



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

AGENDA FOR THE POLICY AND PERFORMANCE SCRUTINY COMMITTEE

Members of the Policy and Performance Scrutiny Committee are summoned to the meeting which will be held in Council Chamber, Town Hall, Upper Street, N1 2UD on **18 January 2024 at 7.30 pm.**

Enquiries to : Jonathan Moore
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Despatched : 10 January 2024

Membership

Councillors:

Councillor Flora Williamson (Chair)
Councillor Paul Convery (Vice-Chair)
Councillor Jilani Chowdhury
Councillor Jason Jackson
Councillor Tricia Clarke
Councillor Sheila Chapman

Councillor Hannah McHugh
Councillor Bashir Ibrahim
Councillor Saiqa Pandor
Councillor Angelo Weekes
Councillor Heather Staff
Councillor Benali Hamdache

Substitutes:

Councillor Nick Wayne
Councillor Dave Poyser
Councillor Praful Nargund

Councillor Troy Gallagher
Councillor Caroline Russell

Quorum is 4 Councillors

A. Formal Matters	Page
1. Apologies for Absence	
2. Declaration of Substitute Members	
3. Declarations of Interest	

If you have a **Disclosable Pecuniary Interest*** in an item of business:

- if it is not yet on the council's register, you **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent;
- you may **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, you **must** leave the room without participating in discussion of the item.

If you have a **personal** interest in an item of business **and** you intend to speak or vote on the item you **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but you **may** participate in the discussion and vote on the item.

***(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 of your expenses in carrying out duties as a member, or of your election; including from a trade union.

(c) Contracts - Any current contract for goods, services or works, between you or your partner (or a body in which one of you has a beneficial interest) and the council.

(d) Land - Any beneficial interest in land which is within the council's area.

(e) Licences- Any licence to occupy land in the council's area for a month or longer.

(f) Corporate tenancies - Any tenancy between the council and a body in which you or your partner have a beneficial interest.

(g) Securities - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

This applies to all members present at the meeting.

4. Minutes of the previous meeting	1 - 10
5. Chair's Report	

6. Public Questions

For members of the public to ask questions relating to any subject on the meeting agenda under Procedure Rule 70.5. Alternatively, the Chair may opt to accept questions from the public during the discussion on each agenda item.

B. Items for Call-In (if any)

C. Discussion Items

- | | | |
|----|---|-----------|
| 1. | Scrutiny of Budget Proposals 2024-25 | 11 - 126 |
| 2. | Annual Presentation from the Executive Member for Finance, Planning and Performance | 127 - 138 |
| 3. | Corporate Performance - Quarter 2, 2023-24 | 139 - 160 |
| 4. | Monitoring Item | 161 - 184 |
- Council forward plan
 - Scrutiny review tracker
 - Outstanding responses from previous meetings
 - Updates from committee chairs
 - Work programme

D. Urgent Non-Exempt Matters

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

E. Exclusion of Public and Press

To consider whether, in view of the nature of the business in the remaining items on the agenda any of them are likely to involve the disclosure of exempt or confidential information within the terms of the access to information procedure rules in the constitution and if so, whether to exclude the press and public during discussion thereof.

F. Exempt Items for Call-In (if any)

G. Exempt Items

The public may be excluded from meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that exempt information would be disclosed.

H. Other Business

The next meeting of the Policy and Performance Scrutiny Committee will be on 22 February 2024

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London Borough of Islington

Policy and Performance Scrutiny Committee - 11 December 2023

Non-confidential minutes of the meeting of the Policy and Performance Scrutiny Committee held at Council Chamber, Town Hall, Upper Street, N1 2UD on 11 December 2023 at 7.30 pm.

Present: Councillors: Williamson (Chair), Convery (Vice-Chair), Chowdhury, Jackson, Clarke, Chapman, Ibrahim, Pandor, Weekes, Staff and Hamdache

Also Present: Councillors: Khondoker, Ward and Woolf

Councillor Flora Williamson in the Chair

153 APOLOGIES FOR ABSENCE (Item A1)
Apologies for absence were received from Cllr McHugh.

154 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)
None.

155 DECLARATIONS OF INTEREST (Item A3)
None.

156 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

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

157 CHAIR'S REPORT (Item A5)
In relation to the Scrutiny Review of Complex ASB, the Chair advised that two evidence gathering sessions had been held since the last meeting. The first was a focus group with residents to discuss their experiences of reporting anti-social behaviour and their perceptions of the council's response; the second was attendance at an Islington Housing Group meeting, a virtual forum held quarterly attended by all housing associations in the borough.

Councillor Convery summarised the session with housing associations. The housing associations in attendance had reported that, due to the severe shortage of affordable housing and inflation in the number of points needed to be offered a home through the housing register, there was significantly increased complexity of need in the cohort of new tenants. Some of these tenants needed intensive support to maintain their tenancy, however as general needs landlords, the housing associations were not always best

equipped to support those with complex needs. It was also suggested that the information provided to housing associations on tenants was not always satisfactory and greater information sharing would allow housing associations to better support their tenants. It was also commented that mediation could be an effective tool, but only in responding to very low level ASB. Mediation did not tend to work in relation to noise nuisance.

The Housing Associations had also commented that the threat of legal action or eviction rarely worked, because those with complex needs were likely to be found incapable by the courts. This could disincentivise housing associations in taking legal action.

Some housing associations had commented that the effective decriminalisation of smoking cannabis was an ongoing issue on estates that was difficult to tackle without Police intervention.

Councillor Staff summarised the evidence session with residents, noting the differing perceptions and understanding of what did and did not constitute ASB. There was confusion over how ASB should be reported and which issues should be reported to which agency. Residents did not feel that drug-taking was being taken seriously. It was also recognised that noise nuisance could have a significant impact, but could be difficult to respond to when residents have different perceptions of acceptable noise levels. The residents were sympathetic to those with mental health issues and other complex needs, although wanted reassurance that appropriate support was being offered to those in need.

The Chair thanked all councillors who had attended the evidence sessions.

The Chair also reported that she had attended a meeting with the Borough Commander alongside Councillor Chapman to discuss the placement and recruitment of Safer Schools Officers.

The Chair also reported that all scrutiny chairs had met with the Corporate Directors and Executive Members responsible for Finance, Adult Social Care and Children's Services to understand the practical management actions that were being taken to manage overspend in their departments.

158 PUBLIC QUESTIONS (Item A6)

None.

159 SCRUTINY REVIEW OF COMPLEX ANTI-SOCIAL BEHAVIOUR: EVIDENCE (Item D1)

Chief Superintendent Andy Carter, Borough Commander, and Superintendent Jack May-Carter, presented to the Committee. The presentation both provided an update on actions taken locally as part of the Metropolitan Police Turnaround Plan in response to the Casey Review, and also noted the work of the Police in responding to anti-social behaviour.

Councillor Woolf, Executive Member for Community Safety, was also present for this item.

The following main points were noted in the discussion:

- The Police reported strong working relationships with the Council on ASB issues. Regular discussions were held to ensure that priorities were agreed collectively and resourced deployed accordingly.
- The Police and Council had held joint governance workshops between middle managers and senior managers in both the Police and Council to strengthen working relationships.

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- Superintended Jack May-Carter and the council's Director of Community Safety, Security and Resilience would be co-chairing a new performance management meeting around crime and anti-social behaviour to ensure effective grip and focus on outcomes. These regular meetings would commence in January 2024.
- The Police were restructuring their geography to better align to local authority localities. The new focus on North, South and Central areas of Islington would allow for better information sharing and link up with local authority colleagues.
- The Committee noted the Police's approach to responding to ASB and related governance structures, as summarised in the presentation.
- A member asked about community "walk and talk" sessions where councillors and residents can engage with the Police on issues impacting their local area. It was suggested that these could be held at a wider range of times to encourage greater and more diverse attendance from the local community. In response, it was advised that sessions were generally held on a Friday afternoon, although some evening sessions had been held to consider the night-time economy around Bunhill, and it was confirmed that the timing of the sessions would be considered in future, in conjunction with local authority colleagues. Sessions were promoted through social media and also through police contact with community groups, resident associations, and other groups. The Tollington session had a turnout of around 50 people, and there were around 15-20 attendees at a recent Finsbury Park session. The Police commented that these sessions were extremely valuable for local intelligence gathering.
- A councillor commented on police crime data, indicating that this did not suggest a recent increase in hate crime offences, whereas it was widely considered that there had been an increase in both antisemitism and islamophobia arising from the ongoing Israel-Gaza conflict. In response, it was considered that there had been an increase in hate crime, however reporting levels were low. The data in the presentation, which indicated a 0.6% decrease in hate crimes, was a comparison of the previous two years to December 2023, so it was suggested that the reporting cycle would not necessarily reflect a recent surge in hate crimes. Cllr Woolf commented on the importance of community reassurance work by both the Council and Police.
- A councillor asked how high priority wards were identified. In response, it was advised that Finsbury Park, Laycock, Junction and Bunhill were identified as high priority wards, which would be assigned a sergeant, four constables and seven PCSOs. Prioritisation was linked to crime data and other analysis.
- The Committee asked about responsibility for responding to ASB, and the threshold at which an instance of ASB became a police matter. In response, it was advised that there ASB could be classified as a crime or abuse, then it would be a matter for the Police to respond to. However, through strong partnership work with the local authority, instances were reviewed collectively to ensure that the correct agency responded to local ASB issues.
- The Metropolitan Police had taken up the council's offer to provide Equality, Diversity and Inclusivity training to Police staff. A councillor asked if any feedback had been received from Police colleagues. In response, it was advised that feedback had been predominantly positive. The training had been delivered to 261 people. The next stage would be conferences held in January, co-designed between the Police and local authority, to focus on policing issues and also the lived experiences of residents.
- A member asked how many cases of ASB were linked to addiction or mental health issues, and if the Police took a trauma informed approach to responding to these issues. In response, it was advised that the Police would need to review data and report back to a future meeting, however the Police, working with the Council and health partners, had a focus on drug treatment and diversion. On mental health

“Right Care Right Person” had been rolled out in November 2023 and the Police no longer responded to mental health related callouts where a crime was not being committed or a person was not at risk of harm. This reduction in demand had saved 34,000 police officer hours which allowed resources to be used elsewhere. The Committee also asked for further data on which interventions were the most effective in responding to ASB among different cohorts.

- A member raised an issue around ASB affecting a local business in his ward, and also instances of some key workers and older people feeling unsafe in the evenings. In response, the Police summarised the increased resource allocated to hotspot areas to tackle crime and anti-social behaviour and the importance of reporting crimes.
- The Committee noted that the local policing unit had responsibility for both Camden and Islington and a member asked about the differences between the boroughs; why did ASB appear to be lower in Islington compared to Camden, if there was an operational difference between the approaches of both boroughs, and if Islington could learn anything from Camden colleagues. In response, it was advised that Islington Council made use of an ASB “early warning system” and, although this would not explain all differences between the boroughs, this appeared to be having a positive result. It was known that Tower Hamlets had a similar system and this had a similar effect. It was commented that Islington and Camden had broadly similar approaches to working with social landlords and case management systems, and there were several similarities between the boroughs. Islington had recently undertaken a major review of its ASB work, and the Police welcomed that Islington was receptive and open to feedback during this review.
- A member asked, if the Police could change one thing to improve ASB in Islington, what would it be. In response, it was advised that greater performance management data that made use of both qualitative and quantitative data would allow issues to be resolved in a more effective and timely way. It was also suggested that having greater public awareness over which authority was best placed to respond to particular issues, and clear expectations around outcomes, would help to reassure the community.

The Committee thanked the Police for their attendance.

ACTIONS:

- Police to be asked for data on ASB callouts where mental health or addiction is a factor.

160

ANNUAL PRESENTATION - EXECUTIVE MEMBER FOR EQUALITIES, CULTURE AND INCLUSION (Item D2)

Councillor Khondoker, Executive Member for Equalities, Culture and Inclusion, presented to the Committee. Raj Chand, Corporate Director for Community Engagement and Wellbeing, attended virtually for this item.

The following main points were noted in the discussion:

- The Committee noted the senior officer turnover in the Community Engagement and Wellbeing directorate over recent months; Raj Chand had been recently appointed as the Corporate Director and had joined Islington the previous month.
- The Executive Member summarised the approach to monitoring, reviewing, evaluating and communicating equalities actions across the organisation and the need to embed an equalities approach in all council services. Each directorate had

their own equalities action plan that was linked to corporate priorities. The Committee noted the difficulty of measuring the success of some outcomes.

- The Executive Member commented on the importance of scrutiny and feedback on council services, this provided helpful information to help make council services more inclusive.
- The Executive Member summarised a range of initiatives from across the organisation, including work to diversify the council's supply chains, work to support business owners from minority ethnic communities, support to community organisations, and delivery of the Black Cultural Centre.
- The Corporate Director emphasised the importance of ensuring that all council services considered equalities issues and built this in to their service delivery.
- A councillor commented on the importance of taking a strategic approach to equalities issues, and noted that councillors were often asked to contribute Local Initiatives Funding to support important cultural events. It was suggested that these events should receive core council funding, rather than rely on individual councillors making contributions. The scarcity of resources was noted in response, although it was suggested that there may be scope to work with other organisations to pool resources to ensure the maximum impact. While the council would like to fund more community events through core budget, the financial challenges facing the council were significant.
- A member noted the importance of the Black Cultural Centre, commenting that equalities often considered communities with English as a second language, whereas Black communities also needed culturally sensitive services. The Executive Member provided a progress update on the development of the centre and noted the importance of upskilling community groups to help them to deliver advice and support to the communities they serve. Cllr Khondoker referenced a report and the Committee asked that it be made publicly available.
- A member noted the officer turnover in the Community Engagement and Wellbeing directorate and asked if there was a long-term strategic plan to ensure key roles were filled. In response, it was noted that recruitment to vacant roles would begin shortly.
- A member asked how the Executive Member could hold other services to account if they were not delivering on their commitments to challenge inequality. The Executive Member commented that responsibility for delivering on equalities issues rested with individual departments, however the Executive Member and the Equalities Team had a key oversight role in enabling services to promote equalities, monitoring outcomes and challenging when appropriate. The Corporate Director summarised the governance structures for monitoring equalities work and noted that she was keen to introduce a more formalised assessment against the local government equalities framework. This could also lead to a peer review.
- Following a question on how effective Equality Champions had been, it was commented that it was important for council services to have champions to lead on particular issues within their service. It was intended to hold regular meetings for officers to discuss the progress of their department's equality action plans, any issues and to collectively problem-solve.
- A member raised that the council's leisure centres had discontinued specific swimming sessions for Muslim women, whereas this was offered in neighbouring boroughs. The Executive Member advised that she had worked with the service to ensure that these would be reinstated, and also summarised recent consultation with Muslim women to discuss the challenges they face. This had identified safety concerns and the Community Safety team was reviewing how best to support Muslim women to feel safe. This could include reviewing reporting mechanisms for hate crimes, and continued specific engagement with the community.

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- A discussion was had on the need for equalities to be “built in, not bolted on” to council services. Services needed upskilling on equalities issues and it was suggested that the council could mainstream equalities performance reporting into corporate performance indicators. The Committee emphasised on the importance of data and commented it was difficult to scrutinise the council’s performance without strong performance information on particular interventions and if they were effective or not. While the council had many commendable initiatives to promote equalities, clarity was needed on performance outcomes and how these would meet corporate priorities.
- The Executive Member agreed that increased data would support the council in implementing tangible measures targeted at specific outcomes, and would also allow for particular services to be held to account on their performance. It was advised that this would be considered further.
- The Chair suggested that the Committee may be able to review departmental equalities action plans at its February meeting.

The Committee thanked Councillor Khondoker for her attendance.

ACTIONS:

- The Chair, Executive Member and relevant officers to review the Committee’s work plan with a view to considering departmental equality action plans.
- The report on the Black Cultural Centre to be made available to the Committee.

161

BUDGET MONITOR - QUARTER 2 2023-24 (Item D3)

Councillor Ward, Executive Member for Finance, Planning and Performance, and Rachel Harrison, Deputy Director of Finance, introduced the report.

Dave Hodgkinson, Corporate Director of Resources, and Tony Ralph, Director of Environment and Commercial Operations, and Rubena Hafizi, Head of Parking Operations, were also in attendance.

The following main points were noted in the discussion:

- Adult Social Care and Children’s Services continued to be overspent. The Committee noted continued increased demand for services, increasing complexity of need, significant placement pressures, and increased transport costs. The financial balances of schools also remained a significant concern.
- Environment was reporting a £9m budget pressure, primarily associated with a loss of parking income. Parking income had not recovered as expected following the pandemic. It was advised that the Finance team was working closely with the Parking service around this issue.
- The Committee expressed concern at the significant variance in parking income and a discussion was had on the reasons behind this. While the council had introduced environmental policies to disincentivise car use in the borough, a member suggested that such a significant financial impact could not be attributed to the council’s policies. If parking income did not recover, then this decrease in income would need to be factored into future budgets. Officers agreed that a sustained decrease in parking income would be a challenge for future budgets.
- A member noted that budget monitoring reports used to be produced monthly, and expressed some concern at the timeliness of the new quarterly reporting cycle. Officers explained that producing the monthly monitoring report had significant resource implications, and moving to quarterly reporting provided capacity for offers

to undertake other financial assurance work, for example the current deep-dive on the parking income.

- Officers summarised the management actions underway in the parking service to increase income. It was noted that the decrease in parking income was mirrored across London. There were a number of factors associated with the decrease, including increased working from home, people choosing more sustainable travel options, and a decrease in car ownership. Islington had the lowest level of car ownership in London.
- Islington had previously moved to emissions-based parking charges, with more polluting vehicles charged more, and it was thought that some drivers had chosen to use more environmentally friendly vehicles as a result.
- A councillor suggested that more micro-level analysis of car ownership and usage trends may be useful. It was asked if there were any ward-level learnings on the impacts of implementing low traffic neighbourhoods. In response, it was advised that the impact of low traffic neighbourhoods were closely monitored.
- A member noted that the report referenced 1,000 gas boilers being replaced; it was asked if these would be replaced with gas boilers, or better cleaner alternatives. It was advised that a written response would be sought from the Housing service.
- A member commented that a holistic plan was needed to ensure the sustainability of adult social care and asked how much had been spent in redundancy in Adult Social Care over the past 5 years. It was advised that a written response would be sought.

RESOLVED:

That the budget monitoring report be noted.

162 UPDATE ON SICKNESS ABSENCE (Item D4)

Julie Foy, Director of HR, introduced the report.

The Committee welcomed the report and was reassured that levels of sickness absence were similar to statistical neighbours. The Committee requested a further update be submitted to a future meeting to further explore (i) the disparity between sickness absence levels in different directorates; (ii) any actions being taken to address relatively high levels of long-term sickness absence in some directorates; and (iii) if the council could do more to support the mental health of staff, given the prevalence of mental health related sickness absence.

In response to a further question on mental health support, officers explained the Mental Health Awareness training for both managers and staff, the workplace passport scheme, and that the council's management team were exploring options for implementing mandatory mental health training. The council would soon be launching a "share not declare" campaign that would seek to open up conversations around mental health in the workplace.

Following a question, officers explained the council's sickness absence policy and the relevant thresholds that would trigger a management review of sickness absence. It was confirmed that this would include reviewing patterns of absence.

The Committee thanked officers for their attendance.

RESOLVED:

That the report on sickness absence be noted.

ACTIONS:

That the scheduling of a future update be discussed with officers.

163 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN (LGSCO) ANNUAL REVIEW PERFORMANCE REPORT 2022-2023 (Item D5)

Councillor Ward, Executive Member for Finance, Planning and Performance, introduced the report. It was noted that the Committee had previously considered the shortcomings in the council's complaints process and the concerning delay to responses being received.

The Executive Member summarised the improvements made to the council's complaints processes and emphasised the importance of effective and modern communication systems so residents did not resort to submitting complaints as a method of communication.

A councillor asked what length of time the Executive Member considered to be appropriate for a response. In response, it was confirmed the corporate target was ten working days. Although not all responses were submitted within this time frame, performance was monitored on a weekly basis.

A member noted the similarity of two complaints relating to domestic violence and homelessness and it was suggested that it was important the council learnt from these cases.

It was noted that an update on the resident experience programme was scheduled for the next meeting.

RESOLVED:

- (i) That the Local Government & Social Care Ombudsman Annual Review letter 2022-23 dated 19 July 2023, be noted.
- (ii) It be noted that, of the 17 cases investigated, there were 12 upheld decisions with the remaining 5 cases not upheld.
- (iii) It be noted that, 2 out of the 12 upheld cases, received a satisfactory remedy before the Ombudsman involvement.
- (iv) It be noted that 6 out of the 6 cases with compliance outcomes during 1 April 2022 to 31 March 2023, 100% complied with the Ombudsman recommendations.
- (v) It be noted that separate to the complaints investigated by the LGSCO reported in the Annual Review Letter, 6 upheld decisions during the period in question (finding of maladministration) were decided by the Housing Ombudsman,

164 MONITORING ITEM (Item D6)

Noted.

The meeting ended at 10.15 pm

CHAIR

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Report of: Executive Member for Finance, Planning and Performance

Meeting of: Executive

Dates: 11 January 2024

Ward(s): All

The Policy and Performance Scrutiny Committee is invited to review the draft budget proposals as submitted to the Executive.

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

1. Synopsis

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

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

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

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

2. Recommendations

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

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

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

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

The HRA Budget and MTFs (Section 5)

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

Capital Investment and Treasury and Investment Management (Section 6)

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

Council Tax and Retained Business Rates (Section 8)

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

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

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

Matter to Consider in Setting the Budget (Section 9)

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

3. General Fund MTFs and 2024/25 Revenue Budget

The Budget and Islington Together 2030 Plan

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

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

Summary of MTFS 2024/25 to 2026/27

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

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

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

MTFS Principles

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

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

Summary Net Revenue Budget 2024/25

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

Table 2 – Net Revenue Budget 2024/25

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

Budget Monitoring Position 2023/24 – Q2 Budget Monitoring

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

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

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

Key Revenue Budget Cost Pressures

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

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

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

Levies

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

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

Table 3 – Levies 2024/25

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

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

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

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

Revenue Savings

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

Table 4 – General Fund Budget Savings Proposals by Directorate

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

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

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

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

Economic Forecasts

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

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

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

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

Funding Announcements (Provisional Local Government Finance Settlement)

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

Table 5 – Settlement Funding Assessment

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

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

Table 6 – Social Care Funding (Ringfenced)

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

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

Dedicated Schools Grant (DSG) Funding and Schools Balances

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

Table 7 – DSG Funding by Block

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

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

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

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

Fees and Charges

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

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

Reserves and Balance Sheet Strategy

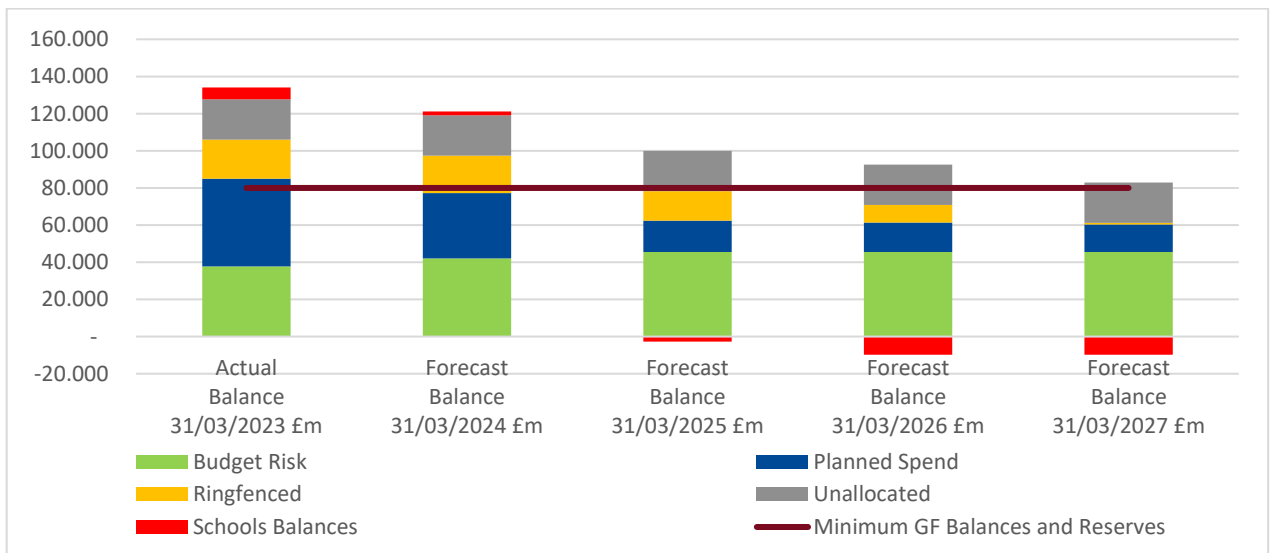
- 4.1. A fundamental element in assessing the robustness of the council's annual budget and MTFs is the level of contingency budget(s), earmarked reserves, and GF balance, as determined by the Section 151 Officer. The Local Government Finance Act 1992 requires local authorities to have regard to the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

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

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

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

Figure 1 – General Fund Earmarked Reserves and Balances Forecast



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

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

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

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

Reserve Movements, Budget Risks and Contingencies

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

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

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

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

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

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

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

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

Table 8 – Forecast Usable Reserves

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

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

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

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

CIPFA Financial Management Code Compliance Assessment

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

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

Balance Sheet Analysis

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

5. Housing Revenue Account

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

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

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

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

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

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

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

Rental Income and Other HRA Fees and Charges

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

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

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

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

Table 11 – Existing Tenancies Average Weekly Rent 2024/25

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

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

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

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

Islington Council Managed General Needs New Build Properties

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

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

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

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

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

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

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

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

B) 80% of the relevant market rent

LBI Managed Property Acquisitions - purchased using DLUHC grant

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

A) The 2023/24 rent plus 7.7% or

B) 80% of relevant market rent

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

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

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

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

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

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

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

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

Shared Ownership Rents

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

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

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

Other HRA Fees and Charges

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

6. Capital Programme

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

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

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

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

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

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

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

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

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

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

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

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

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

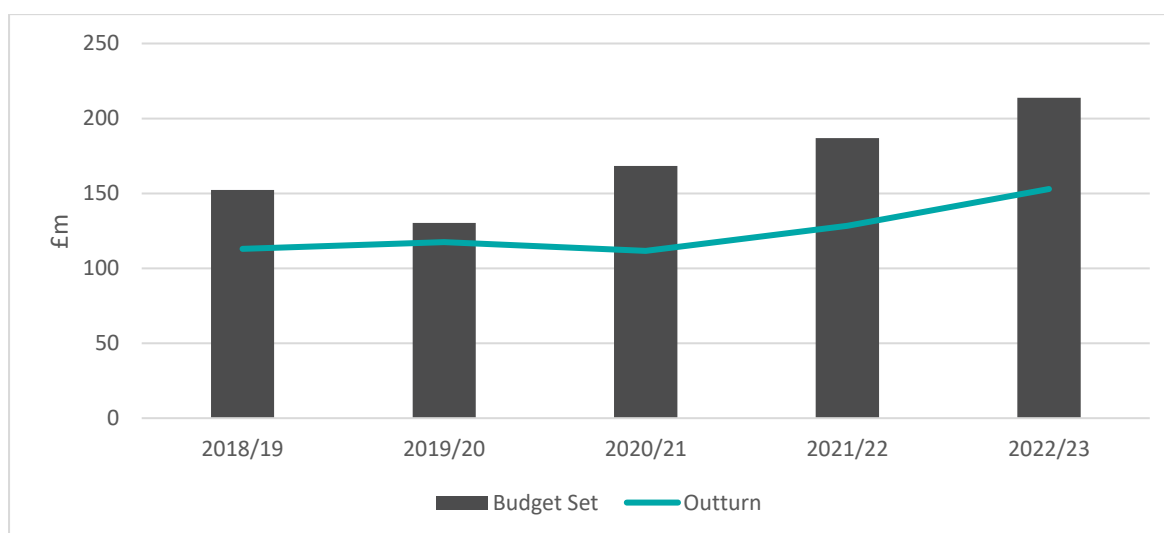
programme. **Table 17** shows the estimated GF revenue impact of the proposed new borrowing. Interest costs have been prudently modelled for budget setting purposes at 4.82% which was the annuity certainty rate on a 50-year loan from the Public Works Loan Board on the afternoon of 20th December 2023.

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

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

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

Figure 2 – Analysis of Capital Budgets to Outturn

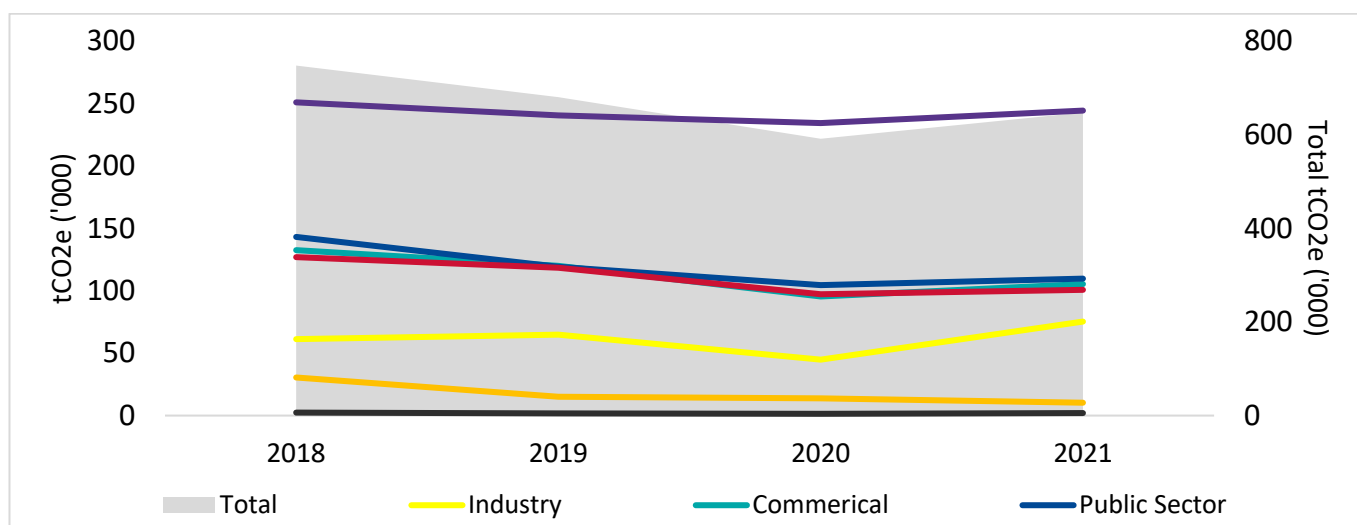


7. Climate Action

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

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

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



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

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

Table 18 – Proposed Revenue and Capital Investment in Climate Action

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

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

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

8. Council Tax and Retained Business Rates

Council Tax Forecast 2023/24

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

Retained Business Rates

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

9. Matters to Consider in Setting the Budget

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

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

- 9.3. The 2024/25 budget report and MTF5 has been compiled against a backdrop of continued and significant macro-economic uncertainty with the national cost-of-living crisis continuing to severely impact residents and the council. High inflation has remained for a period way beyond initial government forecasts. This has impacted council pay settlements, major contract inflation costs and other costs of service provision. Alongside this has been an unprecedented level of service demand in key services such as Adult Social Care and Children and Young People. Further, there have been significant challenges in income budgets partly due to the sustained economic downturn, with parking income particularly badly impacted in the 2023/24 in-year financial position. The latest (Q2) forecast is a £17m gross GF overspend in 2023/24. Any residual, ongoing impact of this forecast gross GF overspend for 2023/24 will impact the council's budget in 2024/25 and over the medium term. In addition, any residual overspend at the end of 2023/24 will be a further drain on the council's earmarked reserves.
- 9.4. The significant recurrent budget impact of the in-year financial position has meant that there has been greater use made of the council's financial sustainability mechanisms, such as contingency budgets, in delivering a balanced budget for 2024/25. These financial sustainability mechanisms must be restored at the very earliest opportunity, in the 2025/26 budget round. In total, £11m is factored into the 2025/26 budget forecast to restore previously held contingency, financial resilience, and capital financing budgets. As it stands the MTF5 only contains a £5m ongoing, general contingency budget in 2024/25 to be applied against unforeseen expenditure in-year and on a one-off basis. This level of contingency cover is only barely adequate against a £274m 2024/25 net budget requirement on the GF and given the level of unforeseen service pressures in the current financial year.
- 9.5. The medium-term local government funding outlook is very negative following the Autumn Statement and settlement, with expected real-terms funding cuts (and potentially cash cuts) for unprotected departmental spending, including most of local government. Added to this are potential government funding reforms (including 'fair funding' and a business rates reset) on the horizon that could have a significant, negative impact on funding levels in the next Spending Review period (commencing 2025/26). All of this means that additional government funding is highly unlikely to be a route to restoring the council to a sustainable financial footing.
- 9.6. The budget report includes a commentary and analysis on the financial health of the council's balance sheet and the level of the council's earmarked reserves. A recommended Minimum GF Balance and Earmarked Reserves Level of £80m is proposed within this budget report. This is the absolute minimum level of GF balance and reserves that the council cannot sustainably breach and is strictly not a target. The target, albeit extremely challenging in the current environment, should be to restore earmarked reserves to a level well in excess of the 2023/24 opening position, and to increase the GF balance over time. In order to take steps towards this target, the council will need to return to delivering on or under budget and to fully close future year budget gaps with robust ongoing savings. This will require early and sustained engagement from all stakeholders to make the difficult service and financial decisions critical to the financial resilience of the council.

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

Comments of the Monitoring Officer

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

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

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

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

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

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

Equalities Impact Assessment

- 9.22. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 9.23. After more than a decade of significant budget savings, it is difficult to make new savings without any impact on residents. There will inevitably be some impact on particular groups, including those with protected characteristics as defined by the Equality Act. The council is not legally obligated to reject savings with negative impacts on any particular groups but must consider carefully and with rigour the impact of its proposals on the Public Sector Equality Duty, take a reasonable and proportionate view about the overall impact on particular groups and seek to mitigate negative impacts where possible.
- 9.24. The cumulative EQIA assessment of the budget proposals was completed on 9 November 2023. The main findings are that there is a potential neutral impact as a result of the budget proposals. The cumulative EQIA is set out at **Appendix G**. It is supplemented at a departmental level by detailed EQIAs of major proposals. These demonstrate that the council has met its duties under the Equality Act 2010 and has taken account of its duties under the Child Poverty Act 2010.

Budget Consultation

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

Retail Relief Policy

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

Appendices

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

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

Appendix C: Earmarked Reserves Balances

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

Appendix D2: HRA Fees and Charges 2024/25

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

Appendix E1: CIPFA Financial Management Code Compliance Assessment

Appendix E2: Balance Sheet Analysis

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

Appendix G: Budget Cumulative Equality Impact Assessment 2024/25

Appendix H: Retail Relief Policy 2024/25

Background papers: None

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

Responsible Officers:

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

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Monitoring Officer: Alison Stuart, Director of Law and Governance (Monitoring Officer)

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

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

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

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

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

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

Appendix C: Earmarked Reserve Balances

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

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

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

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

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

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

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Appendix D2: HRA Fees and Charges 2024/25

Tenant Service Charges and Digital TV Charges

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

Heating and Hot Water Charges

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

Estate Parking Charges

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

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

VAT will be added to the above charges where applicable.

Note:

Vehicle charges

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

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

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

Concierge Service Charges

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

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

Parking Charges

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

Storage Units

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

Floor Coverings (including underlay, carpets & fitting):

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

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

Home Ownership Unit Charges:

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

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

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

2. Lease Holder Miscellaneous Fees:

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

Appendix C3: HRA Savings Proposals 2024/25

Option Title	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Commercial letting of storage space in disused car park	-	0.295	-	0.295
Staffing review of the Housing Strategic Business Planning and Investment team and the Integrated Services team	0.053	-	0.038	0.091
Insource more voids work - thereby reducing more expensive contractor costs	-	0.400	-	0.400
Remodelling of the Repairs and Maintenance fleet strategy	-	-	0.320	0.320
Completed multi-skills training program completed – budget no longer required	0.260	-	-	0.260
Driving efficiencies into the housing procurement process where synergies between housing & corporate contracts can be identified	0.050	0.050	0.100	0.200
Diversify funding and provision of apprenticeships	-	0.100	-	0.100
Staffing review of the Homes and Neighbourhoods management team	-	-	0.080	0.080
Review Floating Housing Related Support contract	0.120	-	-	0.120
Review of the Repairs and Maintenance team hand tools procurement strategy	-	-	0.600	0.600
Following the return to the Council of the PF12 stock a review/re-assessment of the budget provision required in respect of the repairs service indicates that the service can be provided at a lower cost than initially anticipated	0.800	-	-	0.800
Staffing review of the Repairs Service	0.100	0.100	0.120	0.320
Budget realignment relating to service support recharges	0.060	-	-	0.060
Total HRA Savings	1.443	0.945	1.258	3.646

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

1. Objectives and Principles

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

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

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

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

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

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

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

2. Process

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

3. Compliance Assessment

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

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

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

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

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

	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.	
Page 75	<p>G: The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p> <p>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.</p> <p>The plan should evidence rigorous assessment of asset portfolio in relation to service delivery.</p>	<p>Fully embedded within the rolling MTFS and long-term capital programme.</p> <p>The council operates a corporate landlord model and is constantly evaluating the best use of its assets.</p> <p>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.</p> <p>The Capital Strategy sets out the long-term investment plans.</p>		
	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.		
<p>H: The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</p>	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.	<p>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.</p> <p>Capital strategy, Investment, Minimum Revenue Provision and Treasury Management Strategy are developed annually in conjunction with the MTFS process</p>		

<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 80	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

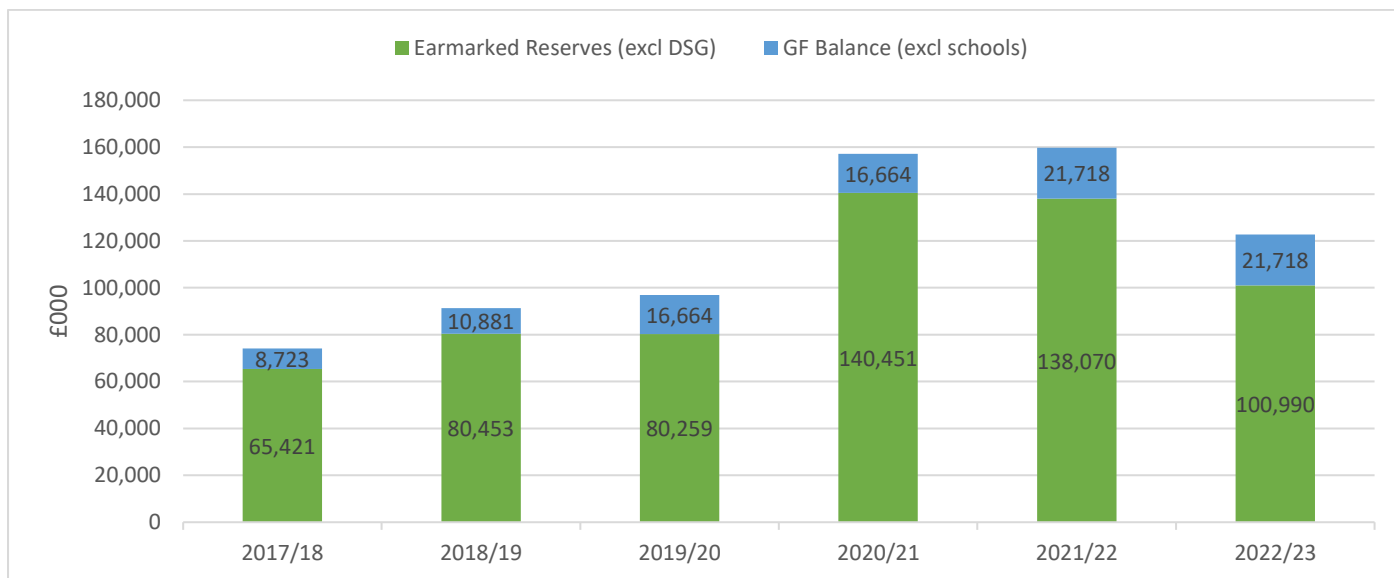
- 1.1. The balance sheet provides a snapshot of the council's financial position detailing assets, liabilities, and reserves. The balance sheet shows the complex and closely interlinked relationship between revenue, capital, borrowing and other existing and emerging risks. Analysing the council's balance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

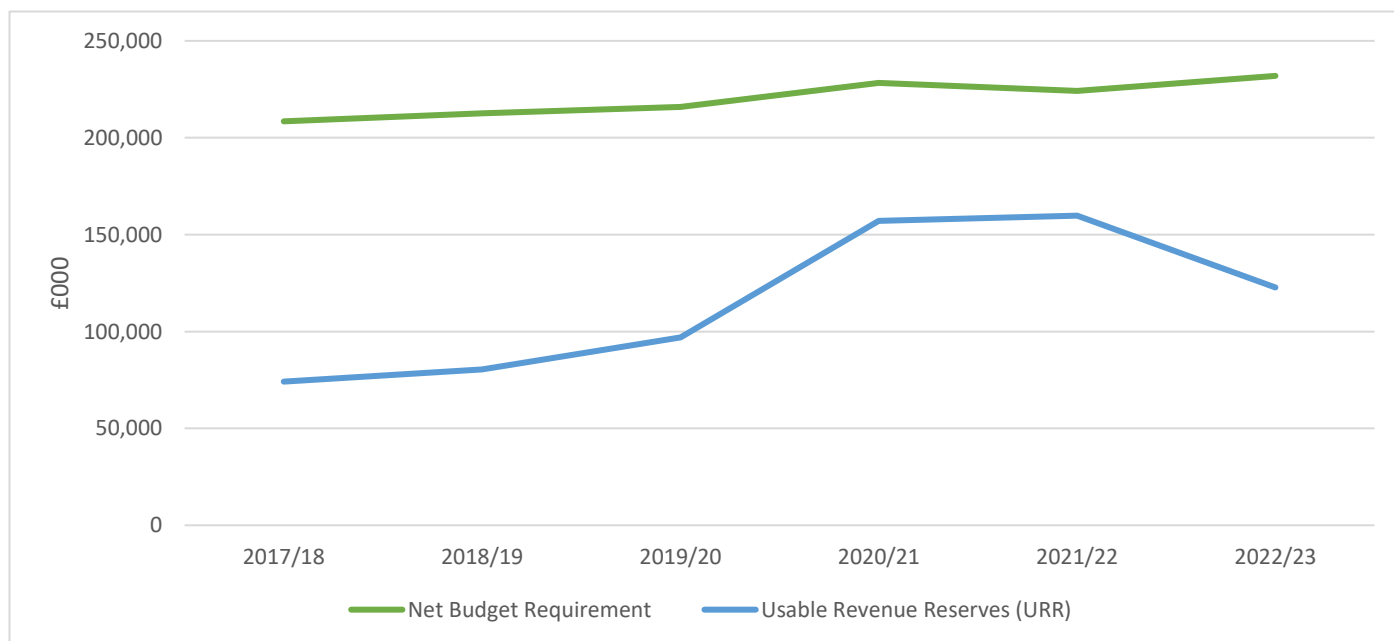
- 2.5. Useable revenue reserves can be split into ‘Earmarked’ and ‘General’. Earmarked reserves are reserves which have been set aside for the specific purpose. The specific purpose is sometime set by statute e.g. Public Health reserves can only be spent on public health activities. The specific purpose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

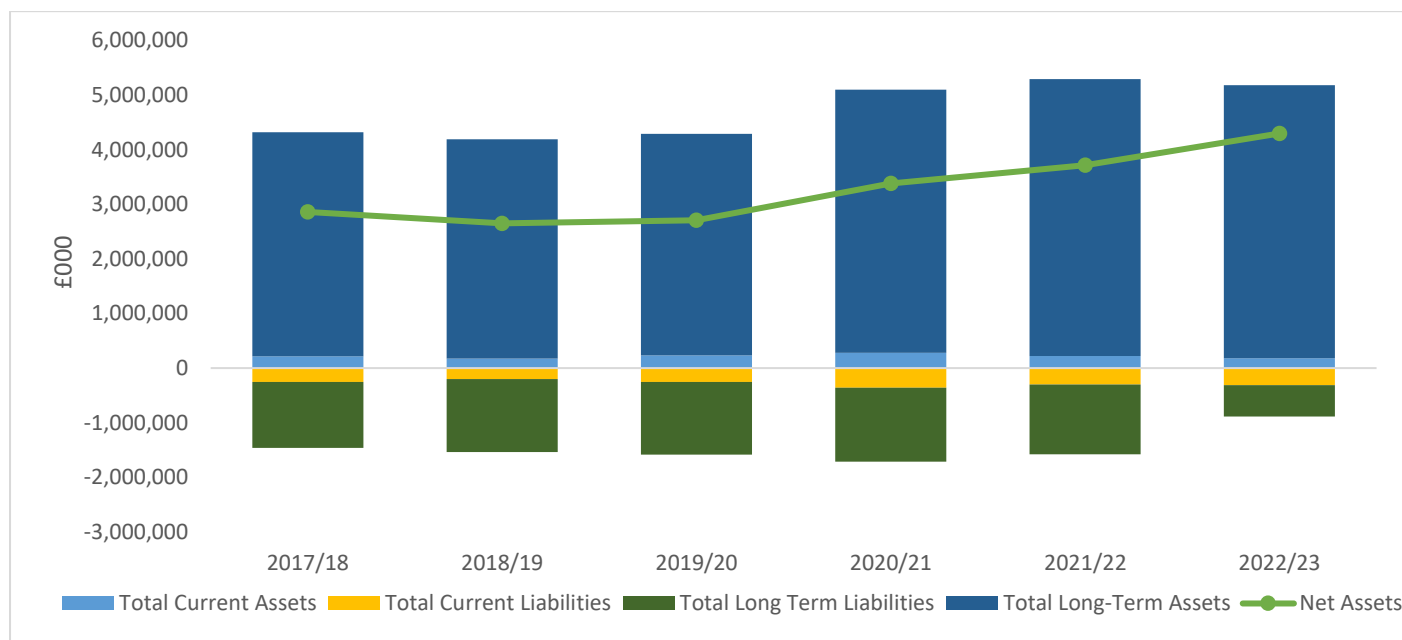


- 2.9. As shown in **Figure 2**, at 31 March 2023 useable revenue reserves were 53% of the council's 2022/23 net budget requirement. This is a decrease from 2021/22 where useable revenue reserves were the equivalent of 71% of the net budget requirement.
- 2.10. The council experienced a recent drop in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

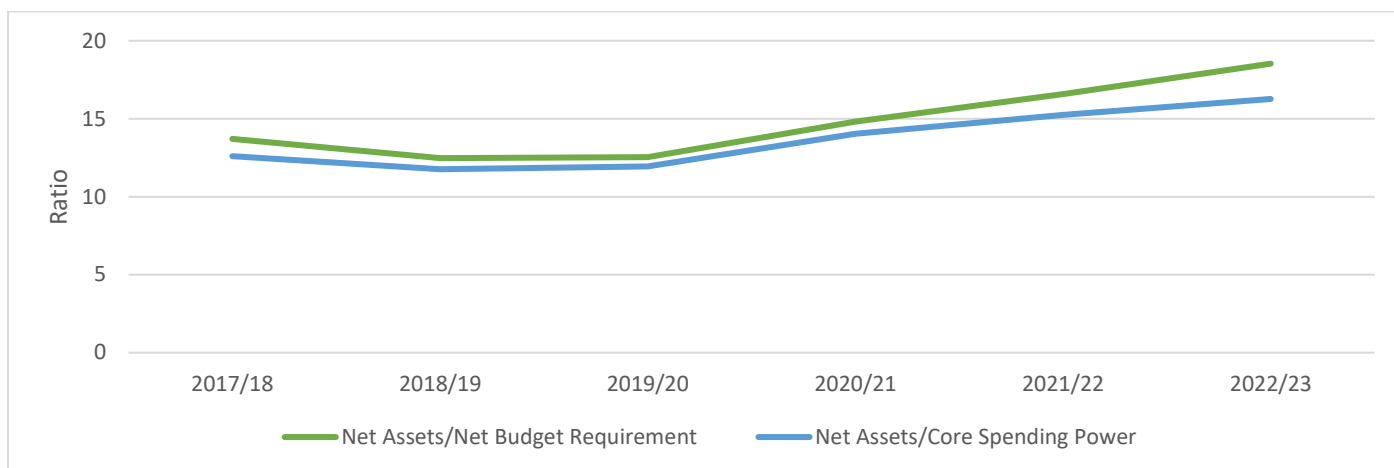
3.6. Assets and liabilities can be split into ‘current’ (short-term) or ‘non-current’ (long-term). Consequently, they can provide different information on the short-term and longer-term financial health of an organisation. **Table 1** and **Figure 4** below assess the short-term and long-term sustainability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

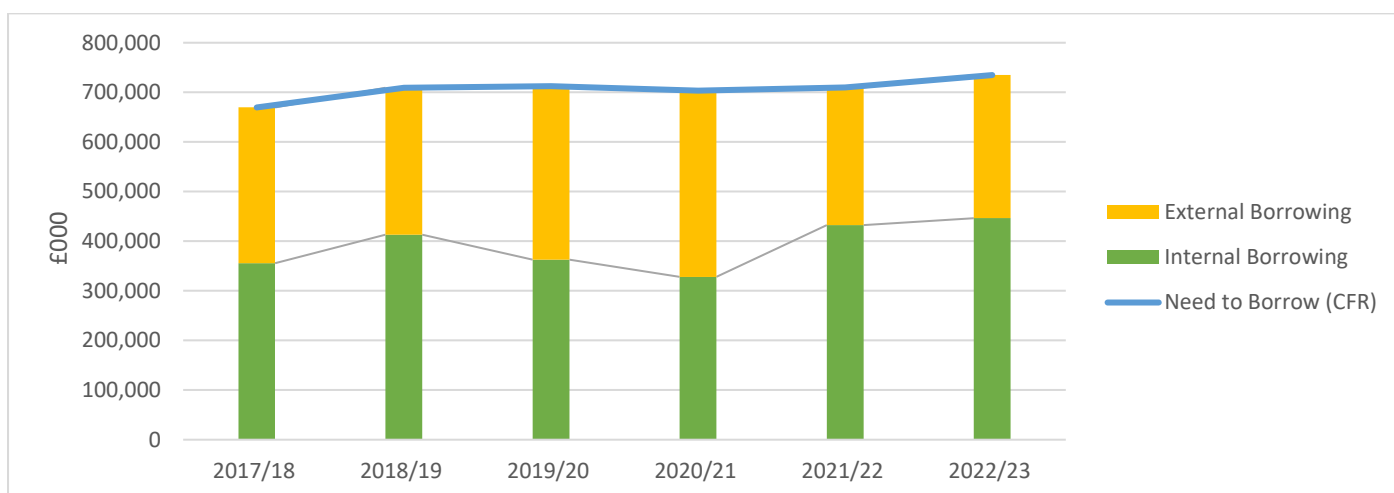


- 3.8. The Net Assets to Net Budget Requirement and the Net Assets to Core Spending Power indicators provide insight into the longer-term financial sustainability of an organisation, as they show the number of times the budget and available revenue can be funded through the council's net assets or vice 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%
IRR/Net Budget Requirement	35.56%	37.85%	44.91%	68.82%	71.30%	52.91%
IRR/CSP	32.67%	35.69%	42.75%	65.15%	65.61%	46.45%
Current Ratio (Current Assets/Current Liabilities)	0.86	0.87	0.90	0.78	0.73	0.58
Net Assets/Net Budget Requirement	13.71	12.47	12.54	14.82	16.57	18.53

7. Glossary

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

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

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

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

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

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

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

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

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Appendix F: Budget 2024/25 Cumulative Equalities Impact Assessment

1. Purpose of Report

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

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

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

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

2. Context

Our commitment to fairness and equality

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

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

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

Our EQIA Process

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

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

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

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

Our priorities

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

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

Our legal duties

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

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

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

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

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

Our diverse population

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

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

The impact of the cost-of-living crisis

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

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

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

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

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

The scale of the challenge

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

3. Equalities Impacts: overall cumulative impact

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

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

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

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

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

The 8 full EQIAs identified potential negative impacts on:

- Residents
- Service users
- Staff

Impacts on residents

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

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

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

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

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

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

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

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

Impacts on specific service users

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

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

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

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

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

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

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

Impacts on staff

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

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

- Service users
- Residents
- Staff

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

Overall equalities impact assessment

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

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

4. Equalities groups impacted by savings proposals

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

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

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

There are no disproportionate impacts relating to:

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

5. Savings proposals and impacts – by directorate

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

a) Council wide

New savings:

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

Efficiencies through Automation of Processes

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

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

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

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

Encouraging Apprenticeships

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

Enhanced Business Efficiency and Redundancy Scheme

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

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

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

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

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

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

b) Adult Social Care

New savings:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Redesign of Floating Support Contract

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

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

The EQIA shows no impact on protected groups.

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

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

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

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

c) Community Engagement and Wellbeing

New savings

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

Contact Centre Rationalisation (Full EQIA)

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

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

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

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

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

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

d) Environment

New savings:

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

Extend controlled parking zone enforcement (consolidated – full EQIA)

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

Increase Maximum Pay & Display Parking Charges for Electric Vehicles

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

Removal of Evening Concessions for CPZ Zones C&K

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

Parking Pay & Display Peak Charging

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

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

Extended CPZ Hours (full EQIA)

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

Green garden waste chargeable service

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

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

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

e) Homes and Neighbourhoods

New savings

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

Selective Licensing (full EQIA)

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

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

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

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

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

If the scheme is implemented, landlords would have to:

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

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

Revised Management of Civic Services

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

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

f) Children's Services

New savings

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

Repurpose school premises houses (full EQIA)

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

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

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

g) Community Wealth Building

New savings

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

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

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

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

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

Additional Income from Commercial Estates

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

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

h) Resources

There were no new savings proposals submitted for Resources.

i) Public Health

There were no new savings proposals submitted for Public Health.

6. Staffing Impacts

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

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

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

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

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

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

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

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

7. Human Rights and Safeguarding

Human Rights

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

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

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

Safeguarding

Implications for safeguarding in Adult Social Care

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

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

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

Implications for safeguarding in Children's Services

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

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

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

8. Monitoring

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

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

Annex A: Public Sector Equality Duty

Section 149 of the Equality Act 2010 provides that:

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

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

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

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

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

(9) Schedule 18 (exceptions) has effect.

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Appendix H - Retail Relief Scheme 2024/25

1. Introduction

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

2. Islington Retail Relief Scheme 2024/2025

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

Which properties will benefit from relief?

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

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

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

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

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

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

<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

Policy & Performance Scrutiny Committee – Annual Report

January 2024

Resources - key areas of responsibility

Human Resources (slide 3)

Islington Digital Services

- Technology & Design (slide 4)
- Information Governance (slide 5)

Law & Governance

- Democratic Services (slide 6)
- Legal (slide 7)
- Elections and Corporate Support Services (slide 8)

Finance

- Revenues (slide 9)
- Finance (slide 10)
- Internal Audit, Investigations and Risk Management (slide 11)

Human Resources

Key Achievements

- New approach to performance development (check-ins)
- Reset of Challenging Inequality Programme
- Signed Partnership Agreement with Trade Unions
- Developed Talent & Attraction Plan to tackle recruitment challenges with new employer brand
- Refreshed Workforce Strategy
- Career Pathways Strategy inc. Apprenticeships First approach and Work Experience model
- Third cohort of Islington Management Diploma Apprenticeship now underway

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Key Challenges

Significant programme of technology improvement underway which is needed in order to enable improvements to service delivery and data provision

- HR System moved to the Cloud
- New Absence module launched
- New overtime module introduced
- New recruitment and apprenticeship systems launching in February 2024
- Move to the Cloud of BACS to provide more payroll assurance
- E-forms and automation being introduced for all processes

Next Steps...

- Staff survey taking place in February
- Leading with CARE programme launching in early 2024 to develop the skills of our top 100 leaders to take forward the Islington Together 2030 Plan
- Inclusive recruitment improvements including refreshed Diverse Recruiter's Scheme by April
- 20 work experience placements aimed at care experienced young people and those with SEN in Islington launching in January

Islington Digital Services (Technology & Design)

Key Achievements

- A new Organisational structure and operating model change has been implemented with go live on 8th Jan '24. The new organisation lifts capability for digital transformation; supports the Resident Experience programme; lifts cyber capability; adds more apprentices and significantly reduces contractor numbers.
- Over 30 projects have been completed this year. Projects of significance include: Upgrades to many of our core systems including Parking, Housing, Environment, HR; Exit of the NWB data centre; new call centre technology; new Mobile Sims for staff; libraries tech upgrade; Data warehouse for analytics and new MyEaccount platform; cyber resilience.
- Dashboards for Housing, Finance and Assistive Technology use cases delivered to provide insight into key metrics & performance for each service.
- Frontline digital inclusion offering by engaging those staff with the council with access to our internal systems including the HR system, on individual smartphones.
- Enhanced Liquid logic functionality so that Adult Social Care workers can get near real time information from both health and social care systems
- 59 Accessibility reviews for resident and staff-facing applications to ensure those with disabilities are fully included.

Key Challenges

- Shut down of analogue public telephone network (PSTN) and 3G mobile cut off by Dec 2025 presents a threat to some services.
- Full align the Services Digital/IT programme
- The complexity of integrating the new My eAccount across the many applications that use it.
- Switching to a full cloud operating model
- Removing the last legacy systems in our data centre to lift cyber resilience and maintain public services
- Streamlining the library IT infrastructure (managed service, hardware and software).
- Laptop refresh for all staff.
- Recruiting to the new organisation at pace and attracting the right skills to strengthen our workforce, especially data, innovation, automation and supporting Resident Experience Programme.
- Vendors continue to be a challenge. In addition, procurement contracts will be more challenging with new legislation. Civica, a large supplier of government systems has been bought out – implications to be monitored.
- Constant watch for evolving cyberthreats – particularly those associated with AI.

Next Steps...

- Co-create the multiyear programme of delivery with the Resident Experience team. It will converge technology with business & digital transformation. Digital Services AD as 'copilot' for the programme.
- Implement a digitally accessible HR recruitment system by end Feb 2024.
- Update network connectivity incrementally over the year to next generation of cloud connectivity to provide faster and far more resilient networks that can withstand high levels of cyber attack.
- 5,000 new Laptops with Windows 11 by June.
- Recruit into the new Data practice in the new IDS organisation by March to make more insightful data analytics possible – eg combining publicly available data with internal council data to give new insights for services.
- Deliver in the first half, new Automation and Robotic Process Automation (RPA) systems to generate savings
- Innovation team to find opportunities for the adoption of AI based capabilities and software. In progress now.
- Get better value from key vendors & contracts as they renew to get optimal value and responsive support.
- Re-engineer the starters, leaves and mover's process by April to reduce turnaround time.

Islington Digital Services (Information & Digital Governance)

Key Achievements

- A centralised Access to Information function with new team and operating model has been created. To manage the workload a phased approach was taken with responsibility for areas starting to move over from 5 June. All areas have been fully centralised since 1 September. The team meet weekly to discuss requests, share good practice and highlight any areas of concern.
- The backlog of SARs has been addressed and eliminated. Compliance continues to improve with both FOIs and SARs achieving at least 88% since September.
- New approach to proactive publication and transparency has been developed. Webpages have been updated (pending Comms changes) to improve public information.
- Redesigned data protection assurance forms to make processes simpler.
- Recruited to new Data Protection Lead role who is the main liaison point for the Schools DP service. Reviewed and improved service offer for schools that buy into the service.
- Classroom based training provided to all Caretakers and Repairs Operatives.
- MetaEngage rolled out across the organisation so that the popup functionality can be used for eLearning.

Key Challenges

- The team are often reliant on other areas of the council responding in a timely manner. Often a lack of response from areas has a significant impact on the team's ability to progress work.
- Demand on the team has continued to increase significantly specifically with an increase in Data Protection Impact Assessments (DPIAs)
- There has been an increase of 5% for FOIs and 26% for SARs.
- A 6% increase in information complaints. Unable to identify what is driving this increase.
- This demand was further compounded with capacity issues due to vacancies in the team which impacted the team's ability to progress some key project work. '
- Compliance for FOIs and SARs is below just ICO target of 90%. The team have implemented a new escalation process to highlight areas that are at risk or already overdue.
- Widespread adoption of generative AI and the speed at which it develops results in inevitable data protection and governance challenges.

Next Steps...

- Embed the Information Governance team into the new IDS structure including filling vacant roles by March '24. Drive the Access to Information operating model and continue the strong improvement in compliance, working at Director level where compliance is a concern.
- Increase pre-emptive publication of open information (from April). This will ensure that residents and the public can access information quickly and support the council in improving compliance with FOIs whilst reducing our workload.
- Solve the challenges around scanning to improve processes for historic social care file requests starting Feb 2024.
- Implement redaction software by Spring '24 to improve SARs response times and reduce redaction errors and omissions – resulting in fewer breaches/complaints.
- Redesign Intranet & Internet pages, Comms plan and training using Yammer by Spring '24.
- Monitor the 'Data Protection and Digital Information Bill' and prepare for any changes to our compliance obligations and operating model.
- Schools DP service – reviewing pricing structure and service offer to create a more granular service catalogue in readiness for December publication.

Democratic Services

Key Achievements

- Improved Civic Awards event to ensure recipients feel appropriately valued and obtained external sponsorship to support improvements and reduce costs.
- Review undertaken to improve governance arrangements and ensure the Constitution is lawful.
- Improvements made to Democracy Website to ensure it is as accessible as possible and compliant with corporate branding.
- Review of Remembrance arrangements undertaken. Introduced changes to ensure the events are inclusive.
- School Appeals bought back in house to reduce costs and ensure standards adhered to.
- Developed a Member Development Strategy to recognise the importance of member development and provide a framework for future years.
- Implemented new IT system to help drive improvements in management of Member Enquiries.

Key Challenges

- Improving Member engagement with development opportunities to ensure that members have the appropriate knowledge and skills to fulfill their roles and to ensure that the training provided is value for money.
- Increasing external funding for Civic Awards to ensure that the improvements to the Awards evening can be sustained and allow further improvements made
- Developing improved procedures for School Appeals following learning during the first year delivering the service in house and increasing the number of Independent Appeals Panelists available to ensure statutory deadlines are met and ease scheduling challenges.
- Work to deliver real improvements in the Member Enquiries process and system is ongoing.
- Ensuring that we continue to meet all statutory obligations, without disrupting meetings or decisions, whilst upgrading the Committee Management System and Democracy Website and moving it to the cloud.

Next Steps...

- Scrutiny Review underway to update arrangements and ensure Scrutiny is as effective as possible and increase resident engagement by July 2024
- Constitution review to be undertaken to make the document clearer and more accessible and to further improve our governance arrangements by Autumn 2024
- Developing the annual Member training programme ensuring all training opportunities are accessible, that training is high quality, relevant to Islington and value for money and to increase member engagement
- Planning for Local Democracy week in Oct 2024 to ensure that we achieve engagement with under-represented groups
- Continued modernisation of the Mayor's Office and procedures to ensure that effective support is provided to the Mayor and Deputy and that the Mayor's Office represents the Council in an inclusive and appropriate way.

Legal Services

Key Achievements

- **Successfully supported adoption of the local plan**
- **Completed purchase of 35 new homes for refugees & supported high value procurements**
- **Advocacy by in-house lawyers in civil & criminal courts up to the Court of Appeal**
- **Fall in overall caseload of disrepair cases & reduction in damages paid out in each case**
- **Achieved successful outcomes in legal proceedings for ASB injunctions, closure orders, prosecutions, licensing appeals, care proceedings, Court of Protection matters and ET cases**
- **Supporting senior officers/Members in high profile/complex matters - decision not to re-instate the ice-rink at the Sobell and school closures**
- **Demonstrating resilience through changes in leadership within Legal Services – service delivery has not been affected & there is improved collaboration/stronger relationships across the Legal Management Team**

Key Challenges

- Embedding new cloud-based case management system
- Changes in management/provision of business support services
- New legislation affecting planning, leasehold enfranchisement and procurement
- Meeting income targets from property & planning
- Increased workloads across all teams
- Resourcing Legal Services to meet work demands – reducing reliance on agency staff & recruiting and retaining staff in a competitive market

Next Steps...

- Building resilience in Legal Services by recruitment to vacant posts to reduce reliance on external lawyers and agency staff and understanding service delivery needs are fit for purpose- restructure planned early 2024
- Working with colleagues in Business Support to develop administrative support tailored to the needs of Legal Services- to commence in Jan 2024
- Pay/structure review to ensure that pay and the structure is future proofed for effective service delivery to ensure that there is a high performing workforce restructure planned early 2024
- Part 2 of the Constitution Review including external review and refreshed schemes of delegation- on going
- Ongoing legal support to Members & across all council services in areas of governance to ensure legal and reputational risks are considered and minimised-ongoing
- Attendance at Corporate induction sessions to increase awareness of the Council's Constitution and decision making processes at the earliest opportunity- to begin Jan 2024

Elections and Corporate Support Services

Key Achievements

- Improvements in the use of technology to streamline operations and to support resident outreach work
- Enhancing accessibility for voters
- Proactive outreach activities to under registered demographics
- Successful delivery of the annual canvass following changes to ward boundaries
- Collaboration with other services to promote the requirement for Voter ID

Key Challenges

- Delivering the changes introduced by the Elections Act 2022
- Adapting to evolving technologies and systems
- Navigating changes in legislation and maintaining transparency to uphold public trust
- Resident focused communications to raise awareness of the changes to all eligible residents, ensuring voting is accessible for all
- Embedding new application processes and portals so that they become business as usual
- Legislation changes to EU franchises
- Planning of the GLA election with the possibility of a combined Parliamentary election
- Business Support Restructure, delivery of Improvement plan and efficiency savings

Next Steps...

- Delivery of the GLA election with the first manual count
- Parliamentary election with new boundaries in Islington North
- First Election in Islington with new Voter ID requirements
- Full borough Polling District and Polling Places Review

Revenues & Technical Services

Key Achievements

- Over ½ £Billion collected in tax revenues (2022/2023) with a slight surplus on our estimated income
- 87% of local suppliers paid within 10 days (2022/23) meaning better cash flow for businesses
- Very low level of upheld complaints compared with the total open accounts (0.01% of accounts had a complaint which was upheld (Q1 2024 [12 upheld / 120,000 accounts])
- Catching up a Covid related backlog in activity of over 11,000 customer contacts to a normal level resulting in a better service and less complaints

Key Challenges

- Ongoing cost of living crisis adversely impacting residents' and businesses' ability to pay their tax
- The key piece of software used by the team to operate efficiently has been sub-par since an upgrade. We have been pushing the provider to resolve the issues.

Next Steps...

- Increase the number of residents using MyIslington to self-serve their need and therefore get a better outcome quicker quarter on quarter
- Increase the number of residents opting out of paper billing (paperless billing) saving cost, carbon and resources quarter on quarter
- Extend the "Expanded Retail Relief Scheme" to 2024/25 (discount worth 75% to qualifying businesses) to support local enterprise in place from the 1st April
- Review of our systems and processes in our debtors function to maximise the collection of money owed to the Council will take place by Autumn 2024.

Finance

Key Achievements

- The new Finance structure is well embedded, and there has been successful recruitment to several key roles on a permanent basis.
- 2023/24 budget set which funded all manifesto commitments
- Draft 2022/23 financial accounts published by deadline of 31 May 2023 ahead of most other LA's.
- Pensions Annual General Meeting 27th November well attended and well received by staff and members of the public.
- Pension Fund investments carbon intensity reduction of 40% from 2016.
- Comprehensive review of financial procedures and pension fund ensuring stronger governance.

Key Challenges

- Although inflation has started to reduce, it is still running higher than in previous years, so continues to have an impact on the expenditure of the Council.
- Significant in year financial pressures exist across the Council for 2023/24 particularly in demand led services.
- Interest Rates remain high impacting the cost of the Council's borrowing, with little sign of rates retreating to 2021 levels.
- Although it will not be known until the settlement, the Autumn Statement indicates no new money for local government, despite demonstrable rising needs.

Next Steps...

- The Council is due to set its budget on 29 February 2024. The draft budget presented to Executive on 11 January 2024 proposes a fully funded and balanced budget.
- Islington leads a London wide workforce strategy development group. This aims to boost apprentice roles and increase the profile of Local Government in the employment market, particularly within finance. Our first intake will be Summer 2024.
- Further work to be done on the financial procedures and governance arrangements for capital early in 2024.

Internal Audit, Investigation and Risk Management

Key Achievements

- The Internal Audit Plan was aligned with the Council's Principal Risk Report, to ensure that audit resource was effectively directed towards high risk areas;
- A number of audit recommendations were made in high risk areas, which sought to enhance controls;
- A revised Anti-Fraud and Corruption strategy and policy was introduced, to ensure that the Council is better placed to protect the public purse;
- A new Principal Risk profile for 2023 was agreed, to assist with the effective mitigation of key risks;
- The Council joined the National Fraud Initiative (NFI)'s enhanced hub, with the objective of using data matching to prevent and detect fraud.

Key Challenges

- Recruitment and retention of staff a particularly difficult recruitment market, across London and nationally, in relation to high quality auditors and investigators;
- The demand for the service (across the three teams i.e., Internal Audit, Investigations and Risk Management) exceeded capacity. A risk based approach is applied to ensure that resource is effectively directed;
- The amount of time taken to complete audit follow ups (which assess the level of implementation of audit recommendations). This was as a result of auditees 1) not responding to Internal Audit within agreed timescales 2) not implementing recommendations within agreed timescales

Next Steps...

- Continue to ensure that resource is directed in the areas of highest risk throughout the year;

Internal Audit

- Continue to report audit follow up outcomes to the Corporate Management Board's bi-monthly risk sessions;
- Close the 23-24 audit plan and draft the 24-25 audit plan by April 2024.

Investigations

- Increased proactive anti-fraud activity, particularly data matches as well as proactive reviews in key risk areas such as Housing Repairs throughout the year

Risk Management

- Launch the risk management e-learning module in Quarter 1.

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Resources
7 Newington Barrow Way, N7 7EP

Report of: Dave Hodgkinson, Corporate Director of Resources

Meeting of: Policy and Performance Scrutiny Committee

Date: 18 January 2024

Ward(s): N/A

Corporate Performance update: Q2 2023/24 (July – September 2023)

1. Synopsis

- 1.1. This report brings to the Policy and Performance Scrutiny committee the Corporate Performance update for Q2 2023/24 for review and challenge, with a focus on 'organisational health' elements for which the committee is responsible.
- 1.2. The Q2 update comprises the following:
 - 1) Appendix 1: Q2 Organisational Health performance narrative
 - 2) Appendix 2: Q2 Organisational Health performance scorecards
 - 3) Appendix 3: Q2 Corporate overview of performance (for information)
- 1.3. The Committee is invited to note and review the Q2 2023/24 update (Appendix 1), drawing on the scorecards (Appendix 2) for more detail, for questions and challenge at the committee meeting.

1. Background

- 1.1. A suite of corporate performance indicators has been developed by each directorate to help track progress in delivering the five missions set out in the council's Strategic 2030 Plan. Indicators and targets are reviewed annually to ensure they remain relevant.

- 1.2. Performance is monitored internally, through Departmental Management Teams, Corporate Management Board, and externally through the relevant Scrutiny Committee for each directorate.
- 1.3. This update focuses on those elements for which the Policy and Performance Scrutiny committee is directly responsible, leaving other scrutiny committees to focus on their respective parts of corporate performance.
- 1.4. While the Policy & Performance Scrutiny Committee has overall responsibility for performance across the council, it is specifically responsible for those elements that are broadly captured by 'organisational health' – that is, the effective and sustainable running of the council. This currently comprises measures from the Resources directorate and customer service areas from Community Engagement and Wellbeing Directorate in relation to:
 - Managing our budget effectively and efficiently
 - Harnessing digital technology for the benefit of residents and staff
 - Making sure our workforce is diverse, skilled and highly motivated
 - Being open and accountable
 - Resident experience
- 1.5. Q2 2023/24 performance updates for those areas not principally reporting to the Policy and Performance Scrutiny committee will be shared at the respective Scrutiny committees on the following dates:
 - Environment and Regeneration Scrutiny Committee: 25 January 2024
 - Children's Service Scrutiny Committee: 15 January 2024
 - Health and Care Scrutiny Committee: 18 December 2023 (Public Health)
 - Health and Care Scrutiny Committee: 23 January 2024 (Adult Social Care)
 - Housing Scrutiny committee: 8 January 2024
- 1.6. Corporate performance is one of a number of tools that enable us to ensure that we are making progress in delivering key priorities while maintaining good quality services. A collective and collaborative approach is welcomed for corporate performance as a combined effort between the directorates, leadership and the central corporate performance function.

2. Executive Summary

- 2.1. The following section outlines:
 - Key performance messages for areas of organisational health in Q2
 - Themes of challenge facing the council as a whole in Q2
- 2.2. Key performance messages for organisational health during Q2 (see Appendix 1 for more details):

- **Managing our budget:** Our finance measures show us to be in a deteriorating but safe position considering the current financial context. Financial pressures continue to accelerate across the sector and pose risk to our levels of reserves and therefore sustainability.
- **Harness digital technology:** In Q2, there were more incidents (typically affecting more than 100 staff or residents or significantly impairing applications or access) than in Q1, due to repeated problems with printing. However, we remain on track to perform better than the previous three years.
- **A diverse, skilled and highly motivated workforce:** All workforce measures performed well against target or better in Q2 than in Q1. Number of days lost in the last 12 months from sickness absence fell in Q2 from Q1 to be better than London Councils' average. The percentage of the FTE workforce who are agency staff also reduced slightly in Q2 from Q1 and remains lower than the London Councils' average.

Please note, this quarter, we propose to update the sickness absence and agency targets from legacy targets predating 2020 to "below London Council's average". This provides contextual targets and will ensure we aim to be better than average for London Councils.

- **Be open and accountable:** Performance for FOIs (Freedom of Information requests) and SARs (Subject Access requests) improved in Q2 on Q1 despite an increase in FOIs. FOI completion within target close to target and compliance for SARs increased, putting us on track for the best compliance rates in over two years. Improvement plans put in place over the past two quarters appear to be working and will continue.
- **Resident experience:** Complaints continued to be the main challenge in Q2. These were reported separately to Policy and Performance Scrutiny Committee and are characterised by a significant growth in those received at all stages. Focus going forward is on learning from the outcomes of ombudsman determinations and a new case management system will centralise and enable this.

2.3. The following themes affected performance across the council in Q2 2023/24 (see appendix 3 for further details):

- **Ongoing growth in pressures on council resources** – seen particularly within finance, housing and the related area of complaints.
- **Challenge of growing complexity in need** – seen particularly in relations to children with persistent absence from schools.

- **Challenge in delivering at scale and engagement** – seen particularly in waste reduction, London Living Wage entry level jobs and roll out of the cultural programme 11 by 11.
- **Challenge of conflicting priorities and policies** – seen particularly with the uptake of the childcare bursary scheme due to changes in government payment of childcare support, reducing emissions of council fleet due to increases in the number of lease vehicles to cover repairs and managing the Sobell ice rink.
- **Staffing challenges** are seen in Q2 across a number of services relating to industrial action, leave, sickness, staff vacancies, difficulties recruiting and training staff while maintaining service provision.
- **Data quality challenges** – experienced in accurately collecting data for reporting ASB, safeguarding performance, a new adult social care statutory return, London Living Wage entry level jobs, apprenticeships starts, and missed refuse and recycling collections.

3. Recommendations

- 3.1. To monitor and challenge organisational health performance trends for Q2 2023/24.

4. Implications

4.1. Financial Implications

- The cost of providing resources to monitor performance is met within each service's core budget.

4.2. Legal Implications

- There are no legal duties upon local authorities to set targets or monitor performance. However, these enable us to strive for continuous improvement.

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

- There are no environmental impacts arising from monitoring performance. Corporate performance helps the Council to monitor its progress in delivering its environmental objectives.

4.4. Equalities Impact Assessment

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

- An Equalities Impact Assessment is not required in relation to this report. Corporate Performance aims to support these duties by monitoring inequalities to enable the Council to improve performance.

5. Conclusion and reasons for recommendations

- 5.1. The Q2 2023/24 Corporate Performance update sets out progress against the council's strategic priorities as measured by a suite of corporate objectives and indicators. The Committee is asked to review the update and note and challenge specific performance of the Resources directorate.

Appendices:

- Appendix 1: Q2 23_24 Organisational Health performance narrative
- Appendix 2: Q2 Organisational Health scorecard 23_24
- Appendix 3: Q2 Corporate Overview of performance 23_24

Final report clearance:

Authorised by:

Dave Hodgkinson, Corporate Director of Resources

Date: 22 December 2023

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Q2 2023-24 Corporate Performance narrative

ORGANISATIONAL HEALTH

(Resources and Community Engagement and Wellbeing)

Objectives:

- **Manage our budget effectively and efficiently**
- **Make sure our workforce is diverse, skilled and highly motivated**
- **Harness digital technology for the benefit of the resident**
- **Be open and accountable**
- **Improving the resident experience**

Manage our budget effectively and efficiently (Resources)

- **Our finance measures show us to be in a safe but deteriorating position when considering the current financial context.** Financial pressures continue to accelerate across the sector and pose risk to our levels of reserves and therefore sustainability. Overall, our proportion of spend on social care and debt indicators remain stable relative to our core spending power however this is likely to change over the short to medium term. We will continue to report on a quarterly basis to CMB, Exec and PPS. We also take updates on the future budgets to Exec and other Member Groups on an ad hoc when needed.
- The net **overspend** reduced in Q2 to £5.8m, down from £7.2m in Q1 however this was after the release of significant contingency funds and additional funding to Adult Social Care. The gross overspend increased by £5.9m between quarters net of the additional funding to Adults. A significant portion of the gross overspend is ongoing in nature and will need to be considered for inclusion in the 2024/25 MTFS position.
- New indicators on **reserves** have been added this year in line with those reported by Oflog. These show that following several years of increasing proportions of reserves relative to spend, at 2022/23 outturn earmarked reserves fell considerably. A significant proportion of the transfer from reserves in 2022/23 was due to a collection fund timing difference. The council received up-front government grant income in 2020/21 to fund 2020/21 council tax and business rates losses. The council was required to recognise the 2020/21 loss over three financial years, which resulted in a large transfer from reserves in 2022/23. The remaining transfer from reserves is predominantly due to draw downs to offset various budget overspends, in particular energy and inflation pressures, social care, and other service overspends. Reducing reserves can be a sign of financial distress; however, the 2023/24 budget was set on the basis that the authority has sufficient reserve balances. Quarterly monitoring reports forecast a decrease in General Fund earmarked reserves for the end of the year. Further overspends would further impact reserves. Resilience in reserves is a vital part of the budget process and maintaining reserves is a key MTFS principle.
- A new indicator for this year on **social care spend** shows social care spend as a proportion of core spending power came down last year (2022/23) from a peak in 2021/22, following year-on-year increases since 2018/19. Social Care spend continues to be a high percentage of overall service spend, this has increased year on year since 2018/19 (albeit a reduction in 2022/23). This poses a considerable risk to the Council as these are demand led statutory services and costs are continuing rise both in terms the needs of existing service users and numbers of new service users.

- Data for the new indicators on **total debt and debt servicing** have now been completed and show a positive trend. Total debt as a proportion of core spending power has reduced over the past three years and the cost of debt servicing as a proportion of core spending power has reduced over the past 5 years. Both measures were lower for 2022/23 than any other year reported (going back to 2018/19). This shows that the council is successfully managing financial risk associated with debt.
- Collection of **business rates** continued to be strong in Q2 and collection of **Council Tax** is within tolerance for the time of year.

Make sure our workforce is diverse, skilled and highly motivated (*Resources*)

- **All workforce measures performed well** against target or better in Q2 than in Q1.
- Number of days lost in the last 12 months from **sickness absence** fell in Q2 (8.7 days) from Q1 (9.8 days) to be better than London Councils' average. This quarter, we propose to update the sickness absence target from a legacy target predating 2020 of 7.5 days to "below London Council's average", which is currently 9.27 days. This provides a contextual justification for the target and will ensure we aim to be better than average for London Councils.
- The percentage of the FTE workforce who are **agency staff** reduced slightly in Q2 (by just over 1%) from Q1 and remains lower than the London Councils' average. While FTE headcount reduced, number of agency hours submitted increased by just over 4% in Q2 from Q1 and spend increased on Q1 by just over 5%. Challenge panels have been set up with individual directorates to review agency usage and reduction plans.

Harness digital technology for the benefit of the resident (*Resources*)

- In Q2 there was an average of around 5 **priority 1 incidents** per month (typically affecting more than 100 staff or residents or significantly impairing applications or access), higher than Q1 due to a number of repeated problems with printing. We remain on track to perform better than the previous three years. Resolution time dropped in Q1, with only 66% of P1s being resolved within the service level time (95% in Q1).
- The new technology roll outs and projects (from new call centre technology for Resident Experience, to new laptops for all staff) are creating a lot of positive change in the environment. However, change at this pace can lead to an uptick in P1 incidents.

Be open and accountable (*Resources*)

- Performance for **FOIs** (Freedom of Information requests) and **SARs** (Subject Access requests) improved in Q2 on Q1 despite an increase in FOIs. FOI compliance (completion within target) was 88%, close to the 90% target and compliance for SARs increased to 74% (target 90%). The final two months of Q2 saw 81% and 92% compliance for SARs, the SARs backlog is completely cleared (and thresholds put in place to flag overdue requests as 'backlog') and performance is projected to continue to improve, putting us on track for the best compliance rates in over two years. The improvement plans put in place over the past two quarters appear to be working and will continue.

Improving the resident experience (*Community Engagement and Wellbeing*)

- Successes include (Access Islington) launch of 2nd hub and working towards 3rd in North and a fully trained core team. (Communications) significant media and social coverage of our top rating for healthy streets and LTN decisions.

- Challenges include (Access Islington) coordinating training while maintaining service performance and (Communications) reputation management around the Sobell ice rink decision.
- Focus going forward is on (Access Islington) working with Resident Experience to determine requirements for forms / services and launch of processing through 8x8 system, and reviewing online forms. (Access Islington) Q’Matics system and Customer Relationship Management (CRM) database. (Communications) Launch of new intranet to replace Izzi and extend access to thousands more frontline staff.

Complaints – corporate summary *(Community Engagement and Wellbeing)*

A summary report of complaints in Q2 went to CMB on 24 Oct highlighting the following key trends for the first half of 2023/24:

STAGE 1

- A continued **growth in stage 1 complaints received** in the year so far (an increase of 21% on the first half of last year), the percentage upheld remains fairly stable at 55%.
- **Housing continues to represent most** (78%) of these with the top three complaints areas: responsive repairs, ASB and targeted tenancy services.
- A significant **increase in the rate of stage 1 complaints escalated** to stage 2 (24% for the first half of the year compared to 9% for the same period last year)
- The number of **stage 1 complaints completed within deadline is improving and the number overdue is reducing** (100 remained overdue across all services at the end of Q2) and this trend is expected to continue into Q3.

STAGE 2

- A significant **growth in stage 2 complaints investigated**, with over three times more investigated in the first half of 2023/24 (433) than the first half of last year (131). This was in part due to clearing the backlog.
- All stage 2 cases since May 2023 have complied with target times.

OMBUDSMAN

- A significant **increase in Ombudsman cases received and decisions** received. Four times more cases were initiated in the first half of 2023/24 (97) than 22/23 (23). 75% were from the Housing Ombudsman in line with the proportion of complaints received by housing.
- A significant **increase in the number of maladministration decisions** (44 this year compared to 2 in the same period last year), 70% of which were from the Housing Ombudsman, indicating a slightly more favourable maladministration rate for housing complaints.
- The growth in **Ombudsman investigations** is largely due to the Housing Ombudsman tackling its own backlog, as well as our complainants escalating their complaints to the Ombudsman during our stage 2 backlog period.
- Ombudsman decisions relate to **issues** known during this time: delays in complaint responses, non-compliance to the Housing Ombudsman Code Dec 2020, increase in cases of damp and mould and ASB. Recurring themes include: poor communication, record keeping, complaint handling, following council procedure in respect to ASB and repairs.
- **£23.3k of compensation** was paid to complainants in Q2 following orders from the Ombudsman (£21.7k from Housing Ombudsman investigations, £1,600 from Local Government Ombudsman).
- The increases in ombudsman activity and upheld decisions are expected throughout 2023/24 and into Q1 of 2024/25.

RISKS AND MITIGATION

- It was initially anticipated that with the housing backlog cleared, by September we would be able to phase out the additional 4 temporary members of staff that continue to support the Central Complaints Team. However, given the current volume of stage 2's complaints, high escalation rates and the expectation of further increases in repairs and associated demand over the winter period, there remains a risk that further backlogs could develop. As a result, the decision has been made to retain the additional resource to manage this risk. The situation continues to be monitored by the Complaints Board, and if we need to take action in terms of team capacity we will. In tandem we are implementing further solutions, described below.
- The Central Complaints Team are undertaking a review of stage 2 complaints to identify trends, learning and root causes for the increased escalation rates. Once completed, a report together with recommendations will be shared with housing colleagues and the Complaints Board.
- The team will also be developing a mystery shopping programme designed to improve the quality and responsiveness of the complaints process at the earlier stages to prevent escalations.
- The first of the new complaints dashboard and summary reports to ensure the board, CMB and Members are sighted on themes, trends, improvement activities, risks and issues was presented to CMB along with the LGSCO annual report. This is supported by monthly meetings between the Assistant Director of Resident Experience and Cllr Ward to ensure ongoing political oversight.
- The Central Complaints Team have completed the process of recruiting to the 4 roles currently covered by secondment – increasing the number of permanent Complaint Officers from 3 to 7.
- New GovMetric complaints management solution on course to go live on 2nd January 2024.
- Housing have brought together the two housing complaint teams into a single unit and are currently in the process of recruiting additional staff to meet current and on going demand.
- Housing and the Central Complaints Team are working through the findings of the Housing Ombudsman's report to develop plans to address the issues highlighted. Progress will be monitored at Housing's HMT and the Complaints Board.

FOCUS GOING FORWARD & LESSONS LEARNT

- Focus going forward is on the outcomes of ombudsman determinations e.g., policy changes, training or a team meeting/ briefing and from local improvement within services. The corporate complaints team monitor the orders and recommendations of determinations to ensure compliance.
- Services hold local improvement plans to learn from stage 1 and stage 2 cases. A new case management system is under development that will centralise this to enable learning against each case by complaint or theme and evidence improvement as a result of complaints.
- We continue to work on improving processes and learn lessons from complaints to ensure joined up responses, where needed.

Resident view

Complaints - resources

Number of stage 1 complaints upheld were low (<10) in Q2 for Resources and raise no concerning trends or issues.

ORGANISATIONAL HEALTH													
PI No.	Indicator	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 Q1	2023/24 Q2	Better to be	Notes on measure (cumulative / quarterly / rolling), targets (annual / quarterly / longer-term & rationale) and benchmarking	Performance Commentary	If underperforming: Reasons for underperformance and mitigating actions	Directorate Responsible
Manage our budget effectively and efficiently													
All directorates													
R1	Successful management of approved General Fund budget (General Fund Forecast Outturn Variance from Balanced Budget Em)	-5.5	-8.4	-1.1	-2.1	0	-7.2	-6.8	↓	Measure: Each quarter is an estimated year-end position, updated as the financial year progresses. ('-' = underspend; '+' = overspend) Target: Above (-£8m) Target rationale: Break even.	Significant and increasing gross overspend of £17.7m before applying (on a one-off basis) c£12m of contingencies, to bring the net overspend down to £5.8m. Likely that a significant portion of the gross overspend is ongoing in nature and will need to be considered for inclusion in the 2024/25 MTF's budget position.	Majority of overspend is split between Adult Social Care, Environment and Climate Change, and Children and Young People. Key adverse variances as follows: Adults £2.5m due to the unavailability of beds in care homes, £2m on memory cognition and physical support, £1.4m on learning disability and £2m slippage in the delivery of savings. Environment and Climate Change £9m shortfall in environment and commercial operations. Children and Young People: £1m due to growth in personal travel budgets in the SEND transport budget. Application of c£12m of contingencies to offset the overall gross outturn overspend.	Resources
R2	Non-ringfenced reserves as % of net revenue expenditure	37%	38%	67%	85%	44% (est)	Annual measure - reported	N/A	Target: In development, due to be agreed by Full Council in Q4. Measure: Annual, reported in Q4 as accounts close Benchmark: 82.6% (Oflog, median of CiPFA nearest neighbours, 2021/22)	At 2022/23 Outturn, earmarked reserves fell which can be a sign of financial distress, however the 2023/24 budget was set on the basis that the authority has sufficient reserve balances. Quarterly monitoring reports currently forecast a decrease in General Fund earmarked reserves for the end of the year. Further overspends would further impact reserves. Resilience in reserves is a vital part of the budget process and maintaining reserves is a key MTF's principle. 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 in the council's budget and the importance of maintaining sufficient reserves.		Resources	
R3	Non-ringfenced reserves as % of service spend	31%	30%	46%	63%	34% (est)	Annual measure - reported	N/A	Target: In development, due to be agreed by Full Council in Q4. Measure: Annual, reported in Q4 as accounts close Benchmark: 63.3% (Oflog, median of CiPFA nearest neighbours, 2021/22)			Resources	
R4	Social care spend as % of core spending power	68%	69%	71%	78%	74%	Annual measure - reported	↓	Measure: Annual net expenditure, reported in Q4 as accounts close. (Children's + adults' social care spend), Core spending power for 23/24 = £290.061m Benchmark: 62.3% (Oflog, median of CiPFA nearest neighbours, 2021/22)	Social Care spend continues to be a high percentage of overall service spend, this has increased year on year since 2018/19 (albeit a reduction in 2022/23). This poses a considerable risk to the Council as these are demand led statutory services and costs are continuing rise both in terms of the needs of existing service users and numbers of new service users.		Resources	
R5	Debt servicing as % of core spending power	6.7%	6.7%	6.5%	6.3%	5.3%	2.0%	2.9%	↓	Measure: Total interest paid and accrued on treasury debt year to date (£m) / annual core spending power. Benchmark: 8.5% (median of CiPFA nearest neighbours, Oflog, 2021/22) (Oflog: Ililington = 6.9%, 2021/22)	Total debt as a proportion of core spending power has reduced over the past three years and the cost of debt servicing as a proportion of core spending power has reduced over the past 5 years. Both measures were lower for 2022/23 than any other year reported (going back to 2018/19).		Resources
R6	Total debt as % of core spending power	130%	153%	154%	113%	108%	95.0%	92.2%	↓	Measure: Gross borrowing (year to date) / core spending power. Benchmark: 272.0% (median of CiPFA nearest neighbours, Oflog, 2021/22, Ililington = 268.3% 2021/22). Note: Oflog uses Capital Finance Requirement (CFR) at 31 March (£m) / annual core spending power for the following financial year. CFR is a proxy measure for debt, measuring how much external capital is required to fund the business. Target rationale: CFR is a proxy measure for debt, measuring how much external capital is required to fund the business.	This shows that the council is successfully managing financial risk associated with debt.		Resources
R7	Treasury investments: Compliance with required prudential and treasury management indicators (eg. debt levels and exposure to credit risk, liquidity risk, interest rate risk and refinancing risk)					100%	N/A	100%	↑	Measure: Numbers of indicators with which we are compliant (total of 6 indicators) Target: 6 (100%) Target rationale: Aiming for 100% compliance	(Any areas of non-compliance to be described in the commentary)		Resources
R8	Percentage of council tax collected in year.	96.1%	95.3%	93.7%	94.1%	94.4%	25.8%	48.4%	↑	Measure: Cumulative; current Q is an estimate Annual target: 95.3% by 31st March 2024 Profiled targets: Q1:25.3%, Q2:49.1%, Q3:72.5%, Q4:95.3% Target rationale: Targets are the collection rates achieved in 2019/20 (last FY before COVID). Benchmark: 95.0% (gov.uk, mean for London boroughs, 2022/23)	We are broadly on track to meet our year-end target		Resources
R9	Percentage of business rates collected in year	96.6%	96.7%	93.0%	93.6%	94.6%	33.2%	56.5%	↑	Measure: Cumulative; current Q is an estimate Annual target: 96.7% by 31st March 2024 Profiled targets: Q1:26.2%, Q2:52.8%, Q3:76.1%, Q4:96.7% Target rationale: Annual and profiled targets are the collection rates achieved in 2019/20 (the last FY before COVID). Benchmark: 96.2% (gov.uk, mean for London boroughs, 2022/23)	We are broadly on track to meet our year-end target. Substantial payments that we would not typically expect until Q2 or Q3 have already been received during Q1. For this reason collection is significantly higher than profiled. The early impact of these payments on our profiled targets will be eliminated by Q3.		Resources
R10	Percentage of invoices from local suppliers paid within 10 days	No data	No data	No data	No data	87%	91%	88%	↑	Measure: Quarterly Target: 90% Target rationale: Ambitious yet achievable. Benchmark: N/A			Resources
Harness digital technology for the benefit of residents and staff													
All directorates													
R11	Number of successful cyber attacks	No data	No data	No data	No data	0	0	0	↓	Measure: Quarterly Target: 0 Target rationale: Aim is to prevent all cyber attacks Benchmark: N/A	There were no successful cyber attacks this quarter.	N/A	Resources
R12	Number of priority 1 incidents per quarter which typically affect more than 100 staff or residents or significantly impairs applications or access. Annual figure is average for the year.	N/A	N/A	14	15	18	10	14	↓	Measure: Number of outages per quarter. Annual figure is the average over all quarters. Quarterly target: under 12 Benchmark: N/A	Averaging around 5 per month for the last quarter. As with last quarter most were caused by hosted platforms and infrastructure. We continue to work with our suppliers to review and understand their SLA's for dealing with outages. 4 of these P1's related to a repeating problem with printing - while resolved quickly it took several attempts to identify a solution to mitigate the issue going forward.	N/A	Resources
Make sure our workforce is diverse, skilled and highly motivated													
All directorates													
R13	Average number of days lost per year through sickness absence per employee (in previous 12 month rolling period)	10.8	10.7	7.4	8.0	8.6	9.8	8.7	↓	Measure: Rolling 12 month period. Target: A new target is proposed of 'below London Councils' average' to update the legacy target pre-dating 2020 of 7.5 days (not adjusted to account for Covid absence). Benchmark: London Councils 2022/23 average 9.27 days (Councils' ranges are 3.93-12.8 days), CiPD Average days lost to sickness is 7.8 days across all sectors and 10.6 days in the Public Sector.	Sickness absence figures have reduced from 9.79 days in Q1 to 8.7 days in Q2. This reduction is due to a number of reasons: There were 1800 more sickness days overall in Q1 in comparison to Q2. We have also continued to refine our analysis based on actual working patterns which has enhanced the accuracy of our reporting. Our recent sickness deep dive has reconfirmed our area of focus and this has not changed due to the drop in figures. Our main concern remains long term sickness absence and a series of initiatives are in place to reduce this.	The recent detailed investigation of sickness absence continues to allow Human Resources, led by the ER team, to focus on hot spots and address cases of concern. The Employee Relations team will continue with their delivery of sickness absence training for managers in order to further reduce sickness absence levels.	Resources
R14	Percentage of workforce who are agency staff (by FTE)	10.93%	10.63%	12.60%	11.84%	12.39%	14.09%	13.94%	↓	Measure: FTE of agency workers working on a representative day in the final month of the period as a % of the total FTE (LBI FTE + Agency FTE). Quarterly target: 10% as an aspirational target Benchmark: London Councils 2022/23 median = 15%	Agency usage has decreased by 0.14% in Q2 from Q1 and remains lower than the London average of 14.22%.	Total headcount has increased slightly by 0.43% in Q2 when compared to Q1. Total FTE has slightly decreased overall by 1.32%. There has been a 4.07% increase in the number of hours submitted across Q2 By job category, interim executive remains the highest spend with highest increase of 19.6% in Q2 however this category saw a decrease of 12 orders in Q2 when compared to Q1. A series of challenge panels have been set up with individual directorates to review agency usage and reduction plans.	Resources
R15 (a)	Percentage of Black, Asian and Minority Ethnic staff within the top 5% of earners	20.2%	19.3%	21.5%	26.4%	27.2%	30.2%	31.4%	↑	Measure: Top 5 % of earners when employees are ranked in order of basic gross pay (flat). Measure is made at period end date. Target: 21.7% Benchmark: London Councils 2020/21 average 20.22%. (Councils' ranges are 9.3%-33.9%) Target rationale: [Please provide reasoning behind target level]	There is an increase of 3.8% since Qtr 4 in the last financial year. Likely due to a number of senior Leadership roles being recruited to in the Council. We will continue to work on increasing this figure however 30.2% is above target and the London Councils average. There is no underperformance but this remains a top priority for the Council, i.e. to improve representation at the senior levels through a combination of development opportunities, recruitment and cultural awareness. There is a commitment to specifically address racial inequality within our organisation by demonstrating leading practice and taking part in London Councils' programme to address racial inequality in the Council and implementing the recommendations identified. We will assess ourselves against the success criteria and work towards evidencing 'established' and 'leading' practice across all seven categories of the Race Inequality Standard. There continue to be a number of leadership and development programmes to support staff to progress in their careers and the Recruitment team are implementing their Inclusive Recruitment Action Plan.		Resources

ORGANISATIONAL HEALTH													
PI No.	Indicator	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 Q1	2023/24 Q2	Better to be	Notes on measure (cumulative / quarterly / rolling), targets (annual / quarterly / longer-term & rationale) and benchmarking	Performance Commentary	If underperforming: Reasons for underperformance and mitigating actions	Directorate Responsible
R15 (b)	Percentage of disabled staff within the top 5% of earners	5.8%	5.8%	7.6%	8.0%	7.4%	12.1%	11.1%	↑	<p>Measure: Top 5 % of earners when employees are ranked in order of basic gross pay (fte). Measure is made at period end date.</p> <p>Target: 6.3%</p> <p>Benchmark: London Councils' 2020/21 average 13.65% (Councils' ranges are 3.5%-26.35%)</p> <p>Target rationale: [Please provide reasoning behind target level]</p>	We remain significantly above the target of 6.3%. We have a communications plan and project to increase the amount of staff who are sharing equality data with us, including any disability. We are continuing to build a culture where people with disabilities can thrive and progress in their careers.		Resources
R16	Number of external starts to the council's apprenticeship pr	53	32	37	24	30	6	4	↑	N/A	We are now encouraging the recruitment of apprentices in cohorts at key points in the year. This will increase the exposure of our vacancies and encourage greater engagement opportunities. Currently we have 14 external apprenticeships due to be enrolled for next quarter. Another 10 are at recruitment stage.	N/A	Resources
R17	Number of internal starts to the council's FUSE apprentices	53	62	30	61	76	2	8	↑	N/A	Apprenticeship continue to be a popular development options for staff. Next quarter we have 26 predicted enrollements to our management development programme.	N/A	Resources
Be open and accountable													
R19 (a)	Number of Freedom of Information (FOI) requests received	2055	2041	1639	1876	1899	529	547	N/A	No target	N/A		Resources
R19 (b)	Percentage of FOIs completed within target (20 working days)	80%	86%	79%	82%	88%	82%	88%	↑	Target: 90% (set by the Information Commissioner's Office)	Q2 saw a high number of requests received and a number of these were complex in nature. Also the summer months are often a difficult period due to leave. There was a risk, due to the centralisation of the function, that there could be a dip in compliance, however, we have reached a higher compliance than Q1. Although this can not be solely attributed to the centralisation of the function, because this was phased in during this quarter, the IG Team was responsible for the majority of requests. Further analysis shows the areas not being answered by IG did bring the overall compliance down.	Taking into consideration the team has recently been centralised, and it was projected that we would see a dip in compliance, we have performed well and achieved higher compliance than we did in Q1. It is difficult to fully reflect, due to the centralisation being phased in in these months, but the stats do show that those services that have responded to by the IG team have performed better. Based on this we can only expect this to continue. Furthermore we are constantly reviewing our processes and deadlines to ensure that we are performing at the highest level. We are also due to have a FOI disclosure log go live in Q3 and be proactive in our publication of data.	Resources
R20 (a)	Number of Subject Access Requests (SARs)	574	340	242	319	371	151	102	N/A	No target	N/A	N/A	Resources
R20 (b)	Percentage of SARs completed within target (one calendar month)	70%	80%	79%	65%	73%	67%	74%	↑	Target: 90% (set by the Information Commissioner's Office)	Children's Services continue to receive the highest number of requests in the council receiving approximately 70% of all the requests received with the vast majority for historic social care files. These are complex and voluminous (one case recently had 24 volumes). The team have cleared the backlog they were working on and this has given more time to allocate to current cases. It is worth noting the final two months of the quarter, have seen 81% and 92% with projected months to continue in this way. All other services have performed well, and there has been a 7% increase since Q1.	Following the decision to centralise access to information, the Access to Records team moved from Children's Services to the Information Governance team in June. An additional permanent role has been recruited to the team which has been recruited to. The team are looking into scanning options and the possibility of redaction software. It is difficult to estimate the size of each request and the attention to detail each would need. Due to the level of sensitivity of these requests, the checking that is required, is both extensive and time consuming.	Resources
R21	High risk breaches reported to the Information Commissioners Officer (ICO)	0	1	1	5	1	0	0	↓	No target	No incidents reported in Q2	N/A	Resources
Resident experience													
CEW12	Access Islington Resident Satisfaction	92%	93%	96%	98%	96%	93%	94%	↑	Target is >90% per annum	Our Team Managers continued to monitor the quality of calls. However, the introduction of 8x8 has enabled a new end of call survey to be introduced, which will be used to monitor and measure resident satisfaction going forward.		Community Engagement & Wellbeing

Corporate Overview of Performance: Q2 (July – Sep) 2023-24

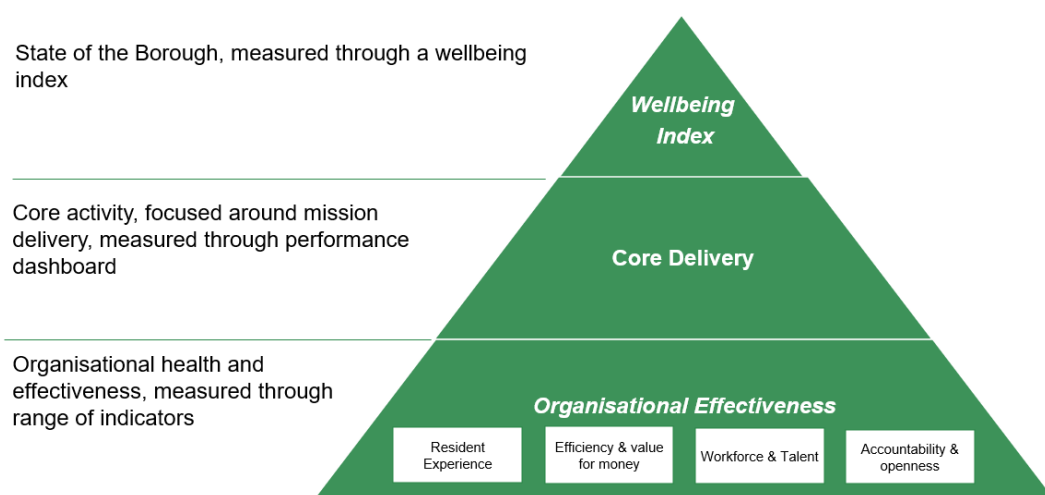
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1. Introduction

As outlined in Q1, we seeking to monitor progress on delivering the 2030 Plan through an ‘impact framework’. This will connect population-level outcomes (the Wellbeing Index), service activity outcomes and outputs (corporate performance) and ‘organisational health’:

Impact Framework: Quantitative Indicators



2. Corporate Overview

The corporate overview first provides a summary of the extent to which we are delivering against our missions and programmes, followed by themes of challenges and an ‘external view’ for Q2.

2.1. Progress on delivering our missions

This section summarises how on track the council is on delivering against our missions and programmes. Each programme is RAGged based on the indicators under that programme and areas of challenge and risk are highlighted for each programme.

CHILD-FRIENDLY ISLINGTON

	<p>Making Islington a child-friendly place to live and grow (Children & Young People, Environment & Climate Change, Public Health)</p> <p>This programme is in development and there are not yet measures for an update.</p>
	<p>Resilient children and families (Children & Young People)</p> <p>Of the 12 measures, 8 are green, 1 is amber, 3 are red (% of children who became subject to a Child Protection Plan for a second or subsequent time; engagement rates at adventure playgrounds; and % of repeat young offenders).</p> <p>The main concern is around children who became a repeat subject of a Child Protection Plan: there were 14 of these (5 families), 44% of the total number of new CP plans in Q2.</p>
	<p>Lifelong learning skills and enrichment (Children & Young People)</p> <p>Of the 14 indicators available, 1 is green, 3 are amber, 4 are red.</p> <p>Challenges exist around persistent absence and suspensions. The greatest concern and focus going forward is persistent absence and the stretch target to meet inner London benchmark.</p>
	<p>Progressing well to adulthood, independent and fulfilled lives (Children & Young People)</p> <p>One annual measure of success, which is not updated this quarter.</p>

SAFE PLACE TO CALL HOME

	<p>Building new homes (Community Wealth Building)</p> <p>A new programme of home building starts this year so no new builds will start on site this year. However, four new build projects will be completing in Q3 and Q4 delivering 69 new social rent homes and 11 supported housing units. The delivery context has become increasingly challenging with the rising cost of borrowing and construction costs and a slowdown in the private housing market, impacting the cost and viability of council house building schemes. A paper goes to Executive in February with the strategy for the delivery of this next phase and how the manifesto target will be met.</p>
	<p>Prevent rough sleeping (Homes & Neighbourhoods)</p> <p>Of the 5 measures, 3 are red (homeless decisions within target time; number of homeless preventions and rough sleepers) and 2 are not ragged.</p> <p>Challenges exist around the continued increase in homelessness presentations impacting homeless decisions within target time, homeless preventions and the numbers rough sleeping. The Council has secured £102m in capital funding to provide more temporary accommodation and has significantly fewer people in temporary accommodation (10.4 per 1,000) compared to London March 2023 figure (16.5 per 1,000).</p>
	<p>Ensuring trusted landlord services (Homes & Neighbourhoods)</p> <p>Of 14 measures, 1 is red (lettings provided to tenants transferring to alternative accommodation), 1 is amber, 1 is green and 11 are not ragged.</p> <p>The service continues to focus on under occupiers to release larger properties for households that need them and encouraging uptake of the mutual exchange, but challenges are posed by a focus on reducing the use of nightly paid temporary accommodation and reducing number of social housing properties available to let. The volume of damp and mould work continues</p>

	to be a key challenge and focus in Q2 and the number of inspections in Q2 this year is more than double this time last year.
	<p>Making our communities safer <i>(Homes & Neighbourhoods, Children & Young People, Adult Social Care)</i></p> <p>Of the six quarterly measures, 1 is red (proportion of section 42 safeguarding enquiries where a risk was identified and the reported outcome was that this risk was reduced or removed), 2 are amber and 3 are not ragged.</p> <p>Challenges exist around meeting safeguarding goals and improving data quality.</p>

COMMUNITY WEALTH BUILDING

	<p>Economic wellbeing <i>(Community Wealth Building)</i></p> <p>Of the 22 measures reported for this quarter, 7 are green, 5 are amber, 8 are red (number of London Living Wage entry level jobs delivered, number of employees achieving London Living Wage accreditation, number of apprenticeships supported and the 3 target groups; Childcare Bursary uptake and the 2 target groups), 2 are not ragged.</p> <p>Improvement actions are underway for each of the red areas, including improvements on data collection with partners; adjusting support offered to parents/carers; and, addressing cost barriers for LLW accreditation for smaller businesses. Following finalisation of the Apprenticeship Strategy, a planned recruitment in Q4 will improve performance on internal apprentices, along with increased engagement with external partners, primarily Capital City College Group. There continues to be strong performance on employment secured for Islington residents, reflecting the commitment and challenging work of the Islington Working Partnership, the Islington Anchor Institutions' Network and council contractors.</p>
	<p>Inclusive economy <i>(Community Wealth Building)</i></p> <p>Of the 7 measures, 5 are green, 1 is amber, and 1 is not ragged.</p> <p>This measure includes performance of our affordable workspaces where we derive social value from our operators. Performance is strong, particularly in relation to supporting entrepreneurs from under-represented backgrounds through mentoring programmes and business incubation.</p> <p>This measure includes performance of our affordable workspaces where we derive social value from our operators. Performance is strong, particularly in relation to supporting entrepreneurs from under-represented backgrounds through mentoring programmes and business incubation.</p>
	<p>Progressive procurement <i>(Community Wealth Building)</i></p> <p>Two annual indicators measure progress on this programme, which are not updated for this quarter.</p> <p>We are continuing to work on increasing our corporate expenditure with local businesses and have recently launched a new directory to promote local businesses in the construction industry and planning to roll this model out to other sectors. This is a useful tool as we deepen the work with Islington Anchor Institutions' Network on procurement. We are also currently procuring and implementing a new Contracts Register database which will improve our ability to collate and analyse spend data.</p>
	<p>Social and economic infrastructure <i>(Community Wealth Building)</i></p> <p>Of the five measures, 3 are green and 2 are not ragged.</p> <p>These measures relate to our planning application processes which continues to perform well. Most notably in Q2, the new Local Plan was adopted following rigorous examination by</p>

the Inspectorate. This is a strong basis upon which to deliver the council objectives and all its missions, including a healthier, greener Islington.

GREENER, HEALTHIER ISLINGTON

	<p>Delivering net zero carbon (Environment & Climate Change)</p> <p>Of the four measures, 1 is green, 2 are amber, 1 is red (net new council-owned trees) and 1 is not ragged.</p> <p>Challenges could emerge around the carbon emissions from the council's fleet vehicles as they are similar to the same period last year and so falling behind target. This is due to the increase in vehicle numbers, mainly in housing repair leased vehicles, offsetting improvements from the electrification of the fleet.</p>
	<p>Cleaner Islington (Environment & Climate Change)</p> <p>Of 8 measures, 4 are green, 3 are amber, and 1 is not ragged.</p> <p>The previous challenge around recycling improved for Q1 on Q4 (reported a quarter in arrears). However, there is currently a 9% shortfall in the corresponding waste reduction indicator (residual waste per household) figure, although this is likely to still be top London quartile.</p>
	<p>Safer and easier travel (Environment & Climate Change)</p> <p>Of 2 measures reported, 1 is green, 1 is amber.</p> <p>There is a risk of being unable to deliver the last 100 secure cycle parking facilities on streets by end of the FY due to staff vacancies (have delivered 500 so far this year).</p>
	<p>Healthier Islington (Environment & Climate Change, Public Health, Adult Social Care)</p> <p>Of the 25 measures, 21 are green, 2 are amber and 2 are not ragged.</p> <p>Leisure visits are 9% down on target, as impact of the August 22 Sobell flood continues. The reablement service still faces challenges, one of which is creating consistent demand to maximise efficiency of delivery.</p>

FAIRER TOGETHER

	<p>Empowering strong and supportive communities (Community Engagement & Wellbeing)</p> <p>Of the five measures, 5 are green.</p>
	<p>Delivering high quality joined-up early intervention and prevention services (Community Engagement and Wellbeing)</p> <p>Of two measures, 2 are green.</p>

ORGANISATIONAL HEALTH

	<p>Manage our budget effectively and efficiently (Resources)</p> <p>Of the seven measures, 2 are green, 2 are amber, 1 is red (management of the general fund budget) and 2 are not ragged.</p> <p>Significant and increasing gross overspend of £17.7m before applying (on a one-off basis) c£12m of contingencies, to bring the net overspend down to £5.8m. Likely that a significant</p>
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	portion of the gross overspend is ongoing in nature and will need to be considered for inclusion in the 2024/25 MTFS/budget position.
	<p>Harness digital technology for the benefit of the resident (Resources)</p> <p>Of two measures, 1 is green and 1 is red (number of incidents which affect more than 100 staff or residents or significantly impairs applications or access). As with last quarter most outage incidents were caused by hosted platforms and infrastructure. We continue to work with our suppliers to review and understand their SLA's for dealing with outages. 4 P1s in Q2 related to a repeating problem with printing.</p>
	<p>Make sure our workforce is diverse, skilled and highly motivated (Resources)</p> <p>Of six measures, 3 are green, 1 is red (% of workforce who are agency staff) and 2 are not ragged. Sickness absence reduced in Q2, for the first time in an extended period, to be better than the new target of London Councils' average. Agency usage dropped in Q2 after a prolonged period of continual increase. While it continues to be lower than the London Average, it remains above target.</p>
	<p>Be open and accountable (Resources)</p> <p>Of five measures, 1 is amber, 1 is red (percentage of SARs completed within target) and 3 are not ragged. The % of SARs completed within target is still significantly below target but has improved on previous quarter and is higher than last year's average figure.</p>
	<p>Improving the resident experience (Community Engagement and Wellbeing)</p> <p>One measure, which is green. That said, there are a number of growing and considerable challenges around complaints, which are set to continue. We continue to work on improving processes and learn lessons from complaints to ensure joined up responses, where needed</p>

2.2.Key themes of challenges for Q2 2023/24

As presented in previous quarters, this section attempts to draw out common themes of challenge shared by services in Q2 in a broadly decreasing order of complexity. Please refer to the more detailed narratives in Section 3 for more information for each service. The point of this section is to enable consideration of similar types of challenges collectively as a council in order to more efficiently identify approaches to more impactful improvement.

1. Ongoing growth in pressures on council resources

There are a number of areas for the council – namely **finance, housing, information governance and complaints** and this quarter **adult social care** and **flyposting** – where performance is compromised by a continual growth in demand. Interdependencies exist between these areas that drive knock on effects or further sustain impact, as seen with for example housing, finance and complaints pressures. A clear foreseeable end to the factors driving the increasing pressures does not exist and mechanisms are not in place to limit or counterbalance the demand. This is not altogether an Islington-specific challenge, with national trends also involved. Improvements are likely to require fundamental system change.

Our finance measures show us to be in a stable position for the time of year considering the current financial context, however **financial pressures continue** and pose particular risks for our levels of

reserves. The net **overspend** reduced in Q2 to £5.8m, down from £7.2m in Q1. It is likely that a significant portion of the gross overspend is ongoing in nature and will need to be considered for inclusion in the 2024/25 MTFs/budget position.

Building new homes has become increasingly challenging, with a range of changes negatively impacting the cost and viability of council house building schemes to a significant degree: Interest rates have more than doubled, significantly impacting the cost of borrowing; high levels of inflation, particularly in relation to construction costs (although the cost of construction materials is stabilising, albeit at very high levels for certain materials) have coupled with a slowdown in the private housing market; and the introduction of more stringent and costly fire safety regulations.

There continues to be an **increase in homelessness presentations** and temporary accommodation nationally. In Islington, we believe this is due to a combination of domestic abuse, an increase in Section 21 notices, the cost-of-living crisis and properties being in disrepair (damp/ mould/ condensation). The focus on reducing the use of costly nightly paid temporary accommodation and increasing lettings to statutory homeless households, coupled with the overall **yearly reduction in the number of social housing properties available to let** means that **lettings to transferring tenants** is challenged. The **quality of homes including volume of damp and mould work continues to be a challenge**, which is an area directly within our responsibility.

Pressure in adult social care in Q2 included **limited bed capacity** for people requiring a residential setting (Adult Social Care). For **hospitals**, the data highlights that demand is increasing and more work is needed to understand the factors that are influencing the **delays** of Islington residents in hospital. One of the key challenges for **reablement** is creating consistent demand to maximise efficiency of delivery.

Complaints: A continued **growth in stage 1 complaints** received in the year so far (an increase of 21% on the first half of last year), the percentage upheld remains fairly stable at 55%. Housing continues to represent most (78%) of these. A significant **increase in the rate of stage 1 complaints escalated** to stage 2 (24% for the first half of the year compared to 9% for the same period last year). A significant **increase in Ombudsman cases received and decisions** received. Four times more cases were initiated in the first half of 2023/24 (97) than 22/23 (23). A significant **increase in the number of maladministration decisions** (44 this year compared to 2 in the same period last year), 70% of which were from the Housing Ombudsman, indicating a lower rate of maladministration decisions relative to the number of investigations for housing complaints. The growth in Ombudsman investigations is largely due to the Housing Ombudsman tackling its own backlog, as well as our complainants escalating their complaints to the Ombudsman during our stage 2 backlog period. **Ombudsman** decisions relate to **issues** known during this time: **delays in complaint responses, non-compliance to the Housing Ombudsman Code Dec 2020, increase in cases of damp and mould and ASB**. Recurring **themes** include: **poor communication, record keeping, complaint handling, following council procedure in respect to ASB and repairs**. Improvements have followed the allocation additional resources to complaints handling. The increase in ombudsman activity and upheld decisions are expected throughout 2023/24 and into Q1 of 2024/25. we continue to work on improving processes and learn lessons from complaints to ensure joined up responses, where needed.

Levels of **flyposting** are up significantly on last year due to a significant summer spate of posters advertising protests and music/dance events, placing extra demand street sweepers and enforcement by the compliance team.

An ongoing challenge exists of managing significant and unpredictable volumes of **FOIs** (Freedom of Information requests) and **SARs** (Subject Access requests), and an increase in FOIs was received in Q2 compared to Q1. That said, performance for managing these improved in Q2 on Q1.

2. Challenge of growing complexity in need

Some council services are experiencing performance trends which suggest challenges for particular groups of residents which in turn challenge responses by services, including those of partners.

These challenges can lack clarity over what is causing the problem exactly or what action is needed and can appear 'stuck' with little shift seen over time. While they are presented as singular issues, they are likely to be inter-related with other issues. Improvement in these areas is likely to require a deep understanding of the influencing factors and while these factors are likely to be complex, improvements may not require fundamental system change.

While children looked after has successfully reduced, **children who became subject to a Child Protection Plan for a second or subsequent time** percentage continues to be high. Of 32 children (from 21 families) newly supported by a child protection plan, 14 (44%) (from 5 families) were repeat child protection plans in Q2. Most plans so far this year have been repeated after a gap of 3 to 4 years.

Persistent absence: Absences are rising and while illness is the main reason given in Islington, factors driving this remain speculative but are likely to include increased anxiety, lack of mental health support, school budget pressures, unmet SEND, 'can't we just do it on-line?', changes in parental working schedules (leading to Friday 'awaydays'). Others suggest more fundamental factors evident pre-pandemic: a breakdown in trust between parents and schools, increasing unhappiness with the narrow academic curricula schools are measured by; increased academic pressure to catch up, plus the feeling that enjoyable activities such as sport or music were being squeezed out of the curriculum, fostering disengagement.

Key Stage 4 Attainment 8: 7 of 10 schools had disadvantaged students making less progress than expected. Of these, 3 of those schools saw disadvantaged students achieving more than half a grade lower than predicted across their GCSE outcomes. 6 of 10 schools had middle band students on entry making less progress than expected. All figures are provisional, to be finalised for Q3.

3. Challenge in delivering at scale and engagement

A number of areas are challenged to deliver to the extent planned, as performance is reliant on others, or limitations exist in our staffing capacity. The **waste reduction** measure (residual waste per household) is currently projected to be 9% over the target and is dependent on the engagement of residents to improve. The **Sobell flood** continues to affect **leisure visits**, which are 9% down. The number of **London Living Wage entry level jobs** delivered through the Islington Working Partnership is below target, with 242 LLW job outcomes in the first six months of 2022/2023, with some way to go to the annual target of 900. And ongoing challenges exist with delivering the **cultural programme 11 by 11** as schools' stretched capacity is leading to many last-minute cancellations which causes issues for our cultural partners.

4. Challenge of conflicting priorities and policies

A few areas of performance are affected by conflicting priorities either of policies across the council, between council and national policy or between our policy and resident positions. The amount allocated through our **Childcare Bursary scheme** continues to be well below target largely due to recent changes to payment of childcare support through Universal Credit. **Carbon emissions from the council's fleet vehicles** in the year to date are projected to fall behind target by 28% due to the increase in vehicle numbers, mainly in housing repair leased vehicles, which are effectively offsetting the improvements from the electrification of the fleet. An area of ambition for the council that can conflict with motorists' interests: further analysis of the 2022 Islington **Killed and Seriously Injured (KSI) road casualty data** (111 for 2022/23) shows a return to the 2019 level after reductions during the covid years. In absolute terms, cyclists are at greatest risk of death and injury, followed by pedestrians, and borough roads are more dangerous than TLRN. Numbers KSI were 96 in 2021, 84 in 2020 (both lockdown years), 111 in 2019 and 141 in 2018. The 111 breaks down 34 pedestrians, 46 cyclists, 21 motorbike/moped rider or pillion passengers, 6 car occupants and 4 other. Fifty were on the TLRN (TfL road network) with one fatality, and the remaining 61 were on borough roads, also with one fatality. Comparing our data with that from Hackney and Camden, Islington had the lowest number of total killed or seriously injured casualties in all of the last four years, despite being the most densely populated of the three. There has also been challenging with communication and managing the decision around the **Sobell ice rink**, as this has not aligned with many residents' views.

5. Staffing challenges

A key staffing challenge remains the percentage of the FTE workforce who are **agency staff**, although this reduced slightly in Q2 (by just over 1%) from Q1 and remains lower than the London Councils' average. However, while FTE headcount reduced, number of agency hours submitted increased by just over 4% in Q2 from Q1 and spend increased on Q1 by just over 5%. Several service areas raised specific staffing challenges, including **Adult Social Care** mentioning that **holidays and industrial actions** within the health service influenced performance in hospitals during Q2. A key challenge in the **substance misuse service** Better Lives, in Q1 was recruiting to new roles within the service, and the staffing requirements needed to create service capacity and a specific offer for the non-opiate cohort. Environment & Climate Change also raised staff challenges, with **resident SHINE referrals** at the end of Q2 lagging the profiled target by 24% mainly due to a temporary 30% reduction in team capacity caused by sickness, staff leaving and the training of new starters. And the delivery of a further 100 **secure cycle parking facilities on streets** by end of March 24 is considered a risk due to the impact of staff vacancies. **Libraries** and **Access Islington** were challenged in Q2 in providing training while maintaining services.

6. Data quality challenges

Several service areas raised challenges for Q2 around the ability to collect quality data around performance, including statutory areas of data collection. The council is required to monitor and submit the rate of **ASB** as a Tenant satisfaction measure in March 2024. However, **data quality and data entry challenges** mean that the council does not have an accurate figure, although an improvement plan is in place.

Data for **safeguarding performance** comes from both Adult Social Care and the Mental Health Trust, which was subject to the **national cyber hack** last year. Reporting has improved, but there are ongoing challenges with **validations and data quality** in Q2. A new **statutory return** in adult social care, The Client Level Dataset, has new data capture requirements and data quality monitoring and

some areas will be challenging to capture such as accommodation and employment status for all people being supported. A data quality strategy and action plan are in development to support teams to improve recording and drive improvements and a data quality officer will be recruited to ensure Islington is compliant with statutory requirements.

The number of **LLW entry level jobs** delivered through the Islington Working Partnership is below target, although this is partly a **data collection** issue with **partners**, some of whom are not recording this information. The number of **apprenticeship** starts – both internal and external – is also below target (57 starts in the first six months of the year, with an annual target of 200), partly due to **no data received** this quarter from City & Islington College who have consistently performed strongly around apprenticeships. Discussions are ongoing in relation to improving the quality of data from external partners.

The Q2 **missed refuse and recycling collections** data is considered **unreliable** and issues in the reporting process have been identified. This corporate indicator will be reported as soon as the issues have been resolved and we have confidence in the monthly outturns.

2.3. The external view

Significant **media coverage** and issues in Q2 included:

- **New council homes and housing** – front page article in the [Independent](#) on the low rate of building new homes by councils in Britain, however, Islington was featured for completing the second highest number of council homes in 2022, and the highest for social rent. Strong local media coverage ([Islington Gazette](#), Islington Tribune, Local Democracy Reporting Service) and social media interest in the council’s plan to buy back 100 ex-council homes.
- **Community safety** – extensive national coverage in July of the [killings of 15-year-old Leonardo Reid and 23-year-old Shekaj Klevi](#) in Elthorne Road; and [the killing of Yahye Ahmed, 23](#), in Axminster Road in August.
- **Reinforced autoclaved aerated concrete (RAAC)** – extensive media interest in August and September about RAAC in schools and other public buildings; 13 inquiries to LBI including BBC, ITV and local media. [Statement issued to local media](#) following discovery of RAAC in one school (St Aloysius).

Resident View: Complaints

Housing continues to represent most (78%) stage 1 complaints with the top three complaints areas: responsive repairs, ASB and targeted tenancy services.

Ombudsman decisions related to the following issues: delays in complaint responses, non-compliance to the Housing Ombudsman Code Dec 2020, increase in cases of damp and mould and ASB. Recurring themes include poor communication, record keeping, complaint handling, and following council procedure in respect to ASB and repairs.

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FORWARD PLAN OF KEY DECISIONS



ISLINGTON

KEY DECISIONS TO BE CONSIDERED BY THE EXECUTIVE/COMMITTEES/OFFICERS FOR THE PERIOD TO THE EXECUTIVE MEETING ON 8 FEBRUARY 2024 AND BEYOND

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Published on 2 January 2024

FORWARD PLAN OF KEY DECISIONS

KEY DECISIONS TO BE CONSIDERED BY THE EXECUTIVE/COMMITTEES/OFFICERS

FOR THE PERIOD TO THE EXECUTIVE MEETING ON 8 FEBRUARY 2024 AND BEYOND

This document sets out key decisions to be taken by the Executive within the next 28 days, together with any key decisions by Committees of the Executive, individual Members of the Executive and officers. It also includes potential key decisions beyond that period, though this is not comprehensive and items will be confirmed in the publication of the key decisions document 28 days before a decision is taken.

It is likely that all or a part of each Executive meeting will be held in private and not open to the public. This may be because an appendix to an agenda item will be discussed which is likely to lead to the disclosure of exempt or confidential information. The items of business where this is likely to apply are indicated on the plan below.

If you wish to make representations about why those parts of the meeting should be open to the public, please contact Democratic Services at least ten clear days before the meeting.

The background documents (if any) specified for any agenda item below, will be available on the Democracy in Islington web pages, five clear days before the meeting, at this link <http://democracy.islington.gov.uk/> - subject to any prohibition or restriction on their disclosure. Alternatively, please contact Democratic Services on telephone number 020 7527 3005/3184 or via e-mail to democracy@islington.gov.uk to request the documents.

If you wish to make representations to the Executive about an agenda item, please note that you will need to contact the Democratic Services Team on the above number at least 2 days before the meeting date to make your request.

Please note that the decision dates are indicative and occasionally subject to change. Please contact the Democratic Services Team if you wish to check the decision date for a particular item.

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FORWARD PLAN OF KEY DECISIONS

	Subject/Decision	Ward (s)	Decision taker	Date(s) of decision	Background papers	If all or part of the item is exempt or confidential this will be stated below and a reason given. If all the papers are publically accessible this column will say 'Open'.	Corporate Director/Head of Service Executive Member (including e-mail address)
1.	Contract award for renewal of heating and hot water source system at Bevin Court & Holford House		Acting Corporate Director of Homes and Neighbourhoods	2 January 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jed Young Jed.young@islington.gov.uk
2.	Procurement strategy for testing and maintenance of fire protection, fire detection and emergency lighting	All Wards	Executive	11 January 2024	None	Open	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk
3.	Procurement strategy for enforcement agency services for council tax and business rates	All Wards	Executive	11 January 2024	None	Open	Dave Hodgkinson Dave.hodgkinson@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk
4.	Procurement strategy: Supply of building and construction materials	All Wards	Executive	11 January 2024	None	Open	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk

FORWARD PLAN OF KEY DECISIONS

	Subject/Decision	Ward (s)	Decision taker	Date(s) of decision	Background papers	Is all or part of this item likely to refer to exempt or confidential information and therefore require exclusion of the press and public from the meeting?	Corporate Director/Head of Service Executive Member (including e-mail address)
5.	Community Wealth Building Strategy	All Wards	Executive	11 January 2024	None	Open	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Santiago Bell-Bradford, Executive Member for Inclusive Economy and Jobs Santiago.BB@islington.gov.uk
9 Page 164	Proposal on the Future of Blessed Sacrament RC Primary School	All Wards	Executive	11 January 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jon Abbey Jon.abbey@islington.gov.uk Councillor Michelline Safi Ngongo, Executive Member for Children, Young People and Families michelline.ngongo@islington.gov.uk
7.	Contract award for Microsoft Windows Software Enterprise Agreement	n/a	Corporate Director of Resources	16 January 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Dave Hodgkinson Dave.hodgkinson@islington.gov.uk

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8.	Contract award for Islington Violence Against Women and Girls services: Domestic Abuse Refuge service	All Wards	Corporate Director, Children and Young People	19 January 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jon Abbey Jon.abbey@islington.gov.uk
9.	Contract award for Pensions' administration software	All Wards	Corporate Director of Resources	19 January 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Dave Hodgkinson Dave.hodgkinson@islington.gov.uk
10.	Contract award for RE:FIT main contractor	All Wards	Corporate Director Community Wealth Building	29 January 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs Stephen.biggs@islington.gov.uk

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11.	Contract award for New River College main contractor		Corporate Director Community Wealth Building	8 February 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk
12.	Procurement strategy for responsive repairs and maintenance contracts	All Wards	Executive	8 February 2024	None	Open	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk
13.	Executive response to the recommendations of the Environment and Regeneration Scrutiny Committee - Circular Economy and Jobs	All Wards	Executive	8 February 2024	None	Open	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Santiago Bell-Bradford, Executive Member for Inclusive Economy and Jobs Santiago.BB@islington.gov.uk

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14.	New build properties pipeline	All Wards	Executive	8 February 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk
15.	Culture Strategy	All Wards	Executive	8 February 2024	None	Open	Raj Chand raj.chand@islington.gov.uk Councillor Roulin Khondoker, Executive Member for Equalities, Culture and Inclusion Roulin.Khondoker@islington.gov.uk
16.	Procurement strategy for lift modernisation schemes	All Wards	Executive	8 February 2024	None	Open	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk

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17.	Admission to Islington Community Schools 2025-2026	All Wards	Executive	8 February 2024	None	Open	Jon Abbey Jon.abbey@islington.gov.uk Councillor Michelline Safi Ngongo, Executive Member for Children, Young People and Families michelline.ngongo@islington.gov.uk
18	Proposal on the future of Duncombe and Montem Primary Schools	All Wards	Executive	8 February 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jon Abbey Jon.abbey@islington.gov.uk Councillor Michelline Safi Ngongo, Executive Member for Children, Young People and Families michelline.ngongo@islington.gov.uk
19.	Procurement strategy for Financial System replacement	All Wards	Executive	8 February 2024	None	Open	Dave Hodgkinson Dave.hodgkinson@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk

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20.	New Neighbourhood Policy Report	All Wards	Executive	8 February 2024	None	Open	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk
21.	Housing Repairs and Maintenance Policy	All Wards	Executive	8 February 2024	None	Open	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk
22.	Procurement strategy for Islington Adults Community Early Intervention and Prevention Wellbeing Service	All Wards	Executive	8 February 2024	None	Open	John Everson john.everson@islington.gov.uk Councillor Nurullah Turan, Executive Member for Health and Social Care nurullah.turan@islington.gov.uk

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23.	Renewal of lease - Units 9 and 10 Bush Industrial Estate		Executive	8 February 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jed Young Jed.young@islington.gov.uk Councillor Una O'Halloran, Executive Member for Homes and Communities una.o'halloran@islington.gov.uk
24	Contract award for Islington film service	All Wards	Corporate Director Community Engagement and Wellbeing	9 February 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Raj Chand raj.chand@islington.gov.uk
25.	Contract award for Mental Health Employment Service	All Wards	Director of Adult Social Care	15 February 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	John Everson john.everson@islington.gov.uk

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	Subject/Decision	Ward (s)	Decision taker	Date(s) of decision	Background papers	Is all or part of this item likely to refer to exempt or confidential information and therefore require exclusion of the press and public from the meeting?	Corporate Director/Head of Service Executive Member (including e-mail address)
26.	Response of the Executive to Health and Care Scrutiny Committee - Health Inequalities and Covid-19	All Wards	Executive	14 March 2024	None	Open	Jonathan O'Sullivan Jonathan.O'Sullivan@islington.gov.uk Councillor Nurullah Turan, Executive Member for Health and Social Care nurullah.turan@islington.gov.uk
27.	Islington Boat Club: 7 year lease extension	All Wards	Executive	14 March 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk
28.	Finsbury Square car park letting	All Wards	Executive	14 March 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk

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29.	Islington Boxing Club: Grant of new lease	Hillrise	Executive	14 March 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk
30 Page 172	Procurement strategy: Mental Health Recovery Pathway	All Wards	Executive	14 March 2024	None	Open	John Everson john.everson@islington.gov.uk Councillor Nurullah Turan, Executive Member for Health and Social Care nurullah.turan@islington.gov.uk
31.	Procurement strategy for New Build framework	All Wards	Executive	14 March 2024	None	Open	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk

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32.	Procurement strategy for Arboricultural Framework Agreement	All Wards	Executive	14 March 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jed Young Jed.young@islington.gov.uk Councillor Rowena Champion, Executive Member for Environment, Air Quality and Transport rowena.champion@islington.gov.uk
33.	Bunhill Heat supply agreement with Berkeley Homes		Executive	14 March 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Rowena Champion, Executive Member for Environment, Air Quality and Transport rowena.champion@islington.gov.uk
34.	Proposal for spend of remaining Mayor's Fund funding from Mayor of London to support children and families	All Wards	Executive	14 March 2024	None	Open	Jon Abbey Jon.abbey@islington.gov.uk Councillor Michelline Safi Ngongo, Executive Member for Children, Young People and Families michelline.ngongo@islington.gov.uk

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35.	Procurement strategy for multi-disciplinary consultants for capital works	All Wards	Executive	14 March 2024	None	Open	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk
36.	Procurement strategy for schools' catering	All Wards	Executive	14 March 2024	None	Open	Jon Abbey Jon.abbey@islington.gov.uk Councillor Michelline Safi Ngongo, Executive Member for Children, Young People and Families michelline.ngongo@islington.gov.uk
37.	Contract award for decarbonisation works at Archway Leisure Centre	All Wards	Corporate Director Community Wealth Building	1 April 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Stephen Biggs stephen.biggs@islington.gov.uk

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38.	Strategic Asset Management Plan	All	Executive	18 April 2024	None	Open	Stephen Biggs stephen.biggs@islington.gov.uk Councillor Diarmaid Ward, Executive Member for Finance, Planning and Performance diarmaid.ward@islington.gov.uk
39.	Proposed amalgamation of Duncombe and Montem Schools - consultation	All Wards	Executive	18 April 2024	None	Part exempt Information relating to the financial or business affairs of any particular person (including the authority holding that information)	Jon Abbey Jon.abbey@islington.gov.uk Councillor Michelline Safi Ngongo, Executive Member for Children, Young People and Families michelline.ngongo@islington.gov.uk
40.	Procurement strategy for fleet electric vehicle charging points	All Wards	Acting Corporate Director of Homes and Neighbourhoods	18 April 2024	None	Open	Jed Young Jed.young@islington.gov.uk

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41.	Accommodation with Care Strategy	All Wards	Executive	23 May 2024	None	Open	John Everson john.everson@islington.gov.uk Councillor Nurullah Turan, Executive Member for Health and Social Care nurullah.turan@islington.gov.uk

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Membership of the Executive:

Councillors:

Portfolio

Kaya Comer-Schwartz
Santiago Bell-Bradford

Leader
Executive Member for Inclusive
Economy and Jobs

Rowena Champion

Executive Member for
Environment, Air Quality &
Transport

Paulin Khondoker

Executive Member for Equalities,
Culture & Inclusion

Michelline Safi Ngongo

Executive Member for Children,
Young People & Families

Una O'Halloran

Executive Member for Homes
and Communities

Nurullah Turan

Executive Member for Health
and Social Care

Diarmaid Ward

Executive Member for Finance,
Planning and Performance

John Woolf

Executive Member for
Community Safety

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**SCRUTINY REVIEWS
IN PROGRESS**

SCRUTINY REVIEWS 2022/23						
SCRUTINY REVIEW	COMMITTEE	SID approval	DATE SUBMITTED/DUE TO GO TO EXECUTIVE	RESPONSE TO RECOMMENDATIONS DUE (3 months after submission to Executive)	RESPONSE TO RECOMMENDATIONS SUBMITTED TO EXECUTIVE	12 MONTH REPORT DUE TO ORIGINAL REVIEW COMMITTEE
Visibility of Children (school attendance, NEET, children's voice in decision-making, etc)	Children's Services	08-Sep-22	Sep-23	Dec-23	Feb 24 TBC	
Net Zero Carbon 2030 strategy focusing on the Circular Economy and Green Jobs	Environment and Regeneration	21-Jul-22	Nov-23	Feb-24	Feb 24 TBC	
Transformation in Adult Social Care	Health and Care	04-Oct-22	Nov-23	Feb-24	Feb 24 TBC	
Strategic Review of Overcrowding in Islington	Housing	22-Sep-22	Dec-23	Mar-24	Feb 24 TBC	
Cost of Living Crisis	Policy and Performance	25-Jul-22	Nov-23	Feb-24	Feb 24 TBC	

SCRUTINY REVIEWS 2021/22

SCRUTINY REVIEW	COMMITTEE	SID approval	DATE SUBMITTED/DUE TO GO TO EXECUTIVE	RESPONSE TO RECOMMENDATIONS DUE (3 months after submission to Executive)	RESPONSE TO RECOMMENDATIONS SUBMITTED TO EXECUTIVE	12 MONTH REPORT DUE TO ORIGINAL REVIEW COMMITTEE
Overview of the Council's 2030 Net Zero Carbon Programme	Environment and Regeneration	Jun-21	21-Apr-22	Sep-22	Mar-23	To be scheduled in 23-24 work plan
Waste Management (informal working group)	Environment and Regeneration	N/A	This was incorporated into the above report.			
Preparing for the end of PF12 in 2022	Housing Scrutiny Committee	Jul-21	21-Apr-22	Jul-22	Jul-22	To be scheduled in 23-24 work plan
Communal Heating (mini review)	Housing Scrutiny Committee	Jul-21	21-Apr-22	Jul-22	Jul-22	To be scheduled in 23-24 work plan
Health Inequalities in the light of the Covid 19 Pandemic	Health and Care Scrutiny Committee	Oct-21	09-Jun-22	Sep-22	Jan-24	TBC
Special Educational Needs	Children's Services Scrutiny	2021	01-Sep-22	Dec-22	May-23	Jan-24
Employment, Business and Economy/Financial Effects on Council – COVID (main topic)	Policy and Performance	Jul-21	09-Jun-22	Sep-22	Mar-23	Jan-24
Performance Management and Development (informal working group)	Policy and Performance	Jul-21	09-Jun-22	Sep-22	Mar-23	Mar-24

Older Outstanding Scrutiny Reviews:

SCRUTINY REVIEW	COMMITTEE	SID approval	DATE SUBMITTED/DUE TO GO TO EXECUTIVE	RESPONSE TO RECOMMENDATIONS DUE (3 months after submission to Executive)	RESPONSE TO RECOMMENDATIONS SUBMITTED TO EXECUTIVE	12 MONTH REPORT DUE TO ORIGINAL REVIEW COMMITTEE
Private Rented Sector (mini review)	Housing Scrutiny Committee	N/A	Nov-20	Feb-21	Jan-22	Dec-22
Adult Paid Carers	Health and Care Scrutiny Committee	N/A	Jul-21	Sep-21	Nov-21	Dec-22
Behavioural Change	Environment and Regeneration	N/A	Feb-21	May-21	Feb-22	Nov-23
Covid-19 Recovery	Children's Services	N/A	Jul-21	Oct-21	Mar-22	Nov-22

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Policy and Performance Scrutiny Committee
Scrutiny Committee Response Tracker – January 2024

	Date of meeting	Query raised	Response/ Update
1.	24 July 2023	<p>Update on Complaints Performance</p> <p>The Committee requested that a further update on the Resident Experience Programme to be scheduled in six months' time.</p>	Following consultation with the Chair, this has been scheduled for the February 2024 meeting.
2.	11 December 2023	<p>Scrutiny Review of Complex Anti-Social Behaviour</p> <p>Police to be asked for data on ASB callouts where mental health or addiction is a factor.</p>	This has been requested and will be reported to the next meeting alongside evidence from Public Health.
3.	11 December 2023	<p>Annual Presentation – Executive Member for Equalities, Culture and Inclusion</p> <p>The Chair, Executive Member and relevant officers to review the Committee's work plan with a view to considering departmental equality action plans.</p> <p>The report on the Black Cultural Centre to be made available to the Committee.</p>	The scheduling of this update is to be agreed. An update will be provided at the meeting.
4.	11 December 2023	<p>Update on sickness absence</p> <p>That the scheduling of a future update be discussed with officers.</p>	The scheduling of this update is to be agreed. An update will be provided at the meeting.

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POLICY AND PERFORMANCE SCRUTINY COMMITTEE

WORK PLAN 2023-24

8 June 2023 (agenda publication: 31 May)

- Update from the Metropolitan Police
- Draft Workforce Strategy 2023-26
- Membership and Terms of Reference 2023-24
- Selection of Scrutiny Topic 2023-24
- Proposed Work Plan 2023-24
-

24 July 2023 (agenda publication: 14 July)

- Update on Complaints Performance
- Corporate Performance Q4 2022-23
- Budget Outturn 2022-23
- Cost of Living Crisis Scrutiny Review Final Report
- Scrutiny Review – Approval of Scrutiny Initiation Document

21 September 2023 (agenda publication 13 September)

- Annual Presentation – Leader of the Council
- ASB Scrutiny Review – Evidence
- Budget Monitor – Q1 2023-24
 - o Budget Outturn 2022-23 also included

2 November 2023 (agenda publication 25 October)

- Voluntary and Community Sector Annual Report
- Corporate Performance – Q1 2023-24
- ASB Scrutiny Review – Evidence

11 December 2023 (agenda publication 1 December)

- Annual Presentation – Executive Member for Equalities, Culture and Inclusion
- Budget Monitor – Q2 2023-24
- ASB Scrutiny Review – Evidence
- Deep Dive on Sickness Absence
- LGSCO Annual Report

18 January 2024 (agenda publication 10 January)

- Scrutiny of Budget Proposals
- Corporate Performance – Q2 2023-24
- Annual Presentation – Executive Member for Finance, Planning and Performance

22 February 2024 (agenda publication 14 February)

- ASB Scrutiny Review - Evidence
- Update on Resident Experience Programme (*rescheduled from January 2024*)
- 12 Month Update – Scrutiny Review of Covid-19, impact on Council Finances and local businesses (*rescheduled from January 2024*)

26 March 2024 (agenda publication 18 March)

- Budget Monitor – Q3 2023-24
- Draft Recommendations of ASB Scrutiny Review
- Performance Management Working Group – 12 Month Report Back
- Update on Council Transformation Projects

25 April 2024 (agenda publication 17 April)

- Crime and Disorder Scrutiny – Metropolitan Police to attend
- Annual Presentation – Executive Member for Community Safety
- Corporate Performance – Q3 2023-24
- ASB Scrutiny Review – Approval of Report
- Scrutiny in Islington Annual Report

1st meeting of 2024-25 – date TBC

- Agree work plan and selection of scrutiny topic
- 12 Month Update – Scrutiny Review of Cost of Living Crisis