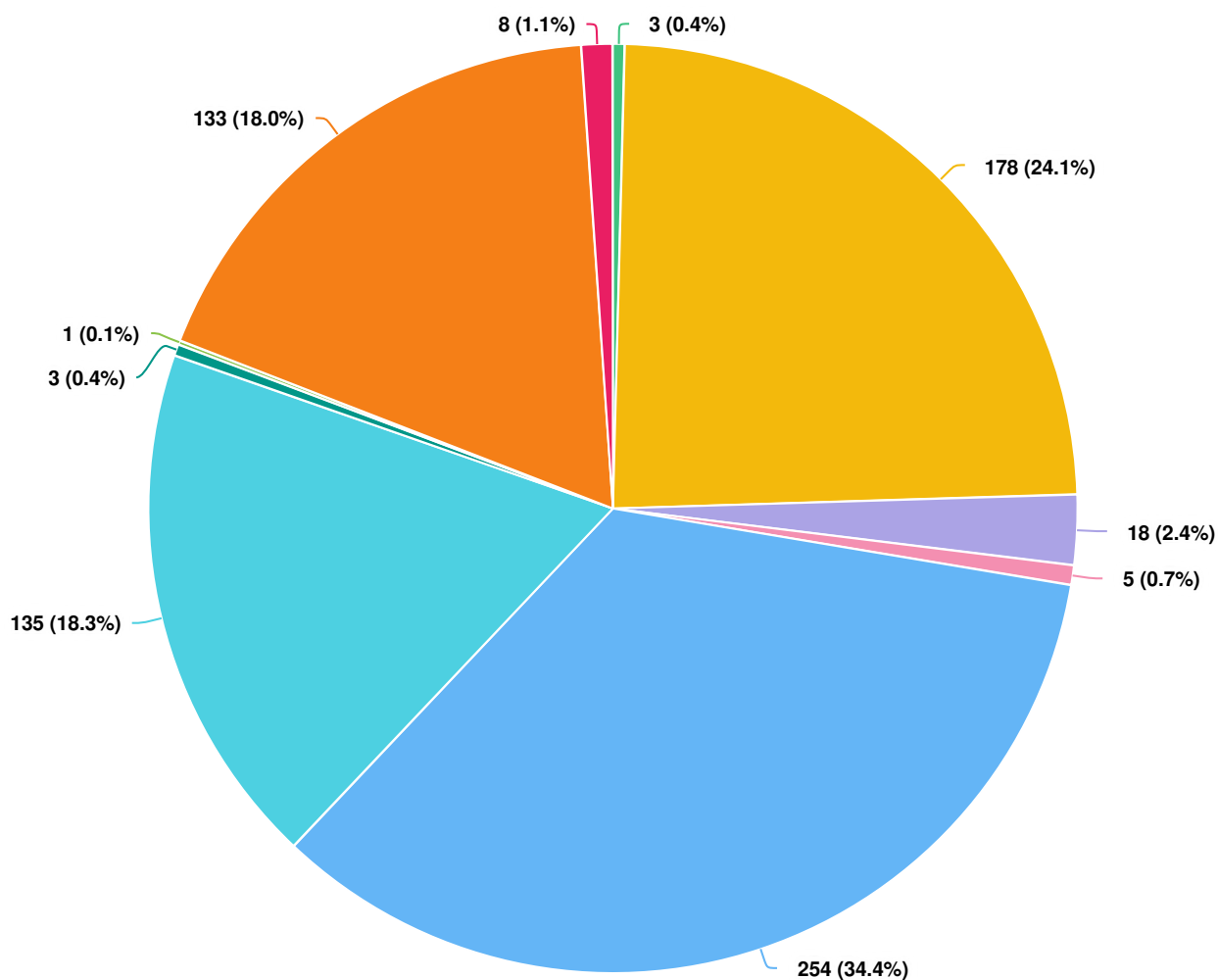


Question options

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

Optional question (732 response(s), 54 skipped)
Question type: Radio Button Question

Q8 Religion or Belief

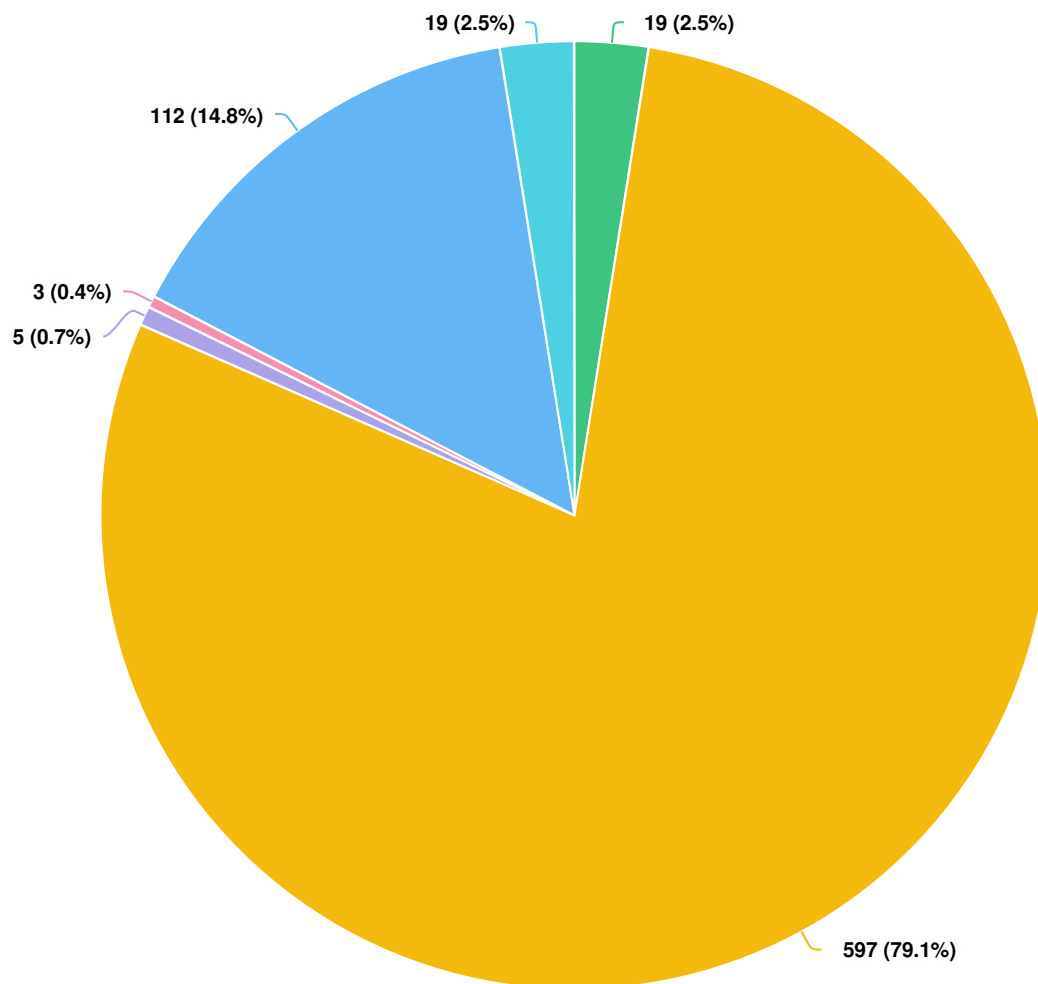


Question options

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

Optional question (738 response(s), 48 skipped)
Question type: Radio Button Question

Q9 Sexual orientation

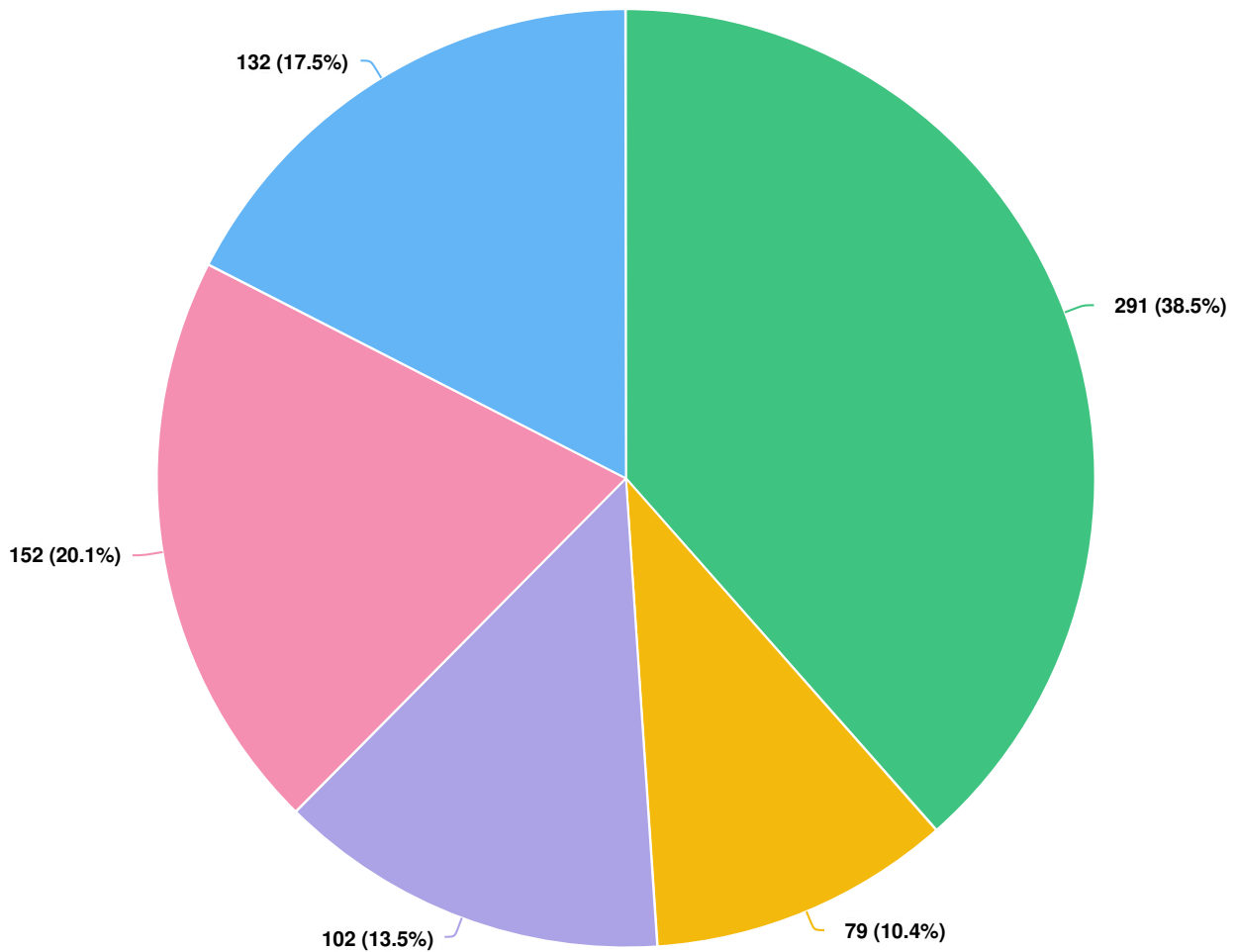


Question options

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

Optional question (755 response(s), 31 skipped)
Question type: Radio Button Question

Q10 Ethnicity

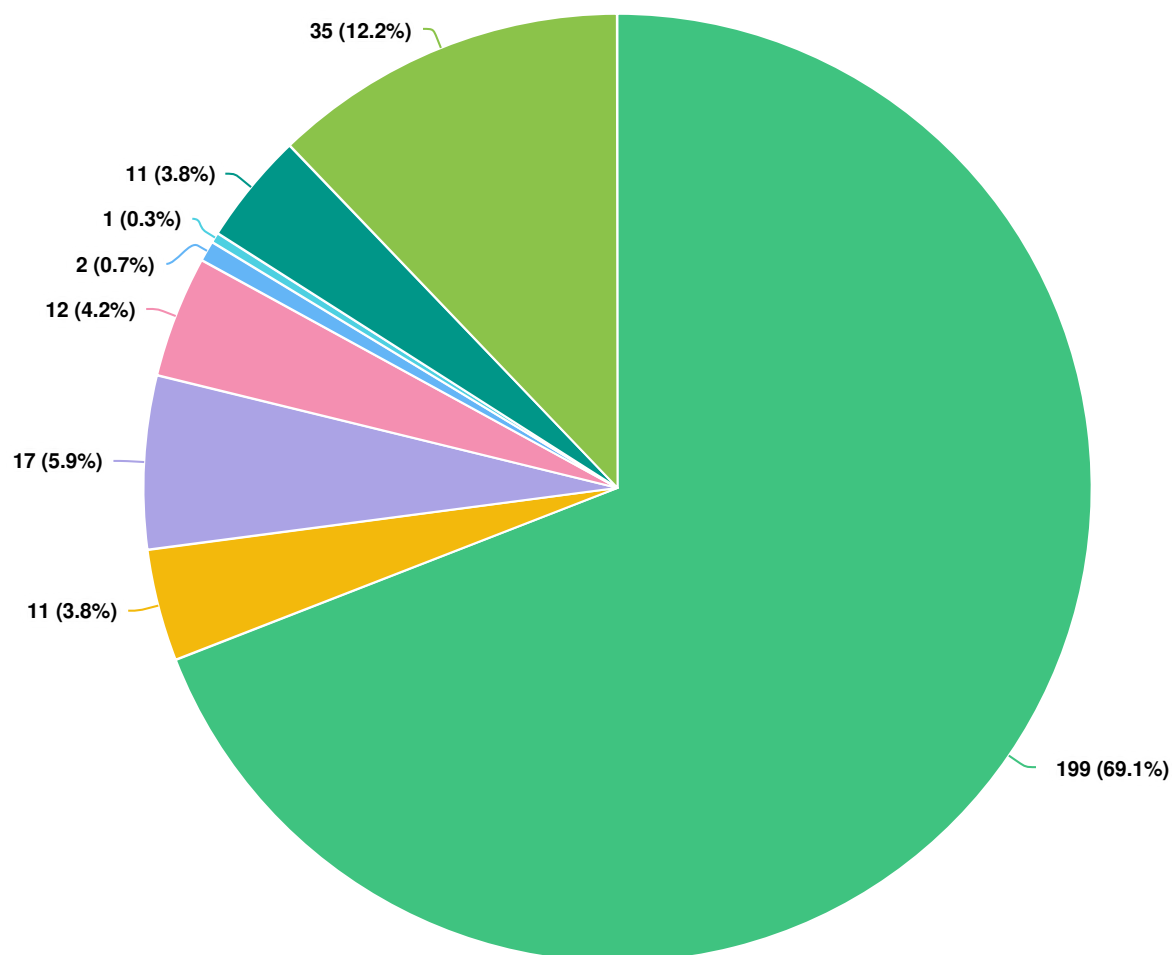


Question options

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

Optional question (756 response(s), 30 skipped)
Question type: Radio Button Question

Q11 | White

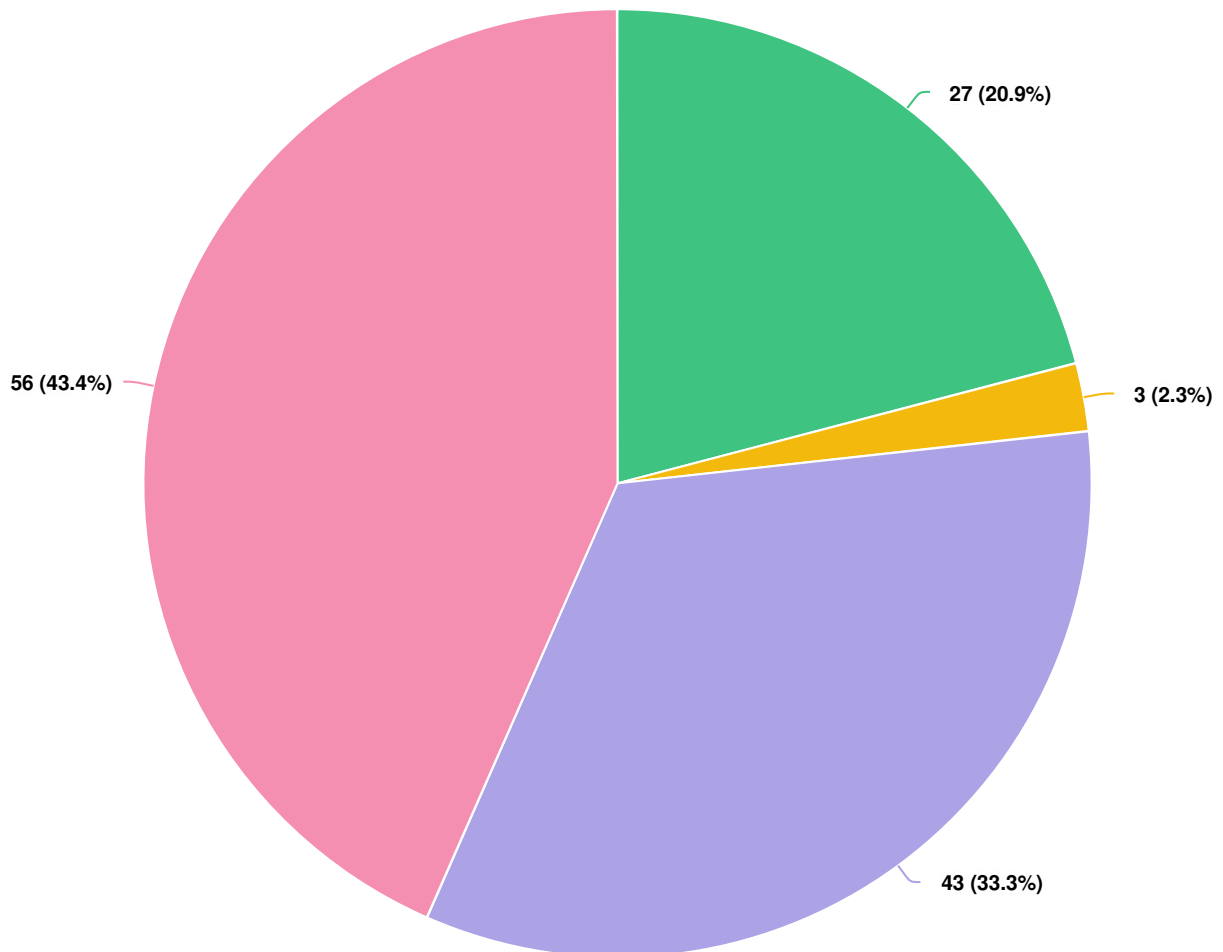


Question options

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

Optional question (288 response(s), 498 skipped)
Question type: Radio Button Question

Q12 | Other Ethnic groups

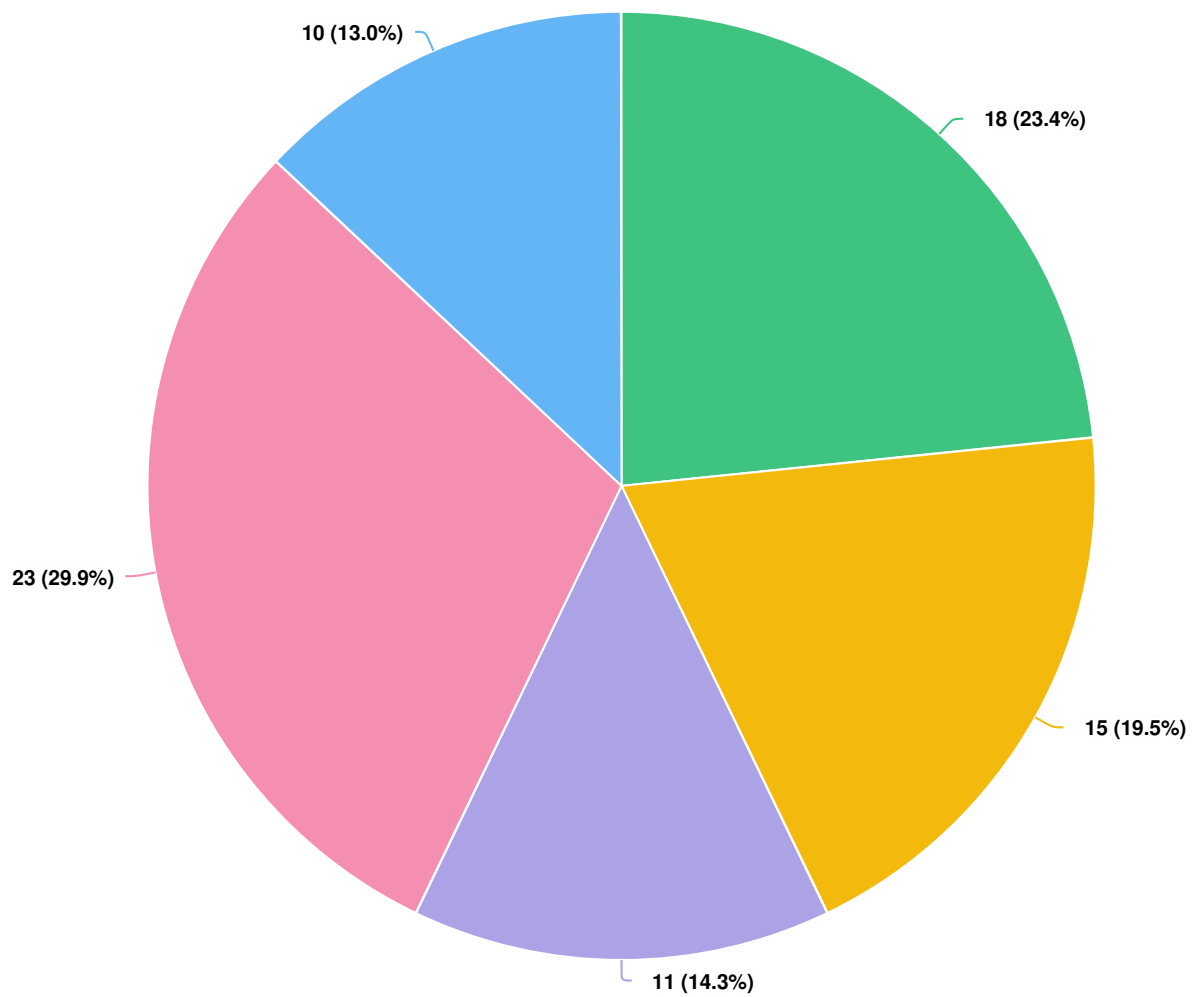


Question options

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

Optional question (129 response(s), 657 skipped)
Question type: Radio Button Question

Q13 Mixed

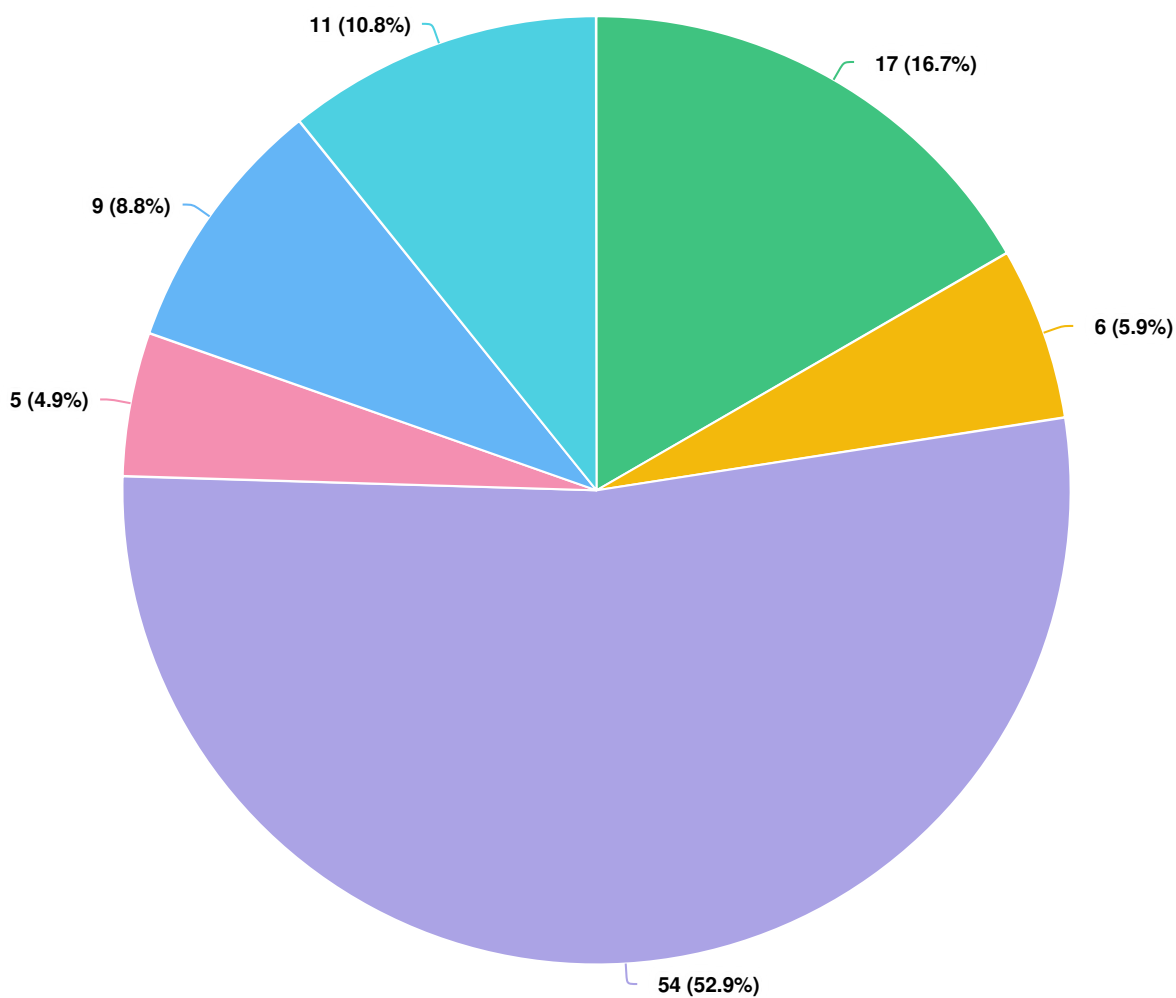


Question options

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

Optional question (77 response(s), 709 skipped)
Question type: Radio Button Question

Q14 Asian or Asian British



Question options

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

Optional question (102 response(s), 684 skipped)
Question type: Radio Button Question

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REDACTED

**Feasibility Study on the
Closure or Amalgamation of
Duncombe Primary School
and Montem Primary School**

November 2023

1. Table of contents

1. Table of contents	2
2. Executive Summary	4
3. Context	6
4. Feedback from Schools and Stakeholders	8
5. Buildings and site condition	9
5.1. Buildings and Accommodation	9
5.2. Suitability to deliver existing and likely expansion of ARP provision.....	12
5.3. Building condition and maintenance.....	12
5.4. Energy and Decarbonisation	14
5.5. Decarbonisation and Local Heat Network	14
5.6. Potential alternatives for site use.....	15
6. Financial position and running costs	17
6.1. Current financial position	17
6.2. Site running costs.....	18
6.3. Financial improvement plan	18
6.4. Financial outcome from delivery of the programme.....	18
7. Location	19
7.1. Geographical location with nearest schools by distance	19
7.2. Mapping of pupil home addresses.....	19
7.3. Transport links.....	19
7.4. Housing plan roadmap	20
8. Air quality and congestion.....	21
8.2. Congestion	21
9. Equality Impact Assessment.....	22

9.1. Summary findings from Equality Impact Assessment.....	22
10. XXXXXXXX.....	23
11. Risks and concerns.....	24
12. Factors underpinning the recommendation.....	26
13. Recommendation.....	28
Appendix 1: pupil residences	30

2. Executive Summary

- 2.1. This paper evaluates the impact of any proposed closure or amalgamation of Duncombe Primary School and Montem Primary School.
- 2.2. This proposal is being considered due to the very significant decline in pupil numbers in the Hornsey Planning Area, combined with issue of an academy order for Pooles Park Primary school preventing its closure.
- 2.3. In October 2022, there was a surplus capacity of 23% in reception in this planning area, and the October Census 2023 shows this has increased to a surplus capacity of 33%.
- 2.4. Duncombe and Montem Primary School have vacancy rates of 57% and 53% in Reception respectively. Although the Department for Education (DfE) recommends that local authorities maintain surplus capacity at approximately 5%, along with a number of other London boroughs, we are of the view that a vacancy rate of up to 10% is a reasonable assumption as it provides the flexibility to respond to sudden changes in the school age population. The vacancy rate in this area is considerably more than this.
- 2.5. The feasibility paper assesses many factors about both schools which we have summarised into four categories:
 - **Buildings and site condition** – both sites are suitable for an amalgamated school and can accommodate the required pupil numbers
 - **Financial position and running costs** – Both schools were in deficit. Duncombe is now projected to be in surplus this financial year. Duncombe is cheaper to run compared to Montem.
 - **Location** – more pupils from both schools live within 1km of the Duncombe site and there are more neighbouring schools near Montem
 - **Air quality and congestion** – air quality is better at Duncombe and congestion is less as the site is on a school street
- 2.6. Our recommendation is that we consult on a proposal to amalgamate Montem and Duncombe Primary on the Duncombe site and keep the Duncombe name and Ofsted number.
- 2.7. We do not recommend that either school be closed rather than “technically” closed for amalgamation purposes. Direct school closure only, and not amalgamation, would create a significant risk that the displaced pupils will not have a school place after the school has closed; or they would apply to schools out of borough further reducing pupils attending community schools; and staff would not have fair employment opportunities.

- 2.8. Amalgamation will mitigate these risks as we can automatically transfer all displaced pupils to the amalgamated school and support only those parents who chose to transfer to another school.
- 2.9. By amalgamating, we can also ring-fence all posts in the proposed enlarged amalgamated school's staffing structure to staff in both schools, presenting equal opportunity for staff from both schools.
- 2.10. Amalgamation will enable us to bring together and retain the strengths of both schools, including their good Ofsted ratings and pedagogical practices. Both schools are rated "good" by Ofsted and provide a good quality of education for their pupils.
- 2.11. Finally, amalgamation will better secure the long-term financial future of the schools as they will combine pupils, therefore reducing their overall surplus capacity whilst operating from one site will reduce their running costs.
- 2.12. We recommend that the amalgamated school be on the Duncombe site because:
 - 2.12.1. more existing pupils live closer to this school site.
 - 2.12.2. there are fewer schools nearby to Duncombe. If Duncombe school were to close, there would be less choice for parents in the local area with only one other school within 500m. There are four other schools within 500m of Montem.
 - 2.12.3. the Duncombe site is already on a school street whereas Montem's location means a school street is not possible and the air quality is better in the Duncombe area and has lower Nitrogen Dioxide (NO₂) levels.
- 2.13. We recommend that the amalgamated school keep the Duncombe name and Ofsted number because this would ensure the amalgamated school will not start with an enhanced deficit which would safeguard the financial position of the school and help secure the school's long-term future.
- 2.14. Keeping the same name on the same site also reduces confusion and maintains name recognition.
- 2.15. Montem is in a hard federation with Drayton Park primary school, which means this proposal will have an impact on the federation itself and shared functions and resources between Montem and Drayton Park. It will be important to ensure the many strengths of the federation benefit the amalgamated school should the proposal proceed. However, due to the very high financial deficit of Drayton Park primary school it is not recommended that the amalgamated school be federated with Drayton Park in order that the governors can focus on the leadership and governance of the amalgamated school only and not also be responsible for managing the significant financial issues of Drayton Park.


3. Context

- 3.1. In Islington, we are committed to driving educational excellence through inclusive and sustainable schools. However, like most of London, many Islington schools are impacted by falling rolls with vacancies in reception at primary at 24% in September 2023.
- 3.2. Our approach to tackling falling rolls supports our corporate objectives for a more equal borough. Where children and young people attend a school with ongoing reducing numbers, the quality of their educational experience is compromised.
- 3.3. Our corporate commitment set out in our Education Plan is that by 2030 every child, whatever their background, has the same opportunity and ambition to reach their educational potential in a good Islington school. The School Organisation Plan is a key pillar to achieving this.
- 3.4. Duncombe and Montem Primary Schools are in the Hornsey area and is the area with the highest vacancy rate in Islington. In October 2022, there was a surplus capacity of 23% in reception in this planning area, and the October 2023 Census shows this has increased to a surplus capacity of 33%.
- 3.5. We previously consulted on a proposal to close Pooles Park Primary School which is also in the Hornsey area. However, this school has recently received an academisation order following an inadequate Ofsted judgement and is therefore due to convert to an academy.
- 3.6. Duncombe and Montem Primary School both have a vacancy rate of over 50% in Reception. Schools operate most efficiently when full or nearly full and any surplus places should be kept to a minimum. Although the Department for Education (DfE) recommends that local authorities maintain surplus capacity at approximately 5%, along with a number of other London boroughs, we are of the view that a vacancy rate of up to 10% is a reasonable assumption as it provides the flexibility to respond to sudden changes in the school age population. Both schools are much higher than this.
- 3.7. Montem and Duncombe are both based in large Victorian school buildings designed for more pupils than they currently accommodate. Both schools have had deficit budgets for several years and both have experienced a significant fall in rolls in recent years. Montem and Duncombe are situated just over half a mile apart and within walking distance from each other.
- 3.8. This level of vacancies has implications on the long-term financial viability of both schools and the quality of the educational experience they can offer for children as the number of pupils at a school drives the level of funding received by a school.
- 3.9. Lower pupil numbers mean less funding which affects staffing that then impacts the diversity of the curriculum offer.
- 3.10. The School Organisation Plan sets out our strategy for managing school places over the next three years. Reducing the number of school places in a planned way will support schools to manage change within their funding.
- 3.11. 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
- 3.12. After all these options have been considered and a school is still predicting surplus capacity and a financial deficit as a result, amalgamation of schools or closing an individual school is considered.
- 3.13. When amalgamating a school, we must follow [statutory guidelines](#) for when it is possible to close a school, which includes when it is no longer considered viable.
- 3.14. Duncombe and Montem schools are in danger of becoming not viable, as they both have surplus places and no predicted increase in demand in the medium to long-term.
- 3.15. We believe amalgamating Duncombe and Montem – in effect closing one and enlarging the other – will ensure their long-term viability.
- 3.16. Amalgamating the two schools would bring together the strengths of both and enable us to maximise the large Victorian site of one of the two schools.
- 3.17. The proposal would be for a single amalgamated two-form Entry school with capacity for three-forms of entry in higher year groups to ensure that every child currently attending both schools will be guaranteed a place in the amalgamated school.
- 3.18. This feasibility study will assess the best site for the amalgamated school and makes a recommendation accordingly.

4. Feedback from Schools and Stakeholders

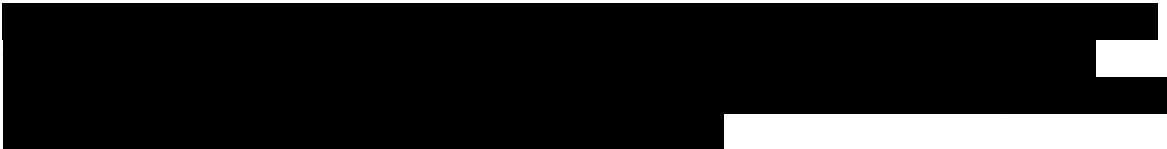
- 4.1. The schools raised several areas of concern which we have summarised into themes to ensure we have a full and transparent view of the impact of any potential changes.
- 4.2. **Reliability of roll projection data** – data has been unreliable in the past, and inner-London numbers do fluctuate, and may not necessarily capture future policy housing policy changes or potential building developments. This could mean any closure or amalgamation is not the right decision for the long term as it limits local capacity to accommodate any potential pupil increases.
- 4.3. **Vacated school site being taken over by a new school** – if permission is sought from the Department for Education to dispose of a school site, it could then be taken over by an Academy Trust who can open a new school on the site.
- 4.4. **Complexity of one school being in a Federation with another school and the other not** – this means they have different governance and staffing structures and what impact this would have on any organisational staffing changes.
- 4.5. **Impact on the existing federation** – if the school in an existing federation is closed, what impact would this have.
- 4.6. **Managing larger pupil numbers in higher year groups** – from Year 2 upwards, a combined school would exceed two forms of entry.

- 
- 4.8. **Loss of pupils** – uncertainty caused by making any proposed change could lead to a further decrease in pupil numbers.
 - 4.9. **Impact on other provision** – one school has an ARP and a special school co-located on site which would be impacted by these changes.
 - 4.10. **Transparent decision-making process** – concern that the decision-making process may not be transparent.

5. Buildings and site condition

5.1. Buildings and Accommodation

5.1.1. Montem School

- 5.1.1.1. Montem school is a Victorian built school currently accommodating a 2 FE primary school with plans to operate as a 1.5FE school from September 2024. The school includes a nursery and 2-year-old classes.
- 5.1.1.2. The main school block also accommodates Samuel Rhodes Special Primary school (SRS) on the top floor who also have one SEN room on the ground floor for pupils who cannot easily access the top floor.
- 5.1.1.3. 
- 5.1.1.4. The school also accommodates on Additionally Resourced Provision (ARP) on the ground floor in the main block to support children with Autistic Spectrum Conditions. This is a borough-wide resource, and children are placed there by the Local Authority. Location of the ARP requires a whole school approach to Special Educational Needs and Disabilities (SEND).
- 5.1.1.5. The school is situated directly off Hornsey Road (A103) and close by the junction with Seven Sisters Road (A503). The Andover Estate is close by. The building is Grade II listed.
- 5.1.1.6. The overall site area is 5,060 m² and this main school Gross Internal Floor Area (GIFA) is large at 4,162m². The building is configured over a ground and three upper floors with a basement and three mezzanine levels. There are two platform lifts in the building. The main lift covers to the fourth level with a further lift serving upward to Samuel Rhodes school on the top floor.
- 5.1.1.7. The ground floor houses the nursery, reception, and the ARP service all with direct access to the external play areas as well as a hall and admin space. The upper floors include classrooms, large specialist rooms (music, art, library), small and large group rooms and staff facilities, storage etc. There are two additional halls located on the first and second levels as well as the community hall in the smaller block. The dining room and kitchen are on the first floor though some pupils eat on the ground floor and the top floor necessitating transport of food using the lifts.
- 5.1.1.8. In total, there are 22 large classroom spaces excluding the art, music, library and 3 large group rooms. Assuming SRS school were to vacate the top floor, the building could comfortably accommodate the amalgamated school. Some changes of space

usage and minor building adaptations may be required during the initial years when there would be three-form entry requirement at the older year groups.

5.1.1.10. The external areas are a reasonable size and accommodate:

- Traditional discrete playground areas and rubberised soft play areas
- A small roof terrace play area
- a fenced in artificial grass football pitch area to the front of the school
- Small-planted areas and some trees

5.1.1.11. It is likely some investment in the external areas would be required to support the amalgamation, but this would not be extensive.

5.1.2. Duncombe School

5.1.2.1. Duncombe school is also a Victorian built school accommodating a 2FE primary school with two nursery classes and a 2-year-old class. There are several smaller ancillary single-storey blocks on the site.

5.1.2.2. The school is situated off Sussex Way, part of the block between Sussex Way and the Hornsey Road (A103). Directly adjacent is the small Sussex Way Gardens and close by is Elthorne Park. The Elthorne Estate is a short walk away.

5.1.2.3. Adjacent to the school and accessible from the school grounds is a large four-storey Victorian end of terrace house with potential for five bedrooms. This was previously the premises managers accommodation, and it is now used by the school as classrooms and meeting rooms including a confidential meeting room shared with partner agencies. The school has previously indicated that the house is no longer required. Alternative uses are being investigated

Amalgamation of the schools onto the Duncombe site may require a review of this to determine the potential to continue to use the house as a school resource.

5.1.2.4. The overall site area is circa 4,000m² and the main school Gross Internal Floor Area (GIFA) is large at 3,016m². The building is configured over a ground and two upper floors with a basement and two mezzanine levels. There is currently no lift in the building.

- 5.1.2.5. The ground floor has six large class spaces and a large nursery space that could be partitioned further. The two upper floors have each six full size classrooms; two currently configured as an Art room and ICT room plus a library and large learning space. The mezzanine levels can also accommodate a further three learning spaces. There are three hall spaces one on each main floor with the kitchen and dining room (hall) on the ground floor. Staff facilities and administration and storage spaces are dispersed throughout the building.
- 5.1.2.6. In total there are 20 large class spaces excluding the library and learning spaces, the premises manager's house and the potential to partition the large nursery area further. The building and site could accommodate the amalgamated school with adjustments to facilitate the 3FE in the higher year groups.
- 5.1.2.7. The external areas are a good size and accommodate:
- A large KS1 playground to the front recently modernised
 - Separate EYS spaces for two-year-olds, nursery and reception
 - Two KS2 play areas; one currently for yrs 5 and 6 including an all weather football pitch and a yr 3 and 4 playground to the back.
 - Soft landscaping and trees on-site and pond area
- 5.1.2.8. The school has invested in improvements to the KS1 and reception playgrounds and have plans for further investment in the KS2 and early years play areas. It is likely some investment in the external areas would be required to support the amalgamation but this would not be extensive.

5.1.3. Summary

- 5.1.4. Both schools are large 2FE Victorian buildings and both have the potential to accommodate the amalgamated school. Some change of use of spaces and potential adaptations to spaces may be required, particularly to support the 3FE's in the older year groups on amalgamation. It is worth noting that were a new 2FE primary school with 2 nursery classes to be built on either site then the DfE area guidelines for primary schools would specify and fund a school with an internal GIFA of order of 2,677m². Although configured differently to a modern build, both buildings exceed this space, and Montem has a significantly larger GIFA.
- 5.1.5. Duncombe is situated on a quieter street with better configured external spaces, an adjacent garden space and a short distance from a park. Montem is on a busy main route, the Hornsey Road with less attractive external spaces and further from any park facilities. Montem has lift access to main floors ensuring the school is accessible to all, Duncombe does not have lift access.

5.2. Suitability to deliver existing and likely expansion of ARP provision

- 5.2.1. **Montem school building** already incorporates an ARP on the ground floor. This ARP could immediately expand into the adjacent vacated SRS SEN space. Further expansion would be possible in future years as the 3FE year groups leave the school or by utilising the ground floor community space and/or the premises managers flat once this became vacant.
- 5.2.2. The **Duncombe school building** has potential for a SEND facility/ARP on the ground floor with access to an outside courtyard area and there is also a sensory room located in the infant playground area. Once the 3FE's year groups gradually leave the school additional options for further expansion of the ARP would be available.

5.3. Building condition and maintenance

- 5.3.1. Table 1 shows the level of investment required to maintain the schools over a one- to five-year timescale following recent assessments of the condition of both schools:

Table 1: level of investment required

Maintenance	Priority 1 (Y1)	Priority 2 (Y2)	Priority 3 (Yrs 3 - 5)	Total Years 1 - 5
Duncombe	£64,567.67	£68,894.51	£357,586.58	£491,048.76
Montem	£ -	£292,533.00	£140,457.00	£432,990.00

- 5.3.2. The figures have been obtained from condition reports carried out by external building surveyors. The latest condition report for Montem was received in 2022, while the latest available report for Duncombe is 2018.
- 5.3.3. In recent years, Islington Council has completed several capital projects at Montem Primary school including:
- Replacement of the two old platform lifts with new models during the Summer of 2023
 - Works to the heating systems in advance of final commissioning of a connection to the adjacent National Grid substation to facilitate the delivery of waste heat from the substation to the school - 2022/23

- Repairs and refurbishment to the Northwest elevation windows/brickwork and the enclosed canopy windows 2020/21
- Upgrades to ventilation systems in the kitchen - 2020/21
- Boiler Replacement- 2016/17

5.3.4. Works will be required to refurbish and repair the remaining window elevations at Montem. These works were put on hold pending confirmation of Islington's school's decarbonisation programme and scope of works. Double glazing of windows will be a requirement to support the introduction of heat pumps at the school and the original planned window works included refurbishment and repairs but not double glazing. The windows are being assessed to identify the urgency to progress with this work. Were Montem to be the site of the amalgamated school this supporting capital investment would be required which would increase the capital costs.

5.3.5. In recent years, Islington Council completed these capital works at Duncombe:

- Upgrades to ventilation systems in the kitchen in - 2022/23
- Funding of roof repair works following leaks – 2022/23
- Boiler Replacement - 2018/19
- Duncombe school already has double glazing in the main building

5.3.6. Maintenance and repair works are delegated to schools and so additional repairs and maintenance tasks will have been undertaken at both schools.

5.3.7. In summary, the capital and maintenance investment required at both schools over a five-year horizon is similar with higher amounts in the initial years at Montem and later years at Duncombe. It should be noted that the Duncombe costs relate to maintenance of the existing facilities and would not cover the significant capital investment that would be required to install a lift in the school. Likewise, double-glazing costs for windows at Montem are not included.

5.4. Energy and Decarbonisation

5.4.1. Energy Rating and Use

5.4.2. The current energy performance operational rating (DEC) for both sites is:

- Montem School: D
- Duncombe School: C

5.5. Decarbonisation and Local Heat Network

5.5.1. Decarbonisation of the council's schools forms a key element of the overall net zero carbon programme. Islington Council is working towards decarbonising schools by 2030 in line with the council's net zero carbon strategy.

5.5.2. Since 2022, LBI has completed decarbonisation feasibility studies for community schools and funding has been received for two implementation projects to-date; the installation of an Air Source Heat Pump (ASHP) at one primary school and the installation of a Ground Source Heat Pump at a special school site where major redevelopment works are underway.

5.5.3. The decarbonisation studies in general recommend changing from gas boiler heating to ASHPs with required supporting building fabric improvements such as double glazing, roof and wall insulation and the provision of energy efficiency measures such as solar panels and LED lighting. The phasing of the programme across schools is primarily driven by the age of the main boiler and as both Montem (~7yrs) and Duncombe (~5yrs) have relatively newer boilers we would anticipate both schools would be to the back end of the programme, later this decade.

5.5.4. The approach to decarbonising older Victorian buildings, such as Montem and Duncombe, will be complex as significant building fabric improvements will be required to ensure the ASHPs operate efficiently. In particular, double-glazing is advised. Duncombe school currently has window double glazing in the main block and two smaller blocks. However, the condition and robustness of the windows will need to be reviewed closer to the timescale for decarbonisation. Montem school does not have double glazing and as a Grade 2 listed building there may be planning issues around achieving this, which may impact on the decarbonisation solution.

5.5.5. It should be noted that the S106 commitments of a National Grid (NG) station development project close to Montem school required that a connection be provided between the substation and school networks to supply waste heat to the school. Infrastructure works were undertaken in previous years at the school to support this, but due to delays in the completion of the substation and the adjacent housing development project, followed by further COVID delays, this connection is not yet operational. Work has been ongoing this past year to carry out necessary upgrades

to commission the connection as well as to put a legal heat supply agreement in place between the parties.

- 5.5.6. The terms of the S106 require waste heat to be delivered free for the first five years and at 10% below the agreed market rate thereafter. This will not provide all the heat required by the school but should assist in reducing the school's energy bills in future years. It should be noted that this connection has now been delayed further due to maintenance issues at the NG substation. However, in principle, this heat source should be available to Montem school going forward.

5.6. Potential alternatives for site use

5.7. Educational Usage

- 5.7.1. Our intention would be to utilise the vacated site for other educational related purposes. There would be implications in terms of school land disposal were this not to be the case.
- 5.7.2. The longer-term usage of the vacated school following the Phase 1 school reorganisation (the Half-Moon crescent education site) may impact on the determination of the usage of the Phase 2 vacated site. With two sites in consideration for longer term occupancy from September 2024 careful analysis of the optimum location for known education requirements will be necessary.
- 5.7.3. Both Montem and Duncombe school buildings are large meaning the vacated school would potentially need to accommodate multiple user groups leading to significant works to reconfigure the spaces, improve accessibility, segregate access and implement any necessary safeguarding controls between the different groups.
- 5.7.4. The types of education usage that could be envisaged at the vacated school site include:
- Additional capacity for SEND provision, where pupil numbers are growing though this may be limited somewhat due to the planned nearby special academy
 - Additional provision for the New River College Pupil Referral Unit. The New River College provision for pupils with Social, Emotional and Mental Health (SEMH) needs is currently decanted at the Half-moon crescent education site while their permanent base is being redeveloped. The NRC will be trialling new services and expanding services at this site in line with the LBI SEND Strategy and national SEND and Alternative Provision Improvement Plan. The longer term site for these expanded services is to be determined but the vacated phase 2 reorganisation site could be an option for these services.
 - Nursery/ early years provision

- Other education and children's related council services
- Education related companies or charities
- Provision of decant space for other schools where developments are occurring including during the decarbonisation work's programme

5.7.5. While both school sites could be used for alternative educational usage the Montem site has DDA access and is also potentially better served in terms of transport links.

5.8. Other Development Potential

5.8.1. In the longer term should all or part of the vacated site be surplus to educational requirements then the site may offer alternative development opportunities; subject to school land disposal requirements.

5.8.2. In this regard Duncombe is close by the Elthorne Estate and Montem is close by the Andover Estate therefore both sites could offer potential to contribute to the council's priority of providing good quality affordable housing for residents in the borough.

5.8.3. However, both schools are Victorian builds so obtaining planning permission to demolish either in order to develop housing may present challenges. In this regard Montem, a Grade 2 listed building would require listed building consent for any proposed changes. The sale of the building/site to accommodate private residences may be the most likely scenario were this site to be freed for development.

6. Financial position and running costs

6.1. Current financial position

6.1.1. Duncombe

6.1.1.1. Duncombe closed 2022-23 financial year in a cumulative deficit of -£276k. The ratified budget submitted in May 2023 for the three financial years ending in 2025-26 indicated the school would end 2023-24 with a reduced cumulative deficit of -£130k; an in-year surplus of £146k.

6.1.1.2. Furthermore, based on the submitted ratified budget, the position was set to worsen by the end of 2025-26 with a cumulative deficit of -£447k

6.1.1.3. The current financial position of the school has considerably improved with the projected outturn for 2023-24 reporting a cumulative surplus of £39k; meaning the school is reporting generated in-year savings equivalent to £169k.

6.1.1.4. It should be noted that the current Headteacher inherited an unknown deficit during 2019-20 where the school has undergone several staffing organisational changes and reduced spend to control and reduce the deficit in accordance with the regulations set out within the Scheme for Financing Schools.

6.1.1.5. Despite the improved financial position, based on the ratified budgets and current government funding, it is likely that the school will return to a cumulative deficit by the end of the third year, 2025-26.

6.1.2. Montem

6.1.2.1. Montem closed 2022-23 financial year in a cumulative deficit of -£111k. The ratified budget submitted in May 2023 for the three financial years ending in 2025-26 indicated the school would end 2023-24 with an increased cumulative deficit of -£167k; an in-year deficit of -£56k.

6.1.2.2. Furthermore, based on the submitted ratified budget, the position was set to worsen by the end of 2025-26 with a cumulative deficit of -£446k

6.1.2.3. The current financial position of the school has remained static with the projected outturn for 2023-24 reporting a cumulative deficit of -£169k; a movement of -£2k when compared to the budget and indicating no significant change across the three financial years.

6.2. Site running costs

6.2.1. Using the latest benchmarking data available which shows data up to and including 2021-22, both schools have been measured against the preceding three-year average (2019-2022). The following indicators have been taken into consideration; gas; electricity and water; and national non-domestic rates (NNDR).

6.2.2. Duncombe

- Gas; electricity and water: The three-year average equates to £36k a year
- NNDR: equates to £63.6k a year

6.2.3. Montem

- Gas; electricity and water: The three-year average equates to £52k a year
- NNDR: equates to £63.7k a year

6.3. Financial improvement plan

6.3.1. Duncombe

6.3.1.1. Despite the improved financial position, based on the ratified budgets and current government funding, it is likely that the school will return to a cumulative deficit by the end of the third year, 2025-26.

6.3.2. Montem

6.3.2.1. The school is currently unable to demonstrate a balanced budget by the end of the financial planning period, 2025-26. The school are developing budget scenarios in which to reduce the deficit.

6.3.2.2. In accordance with the Scheme for Financing Schools regulations, all Islington schools are required to submit budget reforecasts for financial years 2024-25 and 2025-26. This process will determine the latest position schools are anticipating to be at the end of the financial planning period. This will include updated Deficit Recovery plans to demonstrate each school's financial viability.

6.4. Financial outcome from delivery of the programme

The proposal provides an opportunity to create an amalgamated school with a balanced budget.

7. Location

7.1. Geographical location with nearest schools by distance

- 7.1.1. Based on the official reference points for each school, as used by School Admissions, there is only one primary school within 500m of Duncombe Primary School, as the crow flies – St Mark's.
- 7.1.2. Eight other Islington primary schools are located more than 500m but within 1km of Duncombe. Apart from Montem, these are: Christ the King, Ashmount, St John's Upper Holloway, Yerbury, Pooles Park, Whitehall Park and Grafton.
- 7.1.3. There are four primary schools within 500m of Montem Primary School – Pakeman, Grafton, Pooles Park and St Mark's.
- 7.1.4. There are another three primary schools located more than 500m but within 1km of Montem – Christ the King, Duncombe and Ambler.

7.2. Mapping of pupil home addresses

- 7.2.1. According to the Autumn 2023 census, more than 80 per cent of pupils at Duncombe and Montem Primary Schools attend the school that is closest to their home address.
- 7.2.2. More of the existing pupils at Montem and Duncombe live closer to the Duncombe site than Montem, with over 70 per cent within 1km of Duncombe school, compared to 61 per cent within 1km of Montem.
- 7.2.3. See Appendix 1 for maps plotting the location of each pupil.

7.3. Transport links

- 7.3.1. There are several bus stops very close to Duncombe school on Hornsey Road for the 91 (Crouch End – Trafalgar Square) and 210 (Finsbury Park – Brent Cross) bus routes. Bus stops for the 41 bus (Archway – Tottenham Hale) can be found a couple of hundred metres to the north along Hornsey Road. Slightly further away, Holloway Road is serviced by several other bus routes – the 17 (Archway – London Bridge), 43 (Friern Barnet – London Bridge) and 263 (Barnet Hospital – Highbury Barn).
- 7.3.2. The nearest train station to Duncombe is Upper Holloway, an eight minute walk away. Upper Holloway is on the London Overground network.
- 7.3.3. The nearest London Underground station to Duncombe is Archway, on the Northern line, which is about a 15-minute walk from the school.

- 7.3.4. Montem is situated close to a number of bus stops along Hornsey Road and Seven Sisters Road. These cover the following bus routes: 4 (Archway - Blackfriars), 29 (Lordship Lane – Trafalgar Square), 91 (Tottenham – Trafalgar Square), 153 (Finsbury Park – Liverpool Street), 253 (Hackney Central - Euston), 254 (Aldgate – Caledonian Road), and 259 (Edmonton Green – Pentonville Road).
- 7.3.5. The nearest London Underground station to Montem as the crow flies is Arsenal station on the Piccadilly line. However, due to the layout of the roads, it would take 22 minutes to walk to Arsenal. Finsbury Park is quicker to walk to, taking just 12 minutes. Finsbury Park is on the Victoria and Piccadilly lines and is part of the Thameslink and Great Northern rail networks. Montem is also within a mile of Holloway Road on the Piccadilly line and Upper Holloway station on the Overground.
- 7.3.6. All the walking times in the section above are based on estimates from Google Maps, with half a mile taking 12 minutes to walk.

7.4. Housing plan roadmap

- 7.4.1. Islington commission the GLA to produce our School Roll Projections. These are updated annually to meet the requirements of the DfE's statutory School Capacity Survey data collection. The GLA produce an overarching population model, which we then have the option of adjusting using the latest data on housing developments each year. Islington takes up this option each year, supplying the GLA with updates on the number of new properties that are due to be developed each year in the future, and confirming the number that have been completed in previous years. This information is provided at ward level. Therefore, our School Roll Projections always considers the latest housing development plans.

8. Air quality and congestion

8.1. Pollution

- 8.1.1. Since 2018, Islington Council has been measuring air pollution using diffusion tubes at all of the schools in the borough. The latest results available are for 2021. Across all schools, the average air pollution level for Nitrogen Dioxide (NO₂) was 22µg/m³. The average result for Duncombe in 2021 was lower than the average at 19µg/m³, a fall from 29µg/m³ in 2018. In 2018, Montem had one of the highest levels of NO₂ at 40 µg/m³. However, since 2018 the average for Montem has fallen by a third to 26 µg/m³ in 2021.
- 8.1.2. From March 2019, Duncombe has been part of the School Street Scheme. This is where a road with a school temporarily closes to become a pedestrian and cycle zone during the school's opening and closing times. By temporarily closing roads outside schools this will help to reduce congestion and pollution at the school gates as well as make it easier and safer for children to get to and from school.
- 8.1.3. Due to the location of Montem, it is not possible to introduce traditional School Street measures. In early 2023, a public consultation was held to deliver improvements to the environment outside Montem and Samuel Rhodes Primary Schools on Hornsey Road. Improvements were planned because of this consultation, including new trees and low-level planting beds, installing cycle parking, and widening the pavement outside the school. A new cycleway from the junction of Seven Sisters Road to the pedestrian crossing outside Montem and Samuel Rhodes Primary Schools was also proposed. Works began at the end of July and at the time of writing are ongoing.

8.2. Congestion

- 8.2.1. The School Street Scheme in place at Duncombe closes the road outside the school during the school's opening and closing times to reduce congestion.
- 8.2.2. The improvements being put in place outside Montem school also aim to reduce congestion by encouraging alternative methods of getting to the school.

9. Equality Impact Assessment

9.1. Summary findings from Equality Impact Assessment

- 9.1.1. Both schools have a high-level of free school meal eligibility at around 55% which is higher than the borough average of 41%.
- 9.1.2. Both schools have a significantly high-level of children with English as an Additional Language (over 65%) which is much higher than the borough average.
- 9.1.3. White-Turkish/Turkish-Cypriot, Asian-Bangladeshi, Black-Caribbean, Black-African and Other Ethnic Groups are statistically significantly over-represented at Duncombe.
- 9.1.4. White-Turkish/Turkish-Cypriot, Asian-Bangladeshi, Black-African and Other Ethnic Groups are statistically significantly over-represented at Montem.
- 9.1.5. There is a significant risk of disproportional impact on disadvantaged groups following any closure or amalgamation. This will need to be carefully assessed for the two school communities to ensure that the proposal does not disadvantage communities further and provides a strong viable school for the future of the communities impacted. Close working with both schools will be critical to mitigate and monitor this risk. Both schools have great strengths and expertise in bringing communities together and delivering strong outcomes for children that will be essential in this process.
- 9.1.6. An amalgamation would better mitigate the risk of disproportional impact because all pupils will be guaranteed a place in the amalgamated school, and parents will not need to take any actions to continue their children's education in a good community school. An amalgamation secures the school places for all and families will be supported throughout the process. Further, amalgamation provides the opportunity for pupils to stay with their friends and familiar staff.
- 9.1.7. As set out in section in section 7, there are another four community schools within 500m of Montem primary school. It would therefore be possible to further support those pupils and families who live to the South of Montem to attend an alternative good community school, should the Duncombe site be too far for any families who do not want to travel.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]


[REDACTED]

[REDACTED]

[REDACTED]

11. Risks and concerns

- 11.1. The schools themselves have identified some risks and concerns and there are others that we must consider before proposing an amalgamation or closure.
- 11.2. **Reliability of roll projection data** – the schools are concerned that data has been unreliable in the past, and inner-London numbers do fluctuate, and may not necessarily capture future policy housing policy changes or potential building developments. Whilst this is a real risk, existing pupil numbers are falling and are already not high enough. Our School Roll Projections always consider the latest housing development plans, and all analysis indicates that pupil numbers will continue to fall. Nevertheless, should pupil numbers unexpectedly increase, these could be accommodated in the amalgamated school, or in one of the other schools in the planning area, which all have surplus capacity.
- 11.3. **The future location of Samuel Rhodes Special Primary school.** If Montem school was to close following amalgamation with Duncombe Primary school, Samuel Rhodes would need to move to a new location, and this needs to be considered alongside any timetable for the amalgamation.
- 11.4. **Vacated school site being taken over by a new school** – schools are concerned that if Islington seeks permission from the Department for Education to dispose of a school site, it could then be taken over by an Academy Trust who can open a new school on the site. Our intention would be to utilise the vacated site for other educational related purposes and would not seek to dispose of the site.
- 11.5. **Complexity of one school being in a Federation with another school and the other not** – the schools have raised this concern as the schools have different governance and staffing structures and it is not clear what impact this would have on any organisational staffing changes. Should the proposal to amalgamate proceed as proposed staff at both Montem and Duncombe would then be subject to the same staffing consultation related to any organisational change and have equal opportunity in the process.
- 11.6. **Impact on the existing federation** – should the proposal to amalgamate proceed as recommended, the Edventure Federation would be dissolved as it would only have one school left within it.
- 11.7. **Managing larger pupil numbers in higher year groups** – from Year 2 upwards, a combined school would exceed two forms of entry and the amalgamated school would need a plan to manage this. Based on current pupil numbers, the amalgamated school would need to have 19 classrooms to accommodate all existing pupils. Both schools have sufficient classrooms and capacity to accommodate this. Both schools have leadership and teaching expertise to run a curriculum across 3 going to 2 Form Entry school.

- 11.8. 
- 11.9. **Loss of pupils** – there is a real concern that the uncertainty caused by making any proposed change could lead to a further decrease in pupil numbers. This is a real risk and needs to be considered. We will ensure that all interested parties are aware that no changes will happen in the current academic year.
- 11.10. **Impact on staff** – the schools are very concerned about the impact on staff well-being and mental health and the risk of losing good teachers during a period of uncertainty. The Local Authority will work on a plan with the leadership of the two schools to ensure a good level of support that works in each school's context is provided to both staff groups.
- 11.11. **How will a structure and design be developed for the proposed amalgamated school without a clear leadership structure** – it will be challenging to deliver a school design and organisational structure and manage the organisational change process without a defined and established leadership for the proposed school. There is no single overarching body or posts across both schools.
- 11.12. **Impact on other provision** – one school has an ARP and a special school co-located on site which would be impacted by these changes.
- 11.13. **Transparent decision-making process** – the schools raised concerns that the decision-making process may not be transparent. Each stage of the process can only proceed with approval from Islington's Executive and following an informal consultation and a representation period after any formal proposal is made. All parents, staff, pupils and any other interested party will have the opportunity to input into the consultation and representation period and we will arrange parent and community meetings where residents can question senior staff and Councillors.
- 11.14. A full risk analysis will be conducted should the proposal move forward.

12. Factors underpinning the recommendation

Key factors from the feasibility study were extracted and scored to inform the recommendation on which school site and which school name should be proposed for the amalgamated school. A panel of officers discussed and scored the factors for each school as set out in the table below.

Category	Number	Criteria	Duncombe Score	Montem Score
A. Building site and condition	A1	School has capacity to accommodate 420 pupils from R to Y6	3	3
A. Building site and condition	A2	School has capacity to accommodate existing pupil numbers from nursery up.	1	2
A. Building site and condition		School site meets minimum Gross Internal Floor Area (GIFA) requirement of 2,677 square metres for a two-form entry school with two nursery classes	2	3
A. Building site and condition		School has 20 individual classrooms	2	3

A. Building site and condition		School site has lift to all floors	0	1
A. Building site and condition		Building has double-glazing on all windows	1	0
B. Financial position and running costs		Ratified budget in May 2023 indicates school will end 2023-2024 with an in-year surplus	2	0
B. Financial Position and running costs		Ratified budget in May 2023 indicates school will end 2025-2026 with a surplus	0	0
C. Financial Position and running costs		EPC rating of E (minimum rating for commercial let)	2	2
D. Location		Percentage of Duncombe and Montem pupils that live within 1km of school site (<50%=0; 50-60=1;60-70=2;>70=3)	3	2
C. Location		School is only school in local area, with fewer than three other schools within	3	0

		500m of school location		
D. Air quality and congestion		Nitrogen Dioxide (NO ₂) levels are in top quartile of all Islington schools for the lowest annual mean readings (between 17 and 20µg m ⁻³)	2	0
E. Ofsted		Ofsted rating of 'good'	2	2
Total			23	18

The scoring key:

0	The school does not meet the criteria
1	The school partially meets the criteria
2	The school meets the criteria in full
3	The school exceeds the criteria

13. Recommendation

13.1.1. Based on the feasibility study, our recommendation is that we consult on a proposal to amalgamate Duncombe and Montem Primary Schools on the Duncombe site and keep the Duncombe name and Ofsted number.

13.1.2. We do not believe closure of either school would be in the best interests of the children or school communities. Closing one school creates a significant risk that the displaced pupils may not have a school place after the school is closed, as we are not permitted

to automatically enrol pupils in another school. Closure of one school would also result in one staff group being made redundant.

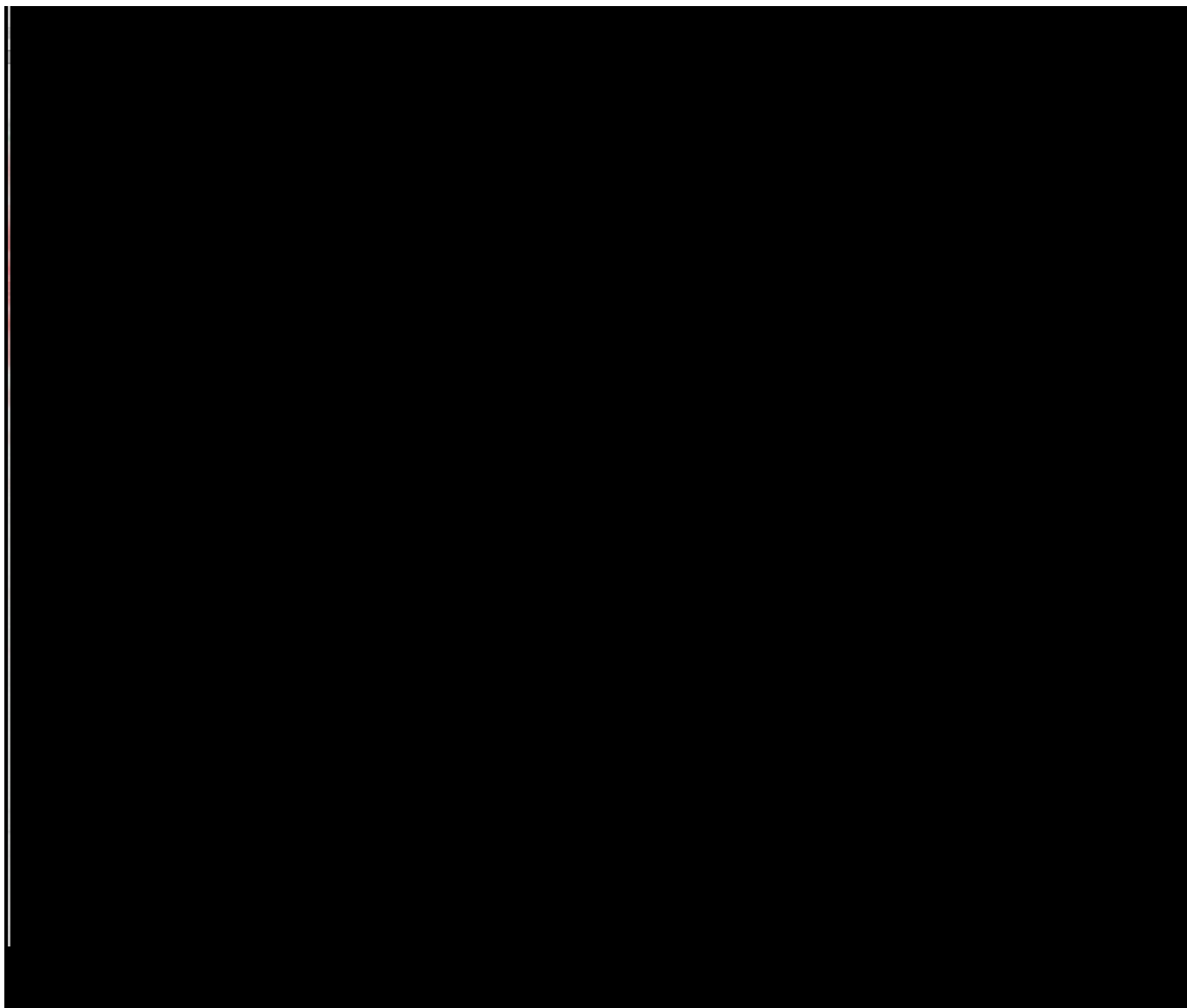
- 13.1.3. We are recommending an amalgamation due to the high levels of vulnerable and disadvantaged pupils attending both schools. Amalgamation will ensure all existing pupils will be guaranteed a place at the amalgamated school and will not be required to apply for another school place.
- 13.1.4. Amalgamation will also bring benefits to staff at both schools whose roles will be ring-fenced, and their culture and teaching practices included in the amalgamated school. Montem leadership and staff have expertise of working across two schools and the delivery of a flexible curriculum model that will support the delivery of a multi-form-entry school.
- 13.1.5. We are recommending the Duncombe site for the amalgamated school because of these key factors:
- More pupils from both schools live nearest to Duncombe
 - Air pollution and traffic congestion is lower in the Duncombe area
 - Montem has more neighbouring schools than Duncombe meaning there are more alternative options for any parent with children currently at Montem who may not want to travel to Duncombe, compared to the options for parents with children at Duncombe
- 13.1.6. We are recommending that the proposal includes keeping the Duncombe school name and Ofsted number as this would ensure the newly amalgamated school will not start with an enhanced deficit at the point of amalgamation. This would safeguard the financial position of the school and help secure the school's long-term future. At the point of amalgamation, the deficit budget of the closing school would revert to the Local Authority. By technically closing Montem which has a projected deficit, this would provide a more secure start for the amalgamated school as it would start without a deficit budget.

Appendix 1: pupil residences

Duncombe Pupil residences based on January 2023 school census

Legend

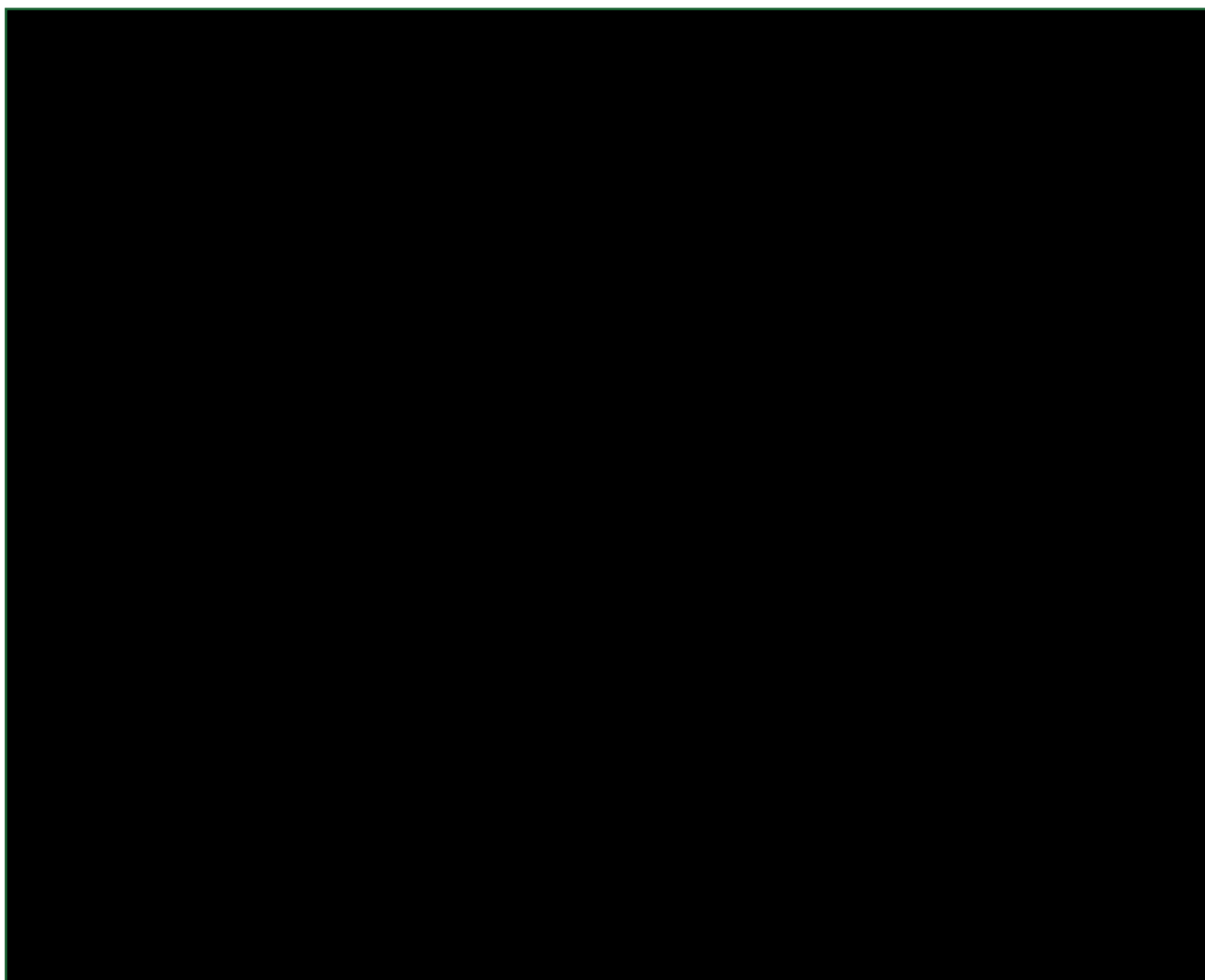
- Duncombe School
- Pupil residence (size of circle relates to number of pupils) Islington boundary
- Other LAs boundaries



Montem Pupil residences based on January 2023 school census

Legend

- Montem School
- Pupil residence (size of circle relates to number of pupils) Islington boundary
- Other LAs boundaries



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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 amalgamate Duncombe and Montem Primary Schools
Reference number (if applicable)	N/A
Service Area	Children's Services
Date assessment completed	21 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 schools 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 amalgamate Duncombe Primary School and Montem Primary School.

Duncombe and Montem Primary Schools are in the Hornsey area which is the area with the highest vacancy rate in Islington. In October 2022, there was a surplus capacity of 23% in

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

reception in the Hornsey planning area, which increased to a surplus capacity of 32% in October 2023.

Montem and Duncombe are both based in large Victorian school buildings designed for more pupils than they currently accommodate. Both schools have had deficit budgets for several years.

Both schools have experienced a significant roll drop in recent years, and without more pupils will not be financially sustainable in the longer-term.

Montem and Duncombe are situated just over half a mile apart and within walking distance from each other.

When closing a school, we must follow statutory guidelines ([Opening and closing maintained schools](#)). 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.

Duncombe and Montem schools are both in danger of becoming not viable as they have surplus places and no predicted increase in demand in the medium to long-term.

We believe amalgamating Duncombe and Montem – in effect closing Montem Primary School – will ensure their long-term viability.

Amalgamating the two schools would bring together the strengths of both and enable us to maximise Duncombe's large Victorian site.

We are proposing that Duncombe remain a two-form entry school with capacity for three-forms of entry in higher year groups to ensure that every child currently attending both schools will be guaranteed a place in the amalgamated school.

A full feasibility study was completed to determine which of the two sites would be the best option for the amalgamated school based on a range of factors including buildings, their location and impact on pupils and families given the walking distance to the school for pupils. Both schools were scored by separate officers and the study determined that:

- both sites are suitable for an amalgamated school and can accommodate the required pupil numbers
- both schools are in deficit but Duncombe is now projected to be in surplus this financial year and is cheaper to run than Montem
- more pupils from both schools live within 1km of the Duncombe site and there are more neighbouring schools near Montem
- the air quality is better at and there is less congestion at Duncombe

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

It is for these reasons that we are proposing Duncombe as the site of the amalgamated school.

The first stage to the proposal was to complete an informal consultation which we ran for five weeks from 15 November to 20 December 2023. This asked for comments and views on a proposal to amalgamate Duncombe and Montem Primary Schools on 31 August 2024.

The proposal was published on our consultation site, [Let's Talk Islington](#), and translated versions of the proposal were provided in Arabic, Bengali, Somali, and Turkish. We held seven meetings for parents and carers and a public meeting members of the local community. Respondents were also invited to send comments and questions to a dedicated mailbox, schoolconsult@islington.gov.uk.

We received 786 responses to the online consultation and eight comments by email. Over 400 attended the parent and carers meetings at Duncombe and Montem and the community meeting held at Arts and Media School.

We are recommending that the proposal move to the next stage and that Islington Council issue a formal proposal to amalgamate Duncombe and Montem Primary Schools.

There was a high-level engagement with the first stage consultation process, with 778 respondents completing the online consultation questionnaire and over 400 people attending the consultation meetings.

75% disagreed or strongly disagreed with the proposal. The main themes emerging from the consultation were concerns that the amalgamation appeared to be a takeover of one school over the other and that the proposed timeframe for implementing the proposal was too short, with not enough time for an adequate staffing reorganisation, or to adequately support children with transitioning from one school site to the other.

The proposal will also affect the Edventure Collaborative which would need to be dissolved and a new governing board established for Drayton Park Primary School.

We are recommending that the proposal proceed with an implementation date of 31 August 2024 due to the financial risks of a delay and to reduce the period of uncertainty a longer timeframe would cause.

Whilst we understand the anxiety caused by the proposal and the opposition to it, we must take immediate action to reduce the surplus capacity in the local area, and to tackle the growing deficit budgets. We will provide additional resource to support the transition, including a SEND transition plan for those children with special educational needs or an EHC Plan. We will also recommend the schools convene a parent group to support the transition.

We will endeavour to offer individual support to children and families on a case-by-case basis. Where children have an EHC Plan, we will need to amend and review those plans based on the change of school location. We do not anticipate any systemic challenges to this work.

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

Issuing a formal proposal will provide certainty and allow preparatory work for implementing the amalgamation to move forward, including completing a staffing organisation plan and staffing consultation, curriculum planning, and delivery of the SEND transition plan.

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.

The intended beneficiaries of this proposal are the current and future pupils at Duncombe and Montem who will all be guaranteed a place in the amalgamated 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 school staff at Duncombe and Montem Primary Schools.

The proposal will change where current and future pupils from Montem Primary School attend school, potentially leading to stress and anxiety for pupils and families. The proposal would also impact on staff currently working at Duncombe and Montem Primary schools as it would potentially lead to staff redundancies. Some staff at Drayton Park Primary School (which is in a federation with Montem Primary School) may also be affected by this proposal.

The latest available information from the annual School Workforce Census indicates that in November 2022 there were:

- 54 staff working at Duncombe Primary School (46.17 FTE)
- 46 staff working at Montem Primary School (34.59 FTE)

These figures include both teachers and support staff.

The proposal is likely to have an impact on staff. Should Duncombe and Montem amalgamate, there would be a staffing review and redundancies could be possible.

If the formal proposal to amalgamate Duncombe and Montem Primary Schools proceeds, our Schools' HR team will support both schools with a staffing reorganisation process including a separate staffing consultation. Schools HR will support all staff during the consultation and in the event of any redundancies. This will include group workshops with staff – such as interview preparation and CV-writing workshops - and individual one-on-one sessions as required.

The proposals will impact pupils at Duncombe and Montem Primary Schools as only the Duncombe site will remain in use, meaning pupils from Montem will need to relocate to another. At the October 2023 census, Montem had 325 pupils on roll from Nursery to Year 6 and Duncombe 344 pupils. The pupils at Duncombe will also be affected by the proposal as new pupils will move to their school and class groups may need to be re-configured.

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

Duncombe and Montem both have a similar proportion of male and female students to the primary borough average (49% female, 51% male).

	Islington Primaries	Duncombe	Montem
Male	51.3%	51.2%	51.7%
Female	48.7%	48.8%	48.3%

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

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

Free School Meal eligibility

Across all Islington primary schools, 41.9% of pupils were eligible for Free School Meals as at October 2023. Islington tends to have relatively high levels of Free School Meal eligibility compared to other boroughs, with the third highest proportion of primary pupils eligible in the country in most recent comparator figures (based on January 2023 data). Duncombe and Montem both have higher levels of Free School Meal eligibility than the Islington average.

	Islington Primaries	Duncombe	Montem
% FSM eligible	41.9%	54.9%	58.2%

Special Educational Needs

Across Islington primary schools, 16.6% of pupils were at the 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). 5.0% of Islington primary school pupils had an EHCP. Therefore, 21.3% of Islington primary school pupils were known to have Special Educational Needs. Duncombe and Montem both have higher proportions of pupils with Special Educational Needs than the Islington average. The table shows percentages based on all classes, including nursery.

	Islington Primaries	Duncombe	Montem
SEN Support	16.6%	16.6% (57)	17.2% (56)
EHCP	5.0%	6.1% (21)	7.7% (25)
Total SEN	21.5%	22.7%	24.9%

English as an Additional Language

39.4% of Islington's primary school pupils had English as an Additional Language (EAL) in October 2023. Duncombe and Montem both had significantly higher proportions of pupils with EAL than the Islington average.

	Islington Primaries	Duncombe	Montem
% EAL	39.4%	65.5%	75.1%

Ethnicity

- Compared to the average across all Islington primary schools:

	Islington Primaries	Duncombe	Montem
White-British	26.2%	11.3%	7.0%
White-Turkish	4.0%	9.3%	10.2%
White-Other	13.7%	10.3%	11.5%
Kurdish	0.7%	0.3%	0.3%

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

Asian-Bangladeshi	5.3%	8.2%	9.6%
Asian-Other	1.9%	1.5%	1.9%
Black-Caribbean	4.2%	7.2%	3.8%
Black-African	14.6%	24.2%	28.0%
Black-Other	1.7%	1.3%	1.6%
Mixed - White & Black-Caribbean	4.2%	6.2%	4.1%
Mixed-Other	15.2%	9.8%	12.1%
Chinese	1.5%	0.0%	0.6%
Other	6.4%	10.3%	9.2%
Not stated / refused	1.4%	0.3%	0.0%

Pupil residence

- The pupils on roll at Duncombe are predominantly from the Hillrise and Tollington wards within Islington.
- The pupils on roll at Montem are predominantly from the Finsbury Park and Tollington wards within Islington.

Religion

Data on religion is not collected in the School Census.

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 Duncombe and Montem Primary Schools, 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 and for those who will have new children joining their school and existing classes.</p>	All pupils at Duncombe and Montem will be guaranteed a place in the amalgamated school.

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 both schools are less than half-a-mile apart.</p>	<p>Montem has Additionally Resourced Provision for pupils with SEND. This would need to be re-provisioned at another school and children moved accordingly. This will impact approximately eight children.</p> <p>The SEND team will work with individual children and their parents/carers to support their transition, and additional resource will be provided to create the capacity for this support.</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?
Race or ethnicity	Positive and Negative	<p>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.</p> <p>The following ethnic groups are statistically significantly over-represented at Duncombe and Montem compared to the borough overall:</p> <ul style="list-style-type: none"> • White-Turkish/Turkish-Cypriot, Asian-Bangladeshi, Black-Caribbean, Black-African and Other Ethnic Groups at Duncombe • White-Turkish/Turkish-Cypriot, Asian-Bangladeshi, Black-African and Other Ethnic Groups at Montem <p>The following ethnic groups are statistically significantly under-represented at Duncombe and Montem compared to the borough overall:</p>	<p>We mitigated this by offering in-person meetings at all schools and sharing the proposal with parents directly and translating the proposal document into the most common second languages. We also arranged a dedicated meeting for parents with Bengali, Somali, and Turkish interpreters.</p> <p>The amalgamation could help to strengthen community bonds, as two school communities are brought together.</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?
		<ul style="list-style-type: none"> • White-British and Mixed-Other at Duncombe • White-British at Montem <p>As all schools have a particularly 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.</p>	
Religion or belief (include no faith)	Neutral	Duncombe and Montem are non-religious schools.	Duncombe school welcomes students from diverse communities and faiths.

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?
Gender and gender reassignment (male, female, or non-binary)	Neutral	There should not be any difference in the impact on different genders. All affected schools and neighbouring schools are mixed gender.	
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 the proposal and given the opportunity to participate in all and any staff consultations. This will be managed by our HR services in consultation with the school leadership teams.

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>All affected schools have relatively high levels of Free School Meal eligibility, which is higher than the borough average.</p>	<p>Pupils will be guaranteed a place in the amalgamated school and supported with any application to move to another Islington primary school.</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 pupils will have continued access to Ofsted rated 'Good' local provision following the amalgamation.

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.

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 particular 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 schools.

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 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 implement any significant change to a school, or as is described in regulations as a 'prescribed alteration,' 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 or amalgamation.

The first stage is an informal consultation which ran from 15 November to 20 December 2023. Any person could their views on the proposal to amalgamate Duncombe and Montem Primary Schools. 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 consultation period when anyone can submit their views.

At the end of this consultation 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

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	<i>Matthew Beevor</i>	21 December 2023
Fairness and Equality Team	Charlton Brown	C C Brown	24/01/2024
Director or Head of Service	Alison Cramer	A Cramer	24/01/2024

Statutory Proposal to Amalgamate Duncombe Primary School and Montem 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 Montem Primary School on 31 August 2024.

- **Name, address, and category of school proposed to be discontinued:** Montem Primary School, Hornsey Road, Finsbury Park, Islington N7 7QT
- **Date on which it is proposed to close the school:** 31 August 2024

Reason for closure of Montem Primary School

The proposal is due to a fall in pupil numbers and the associated impact on the future viability of the school. Duncombe and Montem Primary Schools have been acutely impacted by reduced pupil demand in the area.

The school organisation proposal is to amalgamate (merge) Duncombe and Montem Primary Schools, bringing together the identities and strengths of both schools under one roof.

The amalgamation would mean these schools merging to operate from a single site, enabling them to make the best use of the staff expertise, while securing the merged school's financial future.

Under the proposal, Duncombe Primary School would remain a two-form entry school. A maximum of 60 pupils would be admitted to Reception classes in the merged school from September 2024. All existing children would be offered a place within the merged school.

This notice is an extract from the full proposal, details of which are published online at <https://www.letstalk.islington.gov.uk/duncombe-and-montem>

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: Duncombe and Montem Proposal, Compton Room, Laycock Centre, Laycock Street, London N1 1TH

The closing date for responses is **Thursday, 21 March at 11.59pm**.

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Children's Services
222 Upper St
London N1 1XR

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

Meeting of: Executive

Date: 8 February 2024

Ward(s): Borough-wide

Admission to Islington Community Schools 2025-26

1. Synopsis

- 1.1. The School Admissions Code, 2021 requires all admission authorities to determine their admission arrangements by **28 February 2024** for admission in **2025-26**.
- 1.2. Admission authorities must publish a copy of the determined admission arrangements on their website by **15 March 2024**. Where an admission authority has determined a Published Admission Number (PAN) that is higher than in previous years, they must make specific reference to the change on their website.
- 1.3. Admission authorities need only consult every seven years, unless substantial changes are being proposed to the arrangements made following the previous consultation. Where substantial changes are proposed, the consultation period must be for a minimum of six weeks running between **1 October 2023 and 31 January 2024**.
- 1.4. As changes to primary admission numbers are being proposed, a consultation took place between **20 October** and **1 December 2023**.
- 1.5. This report outlines proposals and recommendations for the co-ordination of, and arrangements for Primary and Secondary Transfer and local protocols for the management of in-year applications to Islington primary and secondary schools.

2. Recommendations

- 2.1. To agree the co-ordinated schemes and timetables for admission to Islington primary, secondary schools, and academies in 2025-26, and in-year admission protocols for 2025-26 as set out in **Appendices 1, 4, and 7**.
- 2.2. To agree the policy and oversubscription criteria for admission to community primary and secondary schools and Highbury Fields Sixth Form for 2025-26 as set out in **Appendices 2, 5, 8 and 9**.
- 2.3. To agree the admission numbers for Islington community primary and secondary schools and for external applicants to Highbury Fields Sixth Form for 2025-26 as set out in **Appendices 3, 6 and 10**.

3. Background

- 3.1. All admission authorities must consult others locally before determining their admission arrangements.
- 3.2. Admission authorities must consult every seven years, unless substantial changes are being proposed to the arrangements made following the last consultation.
- 3.3. Where significant changes are proposed, admission authorities must:
 - consult on their proposed arrangements by **31 January** in the determination year
 - allow at least a 6-week period for consultation
 - in light of consultation, determine their admission arrangements by **28 February** in the determination year
 - publish the determined admission arrangements on their website by **15 March** in the determination year.
- 3.4. All admission authorities must determine admission arrangements by **28 February** even if they have not changed from the previous years and a consultation has not been required.
- 3.5. Therefore, the Executive is required to agree the admission arrangements and admission numbers for all Islington community primary and secondary schools, and Highbury Fields Sixth Form for admission in 2025-26 and local protocols for in-year admissions in 2025-26.

CONSULTATION

- 3.6. All local authorities are required, by section 88M of the School Standards and Framework Act 1998, and the Co-ordination Regulations, to have in place a scheme each year for co-ordinating admissions arrangements for maintained schools within their area.
- 3.7. The School Admissions Code requires every local authority to draw up a scheme for maintained schools which ensures that every parent living in the local authority area applying for a place in the normal round receives the offer of one, and only one school place.

- 3.8. It also requires local authorities to provide a common application form and that it is made available to every resident in its area. Consultation must relate to admission arrangements. It must therefore include:
- The admissions policy
 - The procedures and timing for applications
 - Proposed admission numbers
 - Details of over-subscription criteria and how they will be applied.
- 3.9. The School Admissions Code imposes mandatory requirements, and provides guidance to local authorities and admitting authorities, for achieving good practice in setting oversubscription criteria to ensure admission arrangements are fair and transparent to all children and their families and promote social equity. The Code also details oversubscription criteria that are considered unlawful.
- 3.10. Any objections to the admission arrangements for 2025-26 must be referred to the Schools' Adjudicator by **15 May 2024**.
- 3.11. Local authorities must formulate and publish on their website a coordination scheme for all publicly funded schools within their area by **1 January** in the relevant determination year.
- 3.12. Where the scheme is substantially different from the scheme adopted the previous academic year, the local authority must consult the other admission authorities in the area and where relevant, any other local authority it determines.
- 3.13. Where the scheme has not changed from the previous year, there is no requirement to consult, subject to the requirement to consult at least once every seven years, even if there have been no changes during this period.
- 3.14. As changes to the admission number of three community primary schools are proposed, consultation took place between **20 October and 01 December 2023**.
- 3.15. The consultation paper and link to the response form were published for six weeks on [Islington Council's website](#) as a project on the 'Let's Talk Islington' microsite. The project was entitled '**Consultation on Proposed Admission Arrangements for Islington Community Schools 2025-26**' and received **529** visits to the webpage. Of these, **118** engaged with an aspect of the project, with **78** downloads of related documents over the consultation period. **14** participants provided a written response.
- 3.16. The consultation was also circulated to all London local authorities, Diocesan representatives and all Islington Childminders, Early Years Providers, primary and secondary schools. No responses were received through these channels.
- 3.17. A breakdown of the **14** written responses received was as follows:

Education professional	3
Unknown	11

A summary of consultation responses is provided in **Appendix 11**.

SECONDARY SCHOOL ADMISSION ARRANGEMENTS 2025-26

A. Coordinated scheme for admission to secondary school 2025-26

- 3.19. The high level of applications to schools outside the child's home local authority (and the requirement for eradicating multiple offers) means there is a need to co-ordinate admissions across the 33 London authorities.
- 3.20. A computer-based Pan-London Admissions System enables this co-ordination to take place. The effectiveness of this system is contingent on the adoption of a common set of procedures across London authorities. Many elements of the scheme must be common to all London authorities to ensure effective Pan-London arrangements.
- 3.21. Once all applications are duly processed, arrangements for waiting lists and residents without a school place are for local determination. These arrangements must, however, be made in accordance with the mandatory provisions of the School Admissions Code, 2021.
- 3.22. The consultation sought views on the proposed coordinated scheme for admission to secondary school in **2025-26**.
- 3.23. No changes to Islington's existing scheme were proposed. The scheme and timetable for 2025-26 are set out in **Appendix 1**. (*Please note that although Arts and Media School, Islington is technically its own admission authority, the school has asked the local authority to treat it as community school for the purpose of school admissions*).

Consultation Responses (Question 1)

- 3.24. Eleven respondents agreed with the proposed secondary scheme and timetable, while three respondents disagreed. No reasons were given for opposing the secondary scheme and timetable.

RECOMMENDATION

- 3.25. To agree the co-ordinated scheme and timetable for admission to Islington secondary schools and academies in **2025-26** as outlined in **Appendix 1**.

B. Policy and oversubscription criteria for admission to community secondary schools 2025-26

- 3.26. There is no requirement for admission authorities within a local area's coordinated scheme to operate the same over-subscription criteria. Admission authorities must therefore set and apply their own admission criteria.
- 3.27. The School Admissions Code 2021 requires admission authorities to set out the criteria against which places at each school will be allocated in the event of more applications being received than there are places available.
- 3.28. Some oversubscription criteria are mandatory, for example all admission authorities are required to give highest priority to looked-after children and all previously looked-after children.

- 3.29. Other criteria are at the admission authority's discretion, so long as they comply with all relevant legislation, including equalities legislation, and are reasonable, clear, objective, and procedurally fair.
- 3.30. Islington council seeks to ensure that its admission criteria enable residents to secure a local school place should they so wish. Prioritising siblings also supports family management, good attendance, and punctuality.
- 3.31. Our criteria for admission to community secondary schools have remained substantially unchanged for several years, save technical amendments to clarify definitions or implement required changes resulting from revisions to the School Admissions Code.
- 3.32. The council's existing criteria for admission to community secondary schools:
- **Criterion 1: Looked-after and previously looked after children** - Children who are in the care of a local authority in England and children who have been adopted or made subject to a child-arrangements order or special guardianship order immediately after being looked-after, including those who appear to have been in state care outside of England.
 - **Criterion 2: Sibling** - A sibling is defined as a brother or sister, half brother or sister, stepbrother or sister or adopted brother or sister whose main residence is at the same address. This criterion will apply to applicants with a sibling living at the same address who is on the roll of the preferred school (Years 7 to 11), or co-located Special School, at the time of determined admission in the new academic year.
 - **Criterion 3: Exceptional Social, Medical or Special Educational Needs** - The Director of Children's Services, on an individual basis, may give priority to applicants who can demonstrate that admission to a particular school is necessary on the grounds of professionally supported exceptional medical, social, or special educational needs. Parents/carers must supply details of any such special factors at the time of the original application (together with recent supporting documentation), to enable these factors to be considered.
 - **Criterion 4: Distance** - Applicants who live nearest to the preferred school. Nearness to the school will be determined by a computerised mapping system using a straight-line distance measurement. Routes will be calculated from the home address (as defined by the Land and Property Gazetteer) to the midpoint of the school grounds (as determined by Islington Local Authority).
- 3.33. Officers have reviewed existing arrangements to assess whether Islington's oversubscription criteria for admission to community secondary schools continue to provide residents with equitable access to local schools as set out above. An analysis of the proportion of children admitted under each of the community school oversubscription criteria over the last three years was undertaken.
- 3.34. Our expectation is that most applicants will be admitted under the distance criterion, followed by admissions under the sibling criterion. Given that requests for consideration under the social-medical criterion should only be agreed in exceptional

circumstances, the expectation is that relatively few applicants will be prioritised for admission under this criterion.¹

- 3.35. **Table 1** overleaf summarises the findings of the analysis and confirms that over a three-year period, Islington's criteria for admission to community secondary schools are operating as intended, with most applicants being admitted under the distance criterion, followed by the sibling criterion.
- 3.36. The figures also confirm that offers made under the social-medical criterion remain 'exceptional' as intended, with an average of only 0% of applicants being offered a school place under this criterion over the three-year period.
- 3.37. In conclusion, the criteria for admission to Islington community secondary schools appear to be effective in securing fair access for eligible residents. No changes to the existing criteria are therefore proposed.
- 3.38. The consultation sought views on the proposed policy and oversubscription criteria. No changes were proposed.

Consultation Responses (Question 2)

- 3.39. Eleven respondents agreed with the proposed secondary admissions policy and oversubscription criteria, while three respondents disagreed. No reasons were given for opposing the secondary admissions policy and oversubscription criteria.
- 3.40. **RECOMMENDATION**
To agree the admissions policy and oversubscription criteria for admission to Islington community secondary schools in 2025-26 as outlined in **Appendix 2**.

¹ Please note that the 'looked after and previously looked after children' criterion has not been included in the analysis as it is mandatory for eligible children to be given top priority in admission arrangements.

Table 1: Breakdown of criteria offers for secondary community schools over last three years

Year of Secondary transfer	Community school places available	Number of offers for Community Schools	Number of offers made under the sibling criterion	Percentage of offers made under the sibling criterion	Number of offers made under the Exceptional Social Medical Criterion	Percentage of offers made under the Exceptional Social Medical Criterion	Number of offers made under the Distance Criterion	Percentage of offers made under the Distance Criterion
2020-21	590	590	116	20%	3	1%	350	59%
2021-22	590	590	107	18%	2	0%	381	65%
2022-23	590	590	131	22%	4	1%	343	58%
Average	590	590	118	20%	3	1%	358	61%

Please note - percentages have been rounded to the nearest whole; offers are as at National Offer Day.

C. Community secondary school admission numbers 2025-26

- 3.41. The local authority must publish admission numbers for secondary schools within its admission arrangements. Published numbers must take account of the school's net capacity as determined by the Department for Education (DfE) formula. Schools must be consulted before deciding their admission number.
- 3.42. Islington's school roll projections are based on a combination of local intelligence (e.g., housing developments with planning approval, pupil roll and demographic changes), and trend data provided by the Greater London Association (GLA) that incorporate national and regional developments, including inward and outward migration. To date, these projections have proved reliable and have supported the Council in making the most efficient use of its resources.
- 3.43. In line with population falls across Inner London, our latest evidence on births, health visiting and GP registrations (of children under 12 months), indicate that a year-on-year reduction in births across the local area is likely to remain an ongoing trend.
- 3.44. The impact of falling primary rolls is beginning to work its way through into the secondary phase. For the first time, Islington secondary school rolls fell in 2022/23 following gradual rises in previous years as falling rolls.
- 3.45. School census data for Autumn 2023 indicates that actual secondary school rolls are falling at a faster rate than projected, with provisional figures indicating there to be 100 fewer pupils than estimated in our previous projections.
- 3.46. A series of PAN reductions across the secondary estate have already been actioned. These include reductions to the admission number of Arts and Media School, Islington from 180 to 150 and Beacon High from 180 to 120. In addition, the City of London Multi-Academy Trust has reduced the admission number of City of London Academy, Highbury Grove from 240 to 210 for entry in September 2024.
- 3.47. While these reductions have supported the management of surplus capacity across the secondary estate, the proportion of unfilled places in the current Year 7 cohort stands at 16%. This figure is above both the DfE recommendation of 5% surplus capacity and 10% vacancy rate that most local authorities across London work towards.
- 3.48. Despite reducing its Published Admission Number (PAN) in 2020, Arts and Media School, Islington continues to hold significant numbers of unfilled Year 7 places with the three-year trajectory suggesting further increases to the school's vacancy rate as outlined in **Table 2** below.
- 3.49. As a result, in agreement with the school's governing body it is proposed to reduce the Year 7 admission number from 150 to 120 for entry in September 2025. This will support the school with managing their resources more effectively within their funding allocation.

Table 2: Vacancy rate at Arts and Media School, Islington over last three years

School	PAN 2023	Offers 2021	Offers 2022	Offers 2023
Arts and Media School, Islington	150	129	110	90
Number of unfilled places		21	19	20
Vacancy rate		14%	15%	18%

3.50. We are also aware that other schools that are their own admission authority are consulting on proposals to reduce their Year 7 admission number as outlined in **Table 3**. These include City of London Academy, Highbury Grove (from 210 to 180); St Aloysius' College (from 180 to 150) and St Mary Magdalene Academy (from 210 to 180), removing a further 90 places from the secondary estate.

Table 3: Proposed secondary school admission numbers 2025-26

School	Published Admission Number (PAN) 2024-25	Proposed Admission Number (PAN) 2025-26
Arts and Media School Islington ²	150	120
Beacon High	120	120
Central Foundation Boys' School	180	180
City of London Academy, Highbury Grove	210	180
City of London Academy, Highgate Hill	140	140
City of London Academy, Islington	165	140

² Please note that although Arts and Media School, Islington is technically its own admission authority, the school has asked the local authority to treat it as community school for the purpose of school admissions.

School	Published Admission Number (PAN) 2024-25	Proposed Admission Number (PAN) 2025-26
Elizabeth Garrett Anderson School	180	180
Highbury Fields School	140	140
St Aloysius' College	180	150
St Mary Magdalene Academy	210	180
Total number of secondary school places	1,675	1,530

3.51. These proposals will further support the efficient management of secondary school places across Islington, while providing the flexibility to respond to changes in the school age population. Should the birth rate rise unexpectedly, and additional secondary capacity be required, the decommissioned places could be brought back into immediate use at no extra cost.

3.52. The consultation sought views on proposals for the admission numbers of Islington secondary community schools for entry in 2025-26 outlined in **Table 3**.

Consultation Responses (Question 3)

3.53. Nine respondents agreed with the proposed secondary community school admission numbers, while four disagreed with the proposals. One respondent did not provide a view. No reasons were given for opposing the secondary admission numbers for community schools.

RECOMMENDATION

3.54. To agree the admission numbers for Islington secondary community schools in 2025-26 as outlined in **Appendix 3**.

PRIMARY SCHOOL ADMISSION ARRANGEMENTS 2025-26

D. Coordinated scheme for admission to primary school 2025-26

3.55. The high level of applications to schools outside the child's home local authority (and the requirement for eradicating multiple offers) means there is a need to co-ordinate admissions across the 33 London authorities.

3.56. A computer-based Pan-London Admissions System enables this co-ordination to take place. The effectiveness of this system is contingent on the adoption of a common set of procedures across London authorities. Many elements of the scheme

must be common to all London authorities to ensure effective Pan-London arrangements.

- 3.57. Once all applications are duly processed, arrangements for waiting lists and residents without a school place are for local determination. These arrangements must, however, be made in accordance with the mandatory provisions of the School Admissions Code, 2021.
- 3.58. The consultation sought views on the proposed coordinated scheme for admission to primary school in **2025-26**.
- 3.59. No changes to Islington's existing scheme were proposed. The scheme and timetable for 2025-26 are set out in **Appendix 4**.

Consultation Responses (Question 4)

- 3.60. Eleven respondents agreed with the proposed primary admission scheme and timetable, while three respondents disagreed with the proposals. No reasons were given for opposing the proposals.

RECOMMENDATION

- 3.61. To agree the co-ordinated scheme and timetable for admission to Islington primary schools and academies in **2025-26** as outlined in **Appendix 4**.

E. Policy and oversubscription criteria for admission to community primary schools 2025-26

- 3.62. There is no requirement for admission authorities within a local area's coordinated scheme to operate the same over-subscription criteria. Admission authorities must therefore set and apply their own admission criteria.
- 3.63. The School Admissions Code requires admission authorities to set out the criteria against which places at each school will be allocated in the event of more applications being received than there are places available.
- 3.64. Some oversubscription criteria are mandatory, for example all admission authorities are required to give highest priority to looked-after children and all previously looked-after children, including those who appear to have been in state care outside of England.
- 3.65. Other criteria are at the admission authority's discretion, so long as they comply with all relevant legislation, including equalities legislation, and are reasonable, clear, objective, and procedurally fair.
- 3.66. The council also seeks to ensure that its admission criteria enable residents to secure a local school place should they wish. Prioritising siblings as an admission criterion also supports family management, good attendance, and punctuality.
- 3.67. Islington's criteria for admission to community primary schools have remained substantially unchanged for several years, save technical amendments to clarify definitions or implement required changes resulting from revisions to the School Admissions Code.

- 3.68. Islington's existing criteria for admission to community primary schools are considered in the following order of priority:
1. **Looked-after and previously looked after children:** Children who are in the care of a local authority in England and children who have been adopted or made subject to a child-arrangements order or special guardianship order immediately after being looked-after, including those who appear to have been in state care outside of England.
 2. **Sibling:** A sibling is defined as a brother or sister, half-brother or sister, step-brother or sister or adopted brother or sister whose main residence is at the same address. This criterion will apply to applicants with a sibling living at the same address who is on the roll of the preferred school (Years 7 to 11), or co-located Special School, at the time of proposed admission in the new academic year.
 3. **Exceptional Social, Medical or Special Educational Needs:** The Director of Children's Services, on an individual basis, may give priority to applicants who can demonstrate that admission to a particular school is necessary on the grounds of professionally supported exceptional medical, social, or special educational needs.
 4. **Distance:** Applicants who live nearest to the preferred school.
- 3.69. Officers have reviewed existing arrangements to assess whether Islington's admission criteria for community primary schools continue to provide residents with equitable access to local schools as set out above. An analysis of the proportion of children admitted under each of the community school oversubscription criteria over the last three years was undertaken.
- 3.70. Our expectation is that most applicants will be admitted under the distance criterion, closely followed by admissions under the sibling criterion in the primary phase. Given that requests for consideration under the social-medical criterion should only be agreed in exceptional circumstances, the expectation is that relatively few applicants will be prioritised for admission under this criterion. *(Please note that the 'looked after and previously looked after children' criterion has not been included in the analysis as it is mandatory for eligible children to be given top priority in admission arrangements).*
- 3.71. **Table 4** summarises the findings of the analysis and confirms that over a three-year period, Islington's criteria for admission to community primary schools are operating as intended, with most applicants being admitted under the distance criterion, followed closely by the sibling criterion that supports family management of young children.
- 3.72. Although the proportion of sibling offers is much higher at primary than at secondary, this is unsurprising as the aim of the sibling criterion is to support families with young children in managing the school journey most effectively. At secondary, children are more likely to travel to school independently and therefore being offered a place at the same school as an older sibling is less important.

Table 4: Breakdown of criteria offers for primary community schools

Year of entry	Community school places	Offers for community schools	Number of offers under Sibling Criterion	Number of offers made under the sibling criterion	Percentage of offers made under the sibling criterion	Number of offers made under the Exceptional Social Medical Criterion	Percentage of offers made under the Exceptional Social Medical Criterion	Number of offers made under the Distance Criterion
2020/21	1,400	1,284	476	37%	9	1%	665	52%
2021/22	1,400	1,233	476	39%	11	1%	643	52%
2022/23	1,340	1,172	459	39%	13	1%	646	55%
3-year average	1,380	1,230	470	38%	11	1%	651	53%

Page 385

Please note - percentages have been rounded to the nearest whole; offers are as at National Offer Day.

- 3.73. The figures also confirm that offers made under the social-medical criterion remain 'exceptional' as intended, with an average of only 1% of applicants being offered a school place under this criterion over the three-year period.
- 3.74. In conclusion, the criteria for admission to Islington community primary schools appear to be effective in securing fair access for eligible residents.
- 3.75. The consultation sought views on the proposed policy and oversubscription criteria for community primary schools. No changes were proposed.

Consultation Responses (Question 5)

- 3.76. Eleven respondents agreed with the proposed policy and oversubscription criteria, while three disagreed. No reasons were provided for opposing the proposals.

RECOMMENDATION

- 3.77. To agree the admissions policy and oversubscription criteria for admission to Islington community primary schools in **2025-26** as outlined in **Appendix 5**.

F. Community primary school admission numbers 2025-26

- 3.78. The local authority must publish admission numbers for primary schools within its admission arrangements. Published numbers must take account of the school's net capacity as determined by the Department for Education (DfE) formula. Schools must be consulted before deciding their admission number.
- 3.79. Islington's school roll projections are based on a combination of local intelligence (e.g., housing developments with planning approval, pupil roll and demographic changes), and trend data provided by the Greater London Association (GLA) that incorporates national and regional developments, including inward and outward migration. To date, these projections have proved reliable and have supported the Council in making the most efficient use of its resources.
- 3.80. The birth rate in Islington has fallen in recent years, in line with regional trends across London. Data on births indicated a significant drop in live births between 2021 and 2022, and as a result the 2022/23 primary school data demonstrated a significant drop in the reception class roll.
- 3.81. Our latest evidence on births, health visiting and GP registrations (of children under 12 months), indicate that a year-on-year reduction in births across the local area is likely to remain an ongoing trend.
- 3.82. Although the Department for Education (DfE) recommends that local authorities maintain surplus capacity at approximately 5%, along with several other London boroughs, we are of the view that a vacancy rate of up to 10% is a reasonable assumption as it provides the flexibility to respond to sudden changes in the school age population.
- 3.83. The figures in **Table 5** show that the number of unfilled reception class places is more than double our assumption of a reasonable vacancy rate (10%).

Table 5: Reception class vacancy rates as at National Offer Day (17 April 2023)

Vacancies by Planning Area	Number of places available	Vacancies	Vacancy rate
Planning Area 1: Holloway	465	88	19%
Planning Area 2: Hornsey	465	141	30%
Planning Area 3: Highbury	360	35	10%
Planning Area 4: Barnsbury	260	83	32%
Planning Area 5: Canonbury	340	60	18%
Planning Area 6: Finsbury	300	61	20%
TOTALS	2190	468	21%

- 3.84. As the majority of school funding is based on pupil numbers, fewer pupils means less funding with fewer resources available for a high quality and diverse curriculum offer.
- 3.85. The council is committed to driving educational excellence through inclusive and sustainable schools. The falling birth rate however continues to have a significant impact on many primary schools despite actions already taken to mitigate the effect of falling rolls on the quality of education provision, including school closure, amalgamation and reductions to published admission numbers.
- 3.86. Reducing the number of school places in a planned way will therefore support schools to manage change within their national funding formula allocations.
- 3.87. A series of managed reductions to the existing primary capacity are therefore proposed for implementation from 2025-26.
- 3.88. For the past three years, **Prior Weston** (Planning Area 6), **Rotherfield** (Planning Area 5), **Drayton Park** (Planning Area 3) and **Tufnell Park** (Planning Area 1) **Primary Schools** have held surplus capacity well above 10%.
- 3.89. To support these schools with financial planning over the medium term, with the agreement of the governing bodies, reductions to the admission number for entry in 2025-26 are proposed as follows:
- **Prior Weston Primary** from **60 to 30**

- **Rotherfield Primary** from **60 to 30**
- **Drayton Park Primary** from **45 to 30**
- **Tufnell Park Primary** from **90 to 60**.

- 3.90. The proposed removal of 105 community school places will contribute to the overall reduction of surplus capacity across the primary school estate while providing the flexibility to respond to changes in the school age population. Should the birth rate rise unexpectedly, and additional primary capacity be required, the decommissioned places could be brought back into immediate use at no extra cost.
- 3.91. Alongside the proposed reductions outlined above, other options for managing Islington's primary school estate are being considered, with the aim of securing its financial viability over the longer term through the efficient use of public resources.
- 3.92. It is worth noting that two consultations are currently underway on proposals to:
- amalgamate Duncombe and Montem Primary Schools on the Duncombe school site
 - close Blessed Sacrament Catholic Primary School.

Consultation Responses (Question 6)

- 3.93. Nine respondents agreed with the proposed primary community school admission numbers for 2025-26, while five disagreed with the proposals. No reasons were provided for opposing the proposals.

RECOMMENDATION

- 3.94. To agree the primary admission numbers for Islington community schools in **2025-26** as outlined in **Appendix 6**.

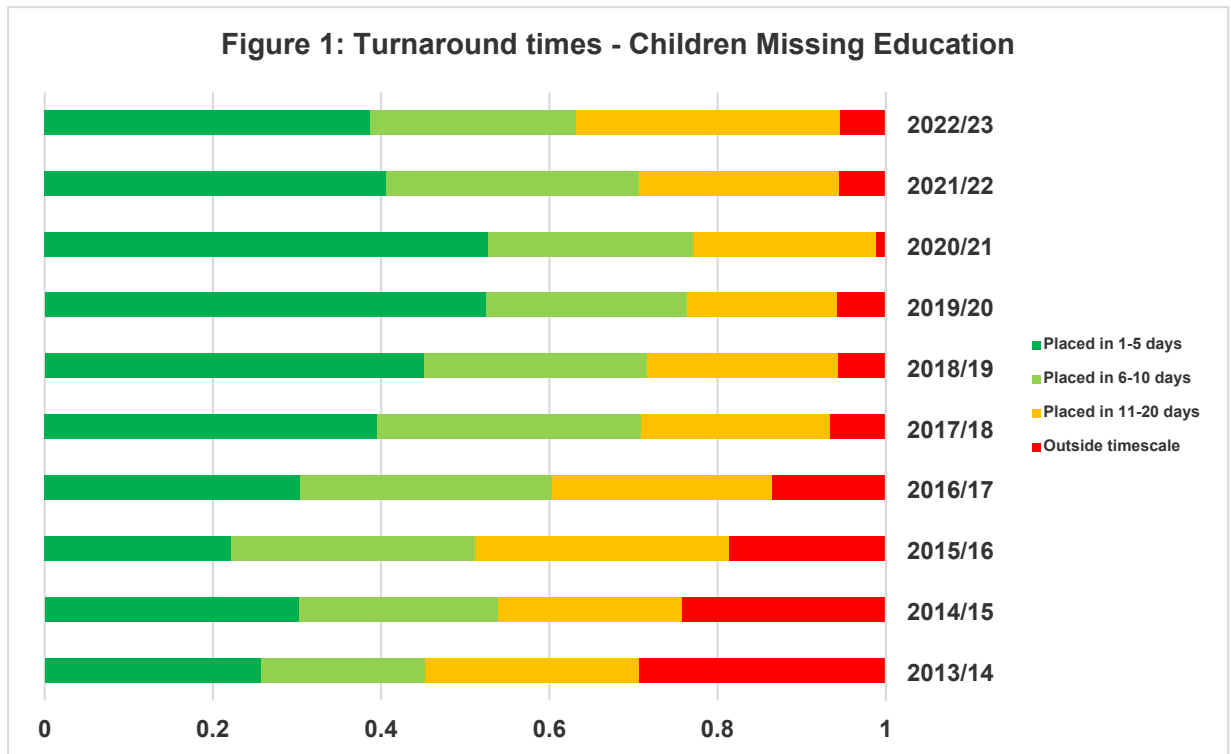
IN-YEAR ADMISSION ARRANGEMENTS 2025-26

G. Local protocols for the management of in-year admission applications and waiting lists for Islington schools: 2025-26

- 3.95. The requirement for local authorities to coordinate in-year admission applications was removed by the 2012 School Admissions Code. This continues to remain the case in the School Admissions Code 2021.
- 3.96. Following consultation with all Islington schools, the management of in-year applications was delegated to schools, inclusive of own admission authority and community schools from September 2013.
- 3.97. The aim of delegating the management of applications in this way was to simplify the admission process for parents applying outside the normal points of entry (Primary and Secondary Transfer). It was also felt that delegating the management of in-year applications to community schools would ensure parity between different admission authority schools, reinforcing a local 'community of schools' approach.
- 3.98. As part of this development, an online application process was created to ensure simultaneous notification of applications to the preferred school and the local authority. Protocols were also agreed with schools on how applications should be processed and waiting lists managed. These protocols enabled the local authority to

maintain an overview of offers to ensure they were being made in line with the relevant published admission criteria, as well as safeguarding against unplaced children ‘falling through the net’.

- 3.99. In addition, Islington’s in-year protocols are underpinned by robust ‘Children Missing Education’ procedures to ensure that no child will ever be without the offer of a school place as close as possible to their home address.
- 3.100. Over time, these protocols have had a significant impact in reducing the amount of time unplaced children have spent out of education as evidenced in **Figure 1** below:



- 3.101. Applicants can apply for up to three schools at any one time. This can include a mixture of Islington and out-of-borough schools. Schools must provide applicants with an outcome letter within 15 school days in line with statutory guidance (School Admissions Code 2021). Applicants refused a place must be provided with the reason for refusal and offered the right of appeal.
- 3.102. Waiting lists are cleared at the end of each term. Applicants who wish to change schools after this period are required to submit a fresh application as highlighted on the online application form. Unplaced children, however, are automatically carried forward to the school’s new waiting list.
- 3.103. These arrangements have been in place for several years and have for the most part, succeeded in providing residents with speedier admission to a preferred school. We are therefore not proposing any changes to the existing protocols.
- 3.104. It is worth noting that discussions are also underway with senior secondary school leaders regarding ‘school to school’ transfers and managed moves to ensure a more

consistent and transparent approach to the placement of pupils requiring a fresh start.

- 3.105. The consultation sought views on the proposed local protocols for the management of in-year admission applications and waiting lists for Islington schools in 2025-26.

Consultation Responses (Question 7)

- 3.106. Eleven respondents agreed with the proposed protocols for the management of applications and waiting lists for in-year admissions to Islington schools in 2025-26, while three respondents disagreed. No reasons were provided for opposing the proposals.

RECOMMENDATION

- 3.107. To agree the local protocols for the management of in-year admission applications and waiting lists for Islington schools in 2025-26 as set out in **Appendix 7**.

H. In-year admission criteria for community primary and secondary schools: 2025-26

- 3.108. For admission in 2025-26, where more applications are received than there are places available for in-year admission to Islington community primary and secondary schools, oversubscription criteria will mirror those for the normal points of entry:

Criterion 1: Looked-after and previously looked after children

Criterion 2: Sibling

Criterion 3: Exceptional Social, Medical or Special Educational Needs

Criterion 4: Distance.

- 3.109. Full definitions are set out in **Appendix 8**. The existing local arrangements have continued to work effectively over a sustained period and therefore no changes were proposed for in-year admission in 2025-26.

- 3.110. The consultation sought views on the proposed admission criteria for in-year admission to Islington community primary and secondary schools.

Consultation Responses (Question 8)

- 3.111. Eleven respondents agreed with the proposed admission criteria for in-year admission to Islington primary and secondary community schools in 2025-26, while three respondents disagreed. No reasons were provided for opposing the proposals.

RECOMMENDATION

- 3.112. To agree the admission criteria for in-year admission to Islington community primary and secondary schools in 2025-26 as set out in **Appendix 8**.

ADMISSION ARRANGEMENTS FOR Highbury Fields Community School Sixth Form

I. Admission Policy and Oversubscription Criteria for Highbury Fields Community School Sixth Form 2025-26

- 3.113. Highbury Fields Sixth Form is a community secondary school for girls with attached sixth form provision.
- 3.114. Places at Highbury Fields Sixth Form continue to be available to all Year 11 students on roll at the school who meet subject entry requirements.
- 3.115. Where more applications are received than there are places available, we will apply the proposed oversubscription criteria for external applicants:
- **Looked-after and previously looked after children:** Children who are in the care of a local authority in England and children who have been adopted or made subject to a child-arrangements order or special guardianship order immediately after being looked-after by a local authority in England including those who appear to have been in state care outside of England.
 - **Students in Year 11 who attend Highbury Fields School** and meet the entry requirements for their chosen course.
 - External applicants who meet the entry requirements for their chosen course.
 - Distance will be used in the event of a tie-break.
- 3.116. The existing arrangements have continued to work effectively over a sustained period and therefore no changes are proposed to either the admission policy or oversubscription criteria for entry to Highbury Fields Sixth Form in 2025-26.
- 3.117. Places at Highbury Fields Sixth Form continue to be available to all Year 11 students on roll at the school who meet subject entry requirements.
- 3.118. The consultation sought views on the proposed admission policy and oversubscription criteria for admission to Highbury Fields Community School Sixth Form.

Consultation Responses (Question 9)

- 3.119. Eleven respondents agreed with the proposed admission criteria for in-year admission to Islington primary and secondary community schools in 2025-26, while three respondents disagreed. No reasons were provided for opposing the proposals.

RECOMMENDATION

- 3.120. To agree the admission policy and oversubscription criteria for entry to Highbury Fields Community School Sixth Form in **2025-26** as set out in **Appendix 9**.

J. Admission Number for External Applicants to Highbury Fields Sixth Form in Year 12 for 2024-25

- 3.121. The School Admissions Code 2021 requires secondary schools that operate a sixth form where external students from other schools are admitted for the first time at age 16 to publish an admission number for entry to the school in Year 12. This is in addition to the published admission number for Year 7.
- 3.122. The admission number for **external applicants** to Highbury Fields Sixth Form is currently **25**. No changes are proposed for first-time admission to Highbury Fields Sixth Form in **2025-26**.
- 3.123. The consultation sought views on the proposed admission number for external applicants to Highbury Fields Sixth Form in Year 12.

Consultation Responses (Question 10)

- 3.124. Eleven respondents agreed with the proposed admission criteria for in-year admission to Islington primary and secondary community schools in 2025-26, while three respondents disagreed. No reasons were provided for opposing the proposals.

RECOMMENDATION

- 3.125. To agree the admission number for external applicants to Highbury Fields Sixth Form in Year 12 for 2025-26 as set out in **Appendix 10**.

4. Implications

○ Financial Implications

Schools are funded through the Dedicated Schools Grant. The level of funding schools receive through the schools' funding formula is based on the number of registered pupils and their characteristics. There are therefore no direct financial implications from the proposals in this report.

The School Organisation Plan, agreed by the Executive in October 2022, is the borough-wide strategic approach to pupil place planning. Islington, like many councils across London is impacted by falling rolls – there are too few pupils to fill the number of school places available. This matters because the funding schools received is triggered by the numbers of pupils on roll, with each primary school pupil triggering £5,700.

The level of surplus capacity across the borough is too high with 536 unfilled places in reception year group alone this year (2023). Roll projections based on birth data show that the level of unfilled places will increase. This has impacted on the financial health of our schools, with 23.1% projecting a deficit by the end of financial year 2023-24. In total, this deficit equates to £4.5m. The financial picture is set to worsen by the end of 2025-26 with 46.2% of schools forecasting to end the year in a deficit position.

To address this, we are implementing our School Organisation Plan to reduce the overall capacity of school places across the borough. To do this, the Council must operate within a DfE presumption not to close schools. This means exhausting all other options first, including reducing schools' published admission numbers (PAN).

For schools to manage their budgets effectively and remain financially viable, there is a need for an optimum number of pupils in any given class. Should numbers fall below this figure, there is a greater risk of schools being unable to set a balanced budget that is sustainable over the longer term which in turn will affect the quality of education the school is able to provide. Therefore, if no changes are made to admission numbers while the school population continues to decline as projected, surplus capacity will continue to grow, leaving some schools at greater risk of having an increasing number of unfilled places. Our proposals for reducing the published admission number for those schools currently projecting a cumulative deficit by the end of 2025-26 will protect projected deficits from increasing still further.

○ Legal Implications

The council has a duty to undertake consultation on admission policies to determine admission arrangements, including admission numbers under Part III of the School Standards and Framework Act 1998 and the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012/8. The council must comply with the mandatory

requirements of the School Admissions Code 2021 and have due regard to the discretionary elements of the Code.

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

The main environmental impact of the arrangements is how pupils travel to school, sometimes accompanied by parents; there is a risk that longer journeys are more likely to be made by vehicles and lead to emissions. The admission arrangements mitigate this by using distance as an admission criterion, with the majority of children being allocated a place under the distance criterion. This report recommends there be no changes made to the existing admissions arrangements, meaning no change to the existing environmental implications of the arrangements.

In addition, schools work with the council through the creation of school travel plans to promote safer, healthier, and more environmentally friendly ways to travel to schools including walking, cycling, and using public transport. The introduction of 34 School Street schemes since 2019 that specifically target air pollution outside the school gate and two environmental improvement schemes at schools on main roads, have already seen significant reductions in pollution levels in and around the school sites.

- **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.

The admission arrangements for community schools are designed to ensure all parents have an equal chance of securing the community school of their choice irrespective of the child's ethnicity, religion, or socio-economic group.

An Equalities Impact Assessment Screening was completed on 01/12/2023. No adverse impacts were noted for children and their parents/carers.

5. Conclusion and reasons for recommendations

- The proposed admission arrangements for both primary and secondary community schools and Highbury Fields Sixth Form promote fair access to educational opportunity and are compliant with the mandatory provisions of the School Admissions Code, 2021.

- The Executive is therefore asked to agree the proposed primary and secondary admission arrangements for 2025-26; in-year admission protocols for 2025-26 and Highbury Fields Community Sixth Form arrangements 2025-26.

Appendices:

Appendix 1: Proposed Arrangements for Secondary Transfer 2025-26

Appendix 2: Proposed Admission Criteria for Community Secondary Schools 2025-26

Appendix 3: Proposed Secondary Admission Numbers 2025-26

Appendix 4: Proposed Arrangements for Primary Transfer 2025-26

Appendix 5: Proposed Admission Criteria to Community Primary Schools 2025-26

Appendix 6: Proposed Primary Admission Numbers 2025-26

Appendix 7: Proposed In-Year Admission Protocols for Islington Schools 2025-26

Appendix 8: Proposed In-Year Admission Criteria to Community Schools 2025-26

Appendix 9: Proposed Highbury Fields Sixth Form Admissions Policy and Criteria 2025-26

Appendix 10: Proposed Admission Number for External Applicants to Highbury Fields Sixth Form 2025-26

Appendix 11: Summary of consultation responses

Appendix 12: Equalities Impact Assessment Screening Tool (School Admission Arrangements 2025-26)

Background papers:

None

Final report clearance:

Signed by:

Cllr Ngongo Executive Member for Children, Young People and Families

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Islington Community School Proposed Admission Arrangements 2025-2026

Appendices

Appendix 1: Proposed Arrangements for Secondary Transfer.....	i
Appendix 1 (Schedule A): Proposed Timetable for the Determination of Secondary Applications 2025-26	ix
Appendix 1 (Schedule B): Proposed Secondary Notification Letter 2025-26	xi
Appendix 2: Proposed Admission Criteria to Islington Community Secondary Schools 2025-26	xiv
Appendix 3: Proposed Secondary Community School Admission Numbers 2025-26	xv
Appendix 4: Proposed Arrangements for Primary Transfer	xvi
Appendix 4 (Schedule C): Proposed Timetable for the Determination of Primary Applications 2025-26	xxiv
Appendix 4 (Schedule D): Proposed Primary Notification Letter 2025-26	xxvii
Appendix 5: Proposed Admission Criteria to Islington Community Primary Schools 2025-26	xxix
Appendix 6: Proposed Admission Numbers to Primary Community Schools 2025-26.....	xxx
Appendix 7: Proposed Local Protocols for the Management of In-year Applications and Waiting Lists 2025-26	xxxiv
Appendix 7 (Schedule E): Proposed Online In-Year Application Form 2025-26	xli
Appendix 7 (Schedule E): Proposed In-Year Offer Letter 2025-26.....	xliv
Appendix 7 (Schedule F): Proposed In-Year No Offer Letter 2025-26	xlv
Appendix 8: Proposed In-Year Admission Criteria to Islington Community Schools 2025-26	xlvi
Appendix 9: Highbury Fields Sixth Form Proposed Admissions Policy and Criteria 2025-26.....	xlvi
Appendix 10: Highbury Fields Sixth Form Proposed Admission Number for External Applicants 2025-26.....	xlix
Appendix 11: Summary of Consultation Responses	l

Appendix 1: Proposed Arrangements for Secondary Transfer

Pan-London Co-ordinated Scheme 2025-26

GLOSSARY

Term	Definition
Admission Authority (AA)	The body responsible for setting and applying a school's admission arrangements. For community schools, the local authority is the admission authority; and for foundation or voluntary aided schools, the governing body of the school is the admission authority. For Academies and Free Schools, the Funding Agreement states who is responsible for applying admission arrangements that can only be set or altered with the prior agreement of the Secretary of State.
Home Local Authority (HLA)	The authority area in which the child lives.
Maintaining Local Authority (MLA)	The authority area in which the school is located.

APPLICATIONS

- 1 Islington LA will advise HLAs during the Summer Term of Year 5 of any eligible resident pupils on the roll of an Islington maintained primary school or academy due to transfer to secondary school in the September of the subsequent academic year (i.e., **September 2025**).
- 2 Islington residents need to apply online at www.islington.gov.uk/admissions. Where this is not possible, applicants should contact the School Admissions Team by telephone (020 7527 5515) or in person (Council Offices at 222 Upper St, N1 1XR) to request a paper application.
- 3 Islington LA will take all reasonable steps to ensure that every parent/carer resident in Islington who has a child in their last year of primary education within a maintained school or academy, either in Islington or elsewhere, and who is resident in Islington is informed of how they can access Islington's composite prospectus/admissions guide and apply online. The prospectus will be available online from www.islington.gov.uk/admissions, with reference copies available from Islington School Admissions team at the Council's Offices at 222 Upper St, N1 1XR by **12 September 2024**.
- 4 The online guide will also be available to parents/carers who are non-residents and will advise parents/carers to contact their HLA to make an application.
- 5 Own admission authorities within Islington will not use supplementary information forms except where the information available through the School Admissions Application Form is insufficient for consideration of the application against the school's published oversubscription criteria.

- 6 Where admission authorities within Islington use supplementary forms, Islington LA will seek to ensure that they only collect information that is required by the published oversubscription criteria, in accordance with paragraph 2.4 of the School Admissions Code, 2021.
- 7 Where supplementary forms are used, they will be made available on Islington's website or from the school concerned for resident and non-resident applicants alike. The supplementary forms will advise parents/carers that they must also complete their HLA's School Admissions Application Form.
- 8 Islington's composite prospectus/admissions guide will indicate which Islington schools require supplementary information forms to be completed and signpost applicants to where these forms can be found.
- 9 Where a school in Islington receives a supplementary information form, it will not be considered a valid application unless:
 - the applicant has also completed Islington's School Admissions Application Form or their HLA's equivalent common application form AND
 - the school is listed on Islington's/HLA's application form as a preference.
- 10 Islington LA will share the details of each application for an Islington voluntary-aided school with that school. Schools that require a supplementary information form will check that each parent/carer has completed one. If one has not been received, the school will make contact with the parent/carer and ask them to complete one. The school will also check that each parent/carer who has completed a supplementary form has also completed a School Admissions Application Form. If any parent/carer has not completed a School Admissions Application Form, the school will share that information with Islington LA who will then contact the parent/carer and ask them to complete one.
- 11 Applicants will be able to express a preference for up to six maintained secondary schools or Academies/Free Schools located within and/or outside Islington LA.
- 12 The order of preference given on the School Admissions Application Form will not be revealed to a school. This is to comply with paragraph 1.9 of the School Admissions Code, 2021 which states that admission authorities must not give extra priority to children whose parent/carer rank preferred schools in a particular order. However, where a resident in Islington expresses a preference for schools in the area of another MLA, the order of preference will be revealed to that LA in order to determine the highest ranked preference in cases where a child is eligible for a place at more than one school.
- 13 The address that will be used to process an application will be the child's normal and permanent address as at the closing date for applications (**31 October 2024**).
- 14 If parents/carers live separately, but the child lives equally with both, then it is the parents'/carers' responsibility to make this clear at the time of application and to provide supporting evidence in respect of both addresses, for example a Residency Order from a court.
- 15 Only one address can be used for school admission purposes and the final decision will rest with Islington LA.
- 16 Islington LA may not accept a temporary address where the applicant still possesses a property that was previously used as a home address; nor accept a temporary address if it is used solely or mainly to obtain a school place.

- 17 The LA may also undertake additional checks with the new school to ascertain whether the child's home address has changed since the application was completed and will investigate all applications where:
- there are any doubts about the information originally provided;
 - information has been received from a member of the public to suggest a fraudulent application has been made;
 - the Council Tax account is in a different name from the applicant's.
- 18 Any applicant who provides false or misleading information will have their offer of a school place withdrawn and may also be subject to legal proceedings.
- 19 Islington LA undertakes to carry out the address verification process set out in its entry in the LIAAG Address Verification Register. This will in all cases include validation of resident applicants against Islington LA's primary school data and the further investigation of any discrepancy. Where Islington LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a MLA, it will advise the MLA no later than **16 December 2024**.
- 20 Islington LA will confirm the status of any resident child for whom it receives an Application Form stating that s/he is a 'Child Looked After' by a local authority in England or 'Previously looked after', including those who appear to have been in state care outside of England, who have recently been adopted (or made subject to a child arrangements order or special guardianship order) immediately after being looked after, and will provide any additional evidence on receipt of a reasonable request to the MLA in respect of a preference for a school in its area by **14 November 2024**.
- 21 The same will also apply for any previously looked after child, including those who appear to have been in state care outside of England, who have been adopted (or made subject to a child arrangement order or special guardianship order) immediately after being looked after, in respect of a preference for a school not in Islington MLA as soon as it is received.
- 22 Islington LA will advise a MLA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside the correct age cohort, and will forward any supporting documentation to the MLA by **14 November 2024**.

PROCESSING

- 23 Applicants who are resident within Islington must complete and submit (or return) the School Admissions Application Form, which will be available online, to Islington LA by **31 October 2024**. However, Islington LA encourages applicants to submit their application by **25 October 2024** (i.e., the Friday before half term) to allow sufficient time to process and check all applications before the mandatory date when data must be shared with other Local Authorities.
- 24 Any application forms, changes to preferences or preference order received after **31 October 2024** will be treated as late. This means that such applications will be considered after those applicants who have applied on time.
- 25 Islington LA will accept late applications and process them as on time if they are late for a good reason and received by the **12 December 2024**, deciding each case upon its own merits.
- 26 Where such applications contain preferences for schools in other LAs, Islington will forward the details to MLAs via the Pan-London Register (PLR) as they are received. Islington LA will accept late applications which are considered to be on time within the terms of the HLA's scheme.

- 27 The latest date for the upload to the PLR of late applications, but which are to be considered to be on-time within the terms of the HLA's scheme, is **16 December 2024**.
- 28 Where an applicant moves from one participating HLA to another after submitting an on-time application under the terms of the former HLA's scheme, the new HLA will accept the application as on-time up to **12 December 2024**, on the basis that an on-time application already exists within the Pan-London system.
- 29 Any school that operates a banding system that requires testing to take place must ensure that their timetable coincides with the scheme timetable set out in **Schedule A**.
- 30 Application data relating to applications for schools in other participating LAs will be up-loaded to the Pan-London Register (PLR) by **14 November 2024**. Supplementary information provided with the School Admissions Application Form will be sent to Islington voluntary-aided schools and MLAs by the same date.
- 31 Application data relating to Islington schools from out-of-borough pupils will be received from the Pan-London Register on **14 November 2024**.
- 32 Islington LA will notify each school within Islington that is its own admissions authority of every preference that has been made for the school, forwarding to them all relevant details from the School Admissions Application Form by **26 November 2024**.
- 33 Between **26 November 2024 and 2 January 2025**, own admission authority schools and Academies will assess their applications according to their admissions criteria.
- 34 Islington LA will participate in the application data checking exercise scheduled between **17 December 2024 and 2 January 2025** in the Pan-London timetable.
- 35 All preferences for schools within Islington will be considered without reference to rank order. When the admission authorities within Islington have provided a list of applicants in criteria order, Islington LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked potential offer to decide which single offer to make.
- 36 Schools which are their own admission authority must provide the MLA with an electronic list of their applicants in rank order by **3 January 2025**.
- 37 Islington LA will carry out all reasonable checks to ensure that pupil rankings are correctly held in its LAS (Local Admissions System – ONE) for all maintained schools and academies before uploading data to the PLR.
- 38 Islington LA will send the first ALT file to the Pan-London Register (PLR) giving offer details for their school on **31 January 2025**. The PLR will transmit the highest potential offer specified by the MLA to the HLA.
- 39 Islington LA will eliminate all but the highest ranked offer where an applicant has more than one potential offer. This will involve exchanges of preference outcomes between the LAS (Local Admissions System – ONE) and the PLR which will continue until notification that a steady state has been achieved, or until **14 February 2025** if this is sooner.
- 40 Islington will not make an additional offer between the end of the iterative process and **3 March 2025**, which may impact on an offer being made by another participating LA.
- 41 Notwithstanding paragraph 39, if an error is identified within the allocation of places at one of our schools, Islington LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a HLA or MLA) Islington LA will liaise with that LA

to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, Islington will accept that the applicant(s) affected might receive a multiple offer.

42 Islington LA will participate in the offer data checking exercise scheduled between **17 and 21 February 2025**.

43 Islington will send a file to the e-Admissions portal with outcomes for all resident applicants who have applied online no later than **27 February 2025**.

OFFERS

44 Islington LA will ensure, so far as is reasonably practical, that each resident applicant who cannot be offered a preference expressed on the School Admissions Application Form receives the offer of an alternative school place in accordance with paragraph 2.11 of the School Admissions Code, 2021. The applicant will be offered a place at the nearest Islington community school to the home address with an available place.

45 Islington LA will inform all resident applicants of their highest offer of a school place and, where relevant, the reasons why higher preferences were not offered, whether they were for schools in the Home LA or in other participating LAs.

46 Islington LA will use the Notification Letter set out in **Schedule B**.

47 Notification of the outcome will be sent electronically to resident applicants on **3 March 2025**, unless a paper application was submitted.

48 Details of the pupils to be offered will be made available to each Islington primary school by **3 March 2025**.

49 Parents/carers who are not successful in their application for a school will be offered the right of appeal.

POST OFFER

50 Parents/carers must accept or decline the offer of a place by **17 March 2025**, or within two weeks of the date of any subsequent offer. If they do not respond by this date the HLA will make every reasonable effort to contact the parent/carer to find out whether or not, they wish to accept the place. Only where the parent/carer fails to respond and Islington LA can demonstrate that every reasonable effort has been made to contact the parent/carer, will the offer of a place be withdrawn. (The School Admissions Code states that an admission authority may only lawfully withdraw an offer in very limited circumstances. This may include where a parent/carer has not responded to the offer within a reasonable time).

51 Where a parent/carer accepts or declines a place by **17 March 2025**, this information will be passed on to the relevant school within Islington, or for out-of-borough schools, to the MLA, by **24 March 2025**. Subsequent information will be transferred as and when it is received.

52 A second round of offers will be made following the deadline for acceptance/decline of the original offer made on National Offer Day. All applicants will be treated as on-time from this point onwards. This includes any applicants who declined their original offer or who wish to make an application for a school in Islington to which they did not originally apply, and all late applicants who missed the original application deadline. The second round of offers will take place within 5 working days of the acceptance/decline deadline.

- 53 Islington LA will inform the HLA, where different, of an offer for a maintained school or Academy in Islington which can be made to an applicant resident in the HLA's area, in order that the HLA can offer the place.
- 54 When acting as a MLA, Islington LA and the admission authorities within it will not inform an applicant resident in another LA that a place can be offered.
- 55 When acting as a HLA, Islington LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the School Admissions Application Form than any school already offered.
- 56 Where Islington LA is informed by a MLA of an offer which can be made to an applicant resident in Islington which is ranked lower on the School Admissions Application Form than any school already offered, it will inform the MLA that the offer will not be made.
- 57 Where Islington LA, acting as a HLA, has agreed to a change of preference order for good reason, it must inform any MLA affected by the change.
- 58 When acting as a MLA, Islington LA will inform the HLA, where different, of any change to an applicant's offer status as soon as it occurs. Islington LA will accept new applications (including additional preferences) from HLAs for maintained schools and Academies in its area.

WAITING LISTS

- 59 Where a child does not receive an offer of their first preference, his/her name will automatically be placed on the waiting list for each Islington school for which he/she is eligible, that is a higher preference school to the one that has been offered. Parents/carers will be given the opportunity to make applications to Islington schools to which they did not originally apply.
- 60 Where a waiting list is maintained by an admission authority of a maintained school or academy, the admission authority will inform the MLA of a potential offer, in order that the offer may be made by the HLA.
- 61 A second round of offers will be made following the deadline for acceptance/decline of the original offer made on National Offer Day. There will be no differentiation between on-time or late applications from this point onwards. This includes any applicants who declined their original offer or who wish to make an application for a school in Islington to which they did not originally apply, and all late applicants who missed the original application deadline. The second round of offers will take place within 5 working days of the acceptance/decline deadline.
- 62 Waiting lists will be kept by all admission authorities in Islington LA. Own admission authority schools will apply their own admission arrangements. Islington LA will keep a duplicate waiting list and will offer places on behalf of the governing bodies of own admission authority schools. Waiting lists for community schools will be administered centrally by Islington MLA during the **Autumn Term**.
- 63 Waiting lists for entry to Year 7 in **September 2025** will be compiled on **21 March 2025** (after the deadline for acceptance of places) and will be kept in strict criteria order with no differentiation between on-time or late applications.
- 64 Following the second round of offers, waiting lists will be maintained and places allocated, as they become available, in accordance with each admission authority's published admission and oversubscription criteria.
- 65 Children will remain on the waiting list until the **31 December 2025**. After this period, all waiting lists will be cleared and passed over to Islington schools. Applicants wishing to remain on the

waiting list after this point will need to submit a fresh application for the school in question using Islington's [In-Year Application Form](#).

CHILDREN OF UK SERVICE PERSONNEL (UK ARMED FORCES)

- 66 For families of service personnel with a confirmed posting in Islington LA, or crown servants returning from overseas to live in Islington LA, we will:
- allocate a place in advance of the family arriving in Islington provided the application is accompanied by an official letter that declares a relocation date and a Unit postal address or quartering area address;
 - describe Islington's arrangements for the admission of children of UK Service Personnel in our composite prospectus/admissions guide;
 - ensure our arrangements do not disadvantage service children through an annual review of existing procedures.
- 67 Applications will be processed in line with Islington's school admissions procedures as described above.
- 68 Where possible, a place will be offered at the applicant's highest preferred school as listed on the application form.
- 69 Where it is not possible to offer a place at one of the preferred schools, a place will be allocated at the child's nearest Islington community school with a vacancy and the family offered the right of appeal. We may also ask the school to go over numbers.
- 70 The allocated place will be held open for a period of up to two school terms in advance of the family's move to the UK. This may be extended in individual circumstances.
- 71 The child will be placed on the waiting list for any higher preference school than the one offered as described above.

CHILDREN OUT OF CHRONOLOGICAL YEAR GROUP

- 72 Islington MLA's policy is that every child should be taught in their chronological year group, although it is acknowledged that in exceptional circumstances placing children out of chronological year group may be in the child's best interests.
- 73 Parents/carers may seek a place for their child outside of their normal age group at Secondary Transfer, for example, if the child is gifted and talented or has experienced problems such as ill health.
- 74 The Director of Children's Services, on an individual basis, may agree for a child to be taught out of their chronological year group where applicants can demonstrate that admission outside the normal age group would be in the child's best interests.
- 75 Parents/carers must supply written details of any such special factors at the time of the original application (together with recent supporting documentation) to enable these factors to be considered.
- 76 Cases will be considered by a panel comprising senior admissions officers and SEND specialists. The panel will consider the evidence presented and consult relevant professionals as necessary before coming to a decision. In cases where it is agreed, it will never be more than one year below or above the child's chronological age, and will be binding on all Islington community schools.

- 77 A decision regarding a child with an Education, Health and Care Plan (EHCP) will be considered via the SEN Annual Review process. In the event that the HLA determines that the child should be taught out of chronological year group the EHCP will be amended accordingly.
- 78 Although parents/carers have a statutory right to appeal against the refusal of a place at a school for which they have applied, the right does not apply if they are offered a place at the school, but it is not in their preferred age group.

Appendix 1 (Schedule A): Proposed Timetable for the Determination of Secondary Applications 2025-26

Date	Action
25 October 2024	Recommended closing date for receipt of the School Admission Application Form
31 October 2024	Statutory deadline for return of application to the Home LA
14 November 2024	Deadline for the transfer of application information by the Home LA to the PLR and supplementary information to Islington VA schools/maintaining local authorities
26 November 2024 to 2 January 2025	Own admission authority schools and Academies will assess their applications according to their admissions criteria
16 December 2024	Deadline for the upload of applications that are late but are considered to be on-time, to the PLR
17 December 2024 to 2 January 2025	Pan-London data checking exercise of pupil applications exchanged via the PLR
01 January 2025	Deadline for the LA to formulate and publish on their website the local area's coordinated scheme
03 January 2025	Own admission authority schools and academies to provide Islington LA with an electronic list of their applicants in rank order
31 January 2025	Deadline for the transfer of highest potential offer information from the Maintaining LAs to the PLR (1st ALT)
14 February 2025	Final ALT file to the PLR
17 to 21 February 2025	Pan-London data checking exercise of pupil offer data
27 February 2025	Deadline for online ALT file to portal
28 February 2025	Deadline for admission arrangements to be determined
3 March 2025	National Offer Day - Notification Letter sent to parents/carers by Home LA

Date	Action
17 March 2025	Date by which parents/carers accept or decline offers
24 March 2025	Date by which LA will pass on information to schools within Islington (or for out-of-borough schools, to the maintaining LA) about accepted and declined places.

Appendix 1 (Schedule B): Proposed Secondary Notification Letter 2025-26

3 March 2025

Ref: «pupil_id»

To the Parent/Carer of

«pupil_firstname» «pupil_surname»

Islington School Admissions Team

222 Upper Street, London N1 1XR

Tel: 020 7527 5515

Email: admissions@islington.gov.uk

This matter is being dealt with by: Alison Smith

Dear Parent/Carer,

SECONDARY TRANSFER – 2025-26

I am writing to let you know the outcome of your application for a secondary school place. Your child «pupil_firstname» has been offered a place at «alloc_pref».

Accepting the offer of the school place

It is important that you confirm as soon as possible that you wish to accept the offer of a place at «alloc_pref». Please complete the reply slip below and return by **17 March 2025**. Failure to do so may result in this offer being withdrawn. Once your acceptance is received, the school will be informed and will contact you to provide further information about the arrangements for admission.

Please note that applications for any schools that you listed lower on your application form were automatically withdrawn under the coordinated admission arrangements.

If you were not offered your first preference school

I am sorry that it was not possible to offer a place at any of the schools which you have listed higher on your application form. For each of these schools there were more applications than places available, and other applicants had a higher priority than your child under the school's published admission criteria.

If you would like further information about why your child was not offered one of your higher preference schools, then please contact the admission authority for that school. An admission authority will either be the school or the local authority where the school is located. We are the admission authority for community schools in Islington. For all other schools and academies, please contact them directly.

Appeals

You have the right of appeal under the School Standards & Framework Act 1998 against the refusal of a place at any of the schools which you listed on your application form.

If you wish to appeal:

- for community schools in Islington please complete the [online appeal form](#)
- for all other schools and academies in Islington please contact the school direct

- for schools outside Islington, please contact the local authority where the school is located.

NB. The outcome of your appeal will not be influenced by the acceptance of a place at an alternative school.

Waiting lists

I can confirm that your child's name has been placed on the waiting list for any Islington school that you have listed higher on your form. If you do not wish to remain on these waiting lists, please tick the relevant box on the reply slip.

If you would like «pupil_firstname» to be placed on a waiting list for any other school, then please contact the Islington School Admissions Team. Your child will remain on the waiting list until **31 December 2025**.

If you have any further queries, please do not hesitate to contact a member of the School Admissions Team on 020 7527 5515.

Yours sincerely,

Alison Smith

Manager, Admissions and Children Out of School

REPLY SLIP

Ref: «pupil_id»

PLEASE ACCEPT YOUR PLACE ONLINE by 17 MARCH 2025

Alternatively, please return the paper form by email or post to:

Islington School Admissions Team
222 Upper Street
London N1 1XR

Email: admissions@islington.gov.uk

ACCEPTING A PLACE

- I wish to accept a place for «pupil_firstname» «pupil_surname» at «alloc_pref»
- I do not wish to accept a place for «pupil_firstname» «pupil_surname» at «alloc_pref»

.....
Please complete this section if not accepting this school place.

I do not wish to accept a place at the above school. My child will be educated as follows:
.....

WAITING LISTS

- I would like my child to be placed on the waiting list for the following schools (up to six maximum):
.....

- Please remove my child from all waiting lists.

.....

...../...../.....

Signature of Parent/Carer

Date

Daytime Telephone Number.....

For information on how the waiting lists for Islington Schools operate, please refer to the Secondary Schools Guide available online at: www.islington.gov.uk/admissions

Appendix 2: Proposed Admission Criteria to Islington Community Secondary Schools 2025-26

Applicants with an Education, Health and Care Plan (EHCP) will be admitted (via the SEND process as outlined in Section 324 of the Education Act 1996) to the school named in the EHCP.

In the event of over-subscription to a community secondary school, the following criteria will be applied in the order listed below:

1. **Looked-after and previously looked after children:** Children who are in the care of a local authority in England and children who have been adopted or made subject to a child- arrangements order or special guardianship order immediately after being looked-after, including those who appear to have been in state care outside of England.
2. **Sibling:** A sibling is defined as a brother or sister, half brother or sister, stepbrother or sister or adopted brother or sister whose main residence is at the same address. This criterion will apply to applicants with a sibling living at the same address who is on the roll of the preferred school (Years 7 to 11), or co-located Special School, at the time of determined admission in the new academic year.
3. **Exceptional Social, Medical or Special Educational Needs:** The Director of Children's Services, on an individual basis, may give priority to applicants who can demonstrate that admission to a particular school is necessary on the grounds of professionally supported *exceptional* medical, social or special educational needs. Parents/carers must supply details of any such special factors at the time of the original application (together with recent supporting documentation), to enable these factors to be considered.
4. **Distance:** Applicants who live nearest to the preferred school. Nearness to the school will be determined by a computerised mapping system using a straight-line distance measurement. Routes will be calculated from the home address (as defined by the Land and Property Gazetteer) to the midpoint of the school grounds (as determined by Islington Local Authority).

Distance will be used as a tiebreaker for over-subscription criteria 1-3.

Tie Break

In the event of more applications than places available within any criterion, the tiebreaker will be distance. If only one place is available and two or more families live an equal distance from the school or tie within any of the other criteria, then the allocation of that place will be determined by random allocation using a computerised system.

Multiple births

If only one place is available at the secondary school and the next child who qualifies for a place is one of multiple birth siblings or has a sibling eligible for admission to the same year group, we will ask community secondary schools to admit the siblings and go over their published admission number to support the family.

Appendix 3: Proposed Secondary Community School Admission Numbers 2025-26

School	Designation	Proposed Admission number 2025-26
Arts and Media School, Islington*	Mixed Trust	120
Beacon High	Mixed Community	120
Central Foundation Boys School	Boys Voluntary-Aided	180
City of London Academy, Highbury Grove	Mixed Academy	180
City of London Academy, Highgate Hill	Mixed Academy	140
City of London Academy, Islington	Mixed Academy	140
Elizabeth Garrett Anderson	Girls Community	180
Highbury Fields	Girls Community	140
St Aloysius' College	Boys Voluntary-Aided	150
St Mary Magdalene Academy	Mixed Academy	180

TOTAL NUMBER OF PROPOSED AVAILABLE PLACES: 1,530

NB. Please note that although Arts and Media School, Islington is technically its own admission authority, the school has asked the local authority to treat it as community school for the purpose of school admissions.

Appendix 4: Proposed Arrangements for Primary Transfer

Pan-London Co-ordinated Scheme 2025-26

GLOSSARY

Term	Definition
Admission Authority (AA)	The body responsible for setting and applying a school's admission arrangements. For community schools, the local authority is the admission authority; and for foundation or voluntary aided schools, the governing body of the school is the admission authority. For Academies and Free Schools, the Funding Agreement states who is responsible for applying admission arrangements that can only be set or altered with the prior agreement of the Secretary of State.
Home Local Authority (HLA):	The authority area in which the child lives.
Maintaining Local Authority (MLA):	The authority area in which the school is located.
Management Information System (MIS)	Schools' pupil database (e.g., SIMS, Arbor, Bromcom)

APPLICATIONS

- 1 Islington LA will advise HLAs of any resident pupils on the roll of Islington LA's maintained children's centres, nursery schools, primary schools, Free Schools and Academies who are eligible to transfer to reception class in the September of the subsequent academic year (i.e., **September 2025**).
- 2 Islington residents need to apply online at www.islington.gov.uk/admissions. Where this is not possible, applicants should contact the School Admissions Team by telephone (020 7527 5515) or in person (Council Offices at 222 Upper St, N1 1XR) to request a paper application.
- 3 Islington LA will take all reasonable steps to ensure that every parent/carer who has a child in the eligible cohort and is resident in Islington is informed of how they can access Islington's composite prospectus/admissions guide and apply online. The prospectus will be available online from www.islington.gov.uk/admissions, with reference copies available from Islington School Admissions team at the Council's Offices at 222 Upper St, N1 1XR by **12 September 2024**.
- 4 The online guide will also be available to parents/carers who are non-residents and will include information on how to access their HLA's equivalent School Admissions Application Form and advise parents/carers to contact their HLA if they are unable to apply online.
- 5 Own admission authorities within Islington will not use supplementary information forms except where the information available through the School Admissions Application Form is insufficient for consideration of the application against the school's published oversubscription criteria.

- 6 Where admission authorities within Islington use supplementary information forms, Islington LA will seek to ensure that they only collect information which is required by the published oversubscription criteria, in accordance with paragraph 2.4 of the School Admissions Code, 2021.
- 7 Where supplementary forms are used, they will be made available on Islington's website or from the school concerned for resident and non-resident applicants alike. The supplementary forms will advise parents/carers that they must also complete their HLA's School Admissions Application Form.
- 8 Islington's composite prospectus/admissions guide will indicate which Islington schools require supplementary information forms to be completed and signpost applicants to where these forms can be found.
- 9 Where a school in Islington receives a supplementary information form, it will not be considered a valid application unless:
 - the applicant has also completed Islington's School Admissions Application Form or their HLA's equivalent common application form AND
 - the school is listed on Islington's/HLA's application form as a preference.
- 10 Islington LA will share the details of each application for an Islington voluntary-aided school with that school. Schools that require a supplementary information form will check that each parent/carer has completed one. If one has not been received the school will make contact with the parent/carer and ask them to complete one. The school will also check that each parent/carer who has completed a supplementary form has also completed a School Admissions Application Form. If any parent/carer has not completed a School Admissions Application Form, the school will share that information with Islington LA who will then contact the parent/carer and ask them to complete one.
- 11 Applicants will be able to express a preference for up to six maintained primary schools or Academies/Free Schools located within and/or outside Islington LA that has agreed to participate in their local authority's Qualifying Scheme.
- 12 The order of preference given on the School Admissions Application Form will not be revealed to a school. However, where a parent/carer resident in Islington expresses a preference for schools in the area of another MLA, the order of preference will be revealed to that LA in order to determine the highest ranked preference in cases where a child is eligible for a place at more than one school.
- 13 The address that will be used to process an application will be the child's normal and permanent address as at the closing date for applications (**15 January 2025**).
- 14 If parents/carers live separately, but the child lives equally with both, then it is the parents'/carers' responsibility to make this clear at the time of application and to provide supporting evidence in respect of both addresses, for example a Residency Order from a court.
- 15 Only one address can be used for school admission purposes and the final decision will rest with Islington LA.
- 16 Islington LA may not accept a temporary address where the applicant still possesses a property that was previously used as a home address; nor accept a temporary address if it is used solely or mainly to obtain a school place.

- 17** The LA may also undertake additional checks with the new school to ascertain whether the child's home address has changed since the application was completed and will investigate all applications where:
- there are any doubts about the information originally provided
 - information has been received from a member of the public to suggest a fraudulent application has been made
 - the Council Tax account is in a different name from the applicant's.
- 18** Any applicant who provides false or misleading information will have their offer of a school place withdrawn and may also be subject to legal proceedings.
- 19** Islington LA undertakes to carry out the address verification process set out in its entry in the Pan-London Business User Guide. This will in all cases include validation of resident applicants against Islington LA's primary school data and the further investigation of any discrepancy. Where Islington LA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a MLA, it will advise the MLA no later than **12 February 2025**.
- 20** Islington LA will confirm the status of any resident child for whom it receives an Application Form stating that s/he is a 'Child Looked After' by a local authority in England or 'Previously looked after', including those who appear to have been in state care outside of England, and have recently been adopted (or made subject to a child-arrangements order or special guardianship order) immediately after being looked after and will provide any additional evidence on receipt of a reasonable request to the MLA in respect of a preference for a school in its area by **5 February 2025**.
- 21** The same will also apply for any previously looked after child, including those who appear to have been in state care outside of England, who have been adopted (or made subject to a child arrangement order or special guardianship order) immediately after being looked after, in respect of a preference for a school not in Islington MLA as soon as it is received.
- 22** Islington LA will advise a MLA of the reason for any preference expressed for a school in its area, in respect of a resident child born outside the correct age cohort, and will forward any supporting documentation to the MLA by **5 February 2025**.

PROCESSING

- 23** Applicants who are resident within Islington LA must complete and submit (or return) the School Admissions Application Form, which will be available online, to Islington LA by **15 January 2025**. Islington LA will follow the timetable set out in **Schedule C**.
- 24** Application data relating to preferences for schools in other participating LAs will be up-loaded to the Pan-London Register (PLR) by **5 February 2025**. Supplementary information provided with the Schools Admission Application Form will be sent to MLAs by the same date.
- 25** Any application forms, changes to preferences or preference order received after **15 January 2025** will be treated as late. This means that such applications will be considered after those applicants who have applied on time.
- 26** Islington LA will accept late applications and process them as on time if they are late for a good reason and received by the **12 February 2025**, deciding each case upon its own merits.
- 27** Where such applications contain preferences for schools in other LAs, Islington will forward the details to MLAs via the Pan-London Register (PLR) as they are received. Islington LA will accept late applications which are considered to be on time within the terms of the HLA's scheme.

- 28** The latest date for the upload to the PLR of late applications which are considered to be on-time within the terms of the HLA's scheme is **13 February 2025**.
- 29** Where an applicant moves from one participating HLA to another after submitting an on-time application under the terms of the former HLA's scheme, the new HLA will accept the application as on-time up to **12 February 2025**, on the basis that an on-time application already exists within the Pan-London system.
- 30** Application data relating to applications for schools in other participating LAs will be up-loaded to the Pan-London Register (PLR) by **05 February 2025**. Supplementary information provided with the School Admissions Application Form will be sent to Islington voluntary-aided schools and MLAs by the same date.
- 31** Application data relating to Islington schools from out-of-borough pupils will be received from the Pan-London Register on **05 February 2025**.
- 32** Islington LA will notify each school within Islington that is its own admissions authority of every preference that has been made for the school, forwarding to them all relevant details from the School Admissions Application Form by **07 February 2025**.
- 33** Between **08 and 13 February 2025**, own admission authority schools and Academies will assess their applications according to their admissions criteria.
- 34** Islington LA will participate in the application data checking exercise scheduled between **14 February and 20 February 2025** in the Pan-London timetable.
- 35** All preferences for schools within Islington will be considered without reference to rank order. When the admission authorities within Islington have provided a list of applicants in criteria order, Islington LA shall, for each applicant to its schools for whom more than one potential offer is available, use the highest ranked potential offer to decide which single offer to make.
- 36** Schools which are their own admission authority must provide the MLA with an electronic list of their applicants in rank order by **21 February 2025**.
- 37** Islington LA will send the first ALT file to the Pan-London Register (PLR) giving offer details for their school on **12 March 2025**. The PLR will transmit the highest potential offer specified by the MLA to the HLA.
- 38** Islington LA will eliminate all but the highest ranked offer where an applicant has more than one potential offer. This will involve exchanges of preference outcomes between the LAS (Local Admissions System – ONE) and the PLR which will continue until notification that a steady state has been achieved, or until **20 March 2025** if this is sooner.
- 39** Islington will not make an additional offer between the end of the iterative process and **14 April 2025** which may impact on an offer being made by another participating LA.
- 40** Notwithstanding paragraph 38, if an error is identified within the allocation of places at one of our schools or academies, Islington LA will attempt to manually resolve the allocation to correct the error. Where this impacts on another LA (either as a HLA or MLA) Islington LA will liaise with that LA to attempt to resolve the correct offer and any multiple offers which might occur. However, if another LA is unable to resolve a multiple offer, or if the impact is too far reaching, Islington will accept that the applicant(s) affected might receive a multiple offer.
- 41** Islington LA will participate in the offer data checking exercise scheduled between **21 March and 11 April 2025**.

42 Islington LA will send a file to the e-Admissions portal with outcomes for all resident applicants who have applied online no later than **14 April 2025**.

OFFERS

43 Islington LA will ensure, so far as is reasonably practical, that each resident applicant who cannot be offered a preference expressed on the School Admissions Application Form receives the offer of an alternative school place in accordance with paragraph 2.11 of the School Admissions Code, 2021. The applicant will be offered a place at the nearest Islington community school to the home address with an available place.

44 Islington LA will inform all resident applicants of their highest offer of a school place and, where relevant, the reasons why higher preferences were not offered, whether they were for schools in the HLA or in other participating LAs.

45 Islington LA will use the Notification Letter set out in **Schedule D**.

46 Notification of the outcome will be sent electronically to resident applicants on **16 April 2025**, unless a paper application was submitted.

47 Islington LA will provide children's centres, nursery, and primary schools with the destination data of its resident applicants after Offer Day, on **17 April 2025**.

48 Parents/carers who are not successful in their application for a school will be offered the right of appeal.

POST OFFER

49 Parents/carers must accept or decline the offer of a place by **30 April 2025**, or within two weeks of any subsequent offer. If they do not respond by this date the HLA will make every reasonable effort to contact the parent/carer to find out whether or not they wish to accept the place. Only where the parent/carer fails to respond and Islington LA can demonstrate that every reasonable effort has been made to contact the parent/carer, will the offer of a place be withdrawn. (The School Admissions Code states that an admission authority may only lawfully withdraw an offer in very limited circumstances. This may include where a parent/carer has not responded to the offer within a reasonable time).

50 Where a parent/carer accepts or declines a place by **02 May 2025**, this information will be passed on to the relevant school within Islington, or for out-of-borough schools, to the MLA, by **12 May 2025**. Subsequent information will be transferred as and when it is received.

51 A second round of offers will be made following the deadline for acceptance/decline of the original offer made on National Offer Day. There will be no differentiation between on-time or late applications from this point onwards. This includes any applicants who declined their original offer or who wish to make an application for a school in Islington to which they did not originally apply, and all late applicants who missed the original application deadline. The second round of offers will take place within 5 working days of the acceptance/decline deadline.

52 Islington LA will inform the HLA, where different, of an offer for a maintained school or Academy in Islington which can be made to an applicant resident in the HLA's area, in order that the HLA can offer the place.

53 When acting as a MLA, Islington LA and the admission authorities within it will not inform an applicant resident in another LA that a place can be offered.

- 54** When acting as a HLA, Islington LA will offer a place at a maintained school or Academy in the area of another LA to an applicant resident in its area, provided that the school is ranked higher on the School Admissions Application Form than any school already offered.
- 55** Where Islington LA is informed by a MLA of an offer which can be made to an applicant resident in Islington which is ranked lower on the School Admissions Application Form than any school already offered, it will inform the MLA that the offer will not be made.
- 56** Where Islington LA, acting as a HLA, has agreed to a change of preference order for good reason, it must inform any MLA affected by the change.
- 57** When acting as a MLA, Islington LA will inform the HLA, where different, of any change to an applicant's offer status as soon as it occurs. Islington LA will accept new applications (including additional preferences) from HLAs for maintained schools and Academies in its area.

WAITING LISTS

- 58** Where a child does not receive an offer of their first preference, his/her name will automatically be placed on the waiting list for each Islington school for which he/she is eligible, that is a higher preference school to the one that has been offered. Parents/carers will be given the opportunity to make applications to Islington schools to which they did not originally apply.
- 59** Where a waiting list is maintained by an admission authority of a maintained school or academy, the admission authority will inform the MLA of a potential offer, in order that the offer may be made by the HLA.
- 60** Waiting lists will be kept by all admission authorities in Islington LA. Own admission authority schools will apply their own admission arrangements. Islington LA will keep a duplicate waiting list and will offer places on behalf of the governing bodies of own admission authority schools. Waiting lists for community schools will be administered centrally by Islington MLA during the **Autumn Term**.
- 61** Waiting lists for entry to Reception class in **September 2025** will be compiled on **9 May 2025** (after the deadline for acceptance of places) and will be kept in strict criteria order with no differentiation between on-time or late applications.
- 62** Following the second round of offers, waiting lists will be maintained and places allocated, as they become available, in accordance with each admission authority's published admission and oversubscription criteria.
- 63** Children will remain on the waiting list until **31 December 2025**. After this period, all waiting lists will be cleared and passed over to Islington schools. Applicants wishing to remain on the waiting list after this point will need to submit a fresh application for the school in question using Islington's [In-Year Application Form](#).

CHILDREN OF UK SERVICE PERSONNEL (UK ARMED FORCES)

- 64** For families of service personnel with a confirmed posting in Islington LA, or crown servants returning from overseas to live in Islington LA, we will:
- allocate a place in advance of the family arriving in Islington provided the application is accompanied by an official letter that declares a relocation date and a Unit postal address or quartering area address
 - describe Islington's arrangements for the admission of children of UK Service Personnel in our composite prospectus/admissions guide

- ensure our arrangements do not disadvantage service children through an annual review of existing procedures.

- 65** Applications will be processed in line with Islington's school admissions procedures as described above.
- 66** Where possible, a place will be offered at the applicant's highest preferred school as listed on the application form.
- 67** Where it is not possible to offer a place at one of the preferred schools, a place will be allocated at the child's nearest Islington community school with a vacancy and the family offered the right of appeal. We may also ask the school to go over numbers.
- 68** The allocated place will be held open for a period of up to two school terms in advance of the family's move to the UK. This may be extended in individual circumstances.
- 69** The child will be placed on the waiting list for any higher preference school than the one offered as described above.

DEFERRING OR DELAYING ADMISSION

- 70** Children are entitled to a full-time place in Reception class in the September following their fourth birthday.
- 71** In line with the Admissions Code 2021, parents/carers can defer the date their child takes up a full-time place until later in the school year, but not beyond the point at which they reach compulsory school age, and not beyond the beginning of the final term of the school year for which the place was offered.
- 72** Parents/carers who wish to defer their child's admission or opt for their child to attend part-time until they reach compulsory school age *within the same academic year* should inform the head teacher of the offered school.
- 73** In the case of a parental/carer request to *delay* their child's admission into the reception class for the following academic year, the local authority will consider each case on its merits, in the best interests of the child, using the following criteria:
1. the needs of the child and the possible impact of being out of chronological year group
 2. in the case of children born prematurely, the fact that they may have naturally fallen into the lower age group if they had been born on their expected date of birth
 3. whether delayed social, emotional, or physical development is adversely affecting their readiness for school
 4. any evidence provided by the parents/carers to support their request
 5. the views of the head teacher of the relevant school
 6. relevant research into the outcomes of summer born and premature children.
- 74** If the request for delayed admission is agreed, the parent/carer must reapply for a reception class place based on the following year's oversubscription criteria.
- 75** In both cases, the child **MUST** begin to attend school upon reaching compulsory school age (i.e., at the start of the term following their fifth birthday).
- 76** Where parents/carers wish, children may attend the offered school part-time until later in the school year but not beyond the point at which they reach compulsory school age.

CHILDREN OUT OF CHRONOLOGICAL YEAR GROUP WHO ARE NOT SUMMER BORN

- 77** Islington MLA's policy is that every child should be taught in their chronological year group, although it is acknowledged that in exceptional circumstances placing children out of chronological year group may be in the child's best interests.
- 78** Parents/carers may seek a place for their child outside of their normal age group at Primary Transfer, for example, if the child is gifted and talented or has experienced problems such as ill health.
- 79** The Director of Children's Services, on an individual basis, may agree for a child to be taught out of their chronological year group where applicants can demonstrate that admission outside the normal age group would be in the child's best interests.
- 80** Parents/carers must supply written details of any such special factors at the time of the original application (together with recent supporting documentation) to enable these factors to be considered.
- 81** Cases will be considered by a panel comprising senior admissions officers and SEND specialists. The panel will consider the evidence presented and consult relevant professionals as necessary before coming to a decision. In cases where it is agreed, it will never be more than one year below or above the child's chronological age and will be binding on all Islington community schools.
- 82** A decision regarding a child with an Education, Health and Care Plan (EHCP) will be considered via the SEN Annual Review process. In the event that the HLA determines that the child should be taught out of chronological year group the EHCP will be amended accordingly.
- 83** Although parents/carers have a statutory right to appeal against the refusal of a place at a school for which they have applied, the right does not apply if they are offered a place at the school, but it is not in their preferred age group.

Appendix 4 (Schedule C): Proposed Timetable for the Determination of Primary Applications 2025-26

Date	Action
01 January 2025	Deadline for the LA to formulate and publish on their website the local area's coordinated scheme
10 January 2025	Recommended closing date for receipt of the School Admission Application Form
15 January 2025	Statutory deadline for return of application to the Home LA
5 February 2025	Deadline for the transfer of application information by the Home LA to the PLR and supplementary information to Islington VA schools/maintaining local authorities
13 February 2025	Deadline for the upload of applications that are late but are considered to be on-time, to the PLR
14 February to 20 February 2025	Own admission authority schools and academies will assess their applications according to their admissions criteria
14 February to 20 February 2025	Pan-London data checking exercise of pupil applications exchanged via the PLR
21 February 2025	Own admission authority schools and academies to provide Islington LA with an electronic list of their applicants in rank order
28 February 2025	Deadline for admission arrangements to be determined
12 March 2025	Deadline for the transfer of highest potential offer information from the Maintaining LAs to the PLR (1st ALT)
20 March 2025	Final ALT file to the PLR

Date	Action
21 March to 11 April 2025	Pan-London data checking exercise of pupil offer data
14 April 2025	Deadline for online ALT file to portal
16 April 2025	National Offer Day - Notification Letter sent to parents/carers by Home LA
02 May 2025	Date by which parents accept or decline offers
12 May 2025	Date by which LA will pass on information to schools within Islington (or for out-of-borough schools, to the maintaining LA) on accepted or declined places.

Appendix 4 (Schedule D): Proposed Primary Notification Letter 2025-26

16 April 2025

Ref: «pupil_id»

To the Parent/Carer of

«pupil_firstname» «pupil_surname»

Islington School Admissions Team
222 Upper Street, London N1 1XR
Tel: 020 7527 5515
Email: admissions@islington.gov.uk
This matter is being dealt with by:

Alison Smith

Dear Parent/Carer

PRIMARY TRANSFER STARTING RECEPTION – 2025-26

I am writing to let you know the outcome of your application for a primary school place. Your child «pupil_firstname» has been offered a place at «alloc_pref».

Accepting the offer of the school place

It is important that you confirm as soon as possible that you wish to accept the offer of a place at «alloc_pref». Please complete the reply slip below and return by **02 May 2025**. Failure to do so may result in this offer being withdrawn. Once your acceptance is received, the school will be informed and will contact you to provide further information about the arrangements for admission.

Please note that applications for any schools that you listed lower on your application form were automatically withdrawn under the coordinated admission arrangements.

If you were not offered your first preference school

I am sorry that it was not possible to offer a place at any of the schools which you have listed higher on your application form. For each of these schools there were more applications than places available, and other applicants had a higher priority than your child under the school's published admission criteria.

If you would like further information about why your child was not offered one of your higher preference schools, then please contact the admission authority for that school. An admission authority will either be the school or the local authority where the school is located. We are the admission authority for community schools in Islington. For all other schools and academies, please contact them directly.

Appeals

You have the right of appeal under the School Standards & Framework Act 1998 against the refusal of a place at any of the schools which you listed on your application form.

If you wish to appeal:

- for community schools in Islington please complete the [online appeal form](#)
- at: <http://www.islington.gov.uk/admissions> for all other schools and academies in Islington please contact the school direct
- for schools outside Islington, please contact the local authority where the school is located.

Key Stage 1 Infant Class Size Legislation

You should be aware that by law infant classes (Reception, Year 1 and Year 2), where the majority of children will reach the age of 5, 6 or 7 during the school year, must not contain more than 30 pupils with a single school teacher.

Where a child has been refused admission to a school on "Infant Class Size Prejudice" grounds, an appeal panel can only offer a place to a child where it is satisfied that either:

the child would have been offered a place if the admission arrangements had been properly implemented; and/or

the child would have been offered a place if the arrangements had not been contrary to mandatory provisions in the School Admissions Code and the School Standards and Framework Act (SSFA) 1998; and/or

the decision to refuse admission was not one which a reasonable admission authority would have made in the circumstances of the case.

NB. The outcome of your appeal will not be influenced by the acceptance of a place at an alternative school.

Waiting lists

I can confirm that your child's name has been placed on the waiting list for any Islington school that you have listed higher on your form. If you do not wish to remain on these waiting lists, please tick the relevant box on the reply slip.

If you would like «pupil_firstname» to be placed on a waiting list for any other school, then please contact the Islington School Admissions Team. Your child will remain on the waiting list until the **31 December 2025**.

If you have any further queries, please do not hesitate to contact a member of the School Admissions Team on 020 7527 5515.

Yours sincerely,

Alison Smith

Manager, Admissions and Children Out of School

REPLY SLIP

Ref: «pupil_id»

PLEASE ACCEPT YOUR PLACE ONLINE BY 02 MAY 2025

Alternatively, please return the paper form by email or post to:

Islington School Admissions Team
222 Upper Street
London N1 1XR
Email: admissions@islington.gov.uk

ACCEPTING A PLACE

- I wish to accept a place for «pupil_firstname» «pupil_surname» at «alloc_pref»
- I do not wish to accept a place for «pupil_firstname» «pupil_surname» at «alloc_pref»

Please complete this section if not accepting this school place.

I do not wish to accept a place at the above school. My child will be educated as follows:

WAITING LISTS

- I would like my child to be placed on the waiting list for the following schools (up to six maximum):

- Please remove my child from all waiting lists.

.....
Signature of Parent/Carer

...../...../.....
Date

Daytime Telephone Number.....

For information on how the waiting lists for Islington Schools operate, please refer to the Primary Schools Guide available online at: www.islington.gov.uk/admissions

Appendix 5: Proposed Admission Criteria to Islington Community Primary Schools 2025-26

Applicants an Education, Health and Care Plan (EHCP) will be admitted (via the SEND process as outlined in Section 324 of the Education Act 1996) to the school named in the EHCP.

In the event of over-subscription to a community secondary school, the following criteria will be applied in the order listed below:

1. **Looked-after and previously looked after children:** Children who are in the care of a local authority in England and children who have been adopted or made subject to a child- arrangements order or special guardianship order immediately after being looked-after, including those who appear to have been in state care outside of England.
2. **Sibling:** A sibling is defined as a brother or sister, half brother or sister, stepbrother or sister or adopted brother or sister whose main residence is at the same address. This criterion will apply to applicants with a sibling living at the same address who is on the roll of the preferred school (Reception Class to Year 6), or co-located Special School, at the time of Determined admission in the new academic year.
3. **Exceptional Social, Medical or Special Educational Needs:** The Director of Children's Services, on an individual basis, may give priority to applicants who can demonstrate that admission to a particular school is necessary on the grounds of professionally supported *exceptional* medical, social or special educational needs. Parents/carers must supply details of any such special factors at the time of the original application (together with recent supporting documentation), to enable these factors to be considered.
4. **Distance:** Applicants who live nearest to the preferred school. Nearness to the school will be determined by a computerised mapping system using a straight-line distance measurement. Routes will be calculated from the home address (as defined by the Land & Property Gazetteer) to the midpoint of the school grounds (as determined by Islington Local Authority).

Distance will be used as a tiebreaker for over-subscription criteria 1-3.

Tie Break

In the event of more applications than places available within any criterion, the tiebreaker will be distance. If only one place is available and two or more families live an equal distance from the school or tie within any of the other criteria, then the allocation of that place will be determined by random allocation using a computerised system.

Multiple Births

- **Key Stage 1**

If only one place is available at the school and the next child who qualifies for a place is one of multiple birth siblings or has a sibling eligible for admission to the same year group, schools will go over their published admission number to support the family as required by the School Admissions Code 2021. These children will be deemed as 'excepted' pupils under KS1 class size legislation.

- **Key Stage 2**

If only one place is available at the school and the next child who qualifies for a place is one of multiple birth siblings or has a sibling eligible for admission to the same year group, we will ask community schools to admit the siblings and go over their published admission number to support the family.

Appendix 6: Proposed Admission Numbers to Primary Community Schools 2025-26

Primary School	Planning Area	Planning Area Network	Proposed Admission Number 2025-2026
Ambler Primary School & Children's Centre	3	Highbury	60
Ashmount Primary School	2	Hornsey	60
Blessed Sacrament Catholic Primary School	4	Barnsbury	30
Canonbury Primary School	5	Canonbury	60
Christ The King Catholic Primary School	2	Hornsey	45
City of London Primary Academy, Islington	6	Finsbury	60
Drayton Park Primary School	3	Highbury	30
Duncombe Primary School	2	Hornsey	60
Gillespie Primary School	3	Highbury	30
Grafton Primary School	2	Hornsey	60
Hanover Primary School	5	Canonbury	45
Hargrave Park Primary School	1	Holloway	45
Highbury Quadrant Primary School	3	Highbury	30
Hugh Myddelton Primary School	6	Finsbury	60
Hungerford Primary School	1	Holloway	60
Laycock Primary School	4	Barnsbury	50

Primary School	Planning Area	Planning Area Network	Proposed Admission Number 2025-2026
Montem Primary School	2	Hornsey	45
Moreland Primary School	6	Finsbury	60
Newington Green Primary School	3	Highbury	60
Pakeman Primary School	2	Hornsey	45
Pooles Park Primary School	2	Hornsey	30
Prior Weston Primary School	6	Finsbury	30
Robert Blair Primary School	1	Holloway	30
Rotherfield Primary School	5	Canonbury	30
Sacred Heart Catholic Primary School	1	Holloway	60
St Andrew's Barnsbury Church Of England Primary	4	Barnsbury	30
St Joan of Arc Catholic Primary School	3	Highbury	60
St John Evangelist Catholic Primary School	5	Canonbury	40
St John's Highbury Vale CofE Primary School	3	Highbury	30
St John's Upper Holloway CofE Primary School	1	Holloway	30
St Joseph Roman Catholic Primary School	1	Holloway	60
St Jude And St Paul's CofE Primary School	3	Highbury	30

Primary School	Planning Area	Planning Area Network	Proposed Admission Number 2025-2026
St Luke's CofE Primary School	6	Finsbury	30
St Mark's CofE Primary School	2	Hornsey	30
St Mary Magdalene Academy	1	Holloway	30
St Mary's CofE Primary School	5	Canonbury	30
St Peter and St Paul Catholic Primary School	6	Finsbury	30
The New North Academy	5	Canonbury	30
Thornhill Primary School	4	Barnsbury	60
Tufnell Park Primary School	1	Holloway	60
Vittoria Primary School	4	Barnsbury	45
Whitehall Park Free School	2	Hornsey	60
William Tyndale Primary School	5	Canonbury	60
Winton Primary School	4	Barnsbury	30
Yerbury Primary School	1	Holloway	60

TOTAL: 2,010

By Planning Area

Planning Area	Planning Area Network	Total Number of Places
1	Holloway	435
2	Hornsey	435
3	Highbury	330
4	Barnsbury	245
5	Canonbury	295
6	Finsbury	270

TOTAL: 2,010

Appendix 7: Proposed Local Protocols for the Management of In-year Applications and Waiting Lists 2025-26

GLOSSARY

Term	Definition
Admission Authority	The body responsible for setting and applying a school's admission arrangements. For community schools, the local authority is the admission authority; and for foundation or voluntary aided schools, the governing body of the school is the admission authority. For Academies and Free Schools the Funding Agreement states who is responsible for applying admission arrangements which can only be set or altered with the prior agreement of the Secretary of State.
Home Local Authority (HLA)	The authority area in which the child lives.
Maintaining Local Authority (MLA)	The authority area in which the school is located.
Management Information System (MIS)	Schools' pupil database (e.g., SIMS, Arbor, Bromcom)

PRINCIPLES

- 1 The aim of these protocols is to establish a fair, clear and simple process for Islington parents/carers wishing to apply for a place at an Islington school.
- 2 The protocols have also been designed to safeguard children from 'slipping through the net' and being left without a school place.
- 3 To this end there will be a single process for admission to any school in Islington, including community, academy and voluntary-aided schools.
- 4 The administrative responsibility for processing in-year applications has been delegated to schools. For community schools however, the local authority remains the admission authority and retains overall responsibility for the allocation of school places.
- 5 Schools will work in partnership with Islington LA both in its capacity as HLA and MLA to safeguard children and to ensure a fair, clear and simple process for Islington parents/carers.

APPLICATIONS

- 6 Applications for all Islington schools, from children resident in Islington will be made on Islington's online In-Year School Admissions Application Form. This will include all the fields and information specified in Schedule A which has been previously agreed by all Pan-London Authorities and is compliant with the School Admissions Code.
- 7 The [In-Year School Admissions Application Form](http://www.islington.gov.uk/admissions) will be available as an online application form at: www.islington.gov.uk/admissions. Alternatively, a paper form can be requested from the

Islington School Admissions Team by telephone on 020 7527 5515 or in person at the Council Offices at 222 Upper St, N1 1XR.

- 8 As Islington schools will be responsible for making offers and holding waiting lists, an individual application must be made to each preferred school so that preference order is not disclosed.
- 9 Parents/carers can apply for **up to 3 schools** in Islington or in other local authorities and can select up to three preferences for Islington schools.
- 10 Islington schools will forward applications for children living elsewhere in England to Islington MLA who will liaise with the child's HLA and share the outcome of the application.
- 11 Islington LA will allow parents/carers to submit an online enquiry via email to express an interest in applying for an In-Year school place.
- 12 Own admission authorities within Islington will only use supplementary forms where the information available through the School Admissions Application Form is insufficient for consideration of the application against their published oversubscription criteria.
- 13 Supplementary forms will be available from the Islington school concerned, on Islington's website and from the Islington School Admissions Team.
- 14 Any supplementary forms must advise parents/carers that they must also complete their HLA's School Admissions Application Form. Islington's online composite prospectus/admissions guide and website will indicate which Islington schools require supplementary forms to be completed and where they can be obtained.
- 15 Where an admission authority in Islington receives a supplementary form, it will consider it to be a valid application, and the parent/carer will also be asked to complete their HLA's School Admissions Application Form.
- 16 Where there is no waiting list and only the HLA's Application Form is received, Islington schools **MUST** admit the child. If there is a waiting list, a supplementary form should be completed where relevant in order for the application to be ranked correctly.
- 17 Any Islington school that operates a banding system that requires testing to take place must ensure appropriate arrangements are made for this to happen in a timely manner.
- 18 Islington MLA will accept any preference received from an HLA for a maintained school or Academy in Islington.
- 19 On request from an Islington school, Islington LA will undertake to carry out address verification and measuring of home to school distances. This service will be provided at no additional charge to Islington schools and academies.
- 20 Where Islington HLA is not satisfied as to the validity of an address of an applicant whose preference has been sent to a MLA, it will advise the MLA as soon as it becomes apparent.
- 21 On request, Islington HLA will confirm the status of any resident child for whom it receives an Application Form stating that s/he is a 'Child Looked After' by a local authority in England or 'Previously looked after', including those who appear to have been in state care outside of England, and have recently been adopted (or made subject to a child arrangements order or special guardianship order) immediately after being looked after and provide evidence to the MLA in respect of a preference for a school in its area.

22 The same will also apply for any previously looked after child, including those who appear to have been in state care outside of England, who have been adopted (or made subject to a child arrangement order or special guardianship order) immediately after being looked after, in respect of a preference for a school not in Islington MLA as soon as it is received.

PROCESSING

23 Applicants with children resident in Islington must complete and return Islington's online In-Year School Admissions Application Form, a copy of which is sent directly to the preferred Islington school and School Admissions Team.

24 Islington schools will be responsible for ranking and decision-making in relation to which child is to be offered a place in accordance with their published admission criteria.

25 Islington schools will also be responsible for maintaining their waiting lists in admission criteria order. Waiting lists will be cleared at the end of each term and parents/carers notified that they should submit a fresh application if they wish to remain on the waiting list.

26 Continuity in a child's education is of significant importance. Islington's head teachers are committed to working in partnership with each other and Islington LA to minimise disruption to a child's education through changing schools mid-year, unless it is in the child's best interest to do so.

27 Where an application is received from a child who attends another Islington school, the head teacher of the preferred Islington school will inform the current Islington school of the application. This will provide the current Islington school with the opportunity to discuss with the parent/carer their reasons for wishing to change schools.

28 Schools must notify the MLA of any completed In-Year School Admissions Application Form and inform the HLA of which children are to be offered a school place and similarly which children are not being offered a school place. This is an important safeguarding process to ensure no child is left without a school place. Islington schools will provide Islington LA with a copy of the application form to enable the HLA to verify the address and calculate distances where requested as detailed above.

29 Islington schools will send out their own offer (Schedule E) or no offer letter (Schedule F) and provide Islington LA with a copy.

30 Where an Islington school informs Islington LA that they are unable to offer a place, parents/carers will be informed of their right of appeal and which Islington schools have suitable vacancies.

31 Islington schools must keep its MIS up-to-date as vacancy information will be based on this data. On request from Islington MLA, schools will provide vacancy numbers within 2 school days. This will ensure Islington MLA maintains an overview of pupil numbers and vacancies across the borough so that any unplaced children can be allocated a suitable school place quickly.

32 Islington schools not transferring their data directly to Islington LA via the 'B2B' link will provide admission and vacancy information as requested by Islington MLA **within 2 school days**.

33 Applications from children resident outside Islington will be processed in accordance with the Home LA's arrangements.

- 34 Similarly, Islington residents wishing to apply for a school in another MLA will be advised of how to do so. Islington HLA will work with other London authorities to ensure these pupils are tracked from receipt of the application to the offer of a school place.
- 35 Where it is not possible to offer an Islington resident one of their preferred schools, Islington LA will allocate a suitable Islington school place **within 20 school days** of receiving the application. Applicants will also be advised of their right of appeal.

OFFERS

- 36 Islington schools will send out their own offer (Schedule E) or no offer letter (Schedule F) using the templates provided as a guide and provide Islington LA with a copy.
- 37 Islington MLA will aim to share the outcome of an application for one of its schools with the HLA **within 10 school days** of receiving the data. Where it is clear to Islington that no vacancy exists for the child, Islington MLA will inform the HLA as soon as possible after receipt of the application data. If it has not been possible to make a decision **within 10 school days**, Islington MLA will undertake to send details of the outcome of an application for one of its schools to the HLA as soon as a decision is made, but **within 15 school days** of receiving the application data.
- 38 Where it has not been possible to share the outcome of an application for an Islington school **within 10 school days** of receiving the data, Islington MLA understands that the HLA may send an outcome letter advising the parent/carer that a decision has not yet been made in respect of an Islington school.
- 39 Where Islington HLA has not received an outcome for a school within another MLA, Islington as HLA, will case manage that application to ensure that no unplaced child is left without a school place.
- 40 Where a parent/carer moves from one HLA to another after submitting an application, the previous HLA will pass responsibility to the new HLA which, once it is satisfied that the applicant has moved into its area, will accept responsibility for that applicant.

POST OFFER

- 41 Islington schools/HLA will request that resident parent/s or carer/s accept or decline the offer of a place within two weeks.
- 42 Where a parent/carer does not respond within this timeframe and the application is for an out of borough school, schools (or Islington HLA) will make every reasonable effort to contact the parent/carer directly or via the MLA.
- 43 Only where the parent/carer fails to respond and schools (or Islington HLA) can demonstrate that every reasonable effort has been made to contact the parent/carer, will the offer of a place be withdrawn.
- 44 Where a parent/carer resident in Islington accepts or declines a place in a school maintained by another LA, Islington HLA will forward the information to the MLA as soon as it is received.
- 45 For school-to-school transfers between Islington schools that do not require a house move, or where there is no need for an immediate move, Islington schools will be able to defer admission to the next half term if both head teachers agree that this is in the child's best interest.

46 Islington MLA will aim to inform the HLA whether a child offered a place at a school in its area has been placed on roll at the school **within 5 working days** of being placed on roll.

47 Islington MLA will notify the HLA of any appeals that are upheld for Islington schools.

WAITING LISTS

48 Islington schools will hold waiting lists in the published criteria order and provide a copy for the Islington MLA.

49 Where a place is available to be offered from the waiting list to a child resident in another LA, schools will make the offer and inform Islington MLA who will liaise with the HLA.

50 Where Islington HLA is informed that another MLA is able to offer a place from the waiting list to one of its residents, it will track the pupil from offer to admission.

51 Children will remain on the waiting list of Islington schools for one term. After this period, all waiting lists will be cleared. Applicants wishing to remain on the waiting list after this point will need to submit a fresh application for the school in question using Islington's [In-Year Application Form](#).

TIMING OF ADMISSION

52 For school-to-school transfers from one Islington school to another that do not necessitate a house move or an immediate start at a new school (as agreed by both head teachers), admission can be deferred to the start of the next half term as follows:

SCHOOL TO SCHOOL TRANSFERS BETWEEN ISLINGTON SCHOOLS NOT REQUIRING A HOUSE MOVE OR IMMEDIATE START

Application date	Admission date
June to August	Start of the Autumn Term
September to October	First week after October Half Term
November to December	Start of the Spring Term
January to February	First week after February Half Term
March to April	Start of the Summer Term
May	First week after May Half Term

53 When a child leaves an Islington school, schools should ensure they follow Islington's procedures for removing pupils safely from roll, including updating the school's MIS with the named destination and completing the **LA Pupil Deletion Notification** or **Missing Pupil Alert** as appropriate. For further information please email in-year@islington.gov.uk.

- 54** When a child joins an Islington school, schools should ensure they notify the School Admissions team **within 5 school days** either via the direct transfer of pupil data to the LA or by completing a **New Starter Notification**. For further information please email in-year@islington.gov.uk
- 55** The pupil's CTF and main school file should be transferred swiftly to the new school, in line with local guidance. This is particularly important for pupils subject to a child protection plan or who have a separate child protection file. This file must be transferred within 5 school days of the pupil starting at the new school in line with guidance issued by Islington Council. For more information, please email in-year@islington.gov.uk

FAIR ACCESS ADMISSIONS

- 56** Islington residents deemed to be unplaced and vulnerable, and those who are having difficulty in securing a school place in-year, will be admitted to an Islington school under Islington's Fair Access Protocol by the Primary and Secondary Securing Education Boards which meet approximately once a month.
- 57** The Securing Education Boards determine whether pupils should be admitted under Islington's Fair Access Protocol and which schools should be allocated.
- 58** All schools and academies must take part.
- 59** Schools are allocated on a 'fair share' basis to ensure equity across all Islington schools and academies and not just those with vacancies.
- 60** Where possible parental preference is accorded but cannot always be guaranteed.
- 61** Schools allocated pupils under the Fair Access Protocol may, in some circumstances be provided with additional resources to support the pupils' reintegration.
- 62** Admissions will be scrutinised by the Primary and Secondary Securing Education Boards to ensure the Fair Access Protocol is being applied equitably.
- 63** Where schools are approached for a place and believe the application should be considered under Islington's Fair Access arrangements, the case should be referred to the Senior Officer, Children Out of School without delay to ensure the child does not go missing from the system.

CHILDREN OF UK SERVICE PERSONNEL (UK ARMED FORCES)

- 64** For families of service personnel with a confirmed posting in Islington LA, or crown servants returning from overseas to live in Islington LA, we will:
- allocate a place in advance of the family arriving in Islington provided the application is accompanied by an official letter that declares a relocation date and a Unit postal address or quartering area address
 - describe Islington's arrangements for the admission of children of UK Service Personnel in our composite prospectus/admissions guide
 - ensure our arrangements do not disadvantage service children through an annual review of existing procedures.
- 65** Applications will be processed in line with Islington's school admissions procedures as described above.
- 66** Where possible, a place will be offered at the applicant's highest preferred school as listed on the application form.

- 67** Where it is not possible to offer a place at one of the preferred schools, a place will be allocated at the child's nearest Islington community school with a vacancy and the family offered the right of appeal.
- 68** The allocated place will be held open for a period of up to two school terms in advance of the family's move to the UK. This may be extended in individual circumstances.
- 69** The child will be placed on the waiting list for any higher preference school than the one offered as described above.

CHILDREN OUT OF CHRONOLOGICAL YEAR GROUP

- 70** Islington MLA's policy is that every child should be taught in their chronological year group, although it is acknowledged that in exceptional circumstances placing children out of chronological year group may be in the child's best interests.
- 71** Parents/carers may seek a place for their child outside of their normal age group, for example, if the child is gifted and talented or has experienced problems such as ill health.
- 72** Placing children out of chronological age group is ultimately a matter between the school and parents/carers. For any child with special educational needs however, the expectation is that advice will be sought from any outside specialists involved with the child.
- 73** A decision regarding a child with an Education, Health and Care Plan (EHCP) must be referred to the HLA via the SEN Annual Review process. In the event that the HLA determines that the child should be taught out of chronological year group the EHCP will be amended accordingly.
- 74** Parent/carer requests for children to be placed out of chronological year group must be put in writing to the head teacher.
- 75** The head teacher must provide a written response outlining the reasons for the decision. The decision will be binding on all other schools for which the MLA is responsible. In cases where it is agreed, it should never be more than one year below or above their chronological age.
- 76** Although parents/carers have a statutory right to appeal against the refusal of a place at a school for which they have applied, the right does not apply if they are offered a place at the school, but it is not in their preferred age group.

Appendix 7 (Schedule E): Proposed Online In-Year Application Form 2025-26

CHILD DETAILS

First name and Last name

Gender and DoB

Address and Postcode

Is your child currently looked after (LAC)?

Does your child have an Education Health Care Plan? Or Previously Looked After (PLAC)?

Is your child currently living in the UK?

Date child moved to UK?

PARENT/CARER DETAILS

First name and Last name

Telephone number – Home / Mobile

Email address

Postcode

Relationship to child

Do you have parental responsibility for this child?

If no, is this child subject to a Private Fostering arrangement?

Are you a member of the Armed Forces or a Crown Servant applying for a school place as a result of a posting?

SCHOOL INFORMATION

What is the name of your child's current or most recent school?

What is the address/postcode of this school?

Is your child still attending this school? Date child last attended previous school

Child's year group

Please state which school you wish to apply for:

Does your child have brothers or sisters living at the SAME ADDRESS currently attending the school you are applying to?

Have you discussed your reasons for wanting to move your child to a different school with the Head Teacher or Head of Year at your child's current school?

FAIR ACCESS

- a) Has your child been subject to a CIN or CP Plan within the last 12 months?
- b) Is your child living in a refuge or in other similar accommodation?
- c) Is your child known to the criminal justice system?
- d) Has your child been permanently excluded or being reintegrated from a PRU?
- e) Does your child have Special Educational Needs, disabilities or medical conditions (but without an EHCP)?
- f) Is your child a young carer?
- g) Is your child homeless?
- h) Is your child in formal kinship care?
- i) Is your child Gypsy, Roma, Traveller, Refugee, or Asylum seeker?
- j) Has your child been refused a school place on the grounds of their challenging behaviour?
- k) Are there exceptional circumstances why you have not sought a school place for your child?
- l) Has your child been out of education for four or more weeks?
- m) Was your child previously in state care / looked after?

OTHER

Is your child aged between 14 and 16 and English is not your child's first language (please give the first language below)?

Are you applying to this school for social/medical reasons?

DECLARATION

I confirm that the information I have provided on this form is correct.

I understand that you may request further evidence to verify the information provided.

I understand that this information may be shared in accordance with Islington's [Privacy Notice](#).

Appendix 7 (Schedule E): Proposed In-Year Offer Letter 2025-26

PRIVATE & CONFIDENTIAL

Parent / Carer name and address

Date

Dear [Parent's / Carer's name]

OFFER LETTER

Thank you for your application for a place at [School Name]. I am pleased to inform you that we are able to offer [Child's Name] a place at our school.

Accepting the offer of the school place

It is important that you confirm as soon as possible that you wish to accept a place at our school. Please complete the reply slip below and return it by [Deadline Date]. If you do not accept the place by this deadline, we may withdraw the offer.

Once your acceptance is received, we will contact you to provide further information about our joining arrangements.

Sibling applications

If you have any other children applying for a place at this school, please inform us immediately so we can prioritise their application as a sibling.

I look forward to receiving your acceptance.

Yours sincerely

Head teacher / Principal

Cc. Islington School Admissions Team

REPLY SLIP

Please return this form by [deadline date] to:

CONTACT NAME

SCHOOL NAME AND ADDRESS

CHILD'S FULL NAME

Please choose as appropriate:

I wish to accept a place for my child at your school

I do not wish to accept a place for my child at your school. Please remove my child from the school's waiting list.

Parent / Carer signature

Date

Daytime contact number

Please return this form by [deadline date] to:

Appendix 7 (Schedule F): Proposed In-Year No Offer Letter 2025-26

PRIVATE & CONFIDENTIAL

Parent / Carer name and address

Date

Dear [Parent's / Carer's name]

NO OFFER

Thank you for your application for a place at **[School Name]**. I am sorry to inform you that it was not possible to offer **[Child's Name]** a place at our school in **[YEAR]**, as the admission of an additional pupil would prejudice the provision of the efficient education or the efficient use of resources.

[Please insert the school's reason for refusal, focussing more on the impact that this child's admission would have on the school community, if the child was to be admitted.]

Waiting list

[Child's Name] has been placed on our waiting list and will remain on the waiting list until the end of the Autumn/Spring/Summer Term (*delete as appropriate*). Children on the waiting list will be ranked in the following order, in line with our published admission criteria: (*please adapt as appropriate*)

Looked-after and previously looked after children: Children who are in the care of a local authority in England and children who have been adopted or made subject to a child-arrangements order or special guardianship order immediately after being looked-after including those who appear to have been adopted from state care outside of England

Siblings

Exceptional medical, social or special educational needs

Distance

Distance will be used as a tiebreaker for over-subscription criteria 1-4

For full details of our admissions policy, please see <https://www.islington.gov.uk/children-and-families/schools/apply-for-a-school-place/school-admissions-information> and click on the relevant determined admission arrangements.

Please note that all offers will be made in strict accordance to our published admission criteria, and that your child's waiting list position can go down as well as up. Should a place become available for your child at our school then we will contact you immediately.

Appeals

You have the right of appeal under the School Standards & Framework Act 1998 against the refusal of a place at any school for which you have applied. If you wish to appeal for an Islington community school place please complete the online appeal form [for own admission authority schools state where an appeal form can be obtained]. Alternatively, please ring the Islington School Admissions team on 020 7527 5515.

The outcome of your appeal will not be influenced by the acceptance of a place at an alternative school. If you have any further queries, then please do not hesitate to contact me.

Yours sincerely

Head teacher / Principal

Cc. Islington School Admissions Team

Appendix 8: Proposed In-Year Admission Criteria to Islington Community Schools 2025-26

Applicants with an Education, Health and Care Plan (EHCP) will be admitted (via the SEND process as outlined in Section 324 of the Education Act 1996) to the school named in the EHCP. In the event of over-subscription to a community primary or secondary school, the following criteria will be applied in the order listed below:

1. **Looked-after and previously looked after children:** Children who are in the care of a local authority in England and children who have been adopted or made subject to a child- arrangements order or special guardianship order immediately after being looked-after, including those who appear to have been in state care outside of England.
2. **Siblings:** A sibling is defined as a brother or sister, half brother or sister, step-brother or sister or adopted brother or sister whose main residence is at the same address. This criterion will apply to applicants with a sibling living at the same address who is on the roll of the preferred school (Primary: Years R-6; Secondary: Years 7 to 11) at the time of Determined admission in the new academic year.
3. **Exceptional Social, Medical or Special Educational Needs:** The Director of Children's Services, on an individual basis, may give priority to applicants who can demonstrate that admission to a particular school is necessary on the grounds of professionally supported *exceptional* medical, social or special educational needs. Parents/carers must supply details of any such special factors at the time of the original application (together with recent supporting documentation) to enable these factors to be considered.
4. **Distance:** Applicants who live nearest to the preferred school. Nearness to the school will be determined by a computerised mapping system using a **straight**-line distance **measurement**. Routes will be calculated from the home address, including flats (as defined by the Land & Property Gazetteer) to the midpoint of the school grounds (as determined by Islington Local Authority).

Distance will be used as a tiebreaker for over-subscription criteria 1-3.

Tie Break

If only one place is available and two or more families live an equal distance from the school or tie within any of the other criteria, then the allocation of that place will be determined by random allocation using a computerised system.

Multiple Births

If only one place is available at the school and the next child who qualifies for a place is one of multiple birth siblings or has a sibling eligible for admission to the same year group, we will ask community schools to admit the siblings and go over their published admission number to support the family. For KS1 children, schools will admit the siblings and go over their published admission number to support the family as required by the School Admissions Code 2021¹. These children will be deemed as 'excepted' pupils under KS1 class size legislation.

¹ 2.16 Infant class size - excepted children are: g) children whose twin or sibling from a multiple birth is admitted otherwise than as an excepted pupil;

Appendix 9: Highbury Fields Sixth Form Proposed Admissions Policy and Criteria 2025-26

All applicants must register their interest to attend Highbury Fields Sixth Form in the Spring Term. Students who apply before the published deadline will be contacted to attend a meeting at the school to provide advice on options and entry requirements for particular courses. This information is also available on the [school's website](#).

In the event that there are more applications than places available, the following oversubscription criteria will apply:

- 1. Looked-after and previously looked after children:** Children who are in the care of a local authority in England and children who have been adopted or made subject to a child arrangements order or special guardianship order immediately after being looked-after, including those who appear to have been in state care outside of England.
- 2. Students in Year 11 who attend Highbury Fields School** and meet the entry requirements for their chosen course.
- 3. External applicants** who meet the entry requirements for their chosen course.

Distance will be used as a tiebreaker for over-subscription criteria 1-3.

Tie-Break

If only one place is available and two or more eligible students live an equal distance from the school or tie within any of the other criteria, then the allocation of that place will be determined by random allocation using a computerised system.

Final offers of a place on a specific course for all students will be conditional on attendance at Enrolment Day in August, induction in September (or prior notification of justifiable absence) and actual GCSE results. Students who are not offered a place will be offered the right of appeal.

Highbury Fields Sixth Form maintains the right to withdraw a publicised course if the number of students is insufficient.

Highbury Fields Sixth Form maintains the right to review and change the admissions policy.

Appendix 10: Highbury Fields Sixth Form Proposed Admission Number for External Applicants 2025-26

Proposed Admission Number for external applicants to Year 12	2025-26
Highbury Fields School	25

Appendix 11: Summary of Consultation Responses

Question Number	Question	Yes	No	No Response
1	Do you agree the proposed secondary admission scheme and timetable as set out in Appendix 1?	11	3	0
2	Do you agree the proposed secondary community school admission criteria as set out in Appendix 2?	11	3	0
3	Do you agree the proposed secondary community school admission numbers as set out in Appendix 3?	9	4	1
4	Do you agree the proposed primary admission scheme and timetable as set out in Appendix 4?	11	3	0
5	Do you agree the proposed primary community school admission criteria as set out in Appendix 5?	11	3	0
6	Do you agree the proposed primary community school admission numbers as set out in Appendix 6?	9	5	0
7	Do you agree the proposed local protocols for the management of in-year admission applications and waiting lists for Islington schools as set out in Appendix 7?	11	3	0
8	Do you agree the proposed admission criteria for in-year admission to Islington community schools as set out in Appendix 8?	11	3	0
9	Do you agree the proposed admission policy and oversubscriptions criteria for admission to Highbury Fields Sixth Form as set out in Appendix 9?	11	3	0
10	Do you agree the proposed admission number for external applicants to Highbury Fields Sixth Form as set out in Appendix 10?	11	3	0

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Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	School Admissions Arrangements
Reference number (if applicable)	
Service Area	Pupil Services, Children's Services
Date screening completed	01 December 2023
Screening author name	Gabriella Di-Sciullo
Fairness and Equality team sign off	
Authorising Director/Head of Service name	Sarah Callaghan

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 aim of the policy is to ensure admissions to Islington community schools are administered objectively and fairly in accordance with mandatory regulations set out in the School Admissions Code 2021. All schools must have admission arrangements that clearly set out how children will be admitted, including the criteria that will be applied if there are more applications than places at the school. Admission arrangements are determined by admission authorities, and Islington Council is the admission authority for all Islington community schools.

Admission authorities must act in accordance with the School Admissions Code, published by the Department for Education, and all relevant human rights and equalities legislation. All applicants must be offered a place where a school has available places, and no conditions must be attached to the pupil's admission.

Admission authorities must also set out in their arrangements how places will be allocated when more applications are received than there are places available (i.e., the school's oversubscription criteria).

Oversubscription criteria must be reasonable, clear, objective, procedurally fair, and comply with all relevant legislation, including equalities legislation. Arrangements must not disadvantage unfairly, either directly or indirectly, a child from a particular social or racial group, or a child with special educational needs or a disability. Admission arrangements must not:

- place any conditions on application other than those in the published arrangements
- give priority to children on the basis of any practical or financial support parents may give to the school

- give priority to children according to the occupational, marital, financial, or educational status of parents applying
- involve an interview of the child or parent/carer
- request photographs of a child for any part of the admissions process.

Proposed changes to community school admission arrangements for 2025-26

Islington Council is consulting on changes to the admission number of four primary community schools and one secondary school. No other changes are proposed.

On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes – applicants who are not resident in Islington.
Residents	Yes
Businesses	No
Visitors to Islington	No
Voluntary or community groups	No

Group of people	Impacted?
Council staff	No
Trade unions	No
Other public sector organisations	No
Others	

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.

As changes to the existing admission arrangements were proposed, in line with the requirements of the School Admissions Code, 2021 a statutory consultation was carried out. The consultation was published on [Islington](#)

[Council's website](#), and circulated to all London local authorities, Diocesan representatives, Childminders, Early Years Providers, and Schools. Interested parties were invited to respond to the consultation using an online response form. Responses are reported and fed into officers' recommendations for decision by the Council's Executive.

In total, 14 responses were received. The survey comprised 10 questions and respondents were asked to agree or disagree with each proposal. The maximum potential score for all ten proposals was 140.

The score for agreement with all 10 proposals was **106 (76%)**.

The score for disagreement with the 10 proposals was **33 (24%)**.

1 respondent did not answer one of the survey questions.

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

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

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

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

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

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

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	School Admissions are administered by chronological age to ensure pupils are admitted to the correct year group. Parents of summer-born children however can request that their child’s admission to reception class is delayed if they consider their child is not school-ready. The council’s approach has a positive impact on such children as they will be admitted to reception class rather than year 1 and benefit from starting compulsory schooling

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				on an equitable basis alongside younger peers. There are also options for parents to request that their child is taught out of chronological year group. These decisions are made by headteachers.
Disability (include carers)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	All Islington community schools are expected to meet the needs of children and carers that have a disability through making reasonable adjustments. Children with Special Educational Needs or Disability (SEND) may be considered for priority admission under published arrangements for exceptional medical, social or special educational needs. Children with an Education, Health and Care Plan are admitted to school via a different process.
Race or ethnicity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	The School Admissions Code prohibits admission authorities from seeking information on race or ethnicity at application stage to ensure pupils are not

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				discriminated against, or treated either more or less favourably as a result of their race or ethnicity.
Religion or belief (include no faith)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Faith schools are able to prioritise applicants on the grounds of religion in line with their published admission arrangements under general exemptions of the Equality Act 2010. Islington community schools do not prioritise applicants on the basis of their religion or belief. This ensures pupils are not discriminated against or treated either more or less favourably as a result of their religion or belief.
Gender and gender reassignment (male, female or non-binary)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	Children undergoing gender reassignment can select the gender they identify with when completing an admissions application form. In relation to single-sex schools, only children who are legally of the same biological sex are eligible for admission

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>(Equality Act, 2010 permitted exemption for single-sex schools).</p> <p>All Islington community schools are expected to treat pupils undergoing gender reassignment with sensitivity, respecting confidentiality and where required, making reasonable adjustments to support the pupil during transition.</p>
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Islington schools are expected to admit pregnant pupils and afford any due entitlements outlined in the Equality Act 2010. Community schools are also expected to respect pupils' privacy and make reasonable adjustments as necessary.
Sex and Sexual Orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	In relation to single-sex schools, only children who are legally of the same biological sex are eligible for admission as exempt under general exemptions of the Equality Act, 2010. This applies to two

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>Islington community schools that only admit children who are legally girls.</p> <p>The School Admissions Code prohibits admission authorities from seeking information on sexual orientation at application stage to ensure pupils are not discriminated against or treated either more or less favourably as a result of their sex or sexual orientation.</p>
Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	The School Admissions Code prohibits admission authorities from seeking information on the marital status of parents and carers to ensure pupils are not discriminated against or treated more or less favourably as a result of their parent or carer's marital or partnership status.
Other (e.g. people living in poverty, looked after children, people who are homeless or refugees)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	The School Admissions Code requires admission authorities to give top priority to the admission of children who are looked after or previously looked after. Children who are homeless or living in a refuge may

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				be eligible for priority admission to an oversubscribed school under Islington's Fair Access Protocol arrangements. Children of refugees and asylum seekers are entitled to a school place regardless of their status.

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
			None identified. All Islington schools are expected to meet the needs of children and families with protected characteristics and to promote good relationships between different groups under the public sector equality duty.

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

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

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

Homes and Neighbourhoods
Housing Property Services
Islington Town Hall
N1 2UD

Report of: Executive Member for Homes and Communities

Meeting of: Executive

Date: 8th February 2024

Wards: Bunhill, Caledonian, Canonbury, Clerkenwell, Finsbury Park, Highbury West, Hillrise, Holloway, Laycock, Mildmay, St George's, St Marys and St James, St Peter and Canalside, Tollington, Tufnell Park.

Subject: Procurement Strategy for Lift Modernisation Schemes

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of packaged lift modernisation schemes in accordance with Rule 2.8 of the council's Procurement Rules.
- 1.2 The council seeks to procure suitably qualified lift contractors to undertake the modernisation of lifts on multiple council housing estates across the borough. This project aims to modernise the lifts bringing them up to the latest applicable standards, where building constraints allow. The modernisation aims to provide the residents with a more reliable, accessible and cost-efficient service.
- 1.3 This procurement strategy follows a recent procurement exercise that was carried out successfully by using an external framework agreement to deliver 16 lifts across 2 estates, at one of these estates this included the addition of opening out the skip stop floors so that both the lifts stop at every floor.

2. Recommendations

- 2.1 To approve this five-year strategy to procure individual call-off contracts pursuant of the most suitable framework agreement selected from the options outlined in this report. The

contractor for each call-off contracts to be selected using the mini-competition process as set out in the chosen framework agreement. The combined value of all contracts procured under this strategy is estimated to be £25.195m.

- 2.2 To note that the lift modernisation works are to be procured in packages over a period of three financial years. Each scheme will be tendered separately providing an opportunity for different specialist lift contractors to undertake separate packages of work within the five schemes.
- 2.3 To delegate authority to award the individual call-off contracts to the Acting Corporate Director of Homes and Neighbourhoods following consultation with the Executive Member for Homes and Communities.

3. Background

3.1. Nature of the service

- 3.1.1. Islington Council is landlord to 25,482 council tenants and 10,357 leaseholders. Many of our residents live in blocks containing lifts. Many of these lifts are coming to the end of the operation life and need to be replaced. Breakdowns and trappings which causes inconvenience to residents are occurring more frequent as the age of the lifts increases and the affected lifts are out of service for longer periods of time as parts are becoming harder to obtain or to repair.
- 3.1.2. The council has developed a programme of works for the refurbishment of 122 residential lifts which is currently split into five sequential schemes. The structure of this programme and the number of lifts it includes may alter over the duration of this strategy dependent on individual strategic and operational requirements. The existing programme covers the following:
 - Scheme 1 consists of 16 lifts in total. These lifts are situated in 10 high-rise blocks, 2 mid-rise blocks and 4 low-rise blocks. All these lifts are traction lifts with 6 lifts currently being skip stop (as explained in 3.1.7 below).
 - Scheme 2 consists of 26 lifts in total. These lifts are situated in 2 high-rise blocks, 4 mid-rise blocks and 20 low-rise blocks. All these lifts are traction lifts.
 - Scheme 3 consists of 20 lifts in total. These lifts are situated in 4 high-rise blocks, 4 mid-rise blocks and 12 low-rise blocks. 12 of these lifts are traction lifts and 8 are hydraulic lifts.
 - Scheme 4 consists of 26 lifts in total. These lifts are situated in 16 mid-rise blocks and 10 low-rise blocks. 19 of these lifts are traction lifts and 7 are hydraulic lifts with 4 lifts currently being skip stop.

- Scheme 5 consists of 34 lifts in total. These lifts are situated in 6 high-rise blocks, 5 mid-rise blocks and 23 low-rise blocks. 21 of these lifts are traction lifts and 11 are hydraulic lifts with 2 lifts currently being skip stop.

3.1.3. These lift modernisation works are highly recommended for all 122 lifts as part of the lift replacement cycle as most of the lifts are all over 25 years old with some approaching 40 years old. This recommendation is made based on the guidance provided by both the Chartered Institution of Building Services Engineers (CIBSE) and the governing body for passenger lifts Lift and Escalator Industry Association (LEIA) which both recommend the maximum life for a lift is 25 years of age.

3.1.4. A technical feasibility report has been completed following a site survey of the lifts and discussions with the council Lift Repairs and Maintenance team and senior managers. These reports set out why the works are recommended and details the proposed works. The criteria used for the completion of the feasibility report are as follows:

- Lift age
- Breakdown history
- Availability of spare parts
- CIBSE Guide 'D' and LEIA advisory of 25 years
- Compliance with the latest standards

3.1.5. As the age of the lifts increases, they are proving to be less reliable, and this becomes more of an issue for all our residents. Decisions on which lifts to include in the modernisation programme were made using data based upon the age of the equipment, availability of spare parts and as noted previously reliability.

3.1.6. Using repairs information supplied from the council repairs IT system and following consultation with the council's Lift Repairs and Maintenance team and Capital Programming team we established what lifts should be put into which scheme. There is flexibility within the programming of the 122 lifts across the 5 schemes based on breakdown data that is monitored and the anticipated schemes can be altered based on this information. The reliability assessments along with the other factors noted support the findings of the feasibility report that the lifts should be modernised or replaced.

3.1.7. Islington Council have several housing blocks which have multiple lifts that are currently 'skip stop' which means that one stops on even numbered floors and the other odd numbered floors. We intend as part of the lift modernisation works to convert these lifts to serving all floors. This will provide the greatest benefits in

energy saving and inclusivity for all users including those with protected characteristics or from disadvantaged groups.

Prior to the commencement of the 5 schemes the council would have completed a project at another estate that would have been incorporated going from skip stop to serving all floors.

3.2. Estimated value

- 3.2.1. The estimated total cost for the proposed lift modernisation works for the 122 housing lifts is £25.195m and it is anticipated these works will be delivered between May 2025 – March 2030.
- 3.2.2. The cost of the delivery of the project will be met from the housing capital programme lifts budget.
- 3.2.3. Replacement parts within the lifts are now becoming obsolete and others have significant wear from longer term use. The technical and financial assessment carried out on the lifts has highlighted that better value for money can be achieved if they are modernised or replaced instead of continued ongoing repairs being carried out.
- 3.2.4. Improved efficiency providing long term savings will be achieved by completing all the identified blocks on each estate at once, as project time, costs and resources will be saved. As individual projects are smaller in each scheme, we anticipate more interest in the projects from the market and subsequently we anticipate achieving better value for money through increased competition.

3.3. Timetable

- 3.3.1. The anticipated timetable for this procurement and delivery of the housing lift modernisation is as follows:
 - Approval of strategy – 11 January 2024
 - Procurement process for Scheme 1 starts – April 2024
 - Expected start on site for Scheme 1 – May 2025
 - Procurement process for Scheme 2 starts – March 2025
 - Expected start on site for Scheme 2 – April 2026
 - Procurement process for Scheme 3 starts – December 2025
 - Expected start on site for Scheme 3 – January 2027
 - Procurement process for Scheme 4 starts – September 2026

- Expected start on site for Scheme 4 – October 2027
- Procurement process for Scheme 5 starts – May 2027
- Expected start on site for Scheme 5 – May 2028

3.3.2. There will be a 12-month Defects Liability Period (DLP) in addition at the end of the construction phase for each lift.

3.3.3. Leaseholders will be consulted in line with current council procedures and in accordance with the requirements of Section 20 of the Landlord and Tenant Act 1985.

3.4. Options appraisal

3.4.1. Six options have been considered:

1. Do nothing
2. To deliver the works in-house.
3. Tender using the open procedure.
4. Tender using the two-stage restricted procedure.
5. To procure by setting up an Islington framework agreement.
6. To procure through an existing framework agreement.

Options	Benefits	Drawbacks
Do nothing	This option would require ongoing attempts at repair and maintenance of the existing lifts. This is likely to be a cheaper option in the short term.	This option is not recommended as the feasibility studies and repairs histories for the lifts show they are nearing or beyond their expected working life. The costs of attempting to maintain and repair the lifts will only increase as they become less and less reliable which will inconvenience residents and adversely affect the council's reputation as a good landlord.
Delivery the works In-house.	By having an in-house team, the council would be in control of employment terms and conditions, management, staff development and work continuity.	Modernising a lift is a complex and highly regulated process that involves various safety and technical considerations. The council does not possess the in-house expertise needed for this kind of work.

		<p>Lifts require advanced engineering and technical knowledge. They must be installed by qualified professionals who understand the intricacies of the equipment, structural modifications needed to a building, including proper support, electrical connections, and more, the council lacks the necessary on-site engineers with the necessary qualifications and resources to undertake the required lift modernisation works.</p> <p>To do so, the council would have to make a substantial investment in hiring qualified lift engineers (12 Engineers and 12 mates) and lift designers with advanced engineering and technical knowledge plus ensuring their ongoing training.</p> <p>The council does not possess the significant time and resources to be acquire the necessary machinery, equipment, and materials to carry out the lift modernisation works.</p> <p>Lift modernisations carry potential liability, there will be added costs associated with obtaining the necessary insurances and notified body approval for the lift modernisation projects to conform with the lift regulations.</p>
Open tender procedure	<p>This option provides the council with additional control over the procurement process.</p> <p>The opportunity is advertised to the market so there is the possibility a wider range of contractors may express an interest and submit a tender.</p>	<p>There is a risk that there is insufficient market interest in the contract resulting in no or very few bids being received.</p> <p>Should this happen, this may mean the procurement exercise has to be repeated, delaying the delivery of the project.</p> <p>The requirement to undertake a full procurement for each scheme in the programme will require significant council staff resource to undertake.</p>

	<p>This approach can be undertaken in one stage reducing the time required for the procurement compared to the two-stage restricted procedure.</p>	<p>Due to the limited resource available this is likely to delay the completion of the procurement which will adversely affect the timelines for the delivery of the programme.</p>
<p>Restricted Tender Procedure</p>	<p>Using this option, a separate pre-qualification stage is used to exclude unsuitable contractors prior to them submitting a full tender to be evaluated.</p> <p>This option provides the council with additional control over the procurement process.</p> <p>The opportunity is advertised to the market so there is the possibility a wider range of contractors may express an interest.</p>	<p>There is a risk that there is insufficient market interest in the contract resulting in no or very few bids being received.</p> <p>Should this happen, this may mean the procurement exercise has to be repeated, delaying the delivery of the project.</p> <p>This tender process takes longer to procure and to evaluate than other routes. The process is also more administratively more burdensome on limited inhouse council resources.</p> <p>The market for this contract is relatively small due to the specialist nature of the works. Therefore, there is little benefit in undertaking this longer process.</p>
<p>Islington framework agreement.</p>	<p>If the council were to set up its own framework agreement it would avoid the levy charged by most external providers of framework agreements.</p> <p>The council would have control over the procurement process if it chose to set up its own framework agreement with contractors that want to undertake the work and are able to take on all responsibilities and roles.</p> <p>The contractors on the framework agreement could be tied into a fixed cost model for all lifts that require modernisation. With the potential for uplift each year for the duration of the framework this would help budgeting as the value would be known before commencing work.</p>	<p>This option will take the longest period of time to establish as the framework agreement will need to be procured followed by a further mini-competition exercise being undertaken for each scheme.</p> <p>The framework agreement with contractors being required to go through a pre-qualification process with the lifts needing to be surveyed by the contractors that are applying to join the framework.</p> <p>The tender process to set up the framework agreement, processes to run the mini-competitions and contract management of the framework agreement will be more administratively burdensome on already limited inhouse council</p>

		resources. This will have a financial cost to deliver.
Mini competition via an existing framework agreement	<p>There are a number of existing external framework agreements that already have a pool of specialist lift contractors. The recommended options are listed in 3.4.2 below.</p> <p>The contractors are qualified and experienced to work on the Islington lift modernisation programme.</p> <p>The supplies have been through a competitive process to join the framework agreement.</p> <p>A prequalification stage was completed when tendering the framework agreement. This removes the need for Islington to conduct a pre-qualification stage, saving time and resources.</p> <p>Should we experience any problems or disputes with the contractor in the delivery of a procured scheme the provider of the external framework agreement may be able to mediate and help resolve these issues.</p> <p>Use of mini-competition satisfies the Section 20 leaseholder consultation process.</p>	<p>There remains a risk of insufficient interest from suitably experienced and qualified contractors on external framework agreements. This risk will be mitigated by being able to access more than one framework agreement.</p> <p>The overall cost of the contracts procured through the framework agreement will be subject to an additional fee charged to the contractor by the provider of the framework. This cost will be passed on to the council by the contractor marginally increasing the overall tender price.</p>

3.4.2. Lift modernisation framework agreements recommended for use:

Framework	Details
Fusion 21	<p>There are thirteen contractors on the current agreement which is due to expire on 5 July 2024.</p> <p>A new framework agreement will be tendered shortly.</p>

South East Consortium	<p>This agreement has been successfully used previously by the council to procure lift modernisation contractors.</p> <p>There are seven contractors on the existing agreement which is due to expire on 17 March 2024.</p> <p>A new framework agreement is currently out to tender.</p>
National Framework Partnership	<p>There are four contractors on the existing agreement which is due to expire on 20 August 2024.</p> <p>A new framework agreement will be tendered shortly.</p>
Communities and Housing Investment Consortium	<p>There are seven contractors on the existing agreement which is due to run until on 04 April 2025.</p>
Efficiency East Midlands.	<p>There are six contractors on the existing agreement which is due to run until 18 April 2026.</p>

3.5. Key Considerations

- 3.5.1. 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 documents and social value will form an essential element of the quality evaluation. The bidders will be asked to explain in the mini competition their approach towards social value initiatives and pledges that will improve the economic, social, and environmental wellbeing of Islington residents as a direct result of winning a contract.
- 3.5.2. The successful lift contractor(s) will be expected in the first instance to liaise with the council's iWork team to support the recruitment in a 'local first' approach to any vacancies which may need to be filled to support each contract, such as the role of the Resident Liaison Officer.
- 3.5.3. The successful lift contractor(s) will be required to offer apprenticeships (where applicable), work experience placements and job shadowing (however due to the health and safety aspects of the works this would be office based). The lift contractor(s) will be encouraged to promote career opportunities within this

engineering sector to people under-represented in the industry including women and people from Black, Asian, and other Minority Ethnic communities.

Performance in relation to social value will be monitored at regular contract meetings.

- 3.5.4. Environmental factors such as reducing CO2 emissions and air pollution within the borough will be promoted. This includes the use of energy saving parts (where applicable), as well as environmentally friendly vehicles and optimising journey routes and times to reduce the amount of travelling undertaken. The lift contractor's policy to waste, recycling, and reusing equipment will also be assessed.
- 3.5.5. There will be improved reliability by the installation of fully modernised lifts which will have a positive impact on all residents especially for those with specific access requirements such as wheelchair users, people with mobility impairments, elderly residents and those with small children due to the fact the lifts will be compliant with EN81-70. This standard ensures that the lifts installed will enable better accessibility and be inclusive for all residents.
- 3.5.6. The project would also benefit the local economy as operatives would be utilising local businesses for hospitality while on site and the contractor will be encouraged to access and use local supply chains in Islington and neighbouring boroughs whenever possible.
- 3.5.7. A requirement for the payment of London Living Wage will be included as a condition of this contract. The current market pays above London Living Wage for lift engineers.
- 3.5.8. BREEAM (Building Research Establishment Environmental Assessment Method) is an internationally recognised green building rating system developed to help building developers, owners, and operators manage and mitigate risk through demonstrating sustainability performance during planning, design, construction, operation, or refurbishment. Helping to cut on-site energy consumption and building carbon footprint with in-depth analysis of traffic patterns and the energy consumption and potential carbon footprint reduction solutions over their operational lifespan.
- 3.5.9. Where feasible, the lift contractor(s) will be encouraged to meet BREEAM prerequisites and supply solutions that contribute to achieving BREEAM credits.
- 3.5.10. Where feasible, the lift contractor(s) will be encouraged to reduce the energy consumption when modernising the lifts utilising products from the Islington Lift Specification by installing the latest energy efficient products that in turn will lower

the energy consumption and reduce the carbon footprint of the lifts during their operational lifespan.

- 3.5.11. The new lift controllers will be equipped with a cloud based remote monitoring system which significantly boosts transparency by providing real time statistics and information, which will aid in efficient diagnostics, analysis, and the supervision and control of the 122 lifts recommended in this procurement strategy.

The integrated component monitoring and fault notifications will play a pivotal role in ensuring the seamless operation of these lifts. This will enable the analysis, correction, or even prevention of errors, while predictive maintenance capabilities are further heightened through comprehensive life cycle monitoring of the lifts components.

Service engineers will be able to access fault logs and technical documentation from any location, allowing for swifter responses and minimising downtime for these lifts.

The integrated diagnostic tools will also enable the repairs and maintenance team to retrieve and evaluate operating statuses, I/O states, fault events, and the statuses of all the 122 lifts in real time.

A feature of these new lift controllers is a fault ticketing system which will offer a real time overview of site controllers, streamlining the assignment of breakdown requests to contractors and housing direct personnel by sending email or notification via an iOS app when a fault or error message is generated by the lifts controller.

This email or notification will provide essential information such as status, priority, and detailed error descriptions this will enable the council to be aware of the lift breakdowns before it has been reported by residents to housing direct in the usual way.

Collectively, these features will be instrumental in ensuring highly efficient and well organised building management and a robust lift maintenance programme.

Access to the system is secured through encrypted connections, eliminating the need for additional software on mobile devices.

- 3.5.12. TUPE will not apply for these contracts.

3.6. **Evaluation**

Call-off contracts pursuant to the recommended framework agreements will be competitively tendered using mini competition exercises carried out in compliance with the rules of the particular framework agreement. Islington Council will submit a specification, method statement questions, and pricing document specific for the works to be procured.

The council will conduct a mini competition exercise, evaluation, and analysis, using the following award criteria:

- 45% cost.
- 55% quality of which 20% is for social value.

Quality sub-criteria:

- Proposed approach to social value (20%).
- Proposed approach to resourcing, mobilisation, and delivery of the contract (10%).
- Proposed approach to customer service (10%).
- Proposed approach to quality management (10%).
- Proposed approach to health and safety (5%).

3.7. **Business risks**

3.7.1. The specification will state noisy works are to be undertaken between 10am and 4pm Monday to Friday. Were additional restrictions to be applied these would result in increased cost and a longer programme and impact on other projects and schemes starting on time.

3.7.2. The procurement risks are:

- Insufficient interest from the suitably experienced and qualified contractors on the framework agreements recommended.
- Increased tender prices resulting from market fluctuations.
- Manufacturers' experience supply chain issues due to external factors.

The risks noted are offset by cost estimation and the council's understanding of market increases. The scope of works ensures these works are to be delivered efficiently to quality, cost and to the current standards. Being able to access a number of framework agreements for further competition will reduce the risk of unsuccessful procurement exercises.

For the duration of the contract, risks are to be managed by the application of the following measures:

- Robust Risk Assessment Method Statements (RAMS).
- Carrying out regular progress meetings with the contractor appointed to do the work.
- Regular communication updates to residents and staff affected by the work to ensure they are aware of ongoing progress or any delays which may arise.
- Managing resources against the contractors' program of works.

- 3.7.3. Residents are reliant on lifts for both themselves and their visitors to access their properties and the wider community. The council recognises there will be disruption and inconvenience to residents and visitors to the blocks while these works are underway. The council will ensure it provides residents and their representatives with sufficient advanced notice of the works and their impact and will consider the specific needs of residents with vulnerabilities living in the affected blocks. Failure to keep the lifts in good working order and not being serviceable due to the age of the lifts would result in vulnerable residents being unable to leave or access their homes or the essential services they require.
- 3.7.4. Leaseholders pay service charges for lifts and expect lifts to be constantly operational. There are significant reputational risks if our lifts are breaking down due to their age. These risks will be mitigated by ensuring the lift modernisation contracts are procured within the given timescales to ensure continuous delivery of this necessary service.
- 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 been 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	A strategy to procure future lift modernisation schemes expected to take place between the commencement of this strategy until 2030. See paragraph 4.1
2. Estimated value	The estimated value for the schemes covered by the strategy: £25.195m See paragraph 4.2
3. Timetable	As outlined in this report.

	See paragraph 3.3
4. Options appraisal for tender procedure including consideration of collaboration opportunities	The contract will be competitively tendered using a number of external framework agreements as set out in the report. See paragraph 4.4
5. Consideration of: <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	Social benefits London Living Wage TUPE will not apply this contract. See paragraph 4.5
6. Award criteria	50% Cost 50% Quality of which 20% is for Social Value See paragraph 4.6
7. Any business risks associated with entering the contract	Business risks and mitigation are identified within the body of the report See paragraph 4.7
8. Any other relevant financial, legal or other considerations.	Financial considerations See paragraph 4

4. Implications

4.1. Financial Implications

4.1.1. The proposed contracts will cover the replacement of 122 residential lifts which are situated within 76 blocks and across 36 council housing estates.

4.1.2. The anticipated cost of the proposed modernisation of these 122 lifts is £25.195m and is expected to be incurred over three financial years as follows:

2026/27	£10.655m
2027/28	£7.010m
2028/29	£7.530m

- 4.1.3. Budgets amounting to £4.710m are already allocated with the Housing Team's CMdb database for schemes that will be included in the proposed work as follows:

Cost Centre	Scheme Title	Current Budget
YHH1633	Sickert Court Estate	£640,000
YHH1632	Holloway Road Group (Waverley Crt)	£110,000
YHH1694	Andover Estate	£660,000
YHH1844	Braithwaite House	£560,000
YHH1861	Weston Rise	£700,000
YHH1906	Hurlock House	£150,000
YHH1753	Rotherfield Street Estate	£990,000
YHH1907	Peregrine House	£600,000
YHH1905	Rollit & Branston House	£300,000
Total		£4,710,000

- 4.1.4. In addition, there is a further budgeted allocated for general lift works, but not against specific schemes, which amounts to a further £1.440m. There is, therefore, a total of £6.150m of budget allocated within the current major works programme which is available to cover this work.
- 4.1.5. The 10-year programme budget for Major Works on Housing that was set in October 2022 to cover the 2023/24 financial year onwards included an additional sum of £20.298m for the lift programme over the subsequent 10 years, which can be used to cover the remainder of the costs arising. It should be noted that this 10-year programme budget does include an assumption of £207m slippage across the whole programme of £601m, but this is not attributed specifically to lifts, so the team will need to ensure that lift works are prioritised over other types of spend to ensure the budget remains available.
- 4.1.6. Work on compiling the budget for 2024/25 onwards, including the new 10-year programme is currently underway. It is expected that this will not impact on the budget being available and this FI assumes that is the case. The budget should be finalised prior to the award of any contract.

4.2. Legal Implications

- 4.2.1. The council is responsible for undertaking the repair, maintenance and improvement of its housing properties and installations therein (Part 2 of the Housing Act 1985 and section 111 of the Local Government Act 1972). The Council has power to enter into such contracts under section 1 of the Local Government (Contracts) Act 1997.
- 4.2.2. The proposed contracts are contracts for works and the threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £5,336,937.

The council's Procurement Rules require works contracts valued at or over £500,000 revenue or £1,000,000 capital to be subject to competitive tender. The proposed procurement strategy is to call for mini-competitions under several suitable established Framework Agreements during the 5-year works programme which is in compliance with the Regulations and the council's Procurement Rules.

- 4.2.3. On completion of the individual procurement process the contract may be awarded to the highest scoring mini-tenderer subject to the tender providing value for money for the council.
- 4.2.4. Procurement Rule 24.2 states that all contracts over £24,999 will need formal conditions prepared or agreed by the Legal Services Team. Legal Services will provide advice and support preparing the call-off contracts.
- 4.2.5. If any of the proposed individual contracts are for a period in excess of 12 months they will be a qualifying long term agreement under section 20 of the Landlord and Tenant Act 1985. Accordingly, the council will need to comply with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended).

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

- 4.3.1. The Contractor will be required to adhere to requirements of the Council's HSE Code of Conduct for contractors and appropriate legislation. The Contractor will be required to ensure that waste materials are kept to a minimum and that waste and redundant materials leaving sites are recycled or reused where practicable. The Contractor will be required to keep the printed circuit boards taken from the current Lift Controllers to be reused as spares for the maintenance team. The Contractor will have a duty of care to ensure that any waste disposal is done in accordance with waste hierarchy and appropriate legislation. All environmental, health and safety precautions are to be observed while operatives are working with oil, and on completion of work any old oil should be transported by a licensed contractor to be disposed of safely and should never be stored on site.

The contractors will achieve any BREEAM prerequisites and supply solutions that contribute to achieving BREEAM credits.

Environmental considerations for this contract include CO₂ emissions from vehicle use and the Contractor should optimise deliveries to minimise the number of journeys taken. Contractors will be encouraged to use Zero emission vans when making deliveries or travelling to site.

The contractors will provide modernised lifts that will be more reliable and user friendly.

4.4. Equalities Impact Assessment

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

4.4.2. An Equalities Impact Assessment was completed on 14 September 2023

The main findings were:

The lift modernisation programme will mean that lifts are temporarily out of service, this will be of inconvenience to residents, especially for the elderly, disabled, and pregnant residents or those with young children.

- However, prior to works consultation with residents, councillors and housing management will be undertaken at least six months before and throughout the project following agreed guidance. Vulnerable residents will be identified and alternative arrangements for them will be made so far as is reasonably practicable. The resident steering group will play a key role in supporting this consultation.
- In exceptional circumstances this may entail a temporary relocation while the lift service is interrupted. However, in the longer term, the works will improve the reliability of the affected lifts.
- This project therefore has both positive and negative impacts, with the positive outweighing the short-term negative impacts.

The full Equalities Impact Assessment is appended.

5. Conclusion and reasons for recommendations

5.1. In order to ensure the lifts in the agreed lift modernisation programmes remain safe and compliant, improved reliability, lower maintenance costs, and improvements in energy efficiency it is necessary to procure a number of contracts to deliver the necessary works.

- 5.2. It is recommended the most efficient way to undertake the necessary procurements is to undertake a programme of mini-competition exercises using existing framework agreements as set out in this report.

Appendices:

- Equalities Impact Assessment

Background papers:

- N/A

Final report clearance:

Authorised by Executive Member for Homes and Communities

Date: 22nd January 2024

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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	Lift Modernisation Schemes
Reference number (if applicable)	2323 -0101
Service Area	Homes and Neighbourhoods
Date assessment completed	14/07/23

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

Summary

It is Islington Councils intention to modernise the aging existing lift stock so that residents can rely on the lift service without the worry of not being able to access their homes. Each individual project within the scheme will have its own engagement strategy e.g., working with tenant targeted services and its own communication plan as set out in "Guidance Note Supporting residents during lift renewal."

Current Lifts

The objective of Lift Modernisations in Schemes 1, 2, 3, ,4 and 5 are to ensure the compliance of the lifts meet the current standards, increase their availability, reduce maintenance costs and breakdowns and reduce energy consumption.

Many residents are reliant on lifts for both themselves and their visitors to access their properties and the wider community.

We recognise there will be disruption and inconvenience to residents and visitors to the blocks while these works are underway.

We will ensure residents and their representatives are provided with sufficient advanced notice of the works and their impact and will consider the specific needs to residents with vulnerabilities living in the affected blocks.

Failure to keep the lifts in good working order and not being serviceable due to the age and obsolescence of the lifts would result in vulnerable residents being unable to leave or access their homes or the essential services they require so by modernising the lifts we can ensure the reliability of the lifts.

Currently the lifts do not comply with the latest lift regulations, including EN81-70:2021 - Safety rules for the construction and installation of lifts. Particular applications for passenger and goods passenger lift - Accessibility to lifts for persons including persons with disability having been installed over 25 years ago with some approaching 40 years old.

The current lifts are all down collective meaning that if someone wants to go to a floor above then they will have to go down to the ground floor usually floor first this not only an inconvenience but is also a waste of energy.

It should be noted that the proposed lifts to be modernised have contributed to over 2,000 breakdowns over the last 18 months and are major inconvenience to residents when they are not operational.

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 proposal is to modernise 122 lifts in total in 15 different wards across 36 estates in 74 blocks which will affect approximately 3,500 residents over a 5-year programme broken down into 5 separate schemes with an overall estimated budget of £26,000,000.

The time onsite to complete each lift modernisation for a low-rise block will be 6 to 10 weeks, for a mid-rise block 10 to 20 weeks and for a high-rise block 20-35 weeks: this is for 1 lift so if there are 2 lifts in the block the onsite time will be doubled.

Scheme 1 consists of 16 lifts in total 10 high - rise blocks 2 mid – rise blocks and 4 low - rise blocks all of which are traction lifts (lifts that are raised and lowered by ropes attached to an electric motor housed at the top of the lift shaft in machine room) with 6 lifts currently being skip stop with an estimated time on site of May 2025.

Scheme 2 consists of 26 lifts in total 2 high - rise blocks 4 mid – rise blocks and 20 low - rise blocks all of which are traction lifts with an estimated time on site of April 2026.

Scheme 3 consists of 20 lifts in total 4 high - rise blocks 4 mid – rise blocks and 12 low - rise blocks 12 of which are traction lifts and 8 are hydraulic lifts (lifts that are raised and lowered by a hydraulic piston filled with oil with a machine room typically at the ground floor adjacent to the lift shaft) with an estimated time on site of January 2027.

Scheme 4 consists of 26 lifts in total 16 mid – rise blocks and 10 low - rise blocks 19 of which are traction lifts and 7 are hydraulic lifts with 4 lifts currently being skip stop with an estimated time on site of October 2027.

Scheme 5 consists of 34 lifts in total 6 high - rise blocks 5 mid – rise blocks and 21 low - rise blocks 23 of which are traction lifts and 11 are hydraulic lifts with 2 lifts currently being skip stop with an estimated time on site of June 2028.

The works will be compliant with current regulations, which include EN81-70.

Included in the works will be new lift machines, controllers, lift car, 2-hour fire rated landing entrances and a full rewire.

The added inclusion of the lifts stopping at all floors and being duplexed were lifts where previously skip stop lifts.

(Traction lifts use an electric machine and hoisting cables to raise and lower the lift car vertically along guide rails, the hoisting cables are attached to the lift car and the counterweight to balance the load)

Benefits

For lifts going from skip stop to stopping at all floors and being duplexed: This will reduce waiting times for a lift, with both lifts serving all floors and the nearest lift will be assigned to collect the landing call based on its position this will provide the greatest benefits in energy

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

saving and inclusivity for all users including those with protected characteristics or from disadvantaged groups.

A move away from a down collective system to a full collective system will allow movement of residents to all floors regardless of direction of travel for a better sense of community when visiting neighbours on other floors.

During routine lift maintenance and should one of the lifts go out of service after the lift renewals, then there will always be the other lift serving all floors for the residents to use.

For blocks with single lifts with the lifts being more reliable residents will not be burdened with the added worry that the lift will be broken down when they leave or return.

The new lifts will be energy efficient and will have a lower energy consumption than the current set-up, this will reduce the energy costs to run the lifts.

The new lifts will be more reliable and accessible to all residents and compliant with EN81-70. The long-term impact will be positive but we also acknowledge temporary negative impacts due to disruptions whilst the works take place.

In addition moving away from hydraulic lifts that have high energy consuming pump motors to an electric traction lift with a much higher energy efficiency machine will also save on long term energy consumption this also has environmental benefits as at present with hydraulic lifts there are many oil leaks that can cause contamination.

The cost of continuing to repair the lifts over the next 5 years is not cost effective or value for money and will end up costing more. Over that same period the lifts could be out of service due to breakdowns for a longer period than the proposed time for the lift renewal.

With the cost of electricity increasing and with the lifts being more energy efficient this will have the added benefit of costing less to run and this saving would be passed on to residents in rents and service charges.

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?

Blocks with only 1 Lift.

During the modernisation there will be no lift in operation in the building. Targeted Tenant Services will identify and organise appropriate support for residents on a case-by-case basis and to stay connected with residents in the lead up, and for the duration, of the works as set out in "*Guidance Note Supporting residents during lift renewal*".

This will have the greatest impact on residents in the age, disability and maternity / pregnancy groups, as to access to their accommodation will be via the staircase.

While the lift is out of service with access limited to the floors in the block and the staircase, this will also have an impact on visitors and staff such as caretakers, postal workers and deliveries. For example, grocery deliveries or when a caretaker is cleaning the block.

There will be meetings monthly that will address any issues that have arisen from the lift being out of service.

For blocks with only 1 lift it is estimated that the interruption to service will be 6 to 10 weeks.

Scheme 1: Has no single lift blocks.

Scheme 2: Has 14 single lift blocks which consists of three 2 floor lifts, two 3 floor lifts and nine 5 floor lifts.

Scheme 3: Has 8 single lift blocks which consists of two 3 floor lifts, three 4 floor lifts and three 5 floor lifts.

Scheme 4: Has 7 single lift blocks which consists of six 4 floor lifts and one 5 floor lift.

Scheme 5 Has 10 single lift blocks which consist of one 3 floor lift, two 4 floor lift, four 5 floor lifts, two 6 floor lifts and 1 8 floor lift.

This represents 32 % of the lifts being modernised.

Blocks with 2 or more Lifts.

One lift will be left in service while works are undertaken.

There are 14 skip stop lifts across the 5 schemes which is 11 % of the lifts to be modernised for residents living on a floor without the lift stopping will need to walk up or down one flight of stairs once the first lift is completed there will not be any access issues as the new lift will then serve all floors.

There are 69 blocks that have 2 lifts that serve all floors across the 5 schemes which is 57 % of the lifts to be modernised residents will be able to use the second lift not being modernised as usual.

The successful lift contractors will take over the servicing of the second lift and will be ready to act should the second lift breakdown. The engineers on site will attend the breakdown to fix the lift, if the breakdown is out of hours the call out engineer will attend within 1 hour as per the contract response times.

This will have the greatest impact on residents in the age, disability, and maternity / pregnancy groups the most, as to access the lift they may need to navigate one flight of stairs for skip stop lifts.

There will also be impact on caretakers, postal workers, and deliveries.

During the works, there will be no impact to the fire safety and evacuation plan of the blocks. Parking or road access will also not be affected during the works, in particular disabled parking.

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

Resident Profile:

The groups within Islington which are going to be impacted by the Lift Modernisation are primarily Council tenants, Council leaseholders and visitors.

Below are the known diversity profiles for Islington council tenants and leaseholders.

DATA PRESENTED BELOW EXCLUDES UNKNOWN OR MISSING DATA FOR COUNCIL TENANT & LEASEHOLD HOUSEHOLDS		Tenants	Leaseholders
		Gender	
	Female	58.70%	52.30%
	Male	40.30%	47.70%
	Transgender	0.10%	0%
Age	Under 20	0.30%	0.10%
	20 - 29	10.50%	4.30%
	30 - 39	16.00%	21.20%
	40 - 49	22.20%	27.90%
	50 - 59	20.50%	23.40%
	60-69	13.40%	12.60%
	70 and over	17.20%	10.50%
Disability	Blind/Visually Impaired	2.10%	1.00%
	Deaf/Hearing Impaired	2.10%	1.50%
	Learning Difficulty	2.10%	0.30%
	Mental Illness	11.40%	1.30%
	Mobility Difficulty	5.10%	1.40%

	No Disability	57.70%	81.70%
	Other Disability	13.80%	9.20%
	Physical Difficulty	5.30%	3.30%
	Wheelchair User	0.50%	0.20%
Sexual orientation	LGBT	3.60%	6.70%
	Heterosexual	96.40%	93.30%
Race	Black, Asian and Minority	42.40%	35.80%
	White	57.50%	64.20%
Religion or belief	Buddhist	1.10%	1.60%
	Christian	58.80%	55.70%
	Hindu	0.50%	2.40%
	Humanist	0.40%	0.80%
	Jewish	0.30%	1.40%
	Muslim	16.90%	7.60%
	No Religion	19.60%	28.50%
	Other Religion	1.80%	1.30%
	Rastafarian	0.40%	0.10%
	Sikh	0.20%	0.50%

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

It should be noted once signed off a tracker will be put together of the residents with specific needs with the help of Targeted Tenant Services.

At this point we will have access to the tenants' details and any vulnerability that they have or that they have chosen to inform the Council about, to further understand the service users affected and assess any 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

Each resident will be informed of what works will be carried out and how this will be done and when by letter informing the resident of the lift modernisation and the expected start date and consultation will be held with the Tenant Management Organisations or Tenant & Resident Associations that represent the estate. At this point it will be for the resident to inform us of any issues that they might want to share with us, if they share any issue that requires additional support, we will at that point make the necessary arrangements considering their individual requirements.

There will be meetings monthly, any issues that have arisen from the lift being out of service that have not been mitigated against will be discussed and if any action is necessary these will be implemented.

Information will also be collected from current projects including feedback from residents – on how they have been affected when lifts have been modernised especially when there is only one lift in the block on other projects in Islington or elsewhere in neighbouring boroughs.

The table below shows residents with children under 2, residents over 64 and residents with impairments in all Schemes taken from data held currently by Targeted Tenant Services:

ALL SCHEMES	Under 2	Over 64	Blind / Visually Impaired	Mobility	Physical	Wheelchair User
SCHEME 1	17	93	3	8	14	0
SCHEME 2	19	100	7	7	18	0
SCHEME 3	11	121	4	4	14	0
SCHEME 4	12	111	6	11	13	0
SCHEME 5	21	212	9	9	37	2
TOTAL	80	637	29	39	96	2

The table below shows residents with children under 2, residents over 64 and residents with impairments in blocks with single lifts taken from data held currently by Targeted Tenant Services:

SINGLE LIFT BLOCKS	Under 2	Over 64	Blind / Visually Impaired	Mobility	Physical	Wheelchair User
SCHEME 2	15	56	5	5	13	0
SCHEME 3	4	30	1	2	6	0
SCHEME 4	3	46	3	3	7	0
SCHEME 5	6	60	1	1	6	1

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

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>There will be a short-term negative impact on older people due to the lack of accessibility to their dwellings, people with limited mobility will face greater disruption while the lift is out of service.</p> <p>Due to the increasing breakdowns the general consensus from older residents is that they worry about leaving their property in case the lift isn't working on their return. In the long term a positive impact, as the lifts will be more reliable with less interruption to service so that residents are able to rely on the lift service without the added worry of not being able to access their homes should they go out.</p>	<p>A more reliable lift that complies with EN81-70, this standard specifies the minimum requirements for the safe and independent access and use of lifts by a wide range of persons, including persons with disabilities and includes better lighting, voice annunciation and an emergency communication system if the resident were to get stuck in the lift.</p> <p>Temporary rest locations with chairs will be provided for residents to use on intermediate floors.</p> <p>A Resident Liaison Officer will be available on each project activities between 9am-4pm, Monday to Friday to assist any residents up or down stairs or carrying shopping etc.</p> <p><i>See Guidance Note : Supporting residents during lift renewal in section 5</i></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?
<p>Disability (include carers)</p>	<p>Positive and Negative</p>	<p>There will be short-term negative impact on residents with disabilities for example noise during the lift modernisation may affect people with sensory impairments, dust may affect people with breathing difficulties and wheelchair users and those with limited mobility will have reduced access to their dwellings while the lift is out of service.</p> <p>However, in the long term, a positive impact as there will be a more reliable lift that will be in service more regularly and that is compliant with EN81-70, this standard specifies the minimum requirements for the safe and independent access and use of lifts by a wide range of persons, including persons with disabilities.</p>	<p>The current lifts are approaching 30 years old and do not comply with EN81-70, by doing nothing this will have a long-term negative impact on residents, including those with disabilities.</p> <p>Dust and noise from the lift modernisation will be mitigated by working from behind a steel fully enclosed hoarding that is lined with an acoustic barrier.</p> <p>Wet cutting used to reduce vibration from equipment when cutting so that the airborne dust turns in to slurry to reduce the risk of respiratory dust exposure, dust extraction system used on power tools within the lift shaft to reduce dust.</p> <p>These negative impacts will only be mitigated by modernising the lifts and making them fully compliant.</p> <p>In exceptional circumstances this may entail a temporary relocation whilst the lift modernisation is carried out.</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?
			<p>Parking or road access will not be affected during the works in particularly disabled parking.</p> <p>Targeted tenant services will contact residents about accessibility issues.</p> <p>A Resident Liaison Officer will be available on each project activities between 9am-4pm, Monday to Friday to assist any residents up or down stairs or carrying shopping etc.</p> <p><i>See Guidance Note : Supporting residents during lift renewal in section 5</i></p>
Race or ethnicity	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?
Religion or belief (include no faith)	Neutral	The lift modernisations will be limited to communal areas meaning no disruptions within people's homes affecting prayer times for example.	
Gender and gender reassignment (male, female, or non-binary)	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?
Maternity or pregnancy	Positive and Negative	There will be short-term negative impact on residents that are pregnant or have small children whilst the works are ongoing, for example due to limited mobility and reduced access to their dwellings but in the long term a positive impact as the lifts will be more reliable.	<p>The current lifts are approaching 30 years old and regularly breakdown, by doing nothing this will have a long-term negative impact on all residents.</p> <p>Temporary rest locations with chairs will be provided for residents to use on intermediate floors.</p> <p>A Resident Liaison Officer will be available on each project activities between 9am-4pm, Monday to Friday to assist any residents up or down stairs or carrying shopping or helping with pushchairs etc.</p> <p><i>See Guidance Note : Supporting residents during lift renewal in section 5</i></p>
Sex and sexual orientation	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?
Marriage or civil partnership	Neutral		
Other Age (e.g. elderly) (e.g. people living in poverty, looked after children, people who are homeless or refugees)	Neutral		

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

The mitigation of negative impacts is an evolving process, lessons learned from previous and current projects with feedback from residents and stakeholders will feed it this and future EQIA's on how we manage and adapt our processes to mitigate potential negative impacts.

The works will mean that lifts are temporarily out of service, this may be of inconvenience to some residents, for example the older people, disabled people, or residents with young children. However, prior to works, consultation with residents and housing management at least six months before the project starts will be undertaken and alternative arrangements for vulnerable residents will be considered on a case by case basis.

In exceptional circumstances this may entail a temporary re-location whilst the lift service is interrupted.

In all cases, the possibility of the resident receiving support from friends and relatives to remain in their home will be explored, in the first instance.

In practice, very few have been relocated or rehoused in the previous lift modernisation programmes. Due the residents complex needs, potentially requiring wet rooms, level access and other adaptations, many decide to stay put with help from family council support services and the voluntary sector.

Any relocation will temporary be while the lift service is interrupted, if there is an empty properties available locally that is suitable for the residents will complex needs this will be used for the re-location where required, any compensation will be in line with council's compensation guidance and support in line with the "Guidance Note Supporting residents during lift renewal" which is copied below in section 5.

This project therefore has both positive and negative impacts, with the positive impacts in the long-term and the short-term negative impacts through disruption.

In blocks with only 1 lift (39 blocks) there will be accessibility issues for the duration of the project the approved "*Guidance Note Supporting residents during lift renewal*" will be followed to mitigate these issues.

In blocks with skip stop lifts (14 blocks), there are 2 lifts (69 blocks) in each block. One lift serves odd floors and the other lift even floors, only one lift will be out of service in each block at a time during the modernisation.

Please provide:

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

Temporary rest locations with chairs will be provided for residents to use on intermediate floors so that when the lift is out of service due to the lift modernisation, residents can rest while accessing and egressing the blocks when using the stairs.

On completion of the first lift, the new lift will then serve all floors and will be in full compliance of EN81-70, so there will be no accessibility issues on the second phase of the lift project.

In blocks with 2 lifts that serve all floors with there will be no accessibility issues as access will be available using the lifts still in operation.

The successful contractor will take over the servicing of the second lift and will be available during the day if the second lift was to breakdown the engineers on site will attend the breakdown to fix the lift if out of hours the call out engineer will attend with in 1 Hour to fix the lift.

With the aid of Targeted Tenant Services residents with accessibility needs will be consulted and the lift with the least negative impact will be started first.

The successful lift contractor is to employ their own Resident Liaison Officer who will be able to communicate with residents following the Council's policy and procedures. The RLO will be recruited through the iWork team they will be a local Islington resident for the purpose of social value and will be available between 9am and 4pm mainly to assist residents with navigating the stairs with shopping or pram's etc whilst the lift service is interrupted.

Caretakers and Concierges will play a role engagement and in terms of mitigation and potential support as well as offering essential information of the estates day to day activities being part of steering group, helping out of hours and additional caretaking or concierge cover maybe proposed.

Deemed noisy works will take place between 10:00 and 16:00 with 1 hour for lunch as per the terms and conditions of the contract specification.

Where additional entrances are required noise will be created whilst the lift entrances are being formed this will cause disruption to residents, this will be communicated to the residents and the time noisy works can take place may be altered to mitigate this disruption.

Dust will be kept to a minimum and controlled on site as each lift entrance will have a hoarding around them to stop the transfer of dust into communal areas.

If any impacts that have not been identified during this assessment and come to light during resident meeting and feedback the EQIA will be amended to include these changes and how we intended to mitigate the impact and reviewed by the Fairness and Equality Team.

Please provide:

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

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)

Firstly all communications will be translated into the most common languages for the residents living within Islington rather than waiting for a translation to be requested.

Once procurement of works progress residents, members, stakeholders and staff will be updated on the proposed works and the proposed pre-start and throughout the duration of the project via letter drops.

A monthly newsletter will also be provided once works begin on site to ensure residents are kept updated on progress and with the opportunity to set up resident steering group to ensure there is direct engagement with residents and members throughout the works.

Where residents may need information in other languages or formats, other than the common languages all communications will be sent out in then further information from Targeted Tenant Services will be sought so that we can find the best ways of providing those groups or individuals with the information.

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)

All newsletters will go through Islington's communications team.

If there is a requirement for all direct communications to be translated in to residents language then this will be translated using Big Word.

Information will be collected and processed on which languages are the most common for Islington residents these translations will be provided to all residents in all the most common languages.

Project progress information will be displayed on the LCD Screens located on the ground



floor lobby of each block. These will be updated with information about the ongoing lifts works.

At the initial consultation with Tenant Management Organisations or Tenant & Resident Associations will be invited and encouraged to join the Residents steering group, this will voluntary.

Using the residents steering group vulnerable resident's needs will be identified assessed, and residents will be supported as so far is reasonably practicable.

It is also proposed to maximise engagement through other communication opportunities and projects for example to engage with estate champions who already have relationships with people on estates, to engage with local voluntary and community organisations who may already work with older people, disabled people and pregnant people to help support information and engagement, and also attend local coffee mornings in community centres on estates that will be affected by the lift modernisations.

All residents, members and council staff are to be kept informed on project timelines and the impact to residents caused by the works which will include dust and noise.

All works to be carried out in compliance with Construction Design Management Regulations.

See below for the Guidance Note : Supporting residents during lift renewal.

Guidance Note : Supporting residents during lift renewal

This procedure affects:

<i>Tenants</i>	<i>X</i>	<i>Leaseholders</i>	<i>X</i>	<i>Other:</i>
<i>TMO Tenants</i>	<i>X</i>	<i>TMO Leaseholders</i>	<i>X</i>	
<i>PFI1 Tenants</i>		<i>PFI2 Leaseholders</i>		

PFI2 Tenants

PFI2 Leaseholders

Related policies/procedures:

Major works transfers policy & procedure; Compensation policy; Allocations policy; Lift renewal support form

Department: Service Development
Approved by: Christine Short/Jon Farrant
Date Approved: February 2014

1.0 Introduction

- 1.1 This document outlines how vulnerable residents are identified and supported during the single lift lift renewal programme.
- 1.2 The principles outlined in the document should be used to identify and support vulnerable residents during all works with the potential for negative impact.

2.0 Responsibilities

- 2.1 Consultation Team to provide initial notification of works and ongoing information to all parties for the duration of the works including:
- Area Housing Office (Tenancy Management Team Leader)
 - Tenant Management Organisations / Tenant & Resident Associations
 - Social Services
 - Home Ownership Unit (HOU)
 - Transfers Team.
- 2.2 Tenancy Management to identify and organise appropriate support for residents on a case by case basis and to keep in touch with residents in the lead up, and for the duration, of the works.
- 2.3 Tenancy Management to liaise with social services, HOU and Transfers Team to provide support for vulnerable residents.

3.0 Support options available to vulnerable residents

- 3.1 **In all cases**, the possibility of the resident receiving support from friends and relatives to remain in their home should be explored, in the first instance.
- 3.2 Where helpful, adaptations to staircases such as handrails/making chairs available on landings can be installed at the discretion of the Contract Administrator.
- 3.3 Further support options to be recommended by the Tenancy Management Team Leader/Area Housing Manager include:
- temporary or permanent transfer
 - referrals for Housing Support
- 3.4 If additional caretaking or concierge cover is proposed then this should be presented by the Area Housing Manager for consideration by the Director of Operations/Director of Property Services.

4.0 Prioritising support need of vulnerable residents

- 4.1 Further support for the duration of lift works will be considered for priority groups of tenants, leaseholders and members of the household who live above the ground floor and who are:
- Over 70 with mobility problems;
 - Are a wheelchair user/have a physical disability which means that they cannot use the stairs;
 - Have a long-term illness(diabetes, HIV, cancer) which affects their mobility or for which they require hospital attendance.
- 4.2 On a case by case basis, and depending on exceptional personal circumstances, the Area Housing Manager can consider whether support can be offered to residents outside the priority

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)

groups e.g. residents with young children, residents with acute problems such as a broken leg or pregnancy.

5.0 Timeframe and actions for identifying vulnerable residents

5.1 *Please see Appendix 1 for timeframes and responsibilities of each team.*

5.2 *Consultation Team to provide initial notification of works to all residents, the Area Housing Office, Home Ownership Unit and relevant Tenant Management Organisations / Tenant & Resident Associations.*

5.3 *Consultation Team to provide Tenancy Management with block profiles on a scheme by scheme basis to include information about the number/size of properties and layout of communal areas to help anticipate numbers of residents who might require additional support.*

5.4 *Tenancy Management to attend initial public meetings with Consultation Officers.*

5.5 *Tenancy Management to send Letter 1 and Form A to all residents, bearing in mind whether translation/large print correspondence is necessary.*

5.6 *Tenancy Management to collate returned forms and use iWorld to identify residents with known vulnerabilities who have not responded to Letter 1. Tenants who have not responded should then be visited at home.*

5.7 *Tenancy Management to collate details of residents' needs on a scheme by scheme basis and arrange and attend meeting with Area Housing Manager/Tenancy Management Team Leader, Transfers Manager, Consultation Officer, the relevant Integrated Community Services Manager, and the Contract Administrator to assess individual cases on a scheme by scheme basis. If vulnerable resident is a leaseholder then the Home Ownership Manager should also be invited to the meeting.*

5.8 *Once support arrangements are approved, notional costs to be provided by the Area Housing Manager to the Director of Operations/Property Services as appropriate.*

5.9 *Tenancy Management to notify decisions to the resident in writing and remain in contact during the period to start of the contract to ascertain whether support needs have changed.*

5.10 *Consultation Team to keep all parties(see 2.1) updated with progress throughout duration of the works on a scheme by scheme basis.*

6.0 Transfers

6.1 *If a transfer is required use Major Works Transfer form to refer to Transfer Team. Transfer team to make direct offer.*

6.2 *Major works disturbance allowances are payable – see 7.2*

7.0 Compensation

7.1 *Compensation is payable for the duration of lift works to all residents living above the ground floor at £1.20 per day.*

7.2 *Major works disturbance payments are payable:*

- *For temporary transfers - moving out of and back into the property*

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- *For permanent transfers – moving out of the property*

7.3 *Ex-gratia payments may be considered on a case by case basis by the Area Housing Manager.*

7.4 *For further information please see Compensation Policy.*

8.0 iWorld

8.1 *All information received should be added to iWorld and/or saved on the tenancy file in information@work.*

8.2 *Completed Form As should be scanned to the tenancy file*

Appendix 1: Identifying vulnerable residents – timeframe and actions

<p>6 months</p> <p>Works finish</p>	<i>Identifying support needs, investigating existing support, quantifying cost of additional support</i>		<i>Arranging support and adaptations</i>		<i>Keeping housing operations and residents informed</i>	
	<p>Consultation Team</p> <p>Notify AHM</p> <p>Notify TRA/TMO as appropriate</p> <p>Create block profiles to inform tenancy team</p> <p>Timetable public meeting</p> <p>Attend public meetings/provide feedback and information on residents in need to TM</p>	<p>Tenancy Management</p> <p>Review iWorld and explore support already in place/ contact partner agencies, social services & transfers team</p> <p>Send Form A to all residents</p> <p>Attend first public meeting to identify any further residents in need of support.</p> <p>Arrange meeting to discuss and approve support arrangements on a case by case basis and to provide cost estimates to Directors</p>	<p>Tenancy Management / Transfers / Social Services</p> <p>AHM approves support arrangements</p> <p>TM remain in contact with residents up to start of works to continue to assess residents' needs.</p>	<p>Contract Administrator</p> <p>Arrange adaptations if appropriate.</p>	<p>Consultation Team</p> <p>On-going updates to TM/transfers/social services/HOU and TMO/TRAs</p>	<p>Tenancy Management</p> <p>On-going updates to residents until works finish.</p>

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)



Below is an example of the lift programme support form:

LIFT PROGRAMME SUPPORT FORM

The information you provide on this form will be treated confidentially and only used to assess your support needs during the lift renewal programme.

Resident(s) Name	Address

Do you or a member of your household suffer a medical condition, impairment or disability which will affect your ability to manage without a lift?

Yes No

Please provide details.....

.....
.....
.....
.....

Do you or a member of your household need to attend regular hospital appointments?

Yes No

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)

Please provide details.....

.....

.....

.....

Are there young children in your household?

Yes No

Please provide details.....

.....

.....

.....

Do you have a social worker/care package?

Yes No

Please provide details.....

.....

.....

.....

Please provide details of any further support available to you.....

.....

.....

.....

Consent:

I consent to the tenancy management team contacting other council services in relation to my support needs.

Signed(tenant)

Signed(on behalf of tenant) Relationship to tenant.....

Dated.....

For office use:

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)

Date form received.....

iWorld updated.....

Recommendations:

Signed(AHM).....

Dated.....

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
Identify and organise appropriate support <i>"Guidance Note Supporting residents during lift renewal"</i> <i>Identify and support vulnerable residents during lift modernisation for potential for negative impacts.</i>	Targeted Tenant Services	6 months prior to start date
Relocation / Rehousing residents if needed <i>"Guidance Note Supporting residents during lift renewal"</i> <i>implemented to support relocation where required.</i>	Transfer team	6 months prior to start date
Helping residents with shopping etc <i>"Resident Liaison Officers will be available to help residents with shopping and other activities from</i>	Resident Liaison Officer	During project

Action	Responsible team or officer	Deadline
<i>9am-4pm, Monday to Friday during the lift modernisation."</i>		
Regular communication with affected residents <i>"Regular communication will go out to residents which will include notices using the electronic notice boards, and monthly newsletters that will include a progress report from the lift contractor also face to face meetings will be held if necessary with an appointed representative"</i>	Estate Champions / Project Liaison Officer / Resident Steering Group / Project Manager / Area Housing Manager	During project

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	Crisjen Parkes	<i>Crisjen Parkes</i>	14/07/23
Fairness and Equality Team	Sydney Alexander	<i>Sydney Alexander</i>	14/09/23
Director or Head of Service	Stephen Platt	<i>St Platt</i>	18/09/23

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Homes and Neighbourhoods
222 Upper Street

Report of: Executive Member for Homes and Communities
Meeting of: Executive
Date: 8th February 2024
Ward(s): All

Subject: Procurement Strategy for Responsive Repairs and Maintenance Contracts

1. Synopsis

1.1. This procurement strategy report seeks approval for the procurement strategy in respect of the following works, in accordance with Rule 2.8 of the Council's Procurement Rules (the "Rules"):

- General Build Repairs and Maintenance Works
- Electrical Repairs and Maintenance Works
- Roofing Repairs and Maintenance Works (With Provision of Scaffolding)
- Brickwork Repairs and Maintenance Works

2. Recommendations

2.1. To approve the procurement strategy for the following works as outlined in this report:

- General Build Repairs and Maintenance Works
- Electrical Repairs and Maintenance Works
- Roofing Repairs and Maintenance Works (With Provision of Scaffolding)
- Brickwork Repairs and Maintenance Works

2.2. To approve the extension of the current General Build contract for seven (7) months.

2.3. To approve the extension of the current Roofing Repairs and Maintenance (Including scaffolding) contract for seven (7) months.

2.4 To delegate authority to the Acting Corporate Director of Homes and Neighbourhoods, following consultation with the Executive Member for Homes and Communities, to appoint contractors to the relevant frameworks and award the Brickworks contract and authorise entering into the contract.

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. In addition, the Council manages 4,500 public buildings including Council offices, depots, and school buildings. As a landlord the Council is responsible for ensuring that repairs needed to its residents' homes are carried out promptly. The Council has an in-house repairs and maintenance team which complete the majority of the day-to-day repair jobs in Council tenants' homes and to its housing blocks and estates. The in-house team however require assistance when there are peaks in demand for services or to undertake specialist tasks. In these circumstances the team rely on a number of support contractors. These support contracts include the areas of general build, roofing, brickwork and electrical works which are covered by this report. The contracts procured as a result of this strategy will be available for other Council departments to access as needed.

3.2. Each framework/contract will be designated to a Contract Officer within the Repairs structure that will conduct monthly operational meetings with the contractors. The relevant service area that oversees the contract operationally will also be present in both meetings to ensure contractors are aligned in delivering the best service delivery possible as well as overseeing and managing the work on site.

3.3. The existing contracts are all expiring during 2024. To streamline the decision-making process for the procurement of these individual contracts the recommended strategy for their procurement has been combined in this report.

General Build Repairs and Maintenance Works

3.4. The Council intends to appoint up to four (4) contractors to a framework agreement to deliver borough-wide general building works, including damp and mould treatment works, plumbing, carpentry, metal work, glazing as well as assisting the in-house team with Out of Hours emergency cover. These works will be completed in Council tenants' homes. Contractors will be required to provide cover for the entire Borough. Call-off contracts for works will be issued to contractors in rotation. This will be closely monitored by the

Contract Officers and service manager overseeing the contractor's operational works, utilizing KPI information that is available on the IT management system to ensure contractors have a fair share of the most and least profitable areas. This is a move away from geographical rotation which is in place with the current contract. A decision has been made to amend the works allocation approach from that currently in place as under the current geographical rotation contractors sometimes rejected works if they are not in their designated area.

- 3.5. The current general build works contracts expire on 2nd March 2024.

Electrical Repairs and Maintenance Works

- 3.6. The Council intends to appoint up to two (2) contractors under a framework agreement to deliver borough-wide electrical repairs and maintenance works including out of hours cover, primarily to Council residential properties including communal areas. This framework agreement will include out of hours emergency cover. Contractors will be required to provide cover for the entire Borough. Call-off contracts for works will be issued to contractors in rotation. This will be closely monitored by the Contract Officers and service manager overseeing the contractor's operational works, utilizing KPI information that is available on the IT management system to ensure contractors have a fair share of the most and least profitable areas. This is a move away from geographical rotation which is in place with the current contract. A decision has been made to amend the works allocation approach from that currently in place as under the geographical rotation contractors have sometimes rejected works if they are not in their designated area. This will ensure leaseholders have the opportunity to benefit from equitable pricing.

- 3.7. This framework agreement will cover electrical related repairs, for example repairs to switches, sockets, light fittings etc. It will also include repairs to communal and estate lighting including electrical intakes.

- 3.8. The current electrical repairs and maintenance contracts expire on 5th April 2024.

Roofing Repairs and Maintenance Works (With Provision of Scaffolding)

- 3.9. The Council intends to appoint up to four (4) contractors under a framework agreement to deliver roofing repair works (with provision for scaffolding), as well as assisting the in-house team with Out of Hours emergency cover, primarily to Council residential properties including communal roofs and exteriors of buildings. Contractors will be required to provide cover for the entire Borough. Call-off contracts for works will be issued to contractors in rotation. which will be closely monitored by the Contract Officers and service manager overseeing the contractor's operational works, utilizing KPI information that is available on the IT management system to ensure contractors have a fair share of the most and least profitable areas. This is a move away from geographical rotation which

is in place with the current contract. A decision has been made to amend the works allocation approach from that currently in place as under the geographical rotation contractors have sometimes rejected works if they are not in their designated area.

- 3.10. The framework agreement will cover roofing repairs to residential properties and estates, including communal areas and facilities. The successful contractors will also be expected to supply and install scaffolding to facilitate the delivery of repairs.
- 3.11. The current roofing repairs works contracts expire on 13th April 2024.
- 3.12. Due to staffing resource issues and a large volume of procurements expiring simultaneously within the service, there was a delay to the start of the new procurement of this framework agreement. In order to ensure a thorough process is completed and sufficient time is given to mobilise the new framework agreement it is necessary to implement a seven (7) month extension to the existing General Build and Maintenance and Roofing Repairs and Maintenance contracts. This extension is required to prevent a break in the supply of these critical services for tenants and leaseholders while we complete the procurement exercise.

Brickwork Repairs and Maintenance Works

- 3.13. The Council intends to procure one (1) contractor to deliver brickwork repairs required primarily for Council residential properties and estates as well as communal areas and facilities where required.
- 3.14. The contract will be used primarily by the in-house Housing Repairs Service and then by the Estate Maintenance Team during busier 'peak' times.
- 3.15. Brickwork repair works is currently built into the current general build works contract. However, with the end of this contract approaching, the Council are looking for a specialist provider to carry out brickwork repair works. It has been identified that the quality of brickwork repairs has fluctuated due to the use of sub-contractors. Separating Brickwork from the General Build contracts is intended to provide the Council with a more reliable and higher quality service and more direct control over the contractual relationship.
- 3.16. This is a new contract requirement so there is no expiry.

4 Estimated Value

General Build Repairs and Maintenance Works

- 4.1. The estimated aggregate value of the call-off contracts under this framework agreement is £4,600,000 (VAT inclusive) (£1,150,000 per annum), based on a maximum term of forty-eight (48) months. The initial term will be twenty-four (24) months with the option to extend for a further period of twenty-four (24) months. Leaseholder consultation does not apply to the call-off contracts under the framework agreement as these works will only be carried out to Council tenants' homes.

Electrical Repairs and Maintenance Works

- 4.2. The estimated aggregate value of the call-off contracts under this framework agreement is £3,300,000 (VAT inclusive) (£825,000 per annum), based on a maximum term of forty-eight (48) months. The initial term will be twenty-four (24) months with the option to extend for a further period of up to twenty-four (24) months.

Roofing Repairs and Maintenance Works (With Provision of Scaffolding)

- 4.3. The estimated aggregate value of the call-off contracts under this framework agreement is £8,246,000 (VAT inclusive) (£2,036,500 per annum), based on a maximum term of sixty (48) months. This is an anticipated future spend on roofing contractors at £993,100 per annum, and scaffolding contractors at £1,043,400 per annum. The initial term will be twenty-four (24) months with the option to extend for a further period of twenty-four (24) months.

Brickwork Repairs and Maintenance Works

- 4.4. The estimated aggregate value of this contract is £1,960,000 (VAT inclusive) (£280,000 per annum), based on a maximum contract term of eighty-four (84) months. The initial term will be forty-two (42) months with the option to extend for a further term of forty-two (42) months.

Extension to General Build Repairs and Maintenance and Roofing Repairs and Maintenance (including scaffolding) contracts

- 4.5. As detailed in paragraph 3.12 above, the Council needs to extend its current General Build and Maintenance and Roofing Repairs and Maintenance contracts for seven (7) months. The estimated costs of the extension to the General Build and Maintenance contract is £670,000 (VAT inclusive), and the estimated costs of the extension to the Roofing Repairs and Maintenance contract is £1,187,958 (VAT inclusive).
- 4.6. All estimated values detailed in paragraphs 4.1 to 4.5 above are based on budget allocation data on the types of works. These estimates are predicted to be considerably lower than the Council's actual historic spend due to recent investment in capital works programmes taking place that saw a delay during COVID-19. The Service notes that the

reduced investment in capital works during this period resulted in assets falling under disrepair and increased the number of repairs the Service carried out in areas such as plastering to maintain housing stock.

4.7. Historical spend over the past two (2) years is outlined in the table below. Brickwork repairs carried out for in-house repairs team is incorporated in the General Build historical spend figure. Historical spend shown in the brickwork repairs column has been carried out for the Estate Maintenance Team only.

Year	Electrical	General Build, Roofing and Scaffolding	Brickwork (EMT)
2021/22	788,108.14	3,287,775.99	539,501.01
2022/23	995,432.06	3,562,540.67	536,782.94
2023/24	502,502.37	2,702,903.18	129,055.17
Total	2,286,042.57	9,553,219.84	1,205,339.12

4.8. The Service recognises damp and mould related work have had an increase on the spend that was not previously budgeted. In-line with the damp and mould works there has been a 40% increase of work orders over the Service.

4.9. Measures have been introduced to reduce certain works i.e. works to fences, gardens, new window insulations etc. Due to the number of non-procured contractors, the Service have had to introduce this has also made it difficult to control spend, as increased rates have been agreed. The Capital program is now delivering more work to our Housing stock that will also reduce the number of repairs moving forward. In addition, the Service are working with our Health and Safety team to review working at height access options to potentially reduce the use of scaffolding.

- 4.10. There will be no guarantee of volumes of works issued under the framework agreement and contract for brickworks. Values may decrease if there is any further expansion of the in-house teams during the terms of the contracts or for any other reasons.
- 4.11. Due to the length of these framework agreements and the brickworks contract, it is proposed an indexation clause is included within the framework and contract terms. The indices chosen are Consumer Prices Index (CPI). There will be no guaranteed or automatic annual uplift and contractors will need to evidence to the Council justification for any uplift prior to it being approved.
- 4.12. The works will be funded through existing Housing Revenue Account (HRA) 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 budgets.

5. Timetable

- 5.1. To ensure the framework agreements and brickworks contract that meets the Council's specific needs are in place as quickly as possible, the indicative timetable for the procurement is:
- Approval of procurement Strategy – February 2023
 - Publication of tender packs – March 2023
 - Evaluation of tenders – March/April 2024
 - Leaseholder consultation (where applicable) – May 24
 - Approval of contract awards – June 2024
 - Contract mobilisation period – July 2024
 - Start of framework agreements and brickworks contract – September 2024
- 5.2. In preparation of the procurement strategy the Service has consulted with the Health and Safety, Finance, Legal and Strategic Procurement Teams.
- In line with the leaseholder consultation obligations set out in Section 20 of the Landlord and Tenant Act 1985, Council leaseholders will be consulted about the proposed procurements below, and as such, consultation will be built into the timetable for awarding the following: Electrical Repairs and Maintenance Works
 - Roofing Repairs and Maintenance Works (With Provision of Scaffolding)
 - Brickwork Repairs and Maintenance Works

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 works in-house
 - Use of an external framework agreement or Dynamic Purchasing System (DPS)
 - A competitive tender using the Open Procedure
 - A collaborative approach with other Council services
 - A collaborative approach with other boroughs
- 6.2. Do nothing - In view of the nature of the works, doing nothing is not an option. The Council has a statutory obligation to deliver the services in question, and to allow the contracts to expire without putting further provision in place would mean the Council leaves itself open to legal challenge and enforcement measures. There is a risk of death and/or serious injury should equipment fail to be repaired in accordance with legislative requirements. This would pose a significant risk to the Council's reputation.
- 6.3. In-house - 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 each of the works. The proposed framework agreement and brickworks contract provide back-up resources to support with fluctuations in varying workloads and specialist works in the case of brickwork. Recruiting specialists and additional staff resources, equipment and materials to support services and oversee the management of these different areas means insourcing is not considered a viable option. The Service continually keeps this under review and endeavours to make recommendations to bring elements of services in-house where this is the best option for the Council and its residents.
- Furthermore, if all these works were to be undertaken in house this would result in in-house operatives being underworked. These contracts are procured for the overspill of repairs and tends to not be a constant stream of works that would warrant bringing in additional staff resources. In addition, with brickwork, the service have attempted to recruit specialist operations and have been unsuccessful due to the specialist nature of the trades. Finally, the service intends to add to all term briefs the expectation that all successfully procured suppliers ensure they use the construction directory as the first preference for any sub-contracted support.
- 6.4. Further competition through an external framework agreement - Several existing external framework agreements and a DPS were considered as part of the options appraisal for the procurement. The benefits of using an existing framework are that suppliers have already completed a pre-qualification process to join the framework, meaning the Council can complete procurement exercises more quickly. Drawbacks of this option is that the Council has slightly less control and may have reduced ability to adjust the selection

criteria, as it needs to work within the existing rules of the procured framework. In addition, the requirement to undertake leaseholder consultation for the electrical, roofing and brickwork works presents difficulties using this option.

- 6.5. Competitive tender using the Open Procedure - this option provides multiple positive opportunities for the Council. This option is quicker to undertaken than the two stage Restricted Procedure. In addition, the Council will have more control over the procurement process. and it is easier to accommodate the requirements for leaseholder consultation within this process. Suppliers that may not be on existing framework agreements, which could include local suppliers, will have the opportunity to bid. The drawback of this option is that it may take slightly longer to progress than using an existing framework agreement. It is recommended to use this option for the Electrical, Roofing and Brickwork contracts as these require leaseholder consultation and we would like to encourage a wider selection of suppliers to bid for these contracts. The Council will use the open procedure for General Build and Maintenance to ensure the Council has a wider selection of contractors.
- 6.6. Collaboration with other Council services – All four supply requirements within this strategy will be made available for other parts of the Council to utilize it.
- 6.7. Collaboration with neighbouring authorities – this is not an option at present as neighbouring local authorities service delivery models are different to Islington's. The differences in service delivery include timescales for delivering repairs, how repairs are managed including the IT systems in use. These differences make it unviable to collaborate on repairs and maintenance contracts at this time.
- 6.8. In summary the recommended procurement routes for all contracts covered by this strategy report is competitive tender using the Open Procedure.

7. Key Consideration

- 7.1. Delivering social value to Islington residents will be a contractual obligation for the successful contractors. A clear set of rigorous social value measures and targets will be included in each 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 award an 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. Contractors will work with the Council's iWork service to assist with recruitment to vacancies linked to the delivery on a local first approach, especially those who are disadvantaged in the labour market, as a contractual requirement of the framework agreements and brickworks contract. The contractors will be encouraged to increase the diversity of their workforce, particularly in the training and recruitment of more women and other under-represented groups in the sector.
- 7.4. 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. They will also be encouraged to work with the Council on initiatives to develop their skills to enable them to grow by developing their ability to bid for more work opportunities. This commitment will increase local economic growth and help with local employment opportunities.
- 7.5. 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.
- 7.6. Environmental benefits that will be delivered through the framework agreements and 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 contractors 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 contractors 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.

7.7. London Living Wage will be included as a condition of the framework agreement and brickworks contract. The successful contractors 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 specifications will ensure the successful contractors are prohibited from recruiting any operational or administrative staff on a zero-hour contract.

7.8. There may be TUPE implications resulting from these contracts. This is being checked with the current contractors and the results will be made available securely as part of the tender process.

8. Evaluation

8.1. Separate tenders for General Build, Electrical, Roofing and Brickwork 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. Appointment to the framework agreements and award of the brickworks contract will be to the Most Economically Advantageous Tenders (MEAT) and the award criteria will be set at 60% quality and 40% cost. The current construction market is volatile, and the cost and quality split will ensure the Council appoints contractors that can deliver a high level of service at a sustainable price, achieving the best value overall.

8.3. The weighting of the quality criteria will be broken down as follows:

- Proposed approach to Social Value (20%)

- Proposed approach to maintaining 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 mobilisation, resourcing and service delivery (10%)

9. Business Risks

9.1. There is a risk that owing to economic uncertainty of the materials market and increases in the cost of delivering the works during the contract terms. This will be mitigated through robust contract management, ensuring that the contractors have the opportunity to identify their risks and discuss these with the Council in the monthly operational meetings. 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 business risks associated with the procurements are summarised as follows:

Risk	Likelihood	Impact	Priority	Mitigation
Delays to the procurement process result in limited mobilisation time for new contractors	High	High	High	A project plan is in place and the Project Team will ensure agreed key milestones are met.
Gap between expiry of current contracts and new arrangements	High	High	High	Ongoing discussions with current contractors and legal team to ensure interim arrangements are in place until the commencement of the framework agreements and brickworks contract.

Procurement is unsuccessful with no suitable contractors tendering or being identified	Low	High	High	Interim emergency measures will be sought and plans to re-procure put in place
The successful tenderers pull out of the respective contract prior to start of the contract	Low	High	High	Interim emergency measures will be sought and plans to re-procure put in place
The successful tenderers pull out of the respective framework agreements or brickworks contract during the life of the contract	Medium	High	Medium	Interim emergency measures will be sought and plans to re-procure put in place. A framework agreement with more than one contractor will mean that the Council does not need to re-procure. This is not the case for brickworks contract.

9.3. The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sell 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.

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

Summary	
Relevant information	Information/section in report

<p>1. Nature of the Service</p>	<p>The Council requires the following back-up frameworks agreements and contract to support the in-house housing repairs and maintenance service.</p> <ul style="list-style-type: none"> • General Build Repairs and Maintenance Works Framework Agreement • Electrical Repairs and Maintenance Works Framework Agreement • Roofing Repairs and Maintenance Works (With Provision of Scaffolding) Framework Agreement • Brickwork Repairs and Maintenance Works contract <p>See section 3</p>
<p>2. Estimated Value</p>	<p>The estimated value of the works to be procured is set out in the body of this report.</p> <p>See section 4</p>
<p>3. Timetable</p>	<p>See section 5</p>
<p>4. Options appraisal for tender procedure including consideration of collaboration opportunities</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>See section 7</p>
<p>6. Award Criteria</p>	<p>See section 8</p>

7. Any business risks associated with entering the contract	See section 9
8. Any other relevant financial, legal or other considerations.	See section 9

10. Implications

10.1. Financial Implications

- 10.1.1. The works to be procured under the framework agreements and brickworks contract described in this report will be 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. Out of this allocation, an aggregated budget of £6.655m has been designated to cover expenditure related to subcontractor works and services, encompassing general repairs, electrical repairs, roofing repairs, scaffolding, and brickwork repairs, among others.
- 10.1.2. The majority of the works and services to be undertaken by contractors are anticipated to fall under revenue expenditure. However, there is a possibility that certain works may be classified as capital expenditure. In such cases, the funding for these projects will be drawn from the HRA's Major Works high value repairs capital budget, which for 2023-24 amounts to £0.800m.
- 10.1.3. It is expected that on each framework agreement/contract anniversary, an annual adjustment to the values will be implemented. Consumer Prices Index (CPI) will be applied. There will be no guaranteed or automatic annual uplift and contractors will need to evidence to the Council justification for any uplift prior to it being approved.
- 10.1.4. The works and services carried out by contractors are driven by demand, and therefore, the precise annual values remain uncertain. These figures are approximations based on the current demand levels. It is anticipated that the annual cost for general build work will amount to £1.380m (VAT inclusive), or £4.600m (VAT inclusive) over the maximum 4-year framework term. Electrical repairs are projected to cost £0.990m (VAT inclusive) annually, or £3.960m (VAT inclusive) throughout the 4-year maximum framework term. Roofing repairs and scaffolding are estimated at £2.443m (VAT inclusive) per annum, totalling £9.773m (VAT inclusive) over the maximum 4-year framework term. Brickwork repairs are expected to be £0.336m (VAT inclusive) annually, accumulating to £2.352m (VAT inclusive) over the 7-year maximum contract term. The total estimated annual expenditure

for all categories is £5.149m (VAT inclusive). General build, roofing and scaffolding, and electrical estimated values fall in line with historical expenditure across these activities, as such, is containable within the existing budget provision. In the past, the yearly expenditure on brickwork has surpassed the estimated value of £0.336m (VAT inclusive) for brickwork. It is anticipated that the capital investment in our stock, facilitated by the major works programme, will avert asset deterioration, subsequently lessening the demand for brickwork activity and fall within the allocated budget envelope.

- 10.1.5. If the expected reduction in demand doesn't occur, there might be consequences for the budget designated for other works and services funded via the subcontractor budget allocation. This situation could result in reduced funding for these activities or create a cost pressure on the existing budget, resulting in growth to the HRA which would need to be met from HRA general reserves.
- 10.1.6. As noted in section 3.12, it is anticipated that resourcing constraints could result in the need to extend the existing general build repairs and maintenance works contracts and roofing repairs and maintenance works contracts beyond contract expiry by 7 months at an estimated cost of £2.229m (VAT inclusive). It is expected that the cost of extend the existing contracts will be met from the 2024-25 subcontractor budget provision.
- 10.1.7. 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.

10.2. **Legal Implications**

- 10.2.1 The value of the proposed framework agreements for General Build and Maintenance and Electrical Repairs and Maintenance and the contract for Brickworks are below the threshold at which the Public Contracts Regulations 2015 (as amended) ("the Regulations") applies to the procurement of works (currently £5,336,937 inclusive of VAT

and will be £5,372,609 inclusive of VAT from 1st January 2024). As such, the Council is not required to procure the framework agreements or brickworks 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 framework agreements and call-off contracts and contract are also subject to the Rules.

- 10.2.2 The value of the proposed framework agreement for Roofing Repairs and Maintenance is above the threshold at which the Regulations apply to the procurement of works (currently £5,336,937 inclusive of VAT and will be £5,372,609 inclusive of VAT from 1st January 2024). As such, the Council is required to procure the framework agreement fully in accordance with the Regulations.
- 10.2.3 As detailed in paragraphs 3.4, 3.6 and 3.9, the commissioning intention is to appoint more than one contractor to the three framework agreements and award the works on a rotation basis to the contractors appointed to the framework agreements. Provided that the Council ensures that its procurement documents and framework agreements are entirely transparent as to its intention and how it will operate, this rotational approach is permissible.
- 10.2.4 Due to the delay in commencing the procurements as detailed in paragraph 3.12, the Council requires a seven (7) month extension to the current General Build and Maintenance and Roofing Repair and Maintenance contracts. Legal Services and Procurement have advised that the extension of the contracts are not permissible under the Regulations and the Council could be challenged. The likelihood of a challenge may be lower due to the short extension and the imminent procurement process. The decisionmaker needs to balance the risk of the Council receiving a procurement challenge against the Council not having contractors readily available for General Build and Maintenance and Roofing Repairs and Maintenance and having to undertake procurement each time the relevant works are required to approve the recommendation to extend.
- 10.2.5 As the works detailed in paragraph 5.3 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.
- 10.2.6 Rule 24.2 states that all contracts over £24,999 will need formal conditions prepared or agreed by the Legal Services Team. The Council's Legal department will prepare the terms of the framework agreements and call-off contract terms and conditions, contract for brickworks and variations to extend the current General Build and Maintenance and Roofing Repairs and Maintenance contracts, as applicable, to ensure they comply with the

Rules relating to contract provisions. The Council intends to utilise the relevant form of JCT contract for the call-off contracts and brickworks contract. 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.

10.2.7 The value of the proposed call-off contracts will vary. A Corporate Director has responsibility to award contracts paid for using revenue money of up to £2,000,000 of spend and contracts paid for using capital money of up to £5,000,000 of spend (Rule 18.1.1). Therefore, as the value of the framework agreements and the brickworks contract are over to £2 million (revenue spend) the decision to appoint suppliers to the framework agreement and to award the brickworks contract is the responsibility of the Executive. The officers responsible for awarding the call-off contracts will depend upon the value of the call-off contracts. Under Rule 16.2 the Executive may delegate its responsibilities under Rule 16 to approve the award of contracts where the value of the contracts exceeds the officers delegated authority to Corporate Directors.

10.2.8 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.

10.2.9 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.

10.2.10 The Executive can approve the Recommendations contained in this report provided they are satisfied with the contents of the report and they consider the proposed procurement represents best value for the Council.

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

10.3.1. The proposed framework agreements and brickworks contract will have several environmental impacts. These include journeys made by the contractors, the use of energy, water and materials, the generation of waste, the use of chemicals during the testing process, and the potential for disturbance of biodiversity such as roosting bats during works in roof spaces.

10.3.2. There are several ways in which these impacts will be mitigated. The brief for the works will set out expectations regarding waste, vehicle and plant use. Contractors will be asked to source goods from sustainable sources and with recyclable packaging and ensure materials/equipment used is recyclable and repairable (including returning waste parts to suppliers). They are also expected to ensure that water loss is kept to a minimum and that

any electrical equipment replaced is more energy efficient where possible. The contractor is also legally required to protect any roosting bats and nesting birds they encounter.

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. Equalities Impact Assessments were completed for each of the works during August 2023. The main findings of these impact assessments are that the delivery of the works 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 delivery, in particular the needs of disabled people, such as those with mobility, visual or hearing impairments. The full Equalities Impact Assessments are appended.

11. Conclusion and reasons for recommendations

11.1. The Council has an on-going requirement to procure a number of back-up and specialist contracts to support its in-house housing repairs and maintenance services as set out in this report. The procurement of contractors for General Build and Maintenance, Electrical repairs and Maintenance, Roofing Repairs and Maintenance and Brickwork Repairs and Maintenance is required to support the continuity of service for the delivery.

11.2. The report sets out the reasons for the recommended procurement options for each of the works covered by this report.

11.3. The report sets out the reason for a seven (7) month extension period of the current Roofing Repairs and Maintenance (including scaffolding) contract to ensure there is no break in supply of a critical service.

11.4. The report sets out the reason for a seven (7) month extension period of the General Build and Maintenance contract to ensure there is no break in supply of a critical service.

Appendices:

- Equalities Impact Assessment for General Build Works

- Equalities Impact Assessment for Electrical Repairs and Maintenance including Out of Hours Cover
- Equalities Impact Assessment for Roofing Repair Works
- Equalities Impact Assessment for General Brickwork Repair Works

Background papers:

- None

Final report clearance:

Authorised by: Executive Member for Homes and Communities

Date: 25 January 2024

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Legal implications dated 06/12/2023

Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	Procurement Strategy for General Build Works
Reference number (if applicable)	2324-0017
Service Area	Housing Property Services
Date screening completed	14/08/23
Screening author name	Demetria Kinobe
Fairness and Equality team sign off	Charlton Brown
Authorising Director/Head of Service name	Mike Hall

Page 529

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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 Council intends to appoint up to four (4) contractors to a framework agreement to deliver borough-wide general building works, including damp and mould treatment works, plumbing, carpentry, metal work, glazing as well as assisting the in-house team with Out of Hours emergency cover. These works will be completed in Council tenants' homes. Contractors will be required to provide cover for the entire Borough. Call-off contracts for works will be issued to contractors in rotation. This will be closely monitored by the Contract Officers and service manager overseeing the contractor's operational works, utilizing KPI information that is available on the IT management system to ensure contractors have a fair share of the most and least profitable areas. This is a move away from geographical rotation which is in place with the current contract. A decision has been made to amend the works allocation approach from that currently in place as under the current geographical rotation contractors sometimes rejected works if they are not in their designated area.

The estimated value of this contract will be £1,150,000 a year. The length the of contract will be four (4) years which will total in £4,600,000 overall.

The service currently has an existing contract for the provisions outlined above and is currently up for renewal. The contract is managed by the Clerk of Works Supervisor and the team that 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 resident's homes.

While a General build contract already exists, the new proposed contract will be more specialist and refined. The previous contract had UPVC and brickworks also included. It has been decided by the service area that these works are now not to be included. The benefits of this proposal ensures that the contractor will not require specialist trade additions and enables Islington Council to procure contractors directly for these specialist works; saving sub contractor costs and streamlining the quality of service and clearer communication between contractor and Resident.

The four contracts for General Build will be designated to a Contract Officer within the Repairs structure that will conduct monthly operational meetings with all suppliers. The service area Supervisor will also be present in both of these meetings to ensure the suppliers are aligned in delivering the best service delivery possible.

On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes
Residents	Yes
Businesses	No
Visitors to Islington	No

Group of people	Impacted?
Voluntary or community groups	No
Council staff	Yes
Trade unions	N/A
Other public sector organisations	N/A
Others	Please specify:

What consultation or engagement has taken place or is planned?

Please outline:

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

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

The Housing Property Services team will work closely with the resident engagement team to organize workshops where residents will meet with the Repairs team and work closely to assist with the designing of the questions for the contractors ahead of the evaluation panel stage of procurement.

Potential service providers will be asked a series of questions which will be scored during the procurement process. Scoring will take into account how service providers propose to take due consideration to equality and diversity in the delivery of these contracts in a number of ways.

Service providers' responses to this question will be expected to clearly demonstrate how they will communicate effectively with residents impacted by works they are carrying out. Particular attention will be paid to what arrangements they will put in place to ensure they can communicate appropriately with residents with protected characteristics who may have different communication needs, in particular residents with a disability, those for whom English is not their first language and elderly residents.

Service providers' will also be expected to explain clearly how they will take into account any access difficulties and disruption residents may experience to their homes, block or parts of the estate affected by works and how these can be minimised. In

particular, responses are expected to clearly set out what reasonable adjustments the service provider can make to works carried out when scaffolding is involved in order to minimise access problems and disruption to residents with protected characteristics (disabled residents, older and younger residents).

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.	<p>The contract in question will have a neutral impact on 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, as well as the conduct of the supplier themselves, where 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>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Disability (include carers)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	<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. 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 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</p>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				how they take account of the needs of these groups as part of the procurement application process, with those suppliers 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.
Race or ethnicity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	It is not anticipated that the contract will have any identifiable impact on different racial or ethnic groups. The successful suppliers will be required to outline how they will communicate with leaseholders as part of the procurement process, 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, as well as ensuring operatives are aware of any cultural sensitivity matters where appropriate.
Religion or belief (include no faith)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	The contract is not anticipated to have any impact on different religious groups. As above, suppliers will be required to evidence understanding of the

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				diverse needs of the borough's residents, including cultural sensitivity, making use of local demographic data and intelligence to improve service delivery. However, it is not anticipated that the nature of the contract itself will have any identifiable impact on different religions or faith groups.
Gender and gender reassignment (male, female or non-binary)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	As above, beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact on any gender group. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, such as working in occupied premises, however, the contract as a whole does not have any identifiable impact on any gender group.
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding pregnancy and maternity. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Sex and Sexual Orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding sex and sexual orientation. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding marriage and civil partnership. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
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

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

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

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

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Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	Procurement Strategy for Electrical Repairs and Maintenance including Out of Hours Cover
Reference number (if applicable)	2324-0057
Service Area	Housing Property Services
Date screening completed	27/7/2023
Screening author name	Demetria Kinobe
Fairness and Equality team sign off	Charlton Brown
Authorising Director/Head of Service name	Mike Hall

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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 Council intends to appoint up to two (2) contractors under a framework agreement to deliver borough-wide electrical repairs and maintenance works including out of hours cover, primarily to Council residential properties including communal areas. This framework agreement will include out of hours emergency cover. Contractors will be required to provide cover for the entire Borough. Call-off contracts for works will be issued to contractors in rotation. This will be closely monitored by the Contract Officers and service manager overseeing the contractor's operational works, utilizing KPI information that is available on the IT management system to ensure contractors have a fair share of the most and least profitable areas. This is a move away from geographical rotation which is in place with the current contract. A decision has been made to amend the works allocation approach from that currently in place as under the geographical rotation contractors have sometimes rejected works if they are not in their designated area. This will ensure leaseholders have the opportunity to benefit from equitable pricing.

The total estimated value for this procurement is £3.3 million over an 4 year period. £825,000 a year.

The service currently has an existing contract for the provisions outlined above and is currently up for renewal. The contract is managed by the Electrical Cyclical testing Manager and the team that conducts post inspections of any works as well as highlighting any outstanding works that are required to be carried out following an inspection. The current contract expires on the 5th April 2024.

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 electrical related repairs including domestic electrical repairs to switches, sockets, light fittings, etc. It will also include repairs to communal and estate lighting including electrical intakes.

The contracts will be designated to one Contract Officer within the Repairs structure that will conduct monthly operational meetings with the two separate suppliers. The Electrical 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.

On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes
Residents	Yes
Businesses	No
Visitors to Islington	No

Group of people	Impacted?
Voluntary or community groups	No
Council staff	Yes
Trade unions	N/A
Other public sector organisations	N/A
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.

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.

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

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.	<p>The contract in question will have a neutral impact on 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, as well as the conduct of the supplier themselves, where 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>
Disability (include carers)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	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

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>the contract’s effective delivery. 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 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 evidencing a greater</p>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				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.
Race or ethnicity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	It is not anticipated that the contract will have any identifiable impact on different racial or ethnic groups. The successful suppliers will be required to outline how they will communicate with leaseholders as part of the procurement process, 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, as well as ensuring operatives are aware of any cultural sensitivity matters where appropriate.
Religion or belief (include no faith)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	The contract is not anticipated to have any impact on different religious groups. 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

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				service delivery. However, it is not anticipated that the nature of the contract itself will have any identifiable impact on different religions or faith groups.
Gender and gender reassignment (male, female or non-binary)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	As above, beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact on any gender group. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, such as working in occupied premises, however, the contract as a whole does not have any identifiable impact on any gender group.
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding pregnancy and maternity. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Sex and Sexual Orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding sex and sexual orientation. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding marriage and civil partnership. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Other (e.g. people living in poverty, looked after children, people who are homeless or refugees)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	

How do you plan to mitigate negative impacts?

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

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

Action	Lead	Deadline	Comments

Page 554

Screening Decision	Outcome
Neutral or Positive – no full EQIA needed*.	Yes
Negative – Low Impact – full EQIA at the service director’s discretion*.	No

Screening Decision	Outcome
Negative – Medium or High Impact – must complete a full EQIA.	No
Is a full EQIA required? Service decision:	No
Is a full EQIA required? Fairness and Equality recommendation:	No

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

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

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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	Brickwork Repairs and Maintenance
Reference number (if applicable)	2324-0188
Service Area	Housing Property Services
Date assessment completed	05/12/2023

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

The council is intending to procure one (1) contractor to deliver brickwork repairs when required. Including emergency work, to Islington Council's residential properties including communal areas. The estimated aggregate value of this contract is £1,960,000 (£280,000 per annum), based on a maximum contract term of eighty-four (84) months.

The repairs service currently has an existing contract for the provisions outlined above and this contract is currently up for renewal. The contract is managed by the Clerk of works Supervisor and the team that conducts post inspections of any works as well as highlighting any outstanding works that are required to be carried out following an inspection. The current contract expires on the 2nd March 2024.

The current provision of brickwork is included within the service's general build contract which is also up for renewal. A decision has been made to procure a brickwork contractor directly and to collaborate with the Estate maintenance team. This contributes to the Procurement team's wider strategy of the Council being able to unlock service needs across all teams and directorates saving time in procuring multiple contracts for different areas.

The Council are looking for a specialist provider to carry out brickwork repair works as it has been identified that the quality of brickwork repairs has fluctuated due to the use of sub-contractors. Separating Brickwork from the General Build contracts should provide the council with a more reliable and higher quality service and more direct control over the contractual relationship.

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 secure brickwork repairs on council housing estates and blocks. In addition, the council manages 4,500 public buildings including offices, depots and school buildings.

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 secure and safe. 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 brickwork repairs and maintenance 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 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.

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

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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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>Positive</p>	<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.</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?
		<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>	

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>Disability (include carers)</p>	<p>Positive</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</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.</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?
		<p>of different impairment 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</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?
		<p>process, with those suppliers 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>	

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?
Race or ethnicity	Positive	<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, as well as ensuring 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>

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?
		aware of any cultural sensitivity matters where appropriate.	

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)	Positive	<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</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>

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?
		accounted for and operatives are able to meet these needs.	

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?
Gender and gender reassignment (male, female, or non-binary)	Neutral	<p>The contract is not anticipated to have any tangible impacts 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. 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 appropriate and sensitive service.</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>

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.

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	<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 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>

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?
Marriage or civil partnership	Neutral	<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 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>

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 Age (e.g. elderly)</p> <p>(e.g. people living in poverty, looked after children, people who are homeless or refugees)</p>	<p>Neutral</p>	<p>Some elements of this question (such as age) have been addressed elsewhere in this impact assessment, however, it is not anticipated that the contract will have any tangible impact on the groups identified.</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 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</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>

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?
		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 which will be seven (7) years at a total of an estimated £280,000 per annum, 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.

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.

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)

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 changes to legislative framework, council initiatives etc. are accounted for and fed back.	Contract Manager	Ongoing

Action	Responsible team or officer	Deadline

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	Demetria Kinobe	<i>Demetria Kinobe</i>	05/12/2023
Fairness and Equality Team	Hezi Yaacov-Hai	<i>Hezi Yaacov-Hai</i>	05/12/2023
Director or Head of Service	Mike Hall	<i>Mike Hall</i>	05/12/2023

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Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	Roofing Repair Works (With Provision of Scaffolding)
Reference number (if applicable)	2223-0413
Service Area	Housing Property Services
Date screening completed	27/7/2023
Screening author name	Demetria Kinobe
Fairness and Equality team sign off	Charlton Brown
Authorising Director/Head of Service name	Mike Hall

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 Council intends to appoint up to four (4) contractors under a framework agreement to deliver roofing repair works (with provision for scaffolding), as well as assisting the in-house team with Out of Hours emergency cover, primarily to Council residential properties including communal roofs and exteriors of buildings. Contractors will be required to provide cover for the entire Borough. Call-off contracts for works will be issued to contractors in rotation, which will be closely monitored by the Contract Officers and service manager overseeing the contractor's operational works, utilizing KPI information that is available on the IT management system to ensure contractors have a fair share of the most and least profitable areas. This is a move away from geographical rotation which is in place with the current contract. A decision has been made to amend the works allocation approach from that currently in place as under the geographical rotation contractors have sometimes rejected works if they are not in their designated area.

The service currently has an existing contract for the provisions outlined above and is currently up for renewal. The contract is managed by the Roofing Manager and the team that conducts post inspections of any works as well as highlighting any outstanding works that are required to be carried out following an inspection. The current contract expires on the 13th April 2024.

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 roofing repairs to residential properties and estates, including

communal areas and facilities. The successful contractors will also be expected to supply and install scaffolding to facilitate the delivery of repairs.

The contracts will be designated to one Contract Officer within the Repairs structure that will conduct monthly operational meetings with the two separate suppliers. The Roofing Manager will also be present in both of these meetings to ensure the suppliers are aligned in delivering the best service delivery possible.

On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes
Residents	Yes
Businesses	No
Visitors to Islington	No
Voluntary or community groups	No
Council staff	Yes

Group of people	Impacted?
Trade unions	N/A
Other public sector organisations	N/A
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.

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.

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

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.	The contract in question will have a neutral impact on 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.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<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, as well as the conduct of the supplier themselves, where 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>
Disability (include carers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	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. 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.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>As for older leaseholders, the supplier will be required to demonstrate an understanding of different impairment 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 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</p>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				concerns the contract manager might have regarding the supplier's approach.
Race or ethnicity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	It is not anticipated that the contract will have any identifiable impact on different racial or ethnic groups. The successful suppliers will be required to outline how they will communicate with leaseholders as part of the procurement process, 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, as well as ensuring operatives are aware of any cultural sensitivity matters where appropriate.
Religion or belief (include no faith)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	The contract is not anticipated to have any impact on different religious groups. 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. However, it is not anticipated that the nature of the contract itself will have any identifiable impact on different religions or faith groups.
Gender and gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	As above, beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
(male, female or non-binary)				contract will have any impact on any gender group. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, such as working in occupied premises, however, the contract as a whole does not have any identifiable impact on any gender group.
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding pregnancy and maternity. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Sex and Sexual Orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding sex and sexual orientation. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	Beyond ensuring suppliers and their operatives have an understanding of the borough's diverse communities, it is not anticipated that the contract will have any impact regarding marriage and civil partnership. It will be essential that the supplier demonstrate that they are able to deliver the contract while considering leaseholders and any related sensitivities, however, the contract as a whole does not have any identifiable impact regarding this characteristic.
Other (e.g. people living in poverty, looked after children, people who are homeless or refugees)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	

How do you plan to mitigate negative impacts?

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

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

Action	Lead	Deadline	Comments

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

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

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

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

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Environment
Islington Town Hall, Upper Street, N1 2UD

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

Meeting of: Executive

Date: 8 February 2024

Ward(s): all

Subject: Executive Response to the Scrutiny Review of the Circular Economy and Green Jobs and Working Group on Waste Management

1. Synopsis

- 1.1 Islington Council declared a climate emergency in 2019, recognising the need to drastically reduce carbon emissions in the borough. The council made a pledge to work towards being a net zero borough by 2030. Climate change is affecting our world today and will exacerbate the risk of health and social inequalities if unaddressed.
- 1.2 In October 2023 the Executive received a report from the Environment and Regeneration Scrutiny Committee about its scrutiny of the Net Zero Carbon Programme with a focus on the circular economy and green jobs and how these are contributing to Vision 2030, building a net zero carbon Islington. The Committee recommended eight actions for the Net Zero Carbon Programme in their report.
- 1.3 This report recommends that all eight of the recommendations are accepted in full.
- 1.4 This report contains a response to each recommendation and explains how the council intends to implement the recommendations. In some cases, the council has already started to implement the recommendations and where this is the case the report explains what is being progressed.

2 Recommendation

- 2.1 To agree the responses to the recommendations made by the Environment and Regeneration Scrutiny Committee in relation to the council's approach to circular economy and green jobs through the Net Zero Carbon Programme. The recommendations are set out in Section 4 of this report.

3 Background

- 3.1 The Committee took evidence from September 2022 to February 2023, considering evidence on the following themes within the Net Zero Carbon programme:

- Islington Council presentation on the Circular Economy Action Plan
- Islington Council presentation on Green Economy and Planning
- Islington Council presentation on Council Housing and Buildings
- Islington Council presentation on the Natural Environment
- Islington Council presentation on Transport
- External evidence on Urban Agriculture
- External evidence on Cally Energy
- External evidence from University of Westminster

- 3.1 Members of the Committee made several recommendations to the Executive:

- 1) Encourage the North London Waste Authority (NLWA) to support Islington Council in our reduce, reuse and recycle ambitions through their new Waste Strategy and:
 - a) maximise the opportunities for new Islington-based apprenticeships as a consequence of their future strategy and developments.
 - b) continue to focus on waste reduction and recycling to maximise diversion of waste from incineration.
 - c) review and understand the performance of London Energy and other contractors.
 - d) bring forward carbon capture at the Edmonton ERF.
- 2) Work to support residents in making sustainable choices and reducing waste by:
 - a) exploring options for design improvements and resident information to drive behaviour change and support an increase in effective/compliant food and other recycling on estates.

- b) maximising opportunities for local food growing and food supply, organic practices, prevention of food waste and effective food recycling.
 - c) Work with NLWA and other partners, for example, on campaigns to promote reusable rather than disposable products (e.g. reusable nappies and sanitary products), and the waste disposal of such products.
- 3) Work with London Councils to lobby government for greater regulatory powers, particularly on waste and supermarkets and retail bodies to increase their recycling provision for customers.
 - 4) Focus on how the council can facilitate the development of local retrofitting skills. Explore how the council can build inhouse capacity for retrofitting, for example through developing and training its own accredited retrofit assessors and co-ordinators.
 - 5) Investigate options to relaunch a resident-led 'pesticide free streets' scheme and continue to develop a plan to reduce the use of glyphosate in council operations.
 - 6) Review best practice to help the council support and enable community energy schemes in the borough to support the overall buildings retrofit programme.
 - 7) Develop options for increasing last-mile deliveries by businesses using vehicles that minimise pollution by using cargo-bikes, etc. and that do not lead to nuisance to residents from delivery depots, micro-kitchens, etc.
 - 8) Investigate how we can use air quality monitoring and reporting as part of our performance reporting and promotion of net zero carbon ambitions.

4 Responses to the Recommendations

- 4.1. The Committee set out eight recommendations for the Net Zero Carbon Programme. The Executive accepts all these recommendations. The following section details the council's response to each recommendation and provides an update where appropriate of any work already underway to implement the recommendation.

Recommendation 1. Encourage the North London Waste Authority (NLWA) to support Islington Council in our reduce, reuse and recycle ambitions through their new Waste Strategy

- 4.2. The Executive accepts this recommendation.
- 4.3. Islington, and the other six constituent Boroughs and the NLWA operate on a partnership basis with regular dialogue and engagement to ensure that our mutual aims are understood and progressed. To support this work, a new Head of Environment and Waste Partnerships has recently been recruited. The post will support the partnership by working with the seven boroughs and the NLWA, reporting to Islington's Director of Environment and Commercial Operations, and the Chair of the NLWA Boroughs' Directors of Environment Group.
- 4.4. Islington is working to engage with the NLWA on several levels to achieve our reduce, reuse and recycle ambitions. They include:
- Active participation in the development of the new NLWA Joint Waste Strategy (JWS) through a Borough Officer Steering Group, and with Islington representing the boroughs on the JWS Board
 - Active participation in a range of officer meetings at Director, Technical Officer and Communications Officer level
- 4.5. An example of this engagement and joint working is the campaign now being carried out to promote reusable period products. This issue was first raised by the Scrutiny Committee, and it was picked up in our meetings with the NLWA. It has now been adopted as part of the Waste Prevention Programme and delivered by the NLWA on behalf of constituent boroughs.
- 4.6. The Reduce Reuse Your Cycle campaign was launched recently in partnership with the Women's Environmental Network. It features a new website (www.reducereuseyourcycle.co.uk), workshops, advertising and discounts on reusable period products.

a) Maximise the opportunities for new Islington-based apprenticeships as a consequence of their future strategy and developments

- 4.7. The Executive accepts this recommendation.
- 4.8. The council will ensure that Islington's interests are represented, encouraging more local employment and skills outcomes, through its participation on

NLWA's employment board. We have been feeding back to NLWA on their recruitment processes to develop an approach that would attract more Islington residents to the apprenticeship programmes. The council continues to challenge the NLWA on transparency on salaries being offered and encouraging more flexibility on recruitment practices to encourage a greater diversity of applicants. We are asking to be informed when Islington residents apply successfully for jobs and we are actively promoting those vacancies that are shared with us.

b) Continue to focus on waste reduction and recycling to maximise diversion of waste from incineration

- 4.9. The Executive accepts this recommendation.
- 4.10. Islington's waste reduction and recycling plans were set out in its Reduction and Recycling Plan (RRP) and agreed by the Executive earlier this year. It sets out proposals, now being implemented, for a transformation of recycling facilities on estates, expansion of food waste collections to remaining blocks of flats and a programme of repair and reuse events, amongst a range of other initiatives. In delivering these projects we will continue to explore new opportunities to minimise waste and increase recycling rates.

c) Review and understand the performance of London Energy and other contractors

- 4.11. The Executive accepts this recommendation.
- 4.12. We will actively review the performance of London Energy and other contractors through our position on the North London Waste Authority.
- 4.13. The performance of London Energy Ltd (LEL) is reported publicly and discussed at Authority meetings. Two Islington Executive Members sit on the Authority: Cllr Diarmaid Ward, Executive Member for Finance, Planning and Performance and Cllr Rowena Champion, Executive Member for Environment, Air Quality and Transport. Cllr Champion is also a member of the London Energy Ltd Board, which meets quarterly to make major decisions about the direction of the company and approve proposals for capital expenditure.
- 4.14. The performance of other contractors is reported on publicly and discussed at Authority meetings, Programme Committees, Members Recycling Working Group and Members Finance Working Group. Summaries of papers for public

meetings are sent to borough officers and discussed in briefings ahead of the meetings.

d) Bring forward carbon capture at the Edmonton ERF

- 4.15. The Executive accepts this recommendation.
- 4.16. We will use our influence as part of the NWLA to track progress and press for delivery of the carbon capture facility.
- 4.17. NLWA is aiming to install carbon capture at the EcoPark in the 2030s on the site of the current energy-from-waste facility after it has been decommissioned and dismantled. It is a major technical undertaking involving engineering, planning, financing, collaboration and project management. NLWA has appointed three expert teams to develop the strategic plans for carbon capture, transportation and storage at the EcoPark.
- 4.18. NLWA has also joined the Carbon Capture and Storage Association which is the lead UK and European trade association aiming to accelerate commercial deployment. NLWA is a partner too in the Bacton Thames Net Zero (BTNZ) Cooperation Agreement, which is exploring the feasibility of transporting to, and storing carbon dioxide from Southeast England and the Thames Estuary in the Hewett depleted gas field in the North Sea.

Recommendation 2. Work to support residents in making sustainable choices and reducing waste by:

a) Exploring options for design improvements and resident information to drive behaviour change and support an increase in effective/ compliant food and other recycling on estates.

- 4.19. The Executive accepts this recommendation.
- 4.20. The council will develop a food waste recycling campaign with the aim of reducing the quantity of food that is wasted and thrown away and increasing participation in food waste recycling services. The ambition is to deliver this campaign - funded by a windfall levy on LEL income - during Spring 2024.
- 4.21. The council will also work closely with, and support, the Islington Food Partnership. The partnership's food strategy includes work directly around: food waste reduction, both at source through utilising surplus food and at end stage through composting food waste; and increasing local food growing

through work with schools and the Octopus network.

4.22. Through the NLWA, we support the London wide 'Eat Like a Londoner' campaign, which aims to improve eating habits and reduce food waste across London. We will request an evaluation of this campaign.

4.23. The council also promotes the use of food sharing apps, such as Olio, to reduce food waste.

b) Maximising opportunities for local food growing and food supply, organic practices, prevention of food waste and effective food recycling.

4.24. The Executive accepts this recommendation. The council has already started to bring forward some initiatives to support this area.

4.25. The Council has worked with a partner to secure a research grant to look at a series of urban agriculture methods that can create net-zero sources of food in urban spaces. We are assessing which methods could work best in Islington, and seeking many perspectives to look at what is feasible and to understand the barriers to urban agriculture. The results will be published before the end of the year.

4.26. Through the Thriving Neighbourhoods, Greener Together and Housing Community Gardening Teams, the council is providing funding and resources to allow community-led growing ideas on housing estates, public realm and parks to be explored, and where feasible to be implemented. Currently there are 18 projects across our estates. These programmes will be in place for 2024/25 and we will report back to the Scrutiny Committee on their delivery.

c) Work with NLWA and other partners, for example, on campaigns to promote reusable rather than disposable products (e.g. reusable nappies and sanitary products), and the waste disposal of such products.

4.27. The Executive accepts this recommendation.

4.28. We are actively working with NLWA to deliver a campaign to encourage the use of reusable period products and to reduce associated plastic waste.

4.29. A real nappy voucher scheme has operated for some years and continues to support parents to use reusable nappies for their babies.

4.30. We will explore other potential opportunities to promote reusable products, for example, through campaigns with our anchor institution network.

Recommendation 3. Work with London Councils to lobby government for greater regulatory powers, particularly on waste and supermarkets and retail bodies to increase their recycling provision for customers.

- 4.31. The Executive accepts this recommendation.
- 4.32. The council has recently created a Public Affairs team which will help to support lobbying work. We will work with them to determine policy positions and asks from Government, and we will look at how these asks align with the London Councils Climate Advocacy Strategy 2023-24 and activities within the One World Living workstream which that have also identified the need to lobby retailers.
- 4.33. The Waste Reduction and Recycling workstream will work with colleagues in the Green Economy workstream to explore opportunities for engagement with retailers.

Recommendation 4: Focus on how the council can facilitate the development of local retrofitting skills. Explore how the council can build inhouse capacity for retrofitting, for example through developing and training its own accredited retrofit assessors and co-ordinators

- 4.34. The Executive accepts this recommendation.
- 4.35. The council will actively monitor the development of in-house skills and start including this in Net Zero Carbon programme progress reporting going forward. This will relate not only to retrofit but other net zero skills, because the council is upskilling our delivery teams generally through the work on the Net Zero Carbon programme. For example, teams have gained increased technical knowledge and project management skills through the delivery of specific projects such as the decarbonisation of the WRC and solar panel installations across a further four corporate buildings. Similarly, the work to upgrade the Building Management Systems across Corporate Buildings and Housing is requiring our teams to gain new skills and experience to operate more complex systems.
- 4.36. Housing Property Services are considering how retrofit skills can be developed in house. However, there are practical challenges which mean this may be a longer term goal. The primary challenge is securing sufficient continuous funding for a building decarbonisation programme with a clear pipeline of retrofit works to justify the resourcing of in-house retrofit assessors and co-ordinators. Currently we are reliant on grant funding opportunities to instigate works, these are not consistent nor is there a guarantee that funding will be secured when we bid. This makes the cost and time involved in creating an in-house team currently unviable as there is not a clear and funded programme to work on.

- 4.37. Nonetheless, we will promote retrofit training to our staff. We actively participate in the Retrofit London workstream, as part of the London Councils Climate Change Programme. They have just launched a free training offer that they have negotiated for Council Officers and we will proactively encourage staff to take this up.
- 4.38. We will further support the development of local retrofit skills for the borough through planning conditions. For example, two recent planning permissions for large scale housing development in the borough; the former Holloway Prison site and Barnsbury Estate redevelopment, have included the creation and financial contributions towards a green skills hub and training. The purpose of these contributions is to support green skills training, which includes skills relevant to retrofit, within the borough.
- 4.39. More widely, the Planning Department has published and is continuing to produce and publish planning guidance and supplementary planning documents, together with providing free planning guidance services to support Islington residents and businesses to undertake appropriate retrofit works to properties within the borough. We will develop and share these documents across relevant internal departments to ensure there is a consistent approach to share learning. This will also facilitate inhouse skills relating to retrofit and support implementation of local retrofit skills.

Recommendation 5. Investigate options to relaunch a resident-led ‘pesticide free streets’ scheme and continue to develop a plan to reduce the use of glyphosate in council operations

- 4.40. The Executive accepts this recommendation.
- 4.41. The need for controlling weeds within the built environment is required, as when left unattended, they can cause a variety of issues including but not limited to:
- damage to tarmac and paved surfaces (hugely increasing the cost of maintaining infrastructure).
 - clogging drainage channels that are essential for the clearance of surface water hindering the use of disability vehicles and wheelchairs.
- 4.42. The alternative substitutes for glyphosate (hot foam, water or steam; mechanised brushing; acetic acid; electric and hand weeding) have been evaluated against the criteria of the efficacy, length of control, cost, environmental impact, the degree to which the activity may disrupt others, and health and safety implications. Based on this evaluation none outperform glyphosate and they have poor environmental profiles as all insect life within the weed population is destroyed (except with hand weeding).

- 4.43. The application of glyphosate through the Weed-IT spot spraying technology is currently by far the most efficient, effective and productive means to limit the damage and nuisance caused by weeds.
- 4.44. We have held discussions on the future approach to weed control and management on housing estates and blocks, including the potential of using a mechanised weeding ripper. This option requires a trial to test its effectiveness. To date, we have been unable to complete this due to logistics issues with the supplier.
- 4.45. In 2023, the council attended the PAN (Pesticide Action Network) UK demonstration of the removal of herbicides from their operations. Despite daily maintenance, there was evidence of weed growth and footway undermining. This approach is not suitable as it is resource and cost intensive.
- 4.46. The introduction of resident led schemes are considered the best alternative. To reduce the use of pesticides, the council can arrange for selected locations to be removed from the weed spraying application programme with the assistance of resident groups who are willing to maintain the footways to ensure invasive weeds do not compromise the infrastructure. The council is investigating the possibility of introducing a resident-led 'pesticide free street scheme' to aid our biodiversity commitments. We will need support and recommendations from residents to identify appropriate areas where the scheme could be delivered. We will seek to launch the scheme following this consultation.

Recommendation 6. Review best practice to help the council support and enable community energy schemes in the borough to support the overall buildings retrofit programme.

- 4.47. The Executive accepts this recommendation.
- 4.48. Islington Council recently completed Round 6 of the Islington Community Energy Fund (ICEF), a grant funding scheme that supports community-led innovative energy projects that reduce carbon emissions and benefit residents, providing both funding for feasibility studies and capital delivery. Prior to each round, officers look at other community energy funds across London, including the London Community Energy Fund (LCEF), to ensure that we are working together to assist groups in the most effective way possible.
- 4.49. There have been six rounds of ICEF since 2018. In total, around £650,000 has been given in grant funding to 52 projects. These include feasibility studies as well as capital projects. Overall, the capital projects are estimated to save around 161 tonnes of CO₂ per annum. This is via a mixture of solar PV installation, LED lighting, heating efficiencies and other measures.
- 4.50. Round 6 of ICEF was the last round that funding was allocated for. Discussions will take place in the first half of 2024 on the future of the scheme and how the Council can best support and enable community energy schemes that help decarbonise

Islington's building stock, with a proposal brought to the Climate Action Executive Board for approval.

- 4.51. The ICEF administrator liaises with community energy groups on all types of projects and potential projects, offering support and assistance including linking them with teams in the council or external bodies.
- 4.52. In addition, the council is liaising with community energy groups such as Cally Energy and Power Up North London to support their plans for community solar schemes. Officers are also looking at how community-funded projects can be integrated with school decarbonisation projects funded by the Public Sector Decarbonisation Scheme without impacting the financial savings for the schools.

Recommendation 7. Develop options for increasing last-mile deliveries by businesses using vehicles that minimise pollution by using cargo-bikes, etc. and that do not lead to nuisance to residents from delivery depots, micro-kitchens, etc.

- 4.53. The Executive accepts this recommendation.
- 4.54. The council will develop a freight action plan that includes projects and initiatives that will reduce the impact of freight traffic, taking into account existing planning, licensing and noise regulations that limit noise and disturbance, and these include:
- encouraging local businesses to switch their use of vans to cargo bikes
 - installing more parcel lockers around the borough to support reduced doorstep deliveries
 - facilitating the establishment of micro logistics hubs that uses zero emission bikes to complete last-mile deliveries
 - consider re-purposing space on council estates for use as micro logistics hubs
- 4.55. We will explore options to expand the Smarter Green Logistics programme. This programme, working with the Cross River Partnership, will enable us to promote the business use of cargo bikes in particular.
- a) Minimising the negative impacts of last mile logistics hubs, micro-kitchens and driver behaviours.**
- 4.56. The executive accepts this recommendation.
- 4.57. The council will continue to explore ways of minimising the negative impacts of these areas. Much work has already been carried out by the council to minimise the escalating problems with food delivery platforms and the anti-social behaviour of some delivery riders. This has involved working with restaurants in several

borough hotspots, and support for Wings, an ethical food delivery platform and rider-owned cooperative, to show what a responsible and ethical food delivery service would look like.

- 4.58. The council is holding many conversations directly with the delivery platforms (such as Uber & Deliveroo) to try to manage and mitigate problems relating to rider behaviour. Transport for London (TfL) and meal and grocery delivery companies have committed to improving road safety in London with the launch of a new voluntary Meal and Grocery Delivery Company Motorcycle Road Safety Charter. The Charter, signed by five companies: Deliveroo, Getir, Just Eat, Stuart and Uber Eats, consists of ten road safety principles that aim to keep motorcycle couriers and other Londoners safe on the road. We will review how effective this Charter is in addressing issues within Islington.
- 4.59. The Council has recently adopted a new Local Plan, which includes specific planning policy to maximise the use of sustainable means of transports. Where development does propose the essential use of non-sustainable transport modes, these must be mitigated.
- 4.60. Where new facilities like micro and/or dark kitchens are subject to planning and licencing the council will seek to ensure that we do what we can to reduce any impact through the use of reasonable planning conditions and operational management plans.

Recommendation 8. Investigate how we can use air quality monitoring and reporting as part of our performance reporting and promotion of net zero carbon ambitions.

- 4.61. The Executive accepts this recommendation.
- 4.62. The Net Zero Carbon Team is working with colleagues across Transport Strategy and Air Quality to explore ways of measuring the impact of the programme and whether air quality monitoring can help to inform this.
- 4.63. There are lots sources of air pollution, and many of these sources also produce carbon dioxide, for example, internal combustion engine vehicles or fossil fuelled heating systems. We will continue to monitor air quality using our air quality monitoring network, which we report on every year in our Annual Status Report. The report shows us changes in NO₂, which is produced whenever something is burned alongside CO₂, at points across the borough every year. We will also use the London Atmospheric Emissions (LAEI) created by GLA and TfL to get an idea of any changes in sources of air pollution. The LAEI is updated periodically and shows modelled maps of pollution concentrations across the borough, as well as estimating pollution emissions from different sources.
- 4.64. We would like to help residents better understand their impact on air pollution and climate change and we are exploring the ways in which we can engage with

residents on this. An example of this is the current trial in Mildmay where real-time data on air pollution is due to be shared and can be used as a proxy for carbon emissions. This will allow us to demonstrate the actual impact of resident activity in the area and can be used as an educational tool to encourage action to reduce air pollution.

- 4.65. Through a promotional campaign currently under development, the Council's Public Health team will promote the value of physical activity and active travel to residents and partners (including health and social care partners) across the borough. This includes advocating for the council's People Friendly Streets Initiatives by highlighting the risks to health posed by air pollution and physical inactivity, and the potential for this initiative to have a positive impact on pollution and activity levels.

5 Implications

5.1 Financial Implications

- 5.2 The responses to the recommendations in this report do not commit any additional financial resources with programmes and projects delivered, in progress and reflected in existing budget plans or to be considered as part of future bids.

5.3 Legal Implications

- 5.4 The council declared a climate emergency on 27th June 2019, when a motion committing the council to working towards making Islington net zero carbon by 2030 was unanimously passed by a meeting of full council.

- 5.5 Implementation of the recommendations and responses set out in this report must be carried out in compliance with:

(a) the terms of all relevant primary legislation, including the Environment Act 2021, the Building Safety Act 2022 and any associated regulations made thereunder;

(b) published council strategies and policies, in particular Vision 2030: Building a Net Zero Carbon Islington by 2030; and

(c) the council's Financial Regulations, Procurement Rules and the general provisions set out in the council's Constitution.

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

5.7 The recommendations within this report, and therefore any resulting action, or any actions already in progress by the council, will have a positive impact in the delivery of the council's ambitions of Vision 2030.

5.8 Equalities Impact Assessment

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

5.10 An Equalities Impact Assessment is not required in relation to this report, because these assessments are carried out as required by the relevant service at the point of project development. This report provides a response to recommendations on an existing programme of work which is being delivered by a number of services across the council.

6 Conclusion and reasons for recommendations

6.1 Whilst the Net Zero Carbon programme is underway and working to agreed action plans, it is continuously evolving and developing and therefore we have sought to build the Scrutiny Committee's recommendations into the existing programme of work by either incorporating them into existing activities or scheduling them into forward plans. This report summarises the progress and delivery in relation to the recommendations made by the Committee.

Appendices:

- None

Background papers:

- None

Final report clearance:

Authorised by: Executive Member for Environment, Air Quality and Transport

Date: 30 January 2024

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Adult Social Care
222 Upper Street
London
N1 1XR

Report of: Executive Member for Health and Social Care

Meeting of: Executive

Date: 8 February 2024

Ward(s): All

Subject: Procurement Strategy for Islington – Adults Community Early Intervention and Prevention ‘Wellbeing¹’ Service.

1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy in respect of Islington’s ‘Wellbeing’ Service in Islington in accordance with Rule 2.8 of the Council’s Procurement Rules.
- 1.2. The ‘Wellbeing’ Service will provide a comprehensive proactive early intervention and prevention offer which provides information and advice, one to one support and access to social interactions and community connectedness that aligns with [Islington Early Intervention & Prevention strategy](#). The service will support adults aged 18+ in Islington, with an emphasis on those aged 50+.

2. Recommendations

- 2.1. To approve the procurement strategy for the Wellbeing Service as outlined in this report.

¹ Service currently known as ‘Wellbeing’ Service, see 3.1.09

- 2.2. To approve a one-month extension to the current contract with Age UK Islington from 1 September 2024 to 30 September 2024 with a value of £40,555 to provide sufficient time to implement procurement strategy.
- 2.3. To delegate authority to award the contract to the Director of Adult Social Care following consultation with the Executive Member for Health and Social Care.

3. Background

- 3.1.1. The Council is committed to early intervention and prevention and in 2023 published the Fairer Together strategy for early intervention and prevention to meet local ambitions for a more equal future for our residents, by ensuring that residents are supported at the right time with the right level of support to build on their strengths and maximise residents' resilience, creating a culture of self-help. Effective prevention and early intervention can prevent issues occurring or reoccurring, building resilience in individuals and communities and thereby reducing the pressure on public services.²
- 3.1.2. Aligned with the Council's corporate priorities, our Adult Social Care (ASC) vision is for Islington to be a place made up of strong, inclusive, and connected communities. A comprehensive early intervention and prevention offer is key to realising this ambition.
- 3.2. The current 'Wellbeing' Service contract ends on 31 August 2024, performance data suggests that of those 275 supported in 2023 /24 and reviewed, 97% were able to maintain independence post 6-month intervention and overall levels of wellbeing had improved including connectedness recorded as the highest levels of improved outcomes. Performance data suggests that the current service model is supporting residents to maintain their independence in the community and build wider networks that prevent need for statutory ASC interventions. Of those accessing the Wellbeing service almost half are currently living in Council Properties who receive information and advice to support self-resilience and self-care; access to activities and opportunities for social interaction and community connections; and short-term enablement support.

² Fairer Together - A strategy for early intervention and prevention in Islington.

- 3.2.1. The Council intends to competitively procure a new service offer from 1 October 2024. The Council conducted a strategic review of the current wellbeing service offer to inform the design and development of the new service, taking learning and feedback from residents, as well as voluntary sector and statutory health and social care partners to inform the design and development of the new service. The main findings of the review identified what is important to residents, this included easily accessible information and advice, one-to-one support, access to activities and peer support. The new service aims to enhance opportunities for building resilience to self-manage conditions, maintain independence, and reduce or prevent social isolation by creating opportunities to promote 'purpose and belonging' in the community.
- 3.2.2. The review also considered the wider prevention and early intervention offer for adults delivered by the Council and Voluntary Community Sector (VCS) to ensure this service plays a significant role, does not duplicate, and adds value, contributing to our ASC prevention duty. Stakeholder engagement with providers and residents conducted with the Bright Lives Project Team ensured a joined-up approach to the review.
- 3.2.3. The Bright Lives Alliance brings together VCS partners and will help shape the priorities in the early intervention and prevention space to ensure that residents can easily access the right support, at the right time. There are opportunities to design a service model that will build on the ambitions of the Bright Lives Alliance, including more streamlined access to support in the community and collaboration that maximises the skills and capacity within the workforce. A service model that is strengths based and drawing on the skills and expertise across organisations, supports the Adult Social Care vision. The new service specification will be co-produced with residents and partners to reflect resident wants and needs, link into wider support systems provided by statutory and VCS partners and streamline access routes.
- 3.2.4. The new service will maintain a strong emphasis on enabling by embedding strength-based approaches. The service will further develop robust outcome measures that will evidence, and measure distanced travelled and impact at an individual and service level. The service will build on the current enablement element of the offer which provides short term support to encourage self-management and practical support to sustain independence. By further embedding partnership working and potential to co-locate, using Multi-Disciplinary Team (MDT) approach with the Council's statutory Reablement service or

Housing, the 'Wellbeing' enablement offer will support referrals from both ASC and Housing as part of step-down planning and support.

- 3.2.5. There is a rich, diverse voluntary sector footprint in the borough, and the 'Wellbeing' service provides a pivotal role as a community connector, breaking down barriers for all groups to equitably access the support they need, when and how they need it. This service will continue to build partnerships across VCS sector partners to expand community reach in Islington. This approach will be embedded in the new service model and feed into Bright Lives Alliance developments.
- 3.2.6. The Council proposes to extend the current interim contract with Age UK Islington (AUKI) by one month until 30 September 2024. This will give sufficient time to agree the commissioning strategy and the contractual arrangements for the service.
- 3.2.7. During the review residents fed back that the name of the service does not provide clarity on the service offer as 'Wellbeing' often means different things to different people. Further resident engagement will be undertaken to inform how the service is rebranded to better represent the service offer and secure community buy in and ownership. This will inform a communication strategy to rebrand and launch the service as part of the procurement process. Wider resident engagement will also include opportunity for sit on the procurement panel.

3.3. **Estimated Value**

- 3.3.1. The 'Wellbeing' Service for Adults sits within the Adult Social Care base budget. The budget for this service for 2023/24 is currently £486,660. It was £486,593 in 2022/23 and £486,593 in 2021/22.
- 3.3.2. The budget for this contract is estimated to be £3,493,280 for the total duration of the contract based on annual budget for the service of £436,660.
- 3.3.3. The contract period will be eight years with a break clause after year one of the contract. The Council has the right to give 12 month notice after the first-year anniversary of the contract. The Council will have the authority to issue notice on any given day after the first year anniversary.

Budgetary considerations

3.3.4. Local authorities have a statutory duty to provide or arrange services that help prevent, reduce, or delay people’s needs for care and support. Following the review, the service specification will further define alignment with local corporate priorities and ASC ambitions to make use best use of resources across social care and the wider system including sustainment of social housing tenancies.

3.3.5. An adequately funded Wellbeing service is key to our early intervention and prevention offer; however, efficiencies have been identified to reduce the annual contract value by £50,000. This saving will be achieved by designing a service model that aligns more closely with existing Islington early intervention and prevention offers to maximise opportunities for residents to access support by streamlining pathways and reducing duplication of service offer. The new specification will require providers to adopt creative, innovative and solution focused approaches to meet the requirements of the service in their proposed service model.

3.4. **Timetable**

3.4.1. Procurement Timetable

3.4.2. The procurement timetable provides provider market sufficient time to develop and submit bids following market engagement.

Engagement Work	Completed
Service specification coproduction work	January – February 2024
Tender document development and Market engagement	October 2023 – February 2024
Strategy approved	February 2024
Publish Tender	February 2024
Bid Evaluation and Contract award	April – June 2024
Mobilisation	July – September 2024
Contract Start Date	1 October 2024

To inform this strategy, there has been significant engagement with a broad range of internal and external stakeholders.

3.5. **Options appraisal**

Option 1: Do nothing and allow contract to come to a natural end

Benchmarking

Allow contract to end and reduce local early intervention and prevention offer. The Council has developed a coaching offer in Bright Lives and the borough has a high number of well-established VCS organisations that are likely to continue to operate. The impact on the breadth of the offer, the reach, quality, and resident outcomes are unknown therefore likely to have a negative impact.

Pros

- Budgetary savings achieved.

Cons

- Significant risk of not fulfilling the Council’s statutory duties in relation to early intervention and prevention. This option is likely to result in high risk of residents needs not being met in the community.
- Loss of onward referral links to the borough wide and diverse VCS providers to prevent isolation and build resilience.
- There is a risk that needs will escalate resulting in higher demand for statutory health and social care services.
- Risks to access pathways and loss of resilience, reducing potential for residents to help themselves.

Outcome

Not recommended

Option 2: In-house service delivery

Benchmarking

Using in house provision would mean that individual choice is limited where access to a variety of community-based organisations is important to ensure people have a range of options to choose from to find the offer that suits them best. In-house services do not have the connections in the community that many prevention and early intervention services (largely delivered by VCS organisations) have which can limit innovation.

Furthermore, not using in-house services gives us the opportunity to contribute to Islington Together 2030 plan’s Community Wealth Building commitments more effectively. It would enable us to maximise our role as an economic agent, by strengthening the local economy

and supporting the development of key sectors, such as the voluntary and community sector. The Council needs a strong VCS to help us achieve our ambitions of connected communities.

In NCL (North Central London) area there is only one like-for-like service in Barnet which offers an early intervention and prevention offer. This is delivered by a VCS organisation. There is therefore no local evidence of impact should this prevention and early intervention service be delivered inhouse.

Pros	Cons
<ul style="list-style-type: none"> • Ensures the services share Islington’s vision and take a strengths-based approach to transform outcomes. • Ensures ‘good’ jobs for employees, with good terms and conditions including opportunities for development/progression. • Enables full utilisation of the Council’s local knowledge and relationships to improve community participation. • Allows for improved integration with other services in Adult Social Care. • The Council can control the strategy of the service and retain flexibility to change it. • Council retains full control to drive efficiencies/economies of scale. 	<ul style="list-style-type: none"> • Management capacity, expertise and specialisms could not be established quickly enough to maintain service quality and prevent disruption for residents. • Cannot benefit to the same extent from the experience and connections of (largely) VCS providers within the borough, across London and nationally. • Would not be able to take full advantage of benefits from social value via partnerships with VCS who may not wish to work with Council. • Cannot benefit from the innovation and potential added value from fundraising and grants VCS providers are able to access. • In-house service delivery could alienate and stigmatise residents who have had negative experiences of the Council or who may not wish to be perceived as Council ‘service users’. • Risk of not meeting Council market shaping duty to provide a wide range of choice to ensure residents can have access to personalised support. • Service mobilisation would require high set-up and staff costs. • Service will require identification of service base in borough with good transport links.

Outcome	<i>Not recommended</i>
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Option 3 Re-procure via competitive tender

Benchmarking

This approach has been successfully adopted in Islington previously and by other boroughs including Barnet.

Pros

- Potential to be awarded to a local VCS provider(s) with added value of existing community prevention services.
- Residents may have had negative experiences of the council or not wish to be considered a 'service user.' Easier to offer support in less stigmatising ways through voluntary community sector organisation or organisation independent to the council and based in the community.
- Further develop robust outcomes measures within the specification and provide insights for ongoing development to secure improved outcomes for residents.
- Management capacity, expertise, and specialisms likely to be established quickly enough to maintain service quality and prevent disruption for residents.
- Benefit from the experience and connections with wider voluntary community sector providers within the borough, across London and nationally.
- Benefit from the innovation offered by VCS providers in this area. Contribution to Islington Together 2030 plan's Community Wealth Building commitments by maximising the role of the Council as an economic agent to strengthen the local economy by supporting the development of key sectors, such as the voluntary and community sector and help meet our Care Act duties of choice in the market.

Cons

- Shared values/priorities reliant on developing strong relationships with providers.
- Less control over the service model and quality, relies on strong specification, contract management and quality assurance oversight and relationships with the provider(s).

Outcome	Recommended
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3.6. Key Considerations

Social benefits of the Wellbeing service will be in place with an emphasis on the following:

- Improving residents' wellbeing and choice through a strength-based approach.
- The service will help people lead healthier, fulfilling lives in the community, reducing social isolation and maximising life opportunities and choices.
- Proactive preventative/early intervention reducing pressure on the social care system.
- Reducing social isolation and improving health and social care outcomes.
- Co-location opportunities within existing services such as Reablement or within wider community supports increased engagement and uptake of support and community connectedness.
- Including service users in service design and ongoing service development.

In addition to the social benefits, social value will be a priority, providers will be expected to provide social value including clear, specific, measures for monitoring in their tenders, so that we are able to monitor effectively to assess progress and hold the provider to account. Examples of the types of social value we will expect to see in provider's tenders are set out below. The Provider will develop these into more specific targets as part of the tender process.

Community development

- Equalities, diversity, and inclusion – e.g., supporting local voluntary sector organisations that specialise in supporting minority groups to develop charity plans to support organisational growth and financial security.

Staff wellbeing

- Supporting staff wellbeing and mental health through employee assistance programmes.

Economic

- Support and promote employment opportunities in the borough and working with the Council's iWork service to provide opportunities to local residents, advertising on the Council's Islington Working employment search site.
- Prioritising the use of central London sub-regional suppliers where possible in any sub-contracting supply chain opportunities. Examples include purchase of supplies, materials, or service contracts such as office cleaning for effective contract delivery.
- Fundraising strategy to secure additional funds to support volunteer projects and working with wider VCS market to promote opportunities to residents.
- Supporting the local VCS market and encouraging them to employ locally.

Environmental

The following environmental opportunities for social value have been identified and will be reflected in the new contract:

- Encouraging energy efficiency and water consumption in office spaces and meeting rooms used for the service.
- Making best use of buildings, parks, and green spaces as appropriate.
- Recycling.
- Travel planning for employees, to minimise carbon emissions by encouraging local employment.

20% of the award criteria will be allocated to provider commitments to social value. Bidders will be required to demonstrate specific, measurable, and achievable commitments to Social Value innovations within the tenders that the Council deems relevant to its corporate objectives and the delivery of this contract. This will ensure we can hold the provider to account on delivering them.

Best value

The quality and impact of the service will be monitored with a focus on value for money, service quality, outcome measures and financial activity. The monitoring framework will include activity levels, evidence of outcomes achieved, as measured against the desired service KPIs (Key Performance Indicators), including social value, in the service specification. Expenditure activity against the service budget will also be required. Contract management will also include more detailed analysis to be submitted to determine if the service is reaching the borough's diverse communities and achieving equitable outcomes for all groups.

In order to ensure HRA subsidy is set at a reasonable level and that council tenants receive the services that they pay for under a 'who benefits' test. Detailed records will be maintained throughout the service period identifying support provided to Council tenants, including referral rates and outcomes.

This process allows for continuous improvement and service development. The service specification will include provisions to ensure the provider offers continuous improvement against delivery targets and commitment to work with commissioners and service users to co-produce a service where innovations can be quickly implemented.

London Living Wage

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

It is likely that TUPE will apply for this contract.

3.7. Evaluation

3.7.1. This procurement is being conducted in accordance with the Public Contracts Regulations 2015 (the PCR). The procurement is subject to the 'light-touch regime' under Section 7 Social and Other Specific Services of Part 2 of the PCR. Under Regulation 76 the Council is free to establish a procedure, provided that the procedure is sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators (service providers) and is initiated by a contract notice. The procedure the Council has designed is based on the open procedure.

Award Criteria	Total
Quality – made up of	80%
Proposed approach to service delivery model	20%
Proposed approach to partnerships and service innovation	15%
Proposed approach to engagement and coproduction	15%
Proposed approach to quality assurance, management, and performance outcomes	10%
Proposed approach to Social Value	20%

Cost	20%
Total	100%

3.8. **Business risks**

Market Competition

Potential risk from the lack of interest from the 3rd sector provider market as potential pool is limited. To mitigate this risk the Council has published a Prior Information Notice (PIN) in March 2023 to inform the market about future intentions for the service and upcoming procurement. Commissioners will conduct market warming with providers to generate interest, prepare the market and consult on service development to secure market buy in prior to publishing procurement opportunity.

Risks in transition to the new service delivery model

The transition to the new service will need to be carefully managed to ensure continuity of support and to manage any anxieties arising from any change in support provider and service location should there be a change. To mitigate this risk the project plan will include sufficient mobilisation period to implement transition arrangements and continuity plans to avoid any break in service for residents.

Delays in Procurement

Potential risk to delays in procurement process will be mitigated through robust project planning to monitor implementation of the project alongside regular review of procurement risk log to mitigate identified risks. Current procurement timetable includes sufficient time for evaluation of tenders to prevent challenge using a robust and transparent evaluation model. Regular meetings with commissioners and strategic procurement to oversee project plan in place.

Reduction to contract value

A reduction in budget may reduce service capacity and therefore community reach. To mitigate any negative impact, providers will be required to demonstrate how their proposed service model will link in with existing services by streamlining pathways across VSC, Health and Council early intervention prevention resources to delay need for statutory intervention, prevent escalation, and target resources to meet resident needs. Any further reductions are likely to impact on contract financial viability and attractiveness to the provider market.

Opportunities

Contribute to local economy

There will be a mandatory requirement for the service to secure a service base in borough which will contribute to the local economy and provide employment opportunities for local residents through links with iWorks.

Increase access to early intervention and prevention support

This service specification will draw on feedback from residents about what matters to them and what they need and want from this service. It will achieve better value for money improving service pathways to access and engage with enablement offer as step down from statutory and acute settings where appropriate. The Service will further develop proactive approaches such as wellbeing checks to prevent escalation of needs and build resilience to secure better value for money.

Local Partnerships

This strategy gives us the opportunity to further develop local partnerships across organisations, including benefiting from the trust, local knowledge and skills held by 'grassroot' VCS organisations. There is an opportunity for providers to work in partnership to jointly develop a more integrated early intervention and prevention offer that includes VCS unique experiences and knowledge to further enhance and improve outcomes for residents. Consideration of a partnership or lead provider model will form part of the development of the specification.

- 3.9. 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.
- 3.10. 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
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1. Nature of the service	<p>We intend to procure a service provider who will deliver a comprehensive early intervention and prevention offer to support adults aged 18+ in Islington, with an emphasis on those aged 50+.</p> <p>See paragraph 3.1</p>
2. Estimated value	<p>The estimated value per year is £436,660.</p> <p>The agreement is proposed to run for a period of eight years with a break clause option for the Council to terminate the contract by giving 12 months written notice to the service provider at any time after the end of the 1st year.</p> <p>See paragraph 3.2</p>
3. Timetable	<p>As outlined in the body of the report.</p> <p>See paragraph 3.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Re-procure via competitive tender. Details as described within the report.</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>Details as described within the report.</p> <p>Please see paragraph 3.5</p>
6. Award criteria	<p>Quality 80% and Cost 20%</p> <p>See paragraph 3.6</p>
7. Any business risks associated with entering the contract	<p>Details as described within the report.</p> <p>Please see paragraph 3.7</p>
8. Any other relevant financial, legal, or other considerations.	

4. Implications

4.1. Financial Implications

- 4.1.1. The Wellbeing Service for Adults is one of the Voluntary and Community Sector contracts that sits within the Adult Social Care base budget. The budget for this service for 2023-24 is £486,660.
- 4.1.2. The HRA (Housing Revenue Account) currently contribute £256,321 toward this contract.
- 4.1.3. The length of the contract is for eight years with a break clause option available for the council to terminate the contract annually after year one. The cost per annum for the core contract will be £436,660. Therefore, the maximum estimated total cost of the new core contract for delivery of this service to Islington Council will be £3,493,280.
- 4.1.4. The procurement of this contract will create a saving of £50,000. This reduction will be allocated on a proportionate basis between the General Fund and the HRA.
- 4.1.5. Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

4.2. Legal Implications

- 4.2.1. The council proposes to run an Open Procurement Process and award an 8-year contract with a break clause option for the council to terminate the contract by giving 12 months written notice to the service provider at any time after the end of the 1st year.
- 4.2.2. The total contract value over 8 years is £3,493,280 which is above the statutory threshold for these “light-touch” services, therefore the Public Contracts Regulations 2015 (the “Regulations”) must be followed, including an advertisement on Find a Tender Service and publication of a Contract Award Notice. The proposed Procurement Strategy is compliant with both the Regulations and the council’s Procurement Rules.

- 4.2.3. Under the Care Act 2014 the Council is required to provide support to delay and prevent need for statutory services. This contract does not include services prescribed under the Housing (Welfare Services) Order 1994. The Council has power to procure this contract pursuant to Section 111 of the Local Government Act 1972, Section 1 of the Local Government (Contracts) Act 1997 and Section 1 of the Localism Act 2011.
- 4.2.4. This report at paragraph 2.2 also requests approval of a one-month extension to the current contract with Age UK Islington from 1 September 2024 to 31 September 2024 with a value of £40,555. This will be a permitted contract modification under Regulation 72 of the Regulations. The value of the extension also requires a waiver of the council's Procurement Rules as 3 quotes are not being obtained. The council's Procurement Rules allow for exceptions where there are good operational and financial reasons based on value for money principles (Rule 3.2)
- 4.2.5. Procurement Rule 24.2 states that all contracts over £24,999 will need formal conditions prepared or agreed by the Legal Services Contracts Team.
- 4.2.6. Because the total contract value exceeds £2m revenue spend the recommended decision in this Report must be taken by the Council's Executive, which has power to delegate the Contract Award to the Director of Adult Social Care following consultation with the Executive Member for Health and Social Care, subject to being satisfied that the winning bidder is capable of delivering the services and that the contract will provide 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 impact assessment completed and signed off by energy services, assessment includes service contractual requirement to minimise emissions and /or move to towards zero emissions.
- 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 Screening was completed in April 2023 and full assessment completed in July 2023, main findings are that the service has a positive impact on older people and people with disabilities. Service specification will be further enhanced to meet the needs of older people, particularly the enablement element of the service which is practical 'problem solving' support to remain independent at home. The high take up of the enablement service offer for people with disabilities is also reflected in data on the advice element of the service. Data suggests that the service is reaching residents from diverse community groups however there is potential for further targeted community engagement to increase reach and uptake of services from minority groups. The full Equalities Impact Assessment is appended.

5. Conclusion and reasons for recommendations

5.1.1. This report recommends re-commissioning 'Wellbeing' service through a competitive tender as detailed in Option 3. This approach will secure best value for money and maximises opportunities to benefit residents. This will be achieved by including service enhancements as detailed in the report and aligning the service with other Council and VCS early intervention and prevention initiatives. Review findings and resident feedback will inform the service specification development to ensure resident voice is reflected in service design.

5.1.2. Appendices:

Appendix 1 Equalities Impact Assessment Full (EIA)

Appendix 2 Environmental Implications

Background papers:

None

Final report clearance:

Authorised by: Executive Member for Health and Social Care

Date: 26 January 2024

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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	Procurement Strategy for Islington – Adults Community Early Intervention and Prevention 'Wellbeing' ¹ Service
Reference number (if applicable)	2223-0346
Service Area	Adult Social Care
Date assessment completed	5 th July 2023

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

¹ Service currently known as 'Wellbeing' Service

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

Context

The Wellbeing Service aims to maximise wellbeing to promote the best possible physical, mental, and emotional health and enable opportunities for social interaction and community connections. The service model offers a range of support dependent on need ranging from information and advice to opportunities for social interaction, to tailored one to one support. This includes information and advice, access to activities and short-term enablement support to resolve issues around the home to increase confidence to self-manage.

The provision of Wellbeing service enables the council to meet its statutory duties under the Care Act 2014 to provide or arrange services that help prevent, reduce or delay people's needs for care and support.

The current 'Wellbeing' Service contract ends on 31 August 2024. The Council intends to competitively procure a new service offer from September 2024. The Council conducted a strategic review of the current wellbeing service offer to inform the design and development of the new service, taking learning and feedback from residents, as well as voluntary sector and statutory health and social care partners to inform the design and development of the new service. The main findings of the review identified what is important to residents, this included easily accessible information and advice, one-to-one support, access to activities and peer support.

The Strategic review also considered the wider prevention and early intervention offer for adults delivered by the Council and voluntary and community sector to ensure this service plays a significant role, does not duplicate, and adds value, contributing to our ASC prevention duty. Stakeholder and resident engagement conducted with the Bright Lives Project Team for a joined-up approach will help shape the priorities in the early intervention and prevention space. The new service specification will be co-produced with residents and partners to ensure the offer meets resident wants and needs and is linked into wider support systems provided by statutory and VCS partners.

Outcome:

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 new service aims to enhance opportunities for building resilience to self-manage conditions, maintain independence, and reduce or prevent social isolation by promoting 'purpose and belonging' in the community.

The new service will maintain a strong emphasis on enabling by embedding strength-based approaches that build resilience and empower residents to maximise wellbeing and promote physical, mental, and emotional health. The service will support adults, particularly those at risk of social isolation, by providing a range of support at varying levels of intensity, dependent on individual presenting needs. The service will further develop robust outcome measures that will evidence, and measure distanced travelled and impact at an individual and service level. The service will build on the current enablement offer which provides short term support to encourage self-management and practical support to sustain independence. By further embedding partnership working, use of Multi-Disciplinary Team (MDT) approaches and potential to co-locate the 'Wellbeing' enablement offer with the Council's statutory Reablement service offer the service will support referrals from ASC as part of step down support.

Beneficiaries:

The service will support adults aged 18+ in Islington, with an emphasis on those aged 50+.

Savings:

The budget for this contract is estimated to be £3,493,280 for the total duration of the contract based on annual budget for the service of £436,660.

The current Wellbeing contract value is £486,660. The Council is proposing to reduce the current annual contract value by £50K. The new budget is more comparable to another NCL borough early intervention and prevention offer which was identified whilst conducting benchmarking. A reduction in budget may reduce service staffing capacity and therefore impact on community reach to engage with residents. To mitigate impact, the saving will be achieved by designing a service model that aligns more closely with existing Islington early intervention and prevention offers to maximise opportunities for residents to access support by using Brighter Lives Alliance approach to identify opportunities to streamline pathways to access early intervention and prevention offers and onward referrals to specialist support and advice by maximising Brighter Lives Alliance new partnership agreement that brings together a range of local VCS providers.

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 new specification will require providers to adopt creative, innovative and solution focused approaches to meet the requirements of the service in their proposed service model.

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?

Overall, the impact will be positive. The savings proposal may impact on service capacity for community reach however by aligning with existing Early Intervention and Prevention offers there is significant opportunities for more creative and innovation to maintain the core service offers and minimise impact on service reach. The service will continue to be available to all adults living in Islington. Whilst the focus will be adults who are 50+, there will be no age restrictions in recognition that people may benefit from support at any age. The developments under Brighter Lives Alliance provides opportunities for the new service model to influence and shape access route for residents to prevent escalation of need and empower residents to gain the tools and skills to remain independent in the community.

As part of the procurement evaluation process the provider will need to demonstrate how the service will:

- Be accessible and relevant to Islington's diverse demographics,
- Respect individuals' gender, sexual orientation, age, ability, race, religion, culture and lifestyle
- Be User led and User informed

Provider method statement responses will need to evidence how the above will be achieved.

The new contract specification will be more outcomes focused and will require providers to demonstrate how they will deliver core service outcomes through creative and innovative joint

up approaches which will deliver the various elements of the service to minimise any impact on community reach.

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

Demographic data from the current Wellbeing service was used to assess impact on people with protect characteristics.

An Equalities Impact Assessment Screening was completed on 5 April 2023 and signed off, main findings were that the service has a high positive impact on older people and people with disabilities. Service specification specifically designed to meet the needs of older people, particularly the enablement element of the service which is practical 'problem solving' support to remain independent at home. This high take up of the enablement service offer for people with disabilities is also reflected in data for the advice element of the service.

Data suggests that the service is reaching residents from diverse community groups however there is potential for further targeted community engagement and communication to increase uptake of services from minority groups. There will be requirement for providers to identify innovative partnership approaches that promote equitable access for all groups, furthermore specific performance measures will be included in the new service specification

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	Enablement offer will remain as a core service element which has a positive impact on Older People as it enables them to build resilience using a strengths-based approach. Demographic data for 2021/22 indicates that 62% of people accessing enablement support were aged 60 - 80.	Service specification will be further enhanced to meet the needs of older people, particularly the enablement element of the service which is practical 'problem solving' support to remain independent at home creating a progressive pathway from statutory support.

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)	Positive	<p>Enablement offer will remain as a core service element which has a positive impact on residents with disability.</p> <p>Overall high take up of the enablement service offer for people with disabilities is reflected in data for also accessing advice element of the service. In all cases residents have reported positive outcomes in response to the support received.</p>	Residents with disabilities will continue to be able to access appropriate level of support using strength-based approaches.

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?
Race or ethnicity	Positive	Demographic data for 2021/22 indicates that 34% of people who received advice and 22% of people who received enablement support were from ethnic minority backgrounds. According to 2021 census 38% of the population are from minority ethnic group. A comparison of these data sources indicates that the service is already reaching residents from diverse community groups.	The service specification includes a requirement on provider to ensure that Staff and Volunteers are recruited to reflect the cultural diversity of the borough. Requirement for targeted community engagement and communication to increase uptake of services from minority groups. There will be requirement for providers to identify innovative partnership approaches that promote equitable access for all groups, specific performance measures will be included in the new service specification to measure impact.

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)	Positive	The new service specification will include and build on community connecting function to ensure that residents can access and link in with culturally specific support and activities.	Religious needs will be discussed with residents as part of their strengths-based assessment to ensure support is tailored to meet resident requirements.

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?
Gender and gender reassignment (male, female, or non-binary)	Positive	Services will continue to provide support which is tailored to meet individual resident needs.	Gender specific needs will be discussed with residents as part of their strengths-based assessment to ensure support is tailored to meet resident requirements. Staff will be encouraged to provide person focused support, looking at residents as individuals.
Maternity or pregnancy	Neutral	No impact identified	N/A

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	No impact identified	N/A
Marriage or civil partnership	Neutral	No impact identified	N/A

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?
Other Age (e.g. elderly) (e.g. people living in poverty, looked after children, people who are homeless or refugees)	Positive	The information and advice element of this service has received a high level of demand, particularly in relation to cost of living and the need for financial, debt management and benefits support.	The service model will include innovative approaches to support residents to access appropriate specialist support and advice including opportunities to streamline pathways

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

Although the savings proposal has the potential to negatively impact on the service breadth and community reach this will be mitigated by:

- Service provider demonstrating creative innovative solutions to streamline pathways and maximise opportunities to link in with existing early intervention and prevention offers available in borough.
- Providers will be required to include in tender submission how efficiencies can be delivered using solution focused approach to develop new service model that builds on existing opportunities and contributes to the growth and development of Brighter Lives Alliance arrangements.

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)

Stakeholder and resident engagement was conducted with colleagues from Community Wellbeing and Engagement, Bright Lives programme team to ensure a joined-up approach and shared learning. Engagement methodology has been designed to reach a wide range of residents among protected groups including Older People, Physical and Learning Disabilities, Ethnicity and Gender.

Over 300 residents have told us about what help, and support means to them:

- 173 responses to a survey sent to 1075 Age UK Islington service users
- Coffee mornings and focus groups held at Community Centres and groups – Jean Stokes, St Lukes, Sotheby Mews, BrickWorks, Archway and District Carers' Support Group

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)

- Elfrida – On Your Marks event and Power and Control service user group

Wider stakeholder groups were also consulted as part of the review and include:

- Adult Social Care Team Managers and Departmental Management Team
- Adult Social Care Urgent Response team
- ASC Mental Health and Learning Disabilities
- Community Partnerships
- Voluntary Community Sector Providers
- GP Federation
- Commissioning Leads in North Central London boroughs
- Health Exchange Practitioners
- Local Wellbeing Network

The specification and tender documents will be co-produced with residents, consultation planned in Aug 2023 with residents via Local wellbeing Network and via Brighter Lives networks.

Market Warming/ engagement

Commissioners have been working with voluntary sector providers to inform the development of Wellbeing Service procurement strategy. Market warming and engagement events will be held prior to publishing tender documents to ensure that the market are prepared to bid for the upcoming tender.

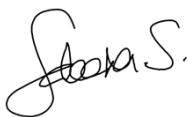
6. Once the proposal has been implemented, how will impacts be monitored and reviewed?

Please provide details in the table below.

Action	Responsible team or officer	Deadline
Improved outcomes for residents will be monitored through service specification by developing high level outcomes which are service specific and individual level.	Contract officers and Commissioners.	Ongoing from contract go live.

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	Saleena Sreedharan Senior Commissioning Manager – Age Well		16 th July 2023
Fairness and Equality Team	Hezi YaacovHai Policy Engagement & Complaints Officer	<i>Hezi Yaacov-Hai</i>	18 th July 2023
Director or Head of Service	Nikki Ralph – Assistant Director – Age Well	<i>Nikki Ralph</i>	19 th July 2023

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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