

London Borough of Islington

Executive - 1 September 2022

Minutes of the meeting of the Executive held at Council Chamber, Town Hall, Upper Street, N1 2UD on 1 September 2022 at 7.00 pm.

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

Also Present: **Councillors:** Russell

Councillor Diarmaid Ward in the Chair

23 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Kaya Comer-Schwartz.

24 DECLARATIONS OF INTEREST

None.

25 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the previous meeting held on 14 July 2022 be agreed as a correct record and the Chair be authorised to sign them.

26 MONTHLY BUDGET MONITOR, INCLUDING FUNDING ALLOCATIONS AND ADJUSTMENTS TO THE CAPITAL PROGRAMME

RESOLVED:

- (i) That the forecast 2022/23 general fund estimated net outturn variance of a (+£8.134m) overspend at month 2 be noted (Section 3, Table 1, and Appendix 1 of the report);
- (ii) That the transformation fund allocations and anticipated, profiled drawdowns for 2022/23 be noted (Paragraph 4.52 and Appendix 2 of the report);
- (iii) That the collection fund monitoring position at month 3 be noted (Paragraphs 4.53 to 4.62 of the report);
- (iv) That the Energy Price Analysis position at month 3 be noted (Paragraphs 4.63 to 4.69 of the report);

- (v) That the forecast 2022/23 HRA estimated outturn (-£0.812m) surplus at month 3 be noted (Section 5 of the report);
- (vi) That, at the end of month 3, capital expenditure of £25.380m had been incurred against a 2022/23 full year forecast of £188.425m and against the revised 2022/23 capital budget of £242.182m, be noted (Section 6 and Appendix 3 of the report).

Reasons for the decision – to ensure the financial resilience of the Council
Other options considered – none
Conflicts of interest / dispensations granted – none

27 **PROCUREMENT STRATEGY FOR PARKING DEBT RECOVERY SERVICES (CONCESSIONS CONTRACT)**

RESOLVED:

- (i) That the procurement strategy for Parking Debt Recovery Services (Concessions Contract) be approved as outlined in the report.
- (ii) That authority to award the contract be delegated to the Corporate Director of Environment in consultation with the Executive Member for Environment, Air Quality and Transport.
- (iii) That authority to approve the final specification be delegated to the Corporate Director of Environment.

Reasons for the decision – to provide a parking debt recovery service
Other options considered – other options included a non-framework approach and in-sourcing
Conflicts of interest / dispensations granted – none

28 **SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) TRANSITIONS - REVIEW OF THE CHILDREN'S SERVICES SCRUTINY COMMITTEE**

RESOLVED:

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

Reasons for the decision – to receive the report of the Children's Services Scrutiny Committee
Other options considered – none

Conflicts of interest / dispensations granted – none

29 **PROCUREMENT STRATEGY FOR RESIDENTIAL CARE SERVICE FOR OLDER MEN WITH ALCOHOL MISUSE AND MENTAL HEALTH CARE NEEDS**

RESOLVED:

- (i) That the procurement strategy for a residential care service for older men with alcohol misuse and mental health care needs be approved as outlined in the report.

- (ii) That authority to award the contract related to this strategy be delegated to the Corporate Director of Adult Social Care following consultation with the Executive Member for Health and Social Care.

Reasons for the decision – to maintain mental health residential care bed capacity, with alcohol misuse specialism in borough when the current contract comes to an end and deliver better value for money

Other options considered – other options included the use of spot contracts, in-house delivery, and collaboration with other boroughs

Conflicts of interest / dispensations granted – none

30 **MONITORING REPORT - SEPTEMBER 2022**

RESOLVED:

That the urgent officer decision detailed in the report be noted.

Reasons for the decision – to note the urgent decision taken by officers

Other options considered – none

Conflicts of interest / dispensations granted – none

31 **ENERGY PURCHASING**

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

Energy prices for 2023/24 have risen significantly in the past few weeks, representing an increase of over £20m. The council has an opportunity to access significantly lower prices by terminating its existing energy supply contracts and joining a public buying organisation (PBO), which has already purchased most of next year's energy supplies at a rate lower than current market rates. The potential cost avoidance at current rates is several million pounds. The PBO

requires the council to contract with them by mid-September, thus requiring an urgent decision. It is not possible to postpone the decision to a future meeting of the Executive.

If the council is unable to join the PBO, the council's energy consultants have advised that the council should start to hedge (purchase in advance) for next year. The last contract modification notice raised the purchasing threshold to £64m. However, there is only £9m unspent within this, which is insufficient to carry out significant hedging. The issuing of another contract modification notice is therefore urgently required in order to hedge for next year.

Councillor Champion introduced the report. It was explained that the Council would seek to enter into a new energy supply contract with a public buying organisation, however if this was not possible, then the council would seek to hedge for the following year. Members and officers discussed the challenging financial situation related to energy pricing and the possible impacts this would have across council services.

RESOLVED:

- (i) To agree to enter into a new energy supply contract arrangement with a Public Buying Organisation (PBO), as set out in section 6.4 and appendix 1 of the report;
- (ii) That authority be delegated to the Corporate Director for Environment to finalise the details and length of term of the energy supply contract arrangements;
- (iii) That the mutual termination of the Council's existing energy supply contract be agreed, and authority be delegated to the Corporate Director for Environment to finalise the termination agreement, following consultation with the Director of Law and Governance;
- (iv) That the issuing of a contract modification notice to raise the 2020–2024 energy procurement threshold from £64m to £80m be approved.

Reasons for the decision – to achieve a large cost avoidance compared to current market prices.

Other options considered – as detailed in the report, two options are available, (1) to transfer to a PBO, or (2) should the council not be able to transfer into a PBO, to start make hedging purchases for 2023/24

Conflicts of interest / dispensations granted – none

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Noted.

MEETING CLOSED AT 7.20 pm