



ISLINGTON

Annual report: Executive Members for Finance & Performance

Cllr Satnam Gill

Policy & Performance Scrutiny Committee 1st March 2021

Overview of portfolio

Key areas of responsibility:

- Finance: including budget setting and monitoring, savings and transformation
- Revenues & Benefits: including collection of Council Tax and Business Rates, and administration of Housing Benefits and other financial support
- Welfare Reform: most notably, impact of Universal Credit
- Corporate Resources: Property and Capital Assets, Digital Services, Human Resources, Legal Services
- Democratic process: Democratic Services, Electoral Registration
- Resident facing services: Registration Services, Customer Services, Assembly Hall
- Compliance, Risk and Monitoring: Procurement, Information Governance, Audit and Risk, Performance

Finance – Looking Back

- Statutory financial reporting was a real success, the Council & Pension Fund accounts 2019/20 were clean and on time. More than half of all authorities were late.
- Covid-19 has cost us about £52m during 2020/21. After Government funding this leaves us with a shortfall of £8m. We are managing that through underspends across the council and other contingency funds available. This is an admirable position and results from a lot of hard work and good strategic financial planning enabling us to support residents in a sustainable way.
- Despite Covid19 hitting at the end of 2019/20 the General Reserve increased to £16m in line with our financially resilient strategy.
- The finance team has seen a large degree of upheaval during the year however the permanent Director of Finance has now been appointed and planning has begun to build a solid base going forward.
- The Pension Fund is leading the way in reducing its carbon footprint and how its investments impact on emissions
- The Pension Fund has performed well, despite a turbulent economic situation. It quickly recovered Covid losses and continues to exceed benchmark performance levels.

Financial Sustainability

- The Council has set out in its 2021/22 budget proposals including a capital programme to deliver 550 new homes, £17m of investment in tackling the climate crisis and additional investment in We Are Islington, our Resident Support Scheme, preventative services and creating jobs in the borough.
- To fund this we need to deliver £25m of savings in 2021/22.
- There is huge uncertainty over Islington's long-term funding. We are still awaiting the fair funding review and a longer term spending review.
- Irrespective of the distribution model, local government, London and Islington need a significant increase in funding from government to keep pace with increases in costs in social care, UASC and homelessness/No Recourse to Public Funds (NRPF) services
- There are a number of risks we are facing going forwards, business rates reductions, increasing needs of residents, ongoing impacts of the pandemic and the potential migration out of London impacting on our Census population.
- We must continue to tread a careful path of investing in our core priorities and adopting a safe and sustainable approach to our finances.

Internal Audit, Investigations and Risk Management

- The 2019-20 Internal Audit Annual Report, detailing outcomes of delivery of the 2019-20 Audit Plan, was presented to the Audit Committee in September 2020. An overall moderate assurance opinion was provided for the 2019-20 year (i.e. the Council's systems for control, risk and governance were generally adequate with some improvement required) .
- Delivery of the 2020-21 Internal Audit Plan has progressed well despite the audit team having to reconfigure its way of working due to the pandemic. An interim report was presented to Audit Committee on 25th January 2021.
- Bi-annual whistleblowing reports continue to be presented to the Audit Committee, with the last update presented in September 2020 and the next update tabled for March 2021. In addition, an annual fraud report was also presented to Audit Committee in September 2020.
- The last iteration of the Council's Principal Risk Report (PRR) was presented to the Audit Committee in September 2020. The next iteration will be discussed at Departmental Management Teams (DMTs) in March 2021 and at Corporate Management Board (CMB) in April 2021. The PRR will then be presented to the Audit Committee on 25th May 2021. The PRR outlines key risks to achieving the Council's objectives, and the actions the Council is taking to mitigate risk.
- The Risk Management function continues to play a key role in ensuring that risk identification forms part of the Council's decision-making processes. In the 20/21 year, given the all-encompassing impact of the pandemic, the Council's Risk Manager worked with DMTs and CMB to arrive at a risk profile for the Council in light of Covid 19. This has ensured that the Council continued to track key risks to achieving objectives, while engaging in the response to the pandemic.

Revenues

To date in 2020/21 we have:

- Collected over £364 million from Council Tax and Business Rates combined
- We paid Retail, Hospitality, Retail & Small Business Support Grants to 3,500 businesses worth over £57M in the Spring of 2020
- We have paid 2,500 COVID19 business support grants worth over £5M since October 2020
- We have 'exempted' 3,200 businesses from paying any business rates at all for 2020/21, reducing their bills collectively by £84M

The impact of COVID-19 has made 2020/21 an extraordinarily untypical year for income collection

Through lost jobs or reduced income (furloughs) many of our residents and households are struggling to find the money to keep up with their instalments.

Through loss of business income (resulting from closures, reduced demand and/or reduced capacity) many of our businesses are struggling to find the money to keep up with their instalments.

With the financial support we've provided to both residents and businesses we have helped many through these difficult times.

However, in line with the other London Boroughs we've experienced far lower collection rates as the result of the socio-economic impacts of this Covid-19 pandemic and currently we're predicting to collect 2%–2.5% less council tax and 5%-5.5% less in business rates than we had aimed for.

Benefits

- Maintained the help available through our Council Tax Support Scheme, supporting over 26,000 households each month, and will continue the same level of support for 2021/22
- Continued our approach of ensuring a claim for Universal Credit is also treated as a claim for Council Tax Support when notified by the DWP, to make claiming Council Tax Support as easy as possible
- The council tax support hardship fund has been implemented, running through the duration of 2020/21. This has provided 22,557 households with up to £150 council tax relief, making a total package of additional support of £2,569m
- Increased the level and availability of support through our Residents Support Scheme, making 3,903 awards to date with a forecast spend to help low-income households of £2,004,000. Utilised the £325k DEFRA grant to support our RSS scheme
- Responded swiftly to Covid-19 by Increasing the value and availability of crisis awards through the Resident Support Scheme. The scheme has been opened up to direct referral and via contact through We Are Islington. The value of crisis awards paid has seen a 10 times increase on 2019/20
- Updated Housing Benefit/Council Tax support processes and resident information in light of Universal Credit and Covid19
- Completed 1,795 Housing Benefit full case reviews as part of a Housing Benefits Accuracy initiative

Welfare Reform / Universal Credit

- The number of residents making a claim for Universal Credit has increased by 148% during the Covid 19 period. The total number of UC claims now totals 32,339. We have liaised closely through the year with the DWP to ensure our residents are supported as much as possible with benefits claims and employment opportunities.
- Reported on updated progress on UC to the PPSC and continued our strategic oversight of UC through the UC board
- We will spend in excess of our Discretionary Housing Payments budget of £1,007m, providing the vital support to those residents who continue to be impacted by welfare reforms, that engage with us to try and improve their situation, like finding employment
- We have used our Covid Winter Grant allocation of £877k to support residents impacted by food & fuel poverty in a variety of ways. This includes help with food costs to free school meal eligible children, food costs help for households on housing benefit or council tax support with children younger than school age, plus supporting care leavers, NRPF and funding voluntary sector partners
- Launched a Pension Credit take up campaign achieving an additional £355K annual benefit entitlement plus £75K in backdated benefits, totalling £430K in additional annual benefit income for pensioners. In addition, ensuring over 100 pensioners aged over 75 can continue to receive a free TV licence
- Pro-actively identified households who require help with discretionary housing payments, claiming council tax support and claiming severe disability premium. We have supported these households to claim their full benefit entitlement
- Quickly implemented Test & Trace Support Payments from the 28/9/20. To date, £330k of support has been paid to Islington residents on low incomes who have seen a reduction in their income due to having to self-isolate. 1,400 applications have been processed. This much needed help has provided the support needed so that residents can self-isolate at the appropriate time

Property and Capital Assets

- New Corporate Asset Strategy agreed by Executive in March 2020 and has since led to the implementation of a new capital governance framework
- New Corporate Landlord Service and associated operating agreed and will be implemented from April 2021
- Invested in new corporate asset management system
- Significant growth in the Council's non-housing capital programme from 21/22 onward including a £3m repairs & modernisation fund
- Extensive work to create a Covid safe workplaces
- While Covid has impacted on capital delivery during the year, modernisation and improvement work has been delivered across the estate including commissioning and ongoing delivery of:
 - two new adventure playgrounds
 - repairs to a number of adult social care facilities
 - the WeAreCally project creating new community assets in Caledonian & Barnsbury wards
- Key strategic schemes are being developed for Vorley Rd and Finsbury Leisure Centre

- The year has been dominated by the Covid response requiring the creation of new services to residents and the significant transition from a working-on-site model to the new practices required to support remote working.
- The response to the crisis was fortuitously enabled by the completion of the work to move to computer-based telephony and Windows 10 laptops breaking the dependency on desk phones and on-site working. Lockdown provided an opportunity to quickly execute on a number of highly successful collaboration tools including Microsoft Teams and Zoom.
- The operations team constantly reconfigured the infrastructure to ensure staff had the necessary digital bandwidth to work effectively at a time when vendor partners were largely unavailable to assist.
- It is recognised that some applications – especially M3 which supports E&R, have technology debt and old architectures which do not perform well in a remote working situation. We continue to improve the efficiency and experience for staff until such time as we can migrate to more modern platforms.
- The applications teams supported the WeAreIslington initiatives to ensure there was technology support for the resident-centred initiatives and provided Chromebooks to support students. We also support staff and visitor through the “Test&Trace” QR code app to help keep staff safe.
- The future flexible working model is still uncertain, but with infrastructure lead times, Digital Services has commenced projects for Wi-Fi and networking to support a variety of working models on the basis that the pre-2020 work model will not return.
- The IT portfolio of projects is larger & stronger than it has ever been as we overcome technology debt and build new capability for the digital workplace and resident services.
- Digital Services, with the cooperation of all services, successfully defended a significant cyber attack in October 2020.

Human Resources

- Develop and rolled-out Covid workforce policy through partnership working with colleagues in Public Health, communications and health and safety, including regular engagement with trade unions.
- Developed a wellbeing hub to provide support and advice for staff (including Covid risk assessments), an improved reasonable adjustments framework and new absence procedure.
- Overseen the development of a new workforce equality plan following the recommendations made by the Race Equality Network under the Challenging Inequality Programme.
- Successfully identified and secured government funding for 27 internal Kickstart roles and 10 further roles with employers across the borough.
- Commissioned and designed a staff survey for completion during March 2021.
- Supported the Senior Leadership Team (SLT) restructure with professional advice, job evaluation support and recruitment planning.
- Introduced new grievance procedure following consultation with trade unions, ensuring clear separation from whistleblowing concerns.
- Introduced remote interviewing, DBS and onboarding to respond to the impact of Covid on recruitment.
- Held regular peer learning sessions for managers on key topics such as resilience, inclusion and belonging.
- Led the development of the draft CARE values through engagement with staff, TUs and staff networks, currently being finalised for launch before year-end.

Legal Services

Over the past year, the Legal Services team has:

- Implemented the new Caselines e-bundling system.
- Dealt with threatened judicial reviews mainly arising out of the Council's adults and housing functions.
- Purchased over 60 further properties for use as temporary accommodation for homeless persons.
- Undertaken casework and provided legal advice in house, covering the full range of the council's functions including adults, children, contracts, education, employment, environment, housing, litigation, planning, procurement, property and prosecutions.
- Advised Services proactively in relation to the multitude of Covid -19 legislation and guidance and won the leading case on hybrid court hearings. .
- Completed affordable workspace projects including Fonthill Road and City and Islington college.
- Settled sensitive employment matters to the council's advantage.
- Dealt with high profile court matters, including People Friendly Streets, Dixon Clark Court, Ocado Planning Permission.
- Continued to support delivery of the council's housing new build programme.
- Completed the new 4 year framework agreement for construction contracts up to an aggregate value of £1.2bn.

Committee Services / Decision Making:

- The pandemic unavoidably impacted on formal meetings, as meetings in person have been unlawful since 20 March 2020. Following the regulations coming into force on 4 April, papers for the first virtual meeting were published on 15 April and the meeting took place the following week. During April and May, Planning, Licensing, Executive and Audit meetings took place virtually and in June the full programme of meetings was re-established. All planned committee meetings are now taking place virtually. We are awaiting news from the government on virtual meetings after 7 May 2021 and are working with colleagues in Digital Services on a hybrid / webcasting meeting for the future. School appeals are taking place virtually.
- Scrutiny reviews were placed on hold for a short while but recommenced with the reinstatement of meetings in June and a number of reviews have now been completed.
- Support for officer key decisions was unaffected and 37 key decisions have been taken by officers since April 2020.

Member Support:

- Member support has witnessed a significant increase in casework and additional resource has been allocated.
- IT equipment and support has been provided to a number of members to enable them to work from home.

Other work: Work to improve and refresh corporate documents has restarted. The new Scheme of Authorisation and a new Code of Conduct for members are now going through the initial steps for approval.

Highlights for the past year include:

- Successful delivery of the first annual canvass under the new canvass reform legislation
- Excellent local data matching and data sharing within the council to assist with the new canvass reform legislation
- Several outreach programmes to increase registration in under registered groups such as private renters and students
- Most of the Electoral Services Team were redeployed to assist with the Covid-19 response

Current projects

- Delivery of household notification letters to all households to increase registration and highlight option of postal voting in lead up to GLA elections
- Email campaign to 75,000 non-postal voters with guidance on how to apply for a postal vote and apply early messaging
- Delivery of the GLA elections in May 2021 along with any by-elections ensuring that they are delivered in a Covid safe way
- Following the Local Boundary review which introduced 17 new wards we will be undertaking a polling district review to divide wards into districts and designate new polling stations in time for the 2022 Local elections

Pandemic response:

- The Registration & Citizenship service has been working on the frontline throughout the pandemic and has sadly registered over 1,700 deaths of which over 400 were covid related.
- Staff have supported bereaved families and worked with the hospital mortuary, funeral directors, cemetery and faith groups to ensure that funerals are undertaken seamlessly and with dignity and respect.
- Booking systems were set up to operate telephone registrations and electronic transfer of burial & cremation forms to reduce face to face appointments.
- Contact with 750 wedding couples made to reschedule their ceremonies due to the pandemic.
- Over the summer months when restrictions were lifted the service was able to register a backlog of 1,600 births over the space of 10 weeks in the Assembly Hall.
- We also carried out 400 wedding ceremonies and naturalised 300 new British citizens in the same period

Current projects:

- Plans in place to accommodate surge in demand for weddings once restrictions are lifted (training staff, improving online systems and bespoke website).
- Preparing for the Marriage Schedule System which moves registration away from a paper-based system.

Customer Services and Assembly Hall

- Customer Services rose to the challenge of setting up and supporting residents through the We Are Islington offer alongside maintaining normal services
- Quickly enabled all Call Centre staff to work from home without interruption to services
- Made proactive contact with over 7700 shielded and clinically extremely vulnerable residents to identify any support needs
- Provided support to meet residents immediate COVID needs i.e., food parcel, energy top-ups and social care support
- Provided access to emergency services and help at the Customer Centre
- Increased referrals to RSS and IMAX to help address longer term issues of food and financial insecurity
- Launched a local test and trace service to support the national NHS Covid Test and Trace service
- Supported residents to make applications for the Covid 19 Support Payment
- Worked with Children's Services to provide food vouchers and other assistance during school holidays and national lockdown
- Developed a comprehensive directory of services broken down by wards to signpost residents to local shops, associations, charities and community groups.
- Continued to increase online self-serve uptake
- Assembly Hall successfully applied for Arts Council Funding, to support the venue and plan for reopening
- Assembly Hall staff have been instrumental in supporting the Lateral Flow Centre within the Venue.

The Council spends a significant sum in securing goods and services through external providers. In 2019/20 the Council had 5,516 suppliers – with total third party spend amounting to over £639million. A range of work has taken place to ensure commissioning is done well and delivers value for money, but also to use our spending power to benefit the community and deliver fairness. Key highlights over the past year include:

- Monthly meetings of the Commissioning and Procurement Board continue to challenge procurement strategies, to improve qualitative nature of decisions. As well as looking at quality in general terms of what is commissioned and achieving value for money, the board help to ensure the Council's default position of in-house first, achieving a more inclusive economy and improving community wealth building. The board is supported by a newly invigorated operational Supply Chain Practitioners Group.
- Executive adopted the new Progressive Procurement Strategy 2020/27 in October 2020 which has a number of significant changes from the last strategy including delivery of services in-house by default; seeking progressive supply partners who share our values; investment in our small, local and voluntary organisations; commitment to 20% as a social value weighting; strengthening procurement and contract management processes; working with our anchor institutions to achieve more from our purchasing power; doing more with social value and achieving a genuinely inclusive economy and becoming progressive procurement pioneers.
- Central services have moved to Community Wealth Building. They are being re-shaped in line with member aspirations for a strategic procurement and category management function and supply relationship and assurance function to help deliver much needed services and achieve savings for our community.

Information Governance

- Worked closely with colleagues in Public Health to speed up decision-making for Data Protection Impact Assessments and Data Sharing Agreements. Ensured that data can be shared quickly and lawfully to support the response to the pandemic.
- Worked closely with colleagues in Digital Services to ensure decision-making is streamlined for the implementation of new software.
- Security Incidents and data breaches continue to be reported and investigated - there have been no serious incidents or regulatory action recently. The council has not had to report an incidents to the ICO during 2020/21.
- A new case management system has been implemented to manage Freedom of Information Act (FOI) and Individual Rights requests (DSARs). This provides better management information and improves processes.
- The council received 1656 FOI requests and 251 DSARs in 2020. Requests have been lower than in the previous year with a notable decrease at the start of the pandemic. Numbers have now returned to normal.
- The council achieved a compliance rate of 80% for FOIs and 84% for DSARs which means that we did not meet the ICO KPI of 90%. A new approach for monitoring has seen compliance over 90% for the last few months.
- The MetaCompliance Training system is being replaced with a newer version which will provide video style training messages and improve council-wide communications.

Performance focused on two key outcomes in ensuring sufficient grip and pace through improved reporting:

1. 19/20 performance report

- Covid-19 prevented/delayed a 19/20 Q3 & Q4 update to scrutiny committees. Development of a 19/20 performance report provided a complete update, with oversight of key achievements and challenges (including Covid-19 impact).
- All directors presented their relevant outcome areas from the 19/20 performance report to PPS on 17 September '20.
- The report was sent to all Members for information and the relevant outcome area was included as an appendix to Q1 performance reporting for all scrutiny committees.

2. 20/21 performance review

- Covid-19 resulted in the council needing to make immediate changes to several performance indicators, as well as introducing 48 new indicators to help measure the pandemic impact. Reporting against this commenced from Q1.
- In addressing the PPS Committee's review of performance reporting, the format of all updates to scrutiny committees were refined to ensure consistency in approach and improved focused on indicators that failed to meet targets.
- Changing resulting from the review were presented to all scrutiny chairs on 24 August '20 for discussion.
- A two-tier reporting arrangement was implemented for Directorate Delivery Board and Corporate Management Board to enable more focused discussion and review.