ISLINGTON
For a more equal future

Meeting:	Executive
Meeting Date:	28 November 2024
Publication:	Open
Council Priority:	All
Wards:	All
Report of:	Executive Member for Finance and Performance
Report No.	N/A

Subject: Budget Monitoring 2024/25 Quarter 2

1. Recommendations

1.1. To note the overall forecast GF outturn position. (Table 1)

1.2. To note the breakdown of the forecast General Fund (GF) outturn by variance at Appendix 1 and service area at Appendix 2. (Section 3, Table 1, and Appendices 1 & 2)

1.3. To note the changes in forecast since Quarter 1, notably including a significant pressure in Housing General Fund directorate regarding Temporary Accommodation costs. (Paragraph 3.51)

1.4. To note the virements and budget adjustments posted up to Q2 and to approve an ongoing virement in Environment and Climate Change which is required to realign budgets to reflect income and expenditure levels. (Appendix 2 and Section 3)

1.5. To note progress on delivering the 2024/25 agreed budget savings. (Appendix 3)

1.6. To note the forecast Collection Fund outturn position for council tax and national non-domestic rates (NNDR). (Paragraphs 3.85-3.96)

1.7. To note the forecast Housing Revenue Account (HRA) outturn. (Section 4 and Appendices 1 & 2)

1.8. To note the forecast capital outturn of £248.441m in 2024/25 which includes an overspend of £1.178m on the revised 2024/25 budget (Section 5, and Appendix 4) and the revised multi-year capital programme and how it will be financed. (Appendix 5)

1.9. To agree the requested capital reprofiling with future financial years and budget adjustments

1.10. To note the further capital budget adjustment which will be reported to Full Council later in the financial year for agreement, due to it being higher than the Executive's authority under the financial regulations. (Paragraph 5.41, Section 5 and Appendix 4)

1.11. To note, and where necessary, agree to debt write-offs (Section 6)

2. Report Summary

2.1. This report sets out the General Fund, HRA and Capital Programme's forecast year end position at the end of Quarter 2 (Q2) 2024/25. Forecasts for the full financial year to 31 March 2025 are compared against the approved 2024/25 budget. In line with accounting convention, overspends (adverse variances) are reported with positive (+) signage, and underspends (favourable variances) with negative (-) signage.

2.2. Table 1 below shows a summary of the GF financial position.

Table 1 – 2024/25 General Fund Over/(Under)Spend

	Q2 Variance Over/(Under) Spend £m	Q1 Variance Over/(Under) Spend £m	Change
Adults Social Services	0.739	1.065	(0.326)
Chief Executive's	0.010	0.010	0.000
Children & Young People	0.000	0.000	0.000
Communities Strategy & Change	0.706	0.557	0.149
Community Wealth Building	3.780	3.298	0.482
Environment & Climate Change	3.042	3.093	(0.051)
Homes & Neighbourhoods	5.707	1.791	3.916
Public Health	0.000	0.000	0.000
Resources	0.058	0.000	0.058
Total: Directorates	**14.042**	**9.814**	**4.228**
Corporate Items	(5.660)	(5.008)	(0.652)
Total: General Fund	**8.382**	**4.806**	**3.576**
Less: Inflation, Energy, and Demand Contingency	(3.596)	(3.596)	0.000
Less: Corporate budget for the revenue impact of capital projects	(0.457)	(0.562)	0.105
Net: General Fund	**4.329**	**0.648**	**3.681**

2.3. Appendix 1 breaks this down by individual budget variance and Appendix 2 by Directorate and Service Area.

2.4. The overall General Fund position can be summarised as follows:

- A General Fund overspend at directorate level of **+£14.042m** (an adverse movement of +£4.228m since Q1), with the largest pressures in the Community Wealth Building and Homes & Neighbourhoods directorates.
- This is offset by a forecast underspend in corporate budgets of **-£5.660m** (a favourable movement of -£0.652m since Q1), primarily in relation to delayed borrowing costs for the capital programme and increased investment income due to higher interest rates.
- Application of all the Inflation, Energy and Demand Contingency budget of **-£3.596m**, which was included in the 2024/25 budget to mitigate against pressures/risks unquantifiable at the time of setting the budget.
- Application of **-£0.457m** corporate budget allocation for the revenue impact of capital projects reflected in directorate forecasts. Budget was provided in 2024/25 budget for

unbudgeted revenue costs associated with delivery of the capital programme, for example some staffing costs that cannot be capitalised under accounting rules. These costs are reported as overspends in the Environment & Climate Change and Community Wealth Building positions and offset by the application of the corporate budget set aside for this purpose.

- This leaves an overall forecast overspend of **+£4.329m** (an adverse movement of +£3.681m since Q1). This would lead to a further depletion of the council's already comparatively low reserves.

2.5. The key General Fund variances, significant movements since Q1 and planned mitigations are:

- Temporary Accommodation (TA) is reporting an overspend of +£5.356m. **This is an adverse movement of +£3.957m since Q1**. This is due to a significantly increasing trend in cases of TA and rising costs of accommodation. The department is acting to mitigate through the Property Acquisition Programme, adapting the allocations policy, and developing prevention programmes such as deposit incentives. This pressure is explained in more detail in paragraph 3.51.
- The various sources of parking income are underachieving by a forecast +£1.559m (an adverse movement of +£0.009m since Q1). Within this, the position in permit and pay & display income has worsened since Q1. This is offset by favourable movements in Penalty Charge Notice income.
- Unchanged from Q1, there is a +£1.180m forecast shortfall in commercial property income due to an underlying shortfall in the rent roll forecast and notice recently being given on two large leases at Old Street. An arrangement to secure commercial income has been achieved at one of these properties. Other opportunities to increase the rent roll further are being pursued (including opportunities to lease space at the Newington Barrow Way building), along with a programme of rent reviews.
- Street Operational Services is forecasting an overspend of +£0.805m, (an increase of +£0.015m since Q1) largely due to delayed delivery of saving which aimed to generate additional enforcement income. There is also a pressure relating to recurrent non-delivery of a historic saving which aimed to generate additional income from the sale of Eurobins.
- The local government pay award for the period 1 April 2024 to 31 March 2025 has now been agreed. An initial high-level estimate is that this will result in a budget pressure of +£0.799m on the pay award budget set aside at 2024/25 budget setting. This estimate is unchanged from the Q1 forecast because the pay award was agreed in line with the previous offer. The actual impact on pay budgets is being worked up in more detail and will be reported at Q3.
- There are new pressures reported related to one-off costs of the final phase of catch-up stock condition and Reinforced Autoclaved Aerated Concrete (RAAC surveys) (+£0.410m), and previously unidentified historic service charges in relation to N4 library (+£0.302m) covering the last 5 years (dating back to 2019). These pressures only impact the 2024/25 financial year.
- The Leisure position has worsened and is forecasting an overspend of +£0.512m (an increase of +£0.176m since Q1) due to the partial closure of Sobell Leisure Centre until Spring 2025.

- There is a forecast underspend of -£4.260m on GF interest payable primarily due to slippage in the capital programme and consequently less capital expenditure having to be financed by borrowing. In addition, there is forecast additional investment income of -£2.250m due to prevailing higher interest rates.

2.6. Directorate forecasts include forecasts for delivery of the £10.770m savings that were agreed in the 2024/25 budget report. Detail of individual savings can be found at Appendix 3. Of the savings agreed:

- 71% (£7.689m) are forecast to be delivered in full in 2024/25.
- 26% (£2.770m) are forecast to be undelivered in 2024/25. The impact of these on the future year budget will be assessed to distinguish between savings that are delayed and those that are undeliverable and to identify offsetting management actions.
- 3% (£0.311m) are forecast to be undelivered but will be offset by other management actions and favourable budget variances.

2.7. The forecast position for the HRA is an in-year deficit of £5.475m. As the HRA is a ringfenced account, any deficit at the end of the financial year will be transferred from HRA reserves. The largest pressures within the HRA at Q2 relate to a +£2.500m pressure arising from the need to tackle damp and mould in dwellings and +£3.235m pressure because of elevated levels of housing disrepair claims which require additional resources.

2.8. As at the end of Q2, total capital expenditure of £78.776m has been incurred against a 2024/25 revised forecast of £248.441m, representing 32% of spend against forecast.

2.9. The 2024/25 forecast includes overspends totalling £1.178m. This primarily relates to £0.750 for Pipeline New Build Schemes. The HRA is in the early stages of exploring the next phase of schemes to bring forward into its New Build Schemes. The costs are budgeted for in the HRA business plan and the relevant approvals will be sought to bring the budget into the capital programme.

2.10. Capital slippage of £47.668m is requested at Q2, and the total of the year to date, is £157.871m. This represents 41% of the 2024/25 revised budget after 2023/24 outturn. Capital acceleration of £0.846m is requested at Q2, and the total of the year to date is £21.996m. Paired together, the net reprofiling of the capital programme at Q2 is slippage of £135.875m, representing 36% of the 2024/25 revised budget after 2023/24 outturn.

2.11. The largest scheme in the capital programme is the Finsbury Leisure Centre Redevelopment (FLCR) with a gross expenditure budget of £157.668m. The current scheme deficit is £34.215m of which £31.029m is within the General Fund Capital Programme. A revised viability is due to be finalised in early 2025.

2.12. Schools balances are forecast to be in a net surplus of £1.594m at the end of 2024/25 (£5.986m as at the end of 2023/24) with 18 schools forecast to be in deficit (17 as at the end of 2023/24).

3. General Fund

Adult Social Services +£0.739m overspend, a decrease of -£0.326m since the previously reported position

3.1. The Q2 forecast for Adult Social Services is a net overspend of +£0.739m, which is detailed by key variances in Appendix 1.

Historic unavailability of Care Home Beds +£0.739m a decrease of £0.326m since the previous reported position in Q1.

3.2. The historic unavailability of beds in block purchased care homes within Islington and the cost of providing bed spaces in alternative spot purchased provision has resulted in a cost pressure of +£0.739m, this has improved since Q1 due to better than expected reoccupation of the block purchased care homes. This pressure should be resolved this financial year and not result in an ongoing pressure in future years.

Placement Pressures

3.3. Adult Social Services continues to be impacted by wider demographic pressures across all primary support reasons (Memory and Cognition, Physical Support, Learning Disabilities and Mental Health), including increased demand for services, the need for acute care and increases in acuity of need of existing service users. Figures 1 and 2 show a quarterly snapshot of people accessing homecare and residential care.

3.4. Management actions to mitigate these pressures include:

- Using the Integrated Quality Assurance Meeting (IQAM) to focus on promoting independence and maximising enablement. IQAM is a panel process led by senior managers in Adult Social Care to ensure care packages both meet resident needs and deliver value for money.
- Operational Social Work Management are working with the Finance team and Data Intelligence to capture further information on the pressures to be able to focus targeted work on areas of growth earlier.

Figure 1 - Quarterly Snapshot of people accessing Homecare over the past three financial years

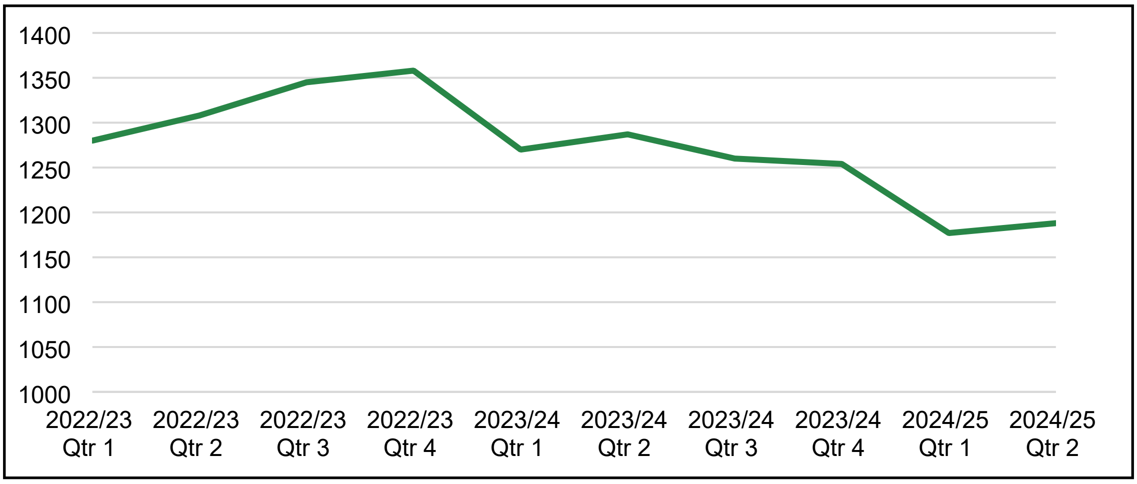
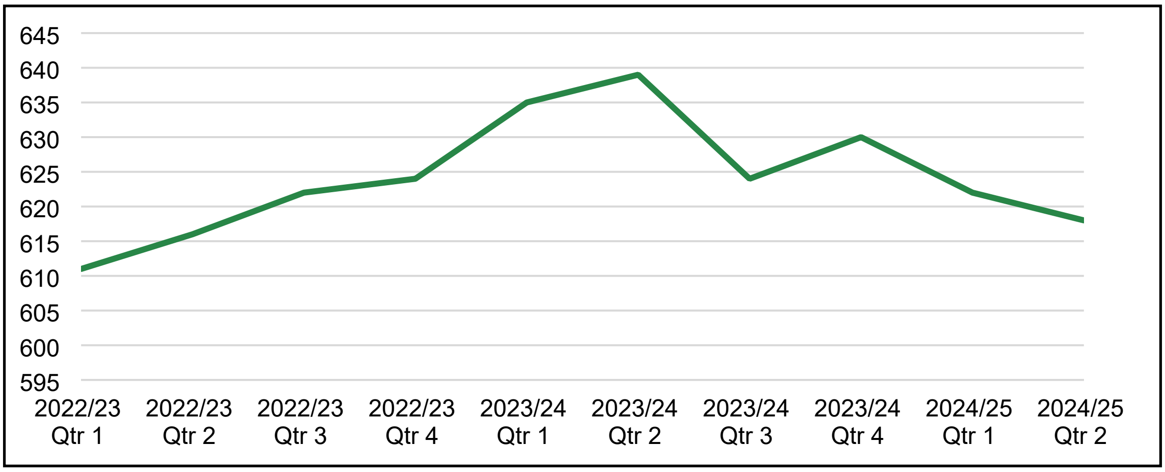


Figure 2 - Monthly Snapshot of people accessing residential and nursing beds over the past three financial years



Savings delivery

3.5. Currently the service is on track to deliver all savings, however due to the size of the savings and the involvement of other bodies such as the NHS there is a risk of savings slippage.

Risks and Opportunities

3.6. Additional demand due to NHS & Community pressures. This is mitigated by using the Integrated Quality Assurance Meeting (IQAM) to focus on promoting independence and maximizing enablement. IQAM is a panel process led by senior managers in Adult Social Care to ensure care packages both meet resident needs and deliver value for money.

Chief Executive's Directorate +£0.010m overspend, unchanged since the previously reported position

3.7. The Q2 forecast for Chief Executive's directorate is a net overspend of +£0.010m, which is detailed in Appendix 1.

Children & Young People £0.000m overall balanced position which remains unchanged since the previously reported position

3.8. The Q2 forecast for Children & Young People overall is a balanced budget position. Key variances within service areas are shown in Appendix 1.

3.9. The council supplies services to Schools directly which creates revenue for the council. Schools' Traded Services is forecast to overspend by +£0.421m. This is due to a projected shortfall of income from schools due to reduced purchasing of the services by schools. A review of the Schools' Traded Services has commenced, which will then make recommendations for changes to the traded offer required for schools going forward. This should have the impact of reducing the present budget pressure for future years.

3.10. The Early Years Service is forecast to underspend by -£0.318m against the Children's Centres' budgets. This is partly due to a forecast underspend against the staffing budgets, and additional anticipated income from parents for childcare fees.

3.11. There is also a net total of -£0.103m other net underspends across various parts of the directorate.

3.12. The forecast also assumes draw down of demographic growth of £1.589m to offset pressures in relation to Children Looked After placements +£0.235m, secure remand placements +£0.100m, Disabled Children's Services short breaks and direct payments +£0.434m and SEND Transport +£0.820m.

This is a net increase in requirement for demographic growth of +£0.309m for SEND Transport due to an increase in young people on home to school transport.

Savings delivery

3.13. All Children's Services planned 2024/25 savings are presently expected to be delivered in-year. This is reflected within the current forecast positions.

Dedicated Schools Grant

3.14. There is a forecast +£2.180m in-year overspend on the overall DSG, a change of +£0.096m since the previously reported position.

3.15. The Dedicated Schools Grant (DSG) is a ring-fenced grant split across four blocks:

- Schools Block – funding to mainstream schools via a National Funding Formula
- Central Schools Services Block – funding for retained duties to maintained schools
- High Needs Block – funding to a wide range of education providers to support pupils with High Needs including those with Education Health & Care Plans (EHCPs)
- Early Years Block – funding to council owned nurseries, private nurseries and other early years settings for universal and targeted free nursery entitlements for 2-, 3- and 4-year-olds.

3.16. High Needs Block is forecast to overspend by £0.886m due to anticipated growth in the number of children requiring an EHCP. This has reduced slightly by -£0.104m since the position previously reported based on current activity

3.17. Early Years Block balance is forecast overspend by £0.627m due to clawback of funding related to 2023/24 as a result of a reduction in the actual number of childcare places take up compared to budgeted places. This is an increase of +£0.327m compared to the previously reported position after the final grant adjustment has been made.

3.18. All other blocks are expected to use their balances as previously planned for the year.

3.19. Table 2 shows the balances brought forwards into 2024/25 against each DSG Block and the present in-year forecasts against them. This would result in a total DSG balance at the end of 2024/25 of £3.684m.

Table 2 - Forecast DSG Balances

	Schools Block	De-delegated budgets	Central Schools Services	High Needs Block	Early Years Block	Total

	£m	£m	£m	£m	£m	£m
Opening balance	**0.620**	**0.094**	**0.254**	**4.189**	**0.611**	**5.768**
Forecast in-year movement	(0.500)	(0.094)	(0.073)	(0.886)	(0.627)	**(2.180)**
Forecast 2024/25 closing balance	**0.120**	**0.000**	**0.181**	**3.303**	**(0.016)**	**3.588**

3.20. **Schools' Balances +£1.594m forecast reduction in total Schools' balances in-year, a change of -£0.906m since the previously reported position.** Schools' balances in Islington have been in decline since 2018/19 when they stood at a total surplus of £11.732m. Balances have reduced steadily since then, with 17 schools now in deficit. The pressures on schools' balances are a national issue. Inner London boroughs, in particular, have seen significant reductions in their total pupil numbers since 2019/20, leading to increasing numbers of schools forecasting future deficit budgets. This risk is being responded to in Islington through the schools' strategic reorganisation programme.

3.21. Total schools' balances at the end of 2023/24 were a £5.986m surplus position.

3.22. Based on the Q2 forecast there will be a surplus of £1.594m at the end of 2024/25 and 18 schools will be in deficit.

Communities, Strategy and Change +£0.706m overspend, an increase of +£0.149m since the previously reported position

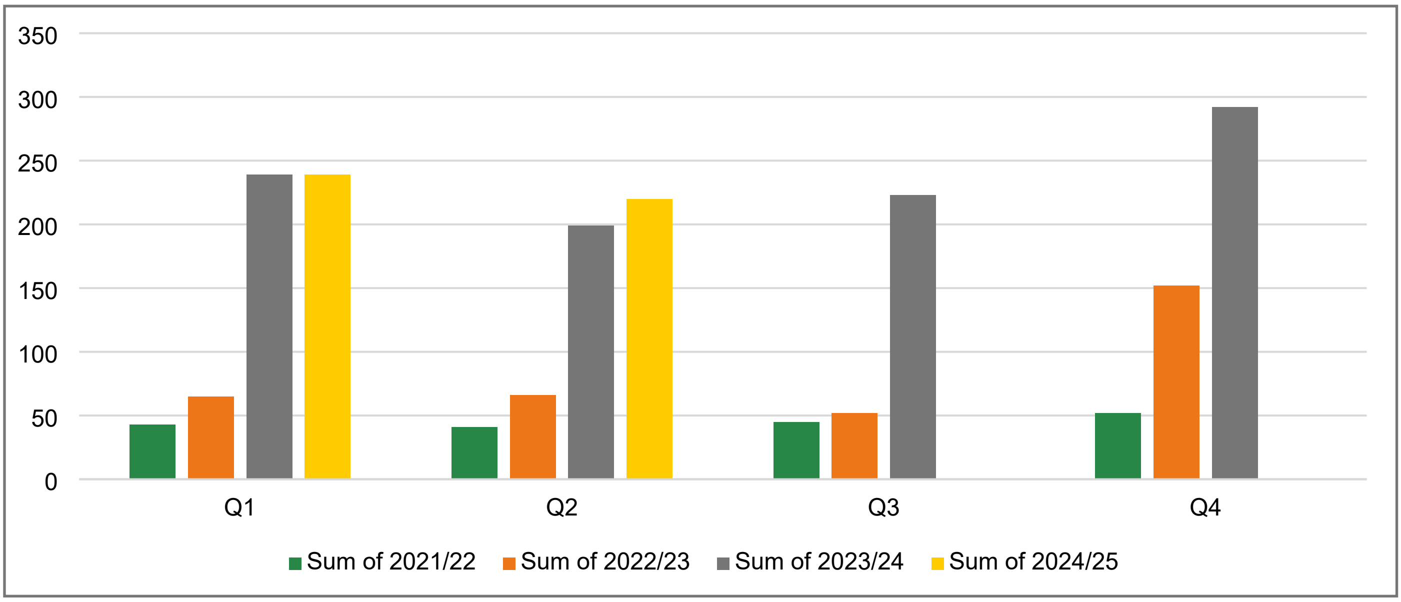
3.23. The Q2 forecast outturn position for the Communities, Strategy and Change Directorate is an overspend of +£0.706m, which is detailed by key variances in Appendix 1. There is a movement of +£0.149m since Q1 due to unmet vacancy factor risk materialising, interim senior management costs and complaints temporary staffing due to an influx of stage 2 escalations.

3.24. There is a pressure of +£0.241m due to an unachieved saving due to the proposed Contact Centre Consolidation across Resident Experience, Housing Repairs and Housing Tenancy being reconfigured and delayed. This saving will now be achieved through the digitalisation stage of the Resident Experience programme. In year efficiencies of -£0.193m across Resident Experience have been made to part-deliver the saving of +£0.434m. This is an increase of -£0.123m since Q1 due to held vacancies across Resident Experience and Assisted Technology income performance.

3.25. There is a +£0.343m staffing cost pressure across Communities, Strategy and Change due to senior management agency costs, unmet vacancy factor savings and Central Library overtime on a Sunday. Mitigations are in plan to reduce the overspend by year end. This has increased by +£0.203m since Q1 due to interim senior management costs, and unmet vacancy factor risk materialising. This is detailed further in Appendix 1.

3.26. There is a +£0.122m cost pressure due to overtime and agency staff to deal with Chief Executive complaints effectively and efficiently, to combat Ombudsman action and ultimately avoid fines. The overspend relates to the staffing resource necessary to address stage 2 complaint escalations, and compensation payments to complainants where necessary. This has increased by +£0.069m since Q1 due to an influx of stage 2 escalations beyond Q1 expectations. Figure 3 details below complaints volume has increased dramatically since financial year 2022/23.

Figure 3 – Number of Stage 2 Complaints dealt with by Chief Executive Team



Savings Delivery:

3.27. (+£0.434m) Contact Centre Consolidation will not be achieved in 2024/25. The planned delivery has not yet taken place, and this saving will now be absorbed in the digitalisation phase of the wider Resident Experience Programme. (+£0.193m) of the saving has been delivered through Resident Experience in-year efficiencies.

3.28. (+£0.330m) Reduced Call Volumes saving was delivered but additional temporary staff to the value of (+£0.071m) were appointed to handle a large increase in call volumes. The temporary staff will not be extended past Q2.

3.29. (+£0.235m) Transformation Review saving will be delivered.

Risks and Opportunities:

3.30. Across CS&C there could be further staffing cost pressures due to the small number of vacancies at Q2, because permanent recruitment to many vacancies from 2023/24 were successful. The department has a 5% efficiency saving across all teams which is met through natural attrition and recruitment timings. This may not materialise as a pressure if more vacancies arise over the remainder of the financial year.

Community Wealth Building +£3.780m overspend, a change of +£0.482m since the previously reported position

3.31. The Q2 forecast for Community Wealth Building is a net overspend of +£3.780m, which is detailed by key variances in Appendix 1.

3.32. There has been an adverse movement of +£0.482m since the previous report. This is due to one-off costs of the final phase of catch-up stock condition and Reinforced Autoclaved Aerated Concrete (RAAC surveys) (+£0.410m). There are also previously unidentified historic service charges in relation to N4 library (+£0.302m) covering the last 5 years (dating back to 2019). Underspends would have been realised in previous years in relation to these costs rather than accruing the liability. These pressures have been offset by a (-£0.230m) improvement in the planning income forecast.

3.33. There is a +£1.180m forecast shortfall in commercial property income due to an underlying shortfall in the rent roll forecast and notice recently being given on two large leases at Old Street. An arrangement to secure commercial income has been achieved at one of these properties. Other opportunities to increase the rent roll further are being pursued (including opportunities to lease space at NBW), along with a programme of rent reviews. The position will take time to recover and a 2025/26 savings target of £0.400m by increasing commercial rental income further will not be deliverable next year given the unforeseen loss of a significant income stream.

3.34. There is a +£0.396m planning income pressure (an improvement of -£0.230m from Q1) due to a forecast shortfall in planning fees, planning performance agreements and design review panel income due to continued downturn in planning activity. 94% of the development management budget is reliant on income, making it highly sensitive to reduced planning activity. The forecast has made very prudent assumptions about major planning applications, some of which have now come to fruition and improved the position.

3.35. There are staffing costs related to the delivery of the capital programme which cannot be capitalised. This is forecast to create a pressure of +£0.347m. A revenue budget was not established as it was previously thought that the costs could be capitalised. Finance and Senior Management are working through proposals to resolve this issue on an ongoing basis.

Savings Delivery

3.36. There is a delay to the delivery of £1.145m of FutureWork savings (£0.352m relate to 2023/24 planned delivery) as follows: building costs at NBW (£0.533m); building costs and facilities management at Elwood Street (£0.530m); and costs at Brewery Road (£0.071m). Alternative solutions are being sought to deliver savings. These mitigations will not have a financial impact until 2025/26.

3.37. All other savings are on track to be delivered on time and in full.

Risks and Opportunities

3.38. There is a forecast overspend due to inflationary and demand cost pressures (providing essential support during the ongoing cost of living crisis) against the Resident Support Scheme budget of £0.125m, however this is expected to be met from additional forecast income the Community and Financial Resilience budget.

3.39. There is a +£1.800m forecast energy pressure across the Council's buildings. Few bills have been received for the financial year to date, therefore the actual pressure at year end will vary. This pressure will be funded from the corporate energy budget allocation and so is not factored into the CWB position. There is a risk that if energy costs continue to increase, the corporate budget will not be sufficient to cover this increase.

Environment and Climate Change +£3.042m overspend, a change of -£0.051m since the previously reported position

3.40. The Q2 forecast for Environment and Climate Change is a net overspend of +£3.042m, which is detailed by key variances in Appendix 1.

3.41. Environment and Commercial Operations is forecasting a +£2.969m overspend which is detailed below.

3.42. Parking is forecasting a +£1.559m overspend, main variances detailed below.

- +£1.084m shortfall forecast on Pay & Display income due to a delay to the implementation of extended CPZs (Controlled Parking Zones). Extensions were due to be implemented in 2024/25 but have been delayed by the two elections (which in turn delay consultations). There is also emerging evidence that the value of transactions is decreasing (as opposed to the volume of transactions). See savings delivery for more information
- +£0.780m shortfall on permit income due to business (car clubs) income and E-permission-to-park not materialising, offset by a surplus on E-visitors vouchers.
- +£0.544m net overspend forecast on salaries, general expenses including printing and postage, software, CCTV maintenance, financial costs and general recharges. There is also a +£0.217m overspend forecast on TEC (Traffic Enforcement Centre) fees as a result of an increase in PCNs being issued. These pressures will be addressed through restating budgets to reflect recent activity levels for Q3 reporting.

  These pressures are offset by the following additional income received above budgeted levels:
- -£0.872m overperformance forecast on PCN (Penalty Charge Notices) income due to a delay to the implementation of the Liveable Neighbourhoods programme. New locations were due to be implemented in 2024/25 but have been delayed by the two elections (which in turn delay consultations). The shortfall has been largely offset by mitigating actions.
- -£0.182m overperformance forecast on other income sources including Road Closures, Clamping and Removal and Miscellaneous.

3.43. Leisure is forecasting an overspend of +£0.512m due to the partial closure of Sobell Leisure Centre until Spring 2025. Rent losses to July are expected to be covered by insurance and uninsured losses from August will form part of a claim to Thames Water. Any insurance income recovered in from rent losses incurred in previous financial years will be used to replenish the impact that this income loss has had on council reserves. There is a pressure of £0.650m around the GLL energy collar share however this will be offset by the corporate energy budget and therefore does not form part of the Environment & Climate Change outturn projection.

3.44. Street Operational Services is forecasting an overspend of +£0.805m mainly due to delays in realising savings (+£0.595m), overtime costs (+£0.279m) and anticipated winter pressures (+£0.151m). These are offset by an underspend within commercial waste (-£0.057m), additional green garden waste income (-£0.077m) and additional recharge income for fire clearance work (-£0.070m).

3.45. Climate Change and Transport is forecasting an overspend of +£0.172m which is primarily due to capitalised salaries and a shortfall on Clear Channel advertising income. A review of this contract is currently underway.

Movement since last reported position.

3.46. The position for the department moved by -£0.051m since the last reported position and key movements are noted below:

- +£0.780m shortfall on permit income due to business (car clubs) income and E-permission-to-park not materialising, offset by a surplus on E-visitors vouchers.

- +£0.446m shortfall on Pay & Display income due to a decline in levels of transactions.
- -£0.904m improvement in PCN income due increased forecast in PCN issuance from 410,000 to 430,000.
- -£0.319m improvement in suspension income due to increased volume and new sources of income projected for February & March.
- Further rental loss for the Sobell Centre, +£0.180m, due to further delays in opening. This cost may be recoverable from third party insurance.
- Climate Change & Transport, -£0.193m, due to the reduction in the capitalised salaries pressure and other revisions throughout the service.

Savings Delivery

3.47. Environmental enforcement savings delivery is creating a pressure of +£0.358m. There have been lower levels of activity and recovery of Fixed Penalty Notice income than modelled in business plan assumptions.

3.48. Net overperformance of -£0.077m, is forecast within the Green Garden Waste service following a higher number of subscribers than originally anticipated.

3.49. A +£0.549m pressure due to delay in implementation of extension of Controlled Parking Zone hours.

Risks and Opportunities

3.50. Utility companies often require parking bays to be suspended to allow works to be undertaken for which the council receives a fee income. Significant works are expected relating to the roll out of high-speed fibre broadband across the borough. Discussions with Openreach have now been concluded and the service is waiting for a timetable of the schedule of works to ascertain the levels of suspension income achievable in the 2024/25 financial year.

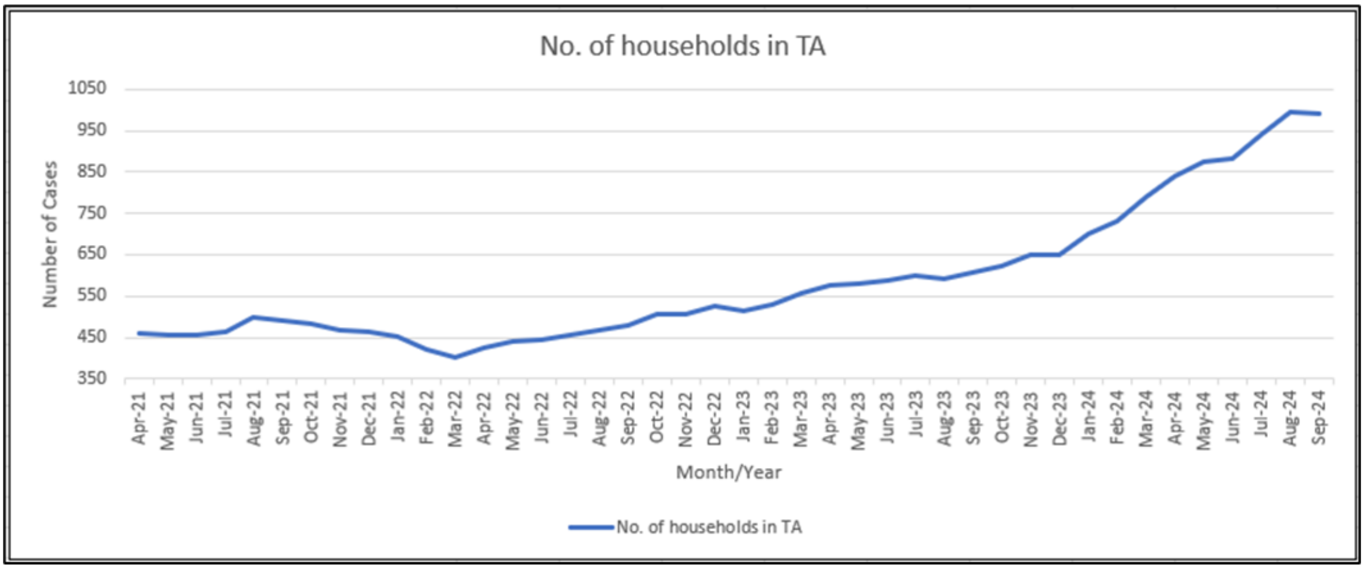
Homes and Neighbourhood +£5.707m overspend, an increase of £3.916m since the previously reported position.

3.51. The Q2 forecast for Homes and Neighbourhoods is a net overspend of £5.707m, which is detailed by key variances in Appendix 1. This position assumes Homes and Neighbourhoods will draw down the full budgeted allocation of demographic growth in 2024/25.

- Within Housing Needs, there is an overall overspend of +£5.718m. Temporary Accommodation (TA) is the primary driver of costs in this area, reporting an overspend of £5.356m. Numbers in TA are rising faster than initial assumptions due to the large and increasing number of people presenting as homeless. Budget Setting assumptions assumed a 20% increase in case numbers following the rise anticipated nationally. London has been the epicentre of homeless crisis, and Islington is no exception with case numbers rising by 25% in 2023/24. The rise in cases is an accelerating trend, with nightly booked TA numbers rising by 53% in the months since January 2024. The rise in case numbers is due to a number of factors, particularly the housing crisis and the cost-of-living crisis. Legislative changes, domestic abuse, and mental health or substance misuse issues also play crucial roles in causing homelessness.

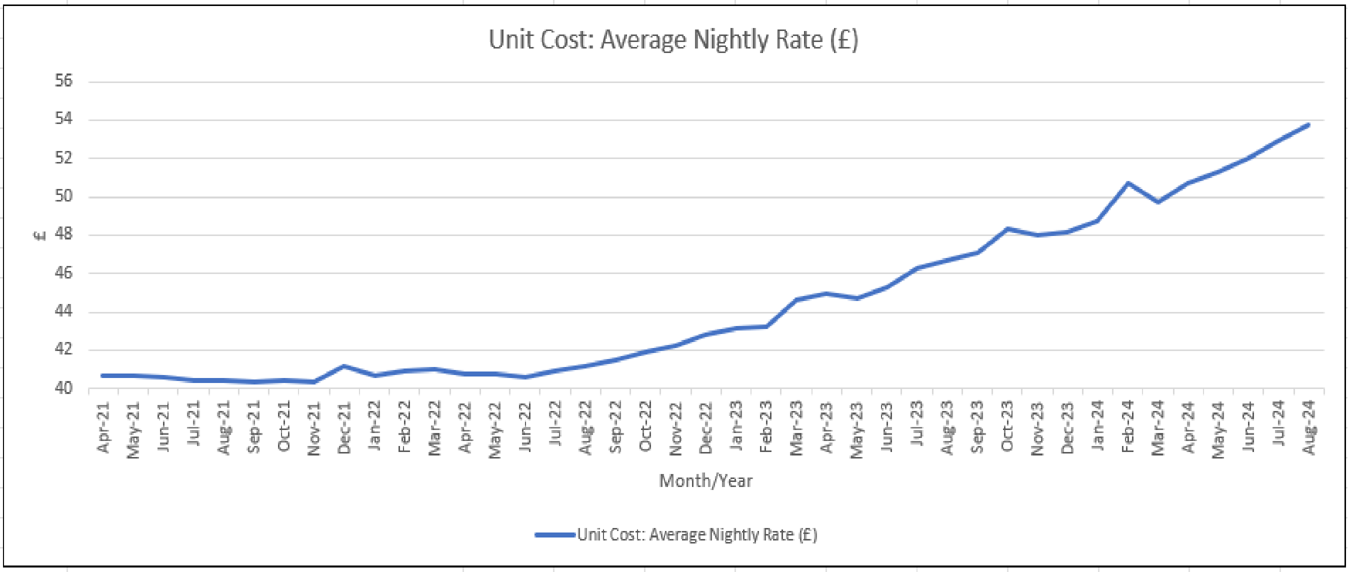
- Homeless costs are further exacerbated by the rise in costs per night. While rents for TA are broadly rising in-line with inflation forecasts, the reliance on hotels despite representing a small proportion of cases, represents a large cost demand – costing nearly 4x nightly booked TA.
- The increasing number of homeless cases has also led to a forecasted rise in bad debt write-offs. The current forecast is +£0.294m overspend which will be monitored throughout the year and requested to the Executive at Outturn.
- Pressures in TA reflect long-term structural problems with the cost-of-living crisis and housing crisis, it is likely that the financial pressure will remain for the medium term. The department is acting to mitigate these problems through the Property Acquisition Programme, adapting the allocations policy, and developing prevention programmes such as deposit incentives.
- Figure 4 below shows the number of Households in Temporary Accommodation since April 2021.

Figure 4 - Number of Households in Temporary Accommodation



- Figure 5 below shows the average nightly rate paid for Temporary Accommodation since April 2021.

Figure 5 – Average nightly rate in Temporary Accommodation



3.52. Within Community Safety, Security, and Resilience (CSSR), there is an overall forecast underspend of -£0.065m.

- ASB and Compliance has a +£0.439m overspend largely driven by a shortfall in income from Fixed Penalty Notices (FPNs) for littering, fly-tipping and commercial waste. Income targets have increased in recent years, yet the team are struggling with staff shortages and legal changes. To mitigate cost pressure, the department are currently undertaking a restructure and refocusing resources on new income streams.
- This is partially offset by a -£0.504m underspend in Private Housing and Commercial Services, largely driven by improved income generation and staff vacancies where recruitment is proving difficult.

3.53. Within Civic Services: There is an overall overspend of +£0.054m across Cemeteries, Registrars and Mortuaries. Key drivers are an updated service level agreement requiring more investment to update freezer storage facilities for the Mortuaries service which has created a +£0.223m pressure, as well as higher than anticipated staffing costs in Registrars +£0.054m due to high use of sessional staff and overtime. Whilst the Mortuaries pressure will be met from Reserves in 2024/25, the service is seeking to expand the range of registrar services to improve income generation to offset the overspend.

Savings delivery

3.54. The HGF has a significant amount of savings to be delivered for 2024/25 totalling £0.787m.

3.55. Sustained rises in TA case numbers mean it was not possible to achieve the £0.407m of savings related to a reduction in TA case numbers, therefore resulting in a pressure.

3.56. Of the CSSR savings, £0.380m, only savings related to Selective Licencing Income (£0.050m) and Overtime Reduction (£0.050m) look likely to be achieved. All of the remaining CSSR savings are red RAG rated and alternatives are being sought.

Risks and Opportunities

3.57. It is difficult to draw long-term conclusions for 2025/26 and beyond for the department. TA case rises, service restructure costs, income shortfalls, rising rent deposit costs, and the increasing cost of rent deposits will all add to the financial challenges in 2024/25. Housing Needs and CSSR are both reliant on grants, using £2.713m of grant for funding prevention, relief, and arrears. If those are withdrawn or reduced the council may be left with unfunded financial pressures that cannot be reduced easily, with the total position becoming £8.420m overspent. Opportunities do exist through the Property Acquisition Programme, as a number of different capital grants have been secured by the council that will lead to an increase in cost neutral accommodation for those in TA, reducing overall financial pressures.

Public Health £0.000m balanced position, a change of £0.000m since the previously reported position

3.58. The Q2 forecast for Public Health is a net breakeven position of +£0.000m, which is detailed by key variances in Appendix 1.

3.59. Public Health is primarily funded by a ringfenced Public Health grant of +£29.827m in 2024/25.

3.60. The directorate is funding a number of one-off projects and some additional staff costs +£0.571m in the Other Public Health division. This is forecast to be met from additional Public Health grant funding provided. If this is not possible, it will be met from the Public Health earmarked reserve

3.61. In the Smoking & Tobacco and Substance Misuse divisions there is a total underspend of -£0.121m. This is due to a fall in activity in primary care for local commissioned services that has not yet recovered since the COVID-19 pandemic.

3.62. The ringfenced Public Health reserves was £1.591m at the end of 2023/24. It is estimated that there will be a transfer of £0.143m to the reserve at the end of the current financial year.

Savings Delivery

3.63. Savings – It is expected that all savings will be delivered.

Risks and Opportunities

3.64. There are a number of risks and opportunities in the area for 2024/25 and beyond:

3.65. There is an increase in demand for online sexual health services that is not offset by a reduction in costs for in-clinic sexual health services. Public Health cannot realise cost efficiencies in clinics without undermining the clinical and financial position of the clinics.

3.66. Refurbishment costs for locating the Young Peoples Sexual Health Service in a new building in Archway have increased above initial costings (+£0.210m more than original estimates).

3.67. Potentially, Islington Public Health may need to meet financial gaps in Public Health NHS services which may arise in the absence of continued funding for pay award being passed through the NHS. This includes consideration of pay awards pressures from 2023/24, as well as in-year. Public Health and Finance have carefully assessed the potential financial risks and pressures, to inform our local approach with the relevant services and manage pressures within available resources.

Resources +£0.058m overspend, an increase of +£0.058m since the previously reported position

3.68. The Q2 forecast for Resources is an overspend of +£0.058m, which is detailed by key variances in Appendix 1.

3.69. There is a net +£0.200m pressure in law and governance due to the use of locum staff whilst the legal services re-structure is being undertaken. Service needs are being reviewed to ensure that the legal service can meet these needs. This pressure has been partially offset by a reduction in the use of external legal advice and surplus print room income. There is a +£0.096m staffing pressure in finance and human resources and contract efficiencies in digital services leading to an underspend of -£0.237m. These are all new variances at Q2.

Savings delivery

3.70. All savings are forecast to be delivered in full and on time.

Risks and opportunities

3.71. There is likely to be a shortfall in council tax court cost income of +£0.300m, but this is expected to be met from additional income from the GLA. However, this remains a budget risk for future years.

Corporate Items -£5.660m underspend, a change of -£0.652m since the previously reported position

3.72. The Q2 forecast for Corporate Items is a net underspend of -£5.660m, which is detailed by key variances in Appendix 1.

3.73. The largest corporate variances relate to revenue budgets for treasury management and the financing of the capital programme. These include:

- Interest receivable: Due to prevailing high interest rates, there is forecast interest receivable of -£4.000m compared to the budget of -£1.750m, a favourable variance of -£2.250m. This forecast is subject to change based on the council's overall cash flow position for the remaining financial year.
- Interest payable: Due to reduced capital expenditure being financed through General fund borrowing (in part due to slippage of the capital programme), there is a forecast underspend on interest payable of -£4.260m against the budget of £7.614m. This prudently assumes that existing General Fund borrowing will be refinanced as it matures throughout the year at current interest rates + 0.5% and that there will be no cashflow need to borrow for in-year capital expenditure.
- The above favourable variances are offset by a +£0.553m pressure compared to budget in relation to internal interest charges with the HRA. This relates to where the HRA is internally borrowing from the General Fund in lieu of external borrowing. The methodology for internal borrowing charges has not been updated since the significant increase in interest rates in late 2022. As such, it will be reviewed to ensure that it is equitable and fully passes on the costs of internal borrowing.

3.74. The local government pay award for the period 1 April 2024 to 31 March 2025 has now been agreed. Council officers on pay points up to and including pay points 50 (£62,457) will receive an annual increase of £1,575, and those on pay points 51 (£63,582) and above (excluding those on the chief officer grades) will receive an annual increase of 2.5%. The pay award for chief officer grades had already been agreed at an annual increase of 2.5%. Work is being undertaken to allocate the required budgets to services. An initial high-level estimate is that this will result in a budget pressure of +£0.799m on the pay award budget set aside at 2024/25 budget setting. However, there is a risk that the pressure will be larger than initially estimated and that there will be additional pressure on the pay award budget. An overspend on the pay award would be a recurrent budget pressure that would need to be factored into 2025/26 budget setting.

3.75. The council is required to make an annual contribution towards the Freedom Pass giving free travel concessions to eligible older and disabled residents on Transport for London (TfL) services. After the 2024/25 budget had been set, a rebate of -£0.406m to Islington Council was agreed in March 2024 after TfL announced a freeze on fares. This has resulted in an underspend against the approved budget for concessionary fares.

3.76. Corporate items includes a £1.837m budget for energy pressures across the General Fund. As at Q2, the estimated energy pressures include:

- +£1.800m in the CWB directorate,
- +£0.650m as a result of the Greenwich Leisure Limited contract, and
- +£0.100m for Greenspace.

The total pressure is therefore +£2.550m which is assumed in directorate positions to be offset corporately. This has resulted in a net pressure in Corporate Items of +£0.713m.

3.77. The second year of the Voluntary Redundancy and Efficiency Scheme delivered a General Fund saving of £0.731m, £0.269m less than the £1.000m estimate assumed in the 2024/25 budget. This has resulted in a recurrent budget shortfall of +£0.269m which has been factored into the 2025/26 budget gap.

Risks and Opportunities

3.78. There is a significant risk that the impact of the local government pay award will be higher than the initial estimate once this has been worked through in more detail.

3.79. It is likely that the council will have unbudgeted financial commitments at the end of the financial year in relation to the required replenishment of the insurance fund (based on an external actuary assessment of insurance claims liabilities) and sundry debtors impairment allowance for doubtful debts. The amounts for these will not be known until the end of the financial year and will likely fall as a call on earmarked revenue reserves. In previous years, these recurrent budget commitments were funded from the £4m budget for financial resilience measures (essentially provisions and reserves). This £4m budget was removed on a one-off basis in 2024/25 to help set a balanced 2024/25 budget.

3.80. The 2024/25 budget report allocated budget for demographic growth in various areas in recognition of increased demand and complexity of services. This budget is held corporately until the cost pressure is evidenced as being required. Table 3 below outlines the current forecast call against each line of the centrally held demographic growth budget.

If directorates do not require some of the growth held, this would come through as a corporate underspend by the end of the financial year.

Table 3 - Forecast Demographic Growth Requirement

Directorate	Allocation	Budget £m	Forecast Requirement £m	Forecast Variance £m
Adult Social Services	Mental Health Service Users	0.815	0.531	(0.284)
	Learning Disability Service Users	1.972	1.972	0.000
	Memory, Cognition and Physical Support Service Users	1.417	0.000	(1.417)
	2023/24 Catch Up Demography	3.406	3.406	0.000
Children & Young People	18+ CLA (Non-UASC)	0.529	0.000	(0.529)
	Short Breaks and Personal Budgets	0.563	0.434	(0.129)
	SEND Transport	0.932	0.820	(0.112)
	Under 18 CLA (Non-UASC)	0.803	0.335	(0.468)
Homes & Neighbourhoods	Temporary Accommodation	0.610	0.610	0.000
Total		**11.047**	**8.108**	**(2.939)**

Earmarked Reserves Allocations

3.81. Previous key decision reports have agreed spending plans to be funded from earmarked revenue reserves. Detailed reserve projections for 2024/25 and over the medium term are set out in the Autumn MTFS update report. Transfers to/from reserves over £0.500m require the approval of the Executive. The following key council projects are expected to require funding from reserves in excess of £0.500m in 2024/25:

- Delivery of the Resident Experience programme which aims to improvement the council's experience with residents including the digital offer, communications and processing of data – £1.265m forecast drawdown.
- Delivery of the FutureWork Programme which aims to deliver the shift to a post-COVID-19 operating model through changes to the office environment, technology and workstyles – £1.665m forecast drawdown.
- Equal Pay Project - £0.750m drawdown for estimated costs
- Support Payment Scheme for survivors of non-recent child abuse – Drawdown for approved in-year support payments and forecast £1.967m operational costs of the scheme which will continue throughout the year. This is split between:
  - Staffing costs of the team - £0.687m,
  - Legal expenses - £0.218m,
  - Forecast costs of the trauma service for 2024/25 and backdated 2023/24 - £0.954m,

  - Other running costs including advertising £0.108m

- Procurement Service Resourcing – £0.800m drawdown is forecast for this project as a result of changes to legislation following the publication of the Procurement Act 2023. In order to mitigate the risks to the council and to ensure business continuity, there is an immediate requirement to significantly enhance the resources within the Procurement team. The act is due to go live from the 24 February 2025.
- Replacement of My eAccount with the more responsive and comprehensive My Islington platform, with the capability to integrate across systems and processes to join up information for a better resident experience - £0.750m drawdown for estimated costs - £0.788m drawdown is currently forecast for this project
- New Finance System Implementation Costs – A procurement decision has been made and financial forecasts will follow shortly.

Revenue Virements

3.82. Variations to the budget approved by Council are permissible in the circumstances set out in the council's Financial Regulations Section 3. All virements are reported by the Chief Financial Offer to Executive. Revenue virements with a value exceeding £500,000 must be approved by Executive.

3.83. All revenue virements for the year are detailed in Appendix 2 for noting.

3.84. A virement in Environment and Climate change is recommended for approval as part of this report. An ongoing virement within the directorate of £0.978m is proposed as a result of increases to the income budget in line with forecasts and realigning corresponding expenditure budgets to reflect the additional expenditure requirement as a result of income growth. This is net nil on the council's budget as a whole.

Collection Fund

Background

3.85. Council tax and NNDR (Business Rates) income are a major source of the council's overall funding, together representing around a quarter of the council's gross GF income and collected via a ring-fenced Collection Fund. In 2024/25, the council will retain 75.45% of council tax income collected (the remaining 24.55% is the GLA share) and 30% of NNDR income collected (of the remaining 70%; 37% is the GLA share and 33% is the central government share).

3.86. The overall Collection Fund surplus/deficit in-year is affected by number of variables such as movements in the gross taxbase (e.g. the number of properties in the borough and for business rates, the impact on business rate appeals), offsetting deductions to bills (e.g., single person discount and council tax support for council tax and mandatory charitable relief for business rates) and the collection rate. Any forecast surplus or deficit on the Collection Fund will not impact the council's budget until the following financial year due to accounting regulations. The forecast surplus or deficit on the Collection Fund is made annually in January and factored into the budget setting estimates for the subsequent financial year.

Council Tax

3.87. The latest 2024/25 council tax forecast, which is subject to change between now and at the end of financial year, is a -£4.193m surplus (-£3.164m Islington share). This is -£1.642m higher than the Q1 forecast. This comprises a -£3.016m forecast in-year surplus and a -£1.177m surplus brought forward from 2023/24. The latter relates to favourable movements in the 2023/24 council tax position between the January 2024 estimated forecast and the actual 2023/24 outturn.

3.88. The forecast in-year surplus of -£3.016m (-£2.276m Islington share) is due to the following variances against budget:

- -£1.638m favourable movement in the net council tax base (before council tax support).
- +£1.060m forecast increased cost of council tax support.
- -£2.438m favourable movement in the estimated year-end contribution to the impairment allowance for non-collection.

3.89. The budgetary impact of the council's share of the council tax deficit forecast is set out in Table 5 and will be fully offset by a transfer to the Core Funding Reserve that has been earmarked for this purpose.

Table 5 - Forecast 2024/25 Council Tax (Surplus)/Deficit

	LBI's Share £m	GLA's Share £m	Total £m
Forecast (Surplus)/Deficit at 2024/25 Budget Setting (January 2024 Forecast of 2023/24 Position)	2.348	0.738	**3.086**
Forecast 2024/25 Transfer (to)/from Core Funding Reserve	**2.348**	**0.738**	**3.086**
Additional Prior Year (Surplus)/Deficit between 2024/25 Forecast (as at January 2024) and Actual 2023/24 Outturn	(0.888)	(0.289)	**(1.177)**
2024/25 In-Year Forecast (Surplus)/Deficit	(2.276)	(0.740)	**(3.016)**
Forecast 2025/26 Transfer (to)/from Core Funding Reserve	**(3.164)**	**(1.029)**	**(4.193)**

NNDR

3.90. The latest 2024/25 NNDR forecast, which is subject to change between now and the end of the financial year (particularly in respect of NNDR appeals), is a -£9.396m surplus (-£2.819m Islington share). This is -£1.996m higher compared to Q1 estimates. This comprises a +£7.389m forecast in-year deficit and a -£16.875m surplus brought forward from 2023/24. The latter relates to favourable movements in the 2023/24 NNDR position between the January 2024 forecast and the actual 2023/24 outturn.

3.91. The forecast in-year deficit of +£7.389m (+£2.217m Islington share) is due to the following variances against budget:

- +£10.179m forecast net reduction in collectable NNDR income due to a reduction in rateable values and an increase in reliefs (mainly retail, hospitality and leisure, or RHL, reliefs), offset by a decrease in unoccupied property reliefs.

- -£5.508m favourable movement in the estimated year-end contribution to the impairment allowance for non-collection.
- +£2.718m net adverse movement in the estimated year-end contribution to the provision for NNDR appeals. This can fluctuate between quarters due to uncertainty around the likelihood and value of successful appeals.

3.92. Partially offsetting the in-year deficit, there is a forecast favourable budget variance of -£2.333m in relation to increased Section 31 grant compensation due to the council for the impact of government business rate reliefs (RHL reliefs) on NNDR income.

3.93. The budgetary impact of the council's share of the forecast NNDR surplus and the Section 31 grant budget variance, is set out in Table 6 and would be fully offset by a transfer to the Core Funding reserve that has been earmarked for this purpose.

Table 6 – 2024/25 Forecast NNDR Surplus/(Deficit)

	LBI's Share £m	GLA's Share £m	Govt Share £m	Total £m
Forecast (Surplus)/Deficit at 2024/25 Budget Setting (January 2024 Forecast of 2023/24 Position)	(7.187)	(8.863)	(7.905)	**(23.955)**
Forecast 2024/25 Variance on Section 31 Grant Income	(2.333)			**(2.333)**
Forecast 2024/25 Transfer (to)/from Core Funding Reserve	**(9.520)**	**(8.863)**	**(7.186)**	**(26.288)**
Additional Prior Year (Surplus)/Deficit between 2024/25 Forecast (as at January 2024) and Actual 2023/24 Outturn	(5.036)	(6.210)	(5.539)	**(16.785)**
2024/25 In-Year Forecast (Surplus)/Deficit	2.217	2.734	2.438	**7.389**
Forecast 2025/26 Transfer (to)/from Core Funding Reserve	**(2.819)**	**(3.477)**	**(3.101)**	**(9.396)**

Current Collection Rate

3.94. The council has set an estimated in-year target collection rate for council tax, 95.33%, against which 48.10% (£78.951m) has been collected. This is -1.00% (-£1.642m) lower than the monthly in-year target rate. The current collection rate is about -0.27% lower compared to the previous year.

3.95. For NNDR the council has set an in-year target collection rate of 96.70%, against which 53.96% (£160.130m) has been collected. This is +1.16% (+£3.452m) higher than the monthly in-year target rate and -2.56% lower compared to the same period last year.

Collection Fund Debt Analysis

3.96. The movement in Collection Fund Debts (CTAX/NNDR) between Q1 and Q2 and comparison with previous year is summarised in Tables 7.1 and 7.2.

Table 7.1 – Council Tax Debtors

Outstanding Debts	Sept 2024 (2024/25)	June 2024 (2024/25)	Sept 2023 (2023/24)	Movement Between Q2 and Q1			
Council Tax	**£m**	**£m**	**£m**	**£m**	**%**	**£m**	**%**
Current Year	85.116	121.942	78.792	(36.826)	(30.20%)	6.324	8.03%
Prior Years	32.810	37.141	34.186	(4.331)	(11.66%)	(1.376)	(4.03%)
Total Outstanding	**117.926**	**159.083**	**112.978**	**(41.157)**	**(28.98%)**	**4.948**	**(3.11%)**

Table 7.2 NNDR Debtors

Outstanding Debts	Sept 2024 (2024/25)	June 2024 (2024/25)	Sept 2023 (2023/24)	Movement Between Q2 and Q1	
Business Rates	**£m**	**£m**	**£m**	**£m**	**£m**
Current Year	136.544	218.622	113.370	(82.078)	23.174
Prior Years	22.118	26.531	21.365	(4.413)	(0.753)
Total Outstanding	**158.662**	**245.153**	**134.735**	**(86.491)**	**23.927**

4. Housing Revenue Account (HRA)

4.1. The Q2 forecast position for the HRA is an in-year deficit of +£5.475m, a change of +£0.075m since the previously reported position as set out in Table 8 below. As the HRA is a ringfenced account, any deficit or surplus at the end of the financial year will be transferred to HRA reserves.

4.2. There is a +£2.500m pressure arising from the need to tackle damp and mould in dwellings. This has been a pressure in prior years, a review is being undertaken to establish the baseline annual budget requirement for 2025/26.

4.3. Housing disrepair claims have continued to remain at elevated levels. Caseload activity remained broadly consistent throughout the last financial year. The allocation of extra temporary resources has helped drive down the average payment award per case. At this stage an overspend of +£3.235m is forecast.

4.4. There is a -£2.751m favourable variance in rent and service charge income. The largest element of this increased level of income is leaseholder contributions to major works. This is linked to the accelerated major works programme described in section 5.

4.5. As reported previously, there is a forecast -£1.800m favourable variance in interest charges, compared with the 2024/25 budget. The budget was increased to reflect increased borrowing and increased interest rates. Following some re-profiling of capital programmes, particularly re HRA New Build schemes, actual borrowing is significantly reduced. This has also been compounded by favourable interest rates than had been assumed.

4.6. +£1.039m adverse variance arising from the Local Government pay award which has now been accepted. The award was greater than budgeted.

4.7. +£0.666m adverse variance for the increased use of temporary accommodation. Currently there has been a 10% increase in the use of temporary accommodation, this is primarily driven by damp and mould cases.

4.8. +£0.300m adverse variance for council tax charges. There are several properties that are longer term void, resulting in council tax premium charges.

4.9. The business plan requires a minimum of 10% of annual operating expenditure to be maintained in reserves each year. This equates to an average minimum of £31.475m per year over the 30-year business planning term. The opening position of HRA reserves in 2024/25 is £78.387m.

Table 8 – 2024/25 HRA Revenue Variance Q1 to Q2 Comparison

Area	Description	Forecast Over/(Under) Spend Q2 £m	Overspend/ (Underspend) Q1 £m	Change
Tenants Rents & Service Charges	Income compared to budget on Rents and Service Charge Income	(2.751)	0.500	(3.251)
Special Services	Forecast Energy cost pressures	0.000	3.500	(3.500)
Repairs & Maintenance	Extra costs linked to responding to damp and mould issues	2.500	1.200	1.300
Repairs & Maintenance	Material prices and increased contractor costs	1.322	0.000	1.322
Rents, Rates, Taxes and Other Charges	Council tax on longer term void properties	0.300	0.000	0.300
General Management	Disrepair claims	3.235	2.000	1.235
General Management	Temporary Accommodation	0.666	0.000	0.666
General Management	Staffing and Agency Spend	0.964	0.000	0.964
Capital Financing Costs	Interest payable underspend due to lower than forecast interest rates	(1.800)	(1.800)	0.000
Contingency	Staffing pay award	1.039	0.000	1.039
	Total	**5.475**	**5.400**	**0.075**

5. Capital Programme

Summary

5.1. As at the end of Q2, total capital expenditure of £78.776m has been incurred against a 2024/25 revised forecast of £248.441m, representing 32% of spend against forecast.

5.2. Table 9 below summarises by directorate the budget, forecast outturn, and budget management actions being taken at Q2. This includes a forecast overspend of £1.178m to budget, for which mitigating actions are being explored. These overspends are detailed at scheme level at Appendix 4 and narrative is provided in paragraphs 5.10 to 5.31.

5.3. The revised multi-year approved, and indicative capital programme can be found at Appendix 5 with the latest assumed capital financing. Capital financing is applied strategically to use available capital grant and capital receipts before calling upon borrowing financing and to ensure that borrowing financing is applied against relatively longer-life assets, thereby reducing Minimum Revenue Provision costs.

Table 9 – 2024/25 Capital Programme

Directorate	Revised Budget at Q1 2024/25 £m	Actuals at 30.06.24 £m	Forecast Outturn £m	Requested Reprofiling £m	Requested Adjustments £m	Proposed Budget following Agreement £m	Variance to Revised Budget £m
CWB	32.127	7.976	22.696	(9.089)	(0.542)	22.496	0.200
Environment	35.519	6.900	35.950	(3.097)	3.300	35.722	0.228
Housing GF	12.651	2.104	5.487	(7.164)	-	5.487	-
General Fund Total	**80.297**	**16.980**	**64.133**	**(19.350)**	**2.758**	**63.705**	**0.428**
HRA Total	**211.030**	**61.796**	**184.308**	**(27.472)**	**-**	**183.558**	**0.750**
Total Capital Programme	**291.327**	**78.776**	**248.441**	**(46.822)**	**2.758**	**247.263**	**1.178**

5.4. The table below summarises the capital programme by the strategic priority.

Table 10 – Proposed Capital Programme by Strategic Priority

Key Strategic Priority	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Safe Place to Call Home	191.583	220.550	140.564	552.697
Child Friendly Islington	5.203	10.666	3.944	19.813
Community Wealth Building	12.175	7.286	3.371	22.832
Empowering People	2.284	4.618	2.877	9.779
Greener, Healthier Islington	36.018	26.467	26.860	89.345
Total	**247.263**	**269.587**	**177.616**	**694.466**

5.5. A review of names of projects in the capital programme has also been undertaken during the second quarter which has led to some minor changes in names to provide more clarity.

Key Capital Risks & Mitigations

5.6. The following paragraphs set out key risks to the capital programme's delivery and budget and the mitigating actions in place. These are the high-level risks, for key project risks and narratives, see paragraphs 5.10 to 5.31.

5.7. Macro-Economic Conditions: Developers and scheme providers are facing increased costs due to macro-economic conditions leading to increases in expense claims and increasing the possibility providers would go into administration.

Mitigations: Regular communication is conducted with providers and project managers. Contingencies are built into all new schemes to mitigate some of these costs.

5.8. Historic Lack of Governance: Historic lack of control and governance impacting on capital schemes that will complete this year could result in overspends.

Mitigations: A review of governance and gateway arrangements is underway to strengthen current and future decision making to be implemented in early 2025. Internal audits will be undertaken to identify any further areas for improvement. The Corporate Director of CWB leads monthly reviews on all live schemes to identify any issues. External legal and commercial advice has also been commissioned.

5.9. Lack of Funding: Lack of capital funding available to achieve all corporate priorities e.g. decarbonisation of all corporate buildings by 2030.

Mitigations: A review of the capital programme has been undertaken to reprofile the use of resources against the council's priorities as part of the 2025-26 budget setting process. Approval of the revised programme will be sought in early 2025. Directorates are exploring the further use of external funding.

Key Projects and Changes to Note

5.10. The following paragraphs provide additional detail on key projects, or projects with significant changes to report at Q2. Each paragraph is structured to provide the scheme name, budget after Q2 proposed changes, followed by the update.

Community Wealth Building

5.11. **Finsbury Leisure Centre Redevelopment (FLCR)** £1.380m: This relates to the General Fund aspect of the FLCR project. This project is requesting slippage of £7.215m into future years as it has been delayed due to changing Building Safety Regulations requiring additional design work to be undertaken before a planning application can be submitted. This has now been completed and the scheme will progress. A revised viability is due to be finalised in early 2025.

5.12. **Bingfield Garages £0.000m:** a line has been added to the capital programme at Q2 for this project which will transform underutilised garages into accessible workspaces. At Q2 budget has not been identified, leading the project to create an overspend in the capital programme. Options are being explored by management to identify appropriate funding and an update will be provided at Q3.

Environment & Climate Change

5.13. **Clerkenwell Green Public Realm Scheme** £0.165m: Phase 2 of the Clerkenwell Green project completed in Q2. The project is currently forecasting an overspend of £0.162m for 2024/25 and options are being explored by management to manage the overspend and identify appropriate funding. An update will be provided at Q3.

5.14. **GreenSCIES (New River Heat Network)** £0.035m: An overspend of £0.066m is being reported at Q2 on this project to extend the Heat Network. The Council has been awarded £0.076m of additional grant funding for this project from the GLA's The Local Energy Accelerator Programme which it is currently in the process of accepting and adding into the capital programme.

5.15. **St John Street Public Realm Improvements** £0.162m: This project is requesting £1.078m slippage in Q2. Preliminary business engagement has been conducted with consultation scheduled for November 2024. The budget has been reprofiled across future years at Q2 to align to the expected delivery timeline of the public realm improvements.

5.16. **Sobell Leisure Centre** £7.700m: An addition of £3.300m is being requested at Q2 fully funded from insurance contributions. works are ongoing to bring the Sobell Leisure Centre back into full use following a flood at the site and unavoidable issues that have emerged on site during construction. Users have been enjoying refurbished gym and squash courts and a new gymnastics zone. Soft play facilities reopened in October 2024 ready for October half-term with a full site re-opening scheduled for Spring 2025.

Housing General Fund

5.17. **Elthorne Estate – Current New Build** £2.812m: This project is requesting £2.707m slippage in Q2. This scheme will deliver 24 private sales homes out of 46 new dwellings being built on this scheme. The programme has been extended with a revised completion date, meaning that works will continue into next year.

5.18. **Finsbury Leisure Centre – Pipeline New Build** £1.930m: This project is requesting £1.942m slippage in Q2. This scheme will deliver 98 private sales homes to support the delivery of the whole scheme. Due to changes in the Building Safety Regulations, additional design work has needed to be undertaken before a planning application can be submitted. This has now happened and the scheme will progress, but this has caused a delay in the programme.

5.19. **Vorley Road – Pipeline New Build** £0.256m: This project is requesting £1.542m slippage in Q2. This scheme will deliver 39 private sales homes to support the delivery of the whole scheme. Due to changes in the Building Safety Regulations, additional design work has needed to be undertaken before a planning application can be submitted. This has now happened and the scheme will progress, but this has caused a delay in the programme.

5.20. **Bemerton Estate South – Pipeline New Build** £0.141m: This project has had a multi-year budget reprofiling at Quarter 2 to align to the latest scheme delivery plan following changes in the Building Safety Regulations. A planning submission is anticipated later in 2024/25 with options being considered to deliver 54 units, of which 29 would be either social rent or shared ownership.

Housing Revenue Account (HRA)

5.21. **Thriving Neighbourhoods Scheme** £6.778m: This budget is used to deliver schemes and projects across the borough to benefit local communities such as improve playgrounds, community centres, storage, recycling facilities and sports pitches. Funding allocated to specific schemes last financial year will be carried out during the year, with additional allocations to specific schemes for remaining budget currently being considered.

5.22. **Housing Revenue Account Major Works and Improvements** £60.556m: This programme is requesting £2.648m slippage in Q2. £19.457m was approved to be accelerated in Q1 so the service is still delivering an increased level of major works in 2024-25. This budget will deliver improvements across the whole HRA estate of more than 25,000 dwellings. Works will be carried out to improve fire safety, replace failing lifts and deliver a range of improvement works, including to make properties more energy efficient. There are delays bringing some schemes to site due to lengthy Building Safety Regulation applications and approvals.

5.23. **Andover Estate – Current New Build** £1.686m: This scheme is requesting £1.180m slippage in Q2. This scheme will deliver 42 new social rent homes. As the original contractor on the scheme has gone into administration, a new contractor is being procured to complete the scheme. This has caused some delay in completion of the scheme which is now expected to be next year.

5.24. **Park View Estate – Current New Build** £4.535m: This scheme is requesting £2.655m slippage in Q2. Previous delays in the delivery of this scheme have now been resolved. Work has resumed which will deliver 31 new social rent homes and works are expected to complete in 2026/27.

5.25. **Elthorne Estate – Current New Build** £3.067m: This scheme is requesting £2.954m slippage in Q2. This scheme will deliver 24 new social rent and shared ownership homes out of 46 new dwellings being built on this scheme. The programme timeline has been extended with a revised completion date, meaning that works will continue into next year.

5.26. **Harvist Estate – Current New Build** £0.269m: This scheme is requesting £10.952m slippage in Q2. Following completion of the PCSA contract due to the termination of the previous contract, the New Build Team is reviewing the route to delivery seeking to maximise the number of affordable homes.

5.27. **Finsbury Leisure Centre – Pipeline New Build** £1.970m: This scheme is requesting £2.068m slippage in Q2. This scheme will deliver 100 new affordable homes. Due to changes in the Building Safety Regulations, additional design work has needed to be undertaken before a planning application can be submitted. This has now happened and the scheme will progress, but this has caused a delay in the programme.

5.28. **Vorley Road – Pipeline New Build** £0.263m: This scheme is requesting £1.627m slippage in Q2. This scheme will deliver 40 new affordable homes. Due to changes in the Building Safety Regulations, additional design work has needed to be undertaken before a planning application can be submitted. This has now happened and the scheme will progress, but this has caused a delay in the programme.

5.29. **St Johns Mansions – Pipeline New Build** £3.135m: This scheme is requesting £1.549m slippage in Q2. This scheme will refurbish and remodel an existing Victorian mansion block to provide 19 self-contained flats for homeless people in the Borough. Capital grant funding has been secured from GLA to deliver the scheme, for which the procurement process is currently in progress. There is a very tight programme for this scheme which is expected to complete in the first quarter of 2025/26.

5.30. **Pipeline New Build Schemes** £0.000m: The HRA is in the early stages of exploring the next phase of schemes to bring forward into its New Build Schemes. The costs are budgeted for in the HRA business plan within revenue and the relevant approvals will be sought to bring the budget into the capital programme. Until this happens the line will show as a £0.750m overspend in the capital programme. As schemes progress, they will be split out from this line and presented individually on the face of the capital programme.

5.31. **Property Acquisitions** £95.536m: Grants have been allocated from GLA and DLUHC and renegotiated to support the acquisition of 397 properties over 3 financial years running until March 2026. To the end of September 2024, the purchase of 204 properties had been completed, with a further 86 offers accepted. 18 months remain to complete the programme, which is currently forecast to be achieved in full.

Capital Reprofiling

5.32. Capital slippage and acceleration are budget management tools to reprofile capital budgets between financial years to match the forecast timing of project expenditure, whilst staying within the approved project budget.

5.33. At Q2 the requested slippage from 2024/25 is £47.668m, split £20.053m General Fund and £27.615m HRA. This brings the total slippage requested during 2024/25 to £157.871m, equivalent to 41% of the 2024/25 capital budget as at 2023/24 outturn.

5.34. Table 11 below details the requested scheme slippages at Q2. The revised multi-year approved capital programme after these changes is shown in Appendix 5.

Table 11 - Capital Slippage at Q2

Scheme Title	2024/25 £m	2025/26 £m	2026/27 £m	2027-34 £m	Slippage Reason
Hayward Adventure Playground	(0.200)	0.200	-	-	Project delayed due to procurement
Prior Weston Primary School Playground Redevelopment	(0.297)	0.297	-	-	Alignment to revised delivery plan
Schools Condition Schemes	(0.316)	0.000	0.316	-	Alignment to revised delivery plan
Finsbury Leisure Centre Redevelopment	(7.215)	(2.506)	(0.559)	10.280	Alignment to revised delivery plan
Fully Funded Small S106/CIL Schemes	(0.974)	0.974	-	-	Alignment to revised delivery plan
Vorley Road Library	(0.276)	0.000	-	0.276	Alignment to revised delivery plan
Wray Crescent Community Park Building	(0.175)	0.175	-	-	Project delayed to reviewing project plans
Community Wealth Building Total	**(9.453)**	**(0.860)**	**(0.243)**	**10.556**	
People Friendly Streets - Liveable Neighbourhoods, School Streets and Cycleways	(0.506)	0.506	-	-	Alignment to revised delivery plan

Scheme Title	2024/25 £m	2025/26 £m	2026/27 £m	2027-34 £m	Slippage Reason
Public Realm - Kings Square Shopping Area Public Space	(0.330)	0.330	-	-	Alignment to revised delivery plan
St John Street Public Realm Improvements	(1.078)	1.078	-	-	Alignment to revised delivery plan
Electric Vehicle Charging Schemes	(0.383)	0.000	0.383	-	Alignment to revised delivery plan
Traffic Engineering Schemes	(0.054)	0.054	-	-	Alignment to revised delivery plan
Parking - Extension of CPZ	(1.085)	1.085	-	-	Project delayed due to consultation
Environment Total	**(3.436)**	**3.053**	**0.383**	**-**	
Telfer House - Current New Build	(0.305)	0.305	-	-	Alignment to revised delivery plan
King Square - Current New Build	(0.106)	0.106	-	-	Alignment to revised delivery plan
Elthorne Estate - Current New Build	(2.707)	2.707	-	-	Alignment to revised delivery plan
Dixon Clark Court - Current New Build	(0.104)	0.104	-	-	Alignment to revised delivery plan
Crouch Hall Court - Current New Build	(0.037)	0.037	-	-	Alignment to revised delivery plan
173 Highbury Quadrant - Current New Build	(0.172)	0.172	-	-	Project delayed to reviewing project plans
Finsbury Leisure Centre - Pipeline New Build	(1.942)	(8.201)	(8.016)	18.159	Project delayed to reviewing project plans
Vorley Road - Pipeline New Build	(1.542)	(3.446)	0.634	4.354	Project delayed to reviewing project plans
Bemerton Estate South - Pipeline New Build	(0.249)	(14.358)	5.868	8.739	Project delayed to reviewing project plans
Housing General Fund Total	**(7.164)**	**(22.574)**	**(1.514)**	**31.252**	
General Fund Total	**(20.053)**	**(20.381)**	**(1.374)**	**41.808**	
Housing Revenue Account Major Works and Improvements	(2.648)	2.648	-	-	Alignment to revised delivery plan
Andover Estate - Current New Build	(1.180)	1.180	-	-	Project delayed due to contractor
Park View Estate - Current New Build	(2.655)	2.655	-	-	Alignment to new project plan
Telfer House - Current New Build	(0.222)	0.222	-	-	Alignment to revised delivery plan
Wedmore Estate - Current New Build	(0.121)	0.121	-	-	Alignment to revised delivery plan
King Square - Current New Build	(0.248)	0.248	-	-	Alignment to revised delivery plan
Elthorne Estate - Current New Build	(2.954)	2.954	-	-	Alignment to revised delivery plan
Dixon Clark Court - Current New Build	(0.201)	0.201	-	-	Alignment to revised delivery plan

Scheme Title	2024/25 £m	2025/26 £m	2026/27 £m	2027-34 £m	Slippage Reason
Windsor Street - Current New Build	(0.322)	0.322	-	-	Alignment to revised delivery plan
173 Highbury Quadrant - Current New Build	(0.517)	0.517	-	-	Project delayed to reviewing project plans
Harvist Estate - Current New Build	(10.952)	4.200	4.200	2.552	Project delayed to reviewing project plans
Finsbury Leisure Centre - Pipeline New Build	(2.068)	2.068	-	-	Project delayed to reviewing project plans
Vorley Road - Pipeline New Build	(1.628)	1.628	-	-	Project delayed to reviewing project plans
Bemerton Estate South - Pipeline New Build	(0.350)	0.350	-	-	Project delayed to reviewing project plans
St Johns Mansions - Pipeline New Build	(1.549)	1.549	-	-	Project delayed due to procurement
HRA Total	**(27.615)**	**20.863**	**4.200**	**2.552**	
Total Capital Programme	**(47.668)**	**0.482**	**2.826**	**44.360**	

5.35. At Q2 the requested acceleration to 2024/25 is £0.846m, split £0.703m General Fund and £0.143m HRA. This brings the total acceleration requested during 2024/25 to £21.996m. Table 12 below details the requested scheme accelerations at Q2. The revised multi-year approved capital programme after these changes is shown in Appendix 5.

Table 12 - Capital Acceleration at Q2

Scheme Title	2024/25 £m	2025/26 £m	2026/27 £m	Acceleration Reason
High Needs Provision Allocation	0.191	(0.191)	-	Project progressing quicker than expected
Packington Nursery Expansion	0.035	(0.035)	-	Project progressing quicker than expected
Compliance and Modernisation	0.079	-	(0.079)	Project progressing quicker than expected
Chapel Market	0.059	(0.059)	-	Project progressing quicker than expected
Community Wealth Building Total	**0.364**	**(0.285)**	**(0.079)**	
Highways	0.250	(0.250)	-	Project progressing quicker than expected
Public Realm - Fortune Street Area	0.089	(0.089)	-	Project progressing quicker than expected
Environment Total	**0.339**	**(0.339)**	**-**	
General Fund Total	**0.703**	**(0.624)**	**(0.079)**	
Beaumont Rise - Current New Build	0.143	(0.143)	-	Project costing more than expected
HRA Total	**0.143**	**(0.143)**	**-**	
Total Capital Programme	**0.846**	**(0.767)**	**(0.079)**	

Capital Additions

5.36. **Cornwallis Adventure Playground** – £0.136m addition is requested for approval, to be funded from revenue to restore the playground after fire damage. It is expected that

Islington Council will receive an insurance payout in relation to the fire which can be applied to cover the cost of the works.

5.37. **Wray Crescent Community Park Building (renamed from Wray Crescent Cricket Pavilion)** – following approval from the Borough Investment Panel, £0.150m addition to be funded by Local CIL is to be noted.

5.38. **Family Hub** – £0.074m addition has been added to the capital programme to reflect the Start for Life grant awarded from the Department for Health and Social Care which will allow more works to be delivered.

5.39. **Bingfield Garages -** a line has been added to the capital programme at Q2 for this project which will transform underutilised garages into accessible workspaces.

5.40. **Isledon Road Therapy Room** – a new line has been added to the capital programme for this project adding a new external meeting pod in the garden area behind the main building at 50 Isledon Road, N7 7LD. The new meeting spaces will be used by the Youth Counselling & Substance Misuse & Alcohol Service (YCSMAS). There are also landscaping works included around the pod for future gardening reparation work with young people.

5.41. **Sobell Leisure Centre** – £3.300m addition is to be requested for approval from Full Council later in the financial year via the paper Capital Programme 2024/25 Quarter 2 Budget Changes. The addition is to be funded from insurance monies received in revenue to fund additional works required to bring the Sobell Leisure Centre back into full use following a flood at the site and unavoidable issues that have emerged on site during construction. Users have been enjoying refurbished gym and squash courts and a new gymnastics zone. Soft play facilities reopened in October 2024 ready for October half-term with a full site re-opening scheduled for Spring 2025.

5.42. **Pipeline New Build Schemes** – a new line has been added to the capital programme for the HRA exploring the next phase of schemes to bring forward into its New Build Schemes. As schemes progress, they will be split out from this line and presented individually on the face of the capital programme.

Capital Reductions

5.43. **Schools Condition Schemes** - £0.458m reduction to bring the budget provision for schools condition schemes in line with the grant the council is to receive based on funding formulas and pupil numbers.

5.44. **UKSPF – UK Shared Prosperity Fund** – £0.490m reduction to improve clarity of the capital programme. This line of the programme represented funding only with projects to be completed using the funding being included elsewhere in the programme. This grant funding will be matched against the projects where the expenditure is already being incurred and reported.

Capital Virements

5.45. Three virements have been approved from the Corporate Director of Community Wealth Building to move a total of £0.790m budget from Compliance and Modernisation to the following schemes:

- £0.005m to 16-18 Hornsey Road

- £0.050m to Martin Luther King Adventure Playground
- £0.024m to Isledon Road Therapy Room

5.46. A virement has been approved from the Corporate Director of Community Wealth Building to move £0.010m budget from Future Work Phase 2 to Isledon Road Therapy Room.

5.47. A virement has been approved from the Corporate Director of Community Wealth Building to move £0.250m budget from Highways to Energy – LED Lighting Upgrades.

5.48. A virement has been approved from the Corporate Director of Homes and Neighbourhoods to move £0.125m budget from Leisure – Strategic Provision to Ironmonger Row Baths.

5.49. A virement has been approved from the Corporate Director of Community Wealth Building to move a total of £0.005m budget from Telfer House - Current New Build to Dovercourt Estate – Current New Build. Both schemes are General Fund Housing Schemes.

5.50. Four virements have been approved from the Corporate Director of Community Wealth Building to move a total of £0.448m budget from Telfer House – Current New Build to the following schemes. All schemes involved in these virements are HRA schemes.

- £0.063m to Charles Simmons House – Current New Build
- £0.027m to Dovercourt Estate – Current New Build
- £0.099m to 1 Stacey Street
- £0.0260m to Redbrick Estate

6. Debt Write-Offs

6.1. All debt write-offs must be in accordance with section 3.25 of the Financial Regulations:

- The appropriate Corporate Director has authority to write-off debt of up to £20,000 per individual case.
- The appropriate Head of Service or Service Director is able to write-off debt of up to £10,000 per individual case, if authorised in accordance with Appendix 3 of the Constitution.
- Service Managers in the Resources Directorate are able to write off debt of up £10,000 per individual case and Service Directors in the Resources Directorate up to £50,000 per individual case, if authorised in accordance with Appendix 3 of the Constitution.
- The Corporate Director of Resources is able to write off individual debts up to £199,999.
- Executive authority is required to write-off individual debts of £200,000 or more.

6.2. In respect of council tax and NNDR debts, attempts to trace absconders include searches of the internal revenues system, credit reference agencies, enquiry notices to owners, agents and new occupiers of properties and visit reports by the council's Inspection and Enforcement Agents. The extent of tracing activity will correspond to the amount of the individual debts with a greater intensity of checks being carried out in respect of these larger debts. Where a debtor is traced following the write-off of the debt then the debt will be reinstated and further attempts made to recover, subject to statutory limitation periods and it being economical to do so.

6.3. Q2 debt write-offs of less than £200,000 are detailed below for noting:

- Total of £16,173.14 uncollectable debts from 50 individual debtors who had a contribution towards their homecare or residential/nursing package of care.
- Total of £78,857.97 debt written of from 240 individual deceased debtors who had a contribution to pay towards their homecare or residential/nursing package of care.
- Total £22,681.85 Housing Benefits Overpayments debt written off due to individual deceased debtors, bankruptcy and debt being uneconomical to collect.
- Total of £19,171.92 NNDR debts written off (total from April to end of Q2). The total NNDR debt written off has been revised since Q1 due to cancellation of previously planned write-offs and recovery of debts of debt thought to be irrecoverable.
- Total of £8,080.01 council tax related debts written off (total from April to end of Q2).

6.4. There are no debt write-offs in Q2 greater than £200,000 for approval.

7. Implications

Financial Implications

7.1. These are included in the main body of the report.

Legal Implications

7.2. The law requires that the council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance (Section 28 Local Government Act 2003: the council's Financial Regulations 3.7 to 3.10 Revenue Monitoring and Control).

7.3. The Financial Regulations in relation to Capital Schemes and Overspends give the Chief Finance Officer authority to agree slippage of up to £1m and overspends as long as the total approved over-spends in any one financial year does not increase the overall budget for the Capital Programme by more than 0.1% and subject to the resources being available. If these limits are exceeded, the matter must be reported to the Executive who can vary the budgets up to £1m. Any excess over a £1m must be approved by full Council.

Climate Change and Environmental Implications

7.4. The council's budget can influence behaviour of residents and businesses which can result in both positive and negative environmental implications. Environmental implications of budget proposals are considered as part of the budget setting process and are reported in the Full Budget Report 2024/25.

7.5. This report provides a forecast of the provisional outturn position against the 2024/25 budget. Variances to the budget and resulting management actions can indicate changes to planned service delivery which could have both positive and negative environmental implications. The budget variances and management actions detailed in the directorate sections above have substantive environmental implications which will be described in key decision reports.

Equality Impact Assessment

7.6. 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.

7.7. An equality impact assessment (EQIA) was carried out for the 2024/25 Budget Report agreed by Full Council. This report notes the financial performance to date but does not have direct policy implications, therefore a separate EQIA is not required for this report.

Appendices:

- **Appendix 1** – General Fund and HRA Revenue Monitoring by Variance
- **Appendix 2** – 2024/25 Revenue by Service Area
- **Appendix 3** – Savings Delivery Tracker
- **Appendix 4** – Capital Programme 2024/25
- **Appendix 5** – Multi-Year Capital Programme

Relevant decisions / reports: None

Background papers: None

Report approval:

Authorised by:

Executive Member for Finance and Performance

Date: 18 November 2024

Responsible Officers:

Martin Houston, Assistant Director – Corporate Finance
Email: Martin.Houston@islington.gov.uk

Tony Watts, Strategic Finance Manager – MTFS
Email: Anthony.Watts@islington.gov.uk

Lucy Farmer, Finance Manager – MTFS
Email: Lucy.Farmer@islington.gov.uk

Sophie Stopyra, Deputy Finance Manager – MTFS
Email: Sophie.Stopyra@islington.gov.uk

Legal Implications Author: Sonal Mistry
Email: Sonal.Mistry@islington.gov.uk

Environmental Implications authorised by: Richard Martin
Email: Richard.Martin@islington.gov.uk