

# Public Document Pack



To all members of the Cabinet and Council

Contact: Jacqui Hurst

Cabinet Secretary

Direct : 020 8379 4096

or Ext:4096

Fax: 020 8379 3177 (DST Office only)

Textphone: 020 8379 4419 (in Civic Centre)

e-mail: [jacqui.hurst@enfield.gov.uk](mailto:jacqui.hurst@enfield.gov.uk)

Date: 12 February 2013

Dear Councillor,

**Cabinet – 13 February 2013: “To Follow” Appendix 1 - Budget 2013/14 and Medium Term Financial Plan (General Fund) Report (Pages 1 - 40)**

Cabinet at its meeting on 13 February will be considering the Budget 2013/14 and Medium Term Financial Plan (General Fund) (Report No.151, agenda item 6). Appendix 1 of the report refers to the budget consultation results.

The feedback from the Scrutiny Budget meeting and Area Forums was not available to circulate with the report, but is now attached for consideration at tomorrow's meeting. The attached appendix will also be incorporated in the final budget report due to be considered by full Council on 27 February.

I hope this will be okay, but please come back to me if you should have any queries.

Yours sincerely

*James Kinsella*

James Kinsella  
(Governance Team Manager)

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## APPENDIX 1C

### Overview and Scrutiny Committee Budget Response – Thursday 31st January 2013

#### Final scrutiny response on the Council's 2013/14 Budget Consultation Proposals

**Contact: Mike Ahuja (Head of Corporate Scrutiny) 020 8379 5044 or email: Mike.Ahuja@enfield.gov.uk**

The following comments have been approved by the Overview and Scrutiny Committee Budget Meeting (31st January 2013) as a response from scrutiny on the Council's 2013/14 Budget Update and Consultation proposals.

#### 1.1 General – budget consultation process

- (a) Overview and Scrutiny Committee (OSC) again welcomed the opportunity to take part in the budget consultation process and the involvement of the Cabinet and all Directors at the scrutiny meeting. OSC recognised the range of consultation being undertaken on the budget proposals this year and responses generated as a result.

#### 1.2 Introduction to Consultation Paper and Update on Resources and the Council's Options

- (a) A 27% real terms reduction in expenditure over 4 years had been announced by the Government in December 2010. A subsequent 2% cut in 2014/15 had been announced in the 2012 Autumn Statement. A further Spending Review is anticipated in the first part of 2013 which is expected to cut public spending further.
- (b) Damping continued to have a significant impact, with Enfield Government grant funding reduced by £12m in 2013/14. A 1% Council Tax Freeze Grant would be available from 2013/14 for two years.
- (c) Other issues that will have to be taken into account are:
- Localisation of a proportion of Business Rates from 2013/14;
  - Council Tax Benefit Localisation from 1 April 2013;
  - Housing Benefit transferred to Universal Credit starting in 2013
  - Benefit cap of £500 per week;
  - Public sector pay cap of 1%;
  - Inflation of around 3%
  - Increasing demographic pressures;
  - A weak economy and consequent lack of growth.

- (d) Budget pressures (updated for the Overview and Scrutiny Budget Meeting) on the Council were identified as £20m for 13/14 rising to £86m in 2016/17. A balanced budget had been achieved for 2013/14; the budget gap would rise significantly to £34.3m by 2016/17.
- (e) Savings proposals were currently being finalised, taking account of the feedback from the consultation process, in order for final recommendations to be considered by Cabinet on 13 February. The finalised budget proposals would then be subject to agreement by full Council on 27 February.
- (f) Earmarked Reserves – The OSC were advised that earmarked reserves remained under constant review. Earmarked reserves were forecast to reduce to £56m by March 2013.
- (g) Business Rates Localisation – Under the new localised scheme, 50% of any additional Business Rates collected would go to Central Government, 20% passported to the GLA and 30% retained locally. Under the current system, Enfield receives more funds back from the Business Rate pool than it pays over each year. This imbalance is initially protected under the new scheme, which offered an opportunity for increased revenue if new and/or more high value businesses could be encouraged to set up in the Borough. Property valuations would continue to be set by the Valuation Office.
- (h) In response to the Welfare Reform programme and consequent changes to benefits, a Taskforce had been set up to assist the most vulnerable households in adjusting to the change of circumstances. A Hardship Fund would be established for 2013/14, as well as a Social Fund to provide short term support for people.
- (i) The Decent Homes Programme was 2 years from completion. Close monitoring of expenditure under the programme continued as well as ongoing engagement with tenants to inform them of progress and obtain their views and feedback.

### **1.3 Consideration of Feedback from the Consultation Paper**

#### **1.3.1 Council Tax Freeze**

- (a) Council Tax Freeze – current Budget proposals had included a Council Tax freeze for 13/14. Up till this year there was a working assumption of a Council Tax increase of 3% in future years which was accounted for in the Medium Term Financial Plan; however, no political decision had yet been taken on this. A 0% rise had been assumed for 14/15. A 1% increase in Council Tax would yield £800K-£900K as a result of changes to the tax base. Council Tax Freeze Grant for next year was £1.2m, which was based on the previous year's tax base, hence the higher figure.

### **1.3.2 Service Priorities**

- (a) James Rolfe reported that the top three priorities identified by respondents to this year's public consultation as services most valued were Adult Social Services, Road Maintenance, Cleaning and Lighting and Waste Collection and Recycling. Areas identified with the lower priority for 2013/14 included Regeneration and Planning, Youth Services and the Voluntary Sector. OSC noted that Leisure and Parks had reduced significantly in priority from 2012/13 to year 2013/14. The number of responses was also good compared to similar exercises in previous years.

### **1.4 Comments/Issues raised during discussion of responses by Scrutiny Panels, Area Forums and other consultees.**

#### **Children & Young People**

The department continued to manage savings effectively without affecting frontline services, both statutory and non-statutory, such as Looked After Children.

Concern had been raised over the impact of welfare reform changes on the wellbeing of families in the Borough and the consequent impact this might have on services such as Safeguarding. A substantial number of vulnerable and deprived families were moving from Inner London Boroughs into Enfield; this flow would need to be monitored closely to ensure services were prepared.

Social worker levels had not been increased as a result of the Welfare Reform programme but there has been a significant reduction in agency workers with the cost effective 'grow your own' scheme.

A Management Review was in hand in Schools and Children's Services which was considering management efficiencies across the Department.

#### **Crime & Safety & Strong Communities**

Grants had been lost from the Government in the last 2-3 years, although there had been a modest increase in the budget for Community Safety.

Trimming and Dimming – The Panel remained concerned at the potential impact of the programme, which would be completed by November, on crime and safety, and would be seeking monitoring information.

## **Health & Wellbeing**

Although not under the Council's control, concern remained over the downgrading of services at Chase Farm Hospital and the possible impact of this on the Council. Good outcomes had been achieved in areas of joint commissioning such as the Dementia Strategy and improving primary healthcare.

Any cuts to services and the upcoming welfare reform changes, could create additional pressures on healthcare provision in the Borough. Any pressure on NHS budgets could have consequent pressures on Enfield's social care budget.

Public Health budget allocation for Enfield remained one of the lowest in London. A meeting had taken place with the Public Health Minister to set out the case for increased allocations in the future.

## **Housing, Growth & Regeneration**

The numbers in temporary accommodation remained a key issue and a major pressure on the Council's budget. Currently 2,000 households were in temporary accommodation; 320 of these would be affected by the Benefits cap. £1.8m had been built into the General Fund budget proposals to offset potential inability to pay rent due to the cap. In addition, the anticipated migration of people from inner to outer London boroughs seeking cheaper accommodation as a result of the welfare reform changes would place additional pressures on Enfield, if it led to an increase in rents by private landlords.

## **Older People & Vulnerable Adults**

The Panel acknowledged the continued work in the Social Services department to provide support for the health needs, such as dementia, of elderly and vulnerable residents in the Borough against rising demographic and financial pressures. The Panel also acknowledged the work undertaken in promoting the Dignity Code and the savings achieved through the introduction of the Telecare System, which could provide a way of reducing costs against increasing demand and at the same time promote independent living.

## **Sustainability & The Living Environment**

Savings challenges continued to be met against the demands placed on traditional Environment functions. In addition, sustainability commitments needed to be taken into account, in particular those linked to the large regeneration projects in the Borough.

## **1.5 Other issues**

The OSC noted the work done to balance the budget for 2013/14 and the savings already accepted by Cabinet for the 2013/14 round. The OSC also noted the summary of issues raised, in relation to the Budget Update and Consultation proposals, at the Area Forums that had met prior to its meeting.

It was agreed that in addition to the issues raised during the meeting (as set out above) the comments made by each Scrutiny Panel in relation to the Budget Update and Consultation should be provided, as background information, for Cabinet and Council to consider as part of the final budget setting process.

**Minute extracts from Scrutiny Panel meetings to consider the Enfield's 2013/14 Budget Consultation proposals**

Attached are the budget consultation minute extracts from the following Scrutiny Panel meetings:

1. Children & Young People Scrutiny Panel: 11 December 2012
2. Crime & Safety & Strong Communities Scrutiny Panel: 12 December 2012
3. Health & Wellbeing Scrutiny Panel: 10 January 2013
4. Housing, Growth & Regeneration Scrutiny Panel: 24 January 2013
5. Older People & Vulnerable Adults Scrutiny Panel: 15 January 2013
6. Sustainability & Environment Scrutiny Panel: 17 January 2013



**Issues raised on the 2013/14 budget consultation proposals by the Children & Young People Scrutiny Panel held on 11 December 2012**

The Panel received a presentation from Richard Tyler, Assistant Director of Finance on the Council's 2013/14 Budget Consultation.

Copies of the consultation papers are available on request by contacting the Panel Secretary on 0208 379 4073.

**NOTED**

Enfield Council must make savings of £81m to settle the budget over four years including £23m in 2013/14. The council has already agreed £8m of savings in for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendix A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1st April 2013, Council Tax Benefit will be abolished and be replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K but the conditions of the grant would leave Enfield with a budget pressure of up to £3m if it were accepted. The final settlement figure awaited and will go to Cabinet and Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and the financial settlement agreed will not be announced until at least the 18th December with a view to being agreed at Cabinet and Council in February 2013. One thing for certain is that austerity is now hitting all public sector services with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMO's and illegal conversions. The Voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on future

decision making levels of savings and how these relate to future Council Tax levels.

This was followed by a brief question and answer session. The following comments were recorded:

1. Cllr Stafford opened discussions by thanking the Finance Team (in particular Richard Tyler and James Rolfe) for their continued hard work completing the budget consultation. There have been significant savings in administration within the Council over the last two years (£46m) and further cuts of £15m are envisaged for this year.
2. It was unanimously agreed that there would be difficulty scrutinising the budget paper as it stands until the local government finance settlement is received on the 19th December and therefore questions can only be focused on Appendix B.
3. Confirmation was received that the paper would be updated next week to take account of the settlement figure provided. It should be noted that work is progressing using estimated settlement figures, although detailed planning cannot be undertaken until next week.
4. With the expected changes in welfare reform and the economy generally, Enfield find themselves in a difficult position. Population growth is averaging 4,000 per year in Enfield and continuing to rise. At present the books are being balanced but future confidence in this respect is uncertain.
5. It should be noted that in respect of “Road Maintenance and Street Lighting” detailed on Page 5 of the report, this should be reworded as it does not clearly state how many more potholes and broken paving are being maintained than before. Also with regard to the new “trimming and dimming” project, can road and children’s safety be incorporated in this wording which is an important factor and has been missed. ACTION: Richard Tyler
6. It was noted that capital funds can be obtained through borrowing money but revenue funds are limited and the general public do not have this perception, unlike the Council.
7. In response to a question on how growth can be stimulated; in revenue terms there is the ability and desire to enhance growth in the Borough, but are faced with the difficult decision to administer service reductions. The Enfield Residents Priority Fund can provide choice in the Borough. If capital funds are borrowed, these in time need to be repaid although the Government has helped in this respect.
8. It must be noted that there is much private sector inward investment seen in the Borough to date, especially in Edmonton. Examples of this include Meridian Water.

9. Awareness was made of MyBnk.org, who help 11-25 year olds to manage their money and make enterprising choices. Direct financial and enterprise education schemes and micro finance are available to help young people start their own businesses and get involved in social activities. The main priority here is stimulating growth.
10. It was noted that expansion of schools and children's services was not listed as a priority and public perception of this would not be looked at favourably, although this priority is being coordinated separately need is being monitored.
11. Extra costs which may be incurred in respect of future welfare reform changes, such as loss of income and poverty issues are difficult to quantify, although there is recognition of demographics in the Medium Term Financial Plan
12. To quantify impending pressures, it is known that 100 families a month are moving into the Borough. It is difficult to quantify the impact on services for children and young people until the families actually arrive and we know their needs. At present Enfield has the third worst in poverty levels in London. There are 300 of our own "looked after" children in the Borough, which is a low figure compared to poverty rates. As Welfare Reform progresses, additional support will be required across children's services as the pressures will increase the likelihood of families breaking down; additional SEN needs and families with more children will be seen. At present the demand is unquantifiable with the demographic issues adding to the pressure.
13. There is likely to be an increase in the demand for voluntary sector support such as Citizens Advice Bureau etc. Over the next few years the Council will need to have more joint working with the voluntary sector, working closely to identify new issues required.
14. There will also be an increase in Mental Health Services required as many families will find themselves unable to cope financially. At present the Council are working with many families, and helping them to relocate.
15. It was noted that the welfare reform changes envisaged will have an extreme impact on children and young families who cannot afford to live in London. They rent small properties with the possibility of overcrowding. Young children will then have less space in their homes to study and play and social exclusion elements will begin to surface as a result.
16. At the last Housing, Growth & Regeneration Scrutiny Panel it was noted that over the last few years the number of people in temporary accommodation have gone down but are now seeing an increase in numbers due to the welfare reform initiatives introduced.

17. Andrew Fraser, Director of Schools & Children's Services, confirmed that the number of social workers have not been increased as a result of the welfare reform changes but there has been a significant reduction in agency workers retained at the Council with the successful "grow your own" scheme continuing, which has proved to be cost effective to the Council as many staff being trained are staying with the Council and the team is becoming strong in terms of knowledge and expertise. Additional pressure as a result of welfare reform changes on social workers is uncertain at the moment but at present there is no more capacity to increase workload.
18. A debate followed on the content of Appendix B of the consultation papers, although Cllr Simbodyal expressed her disappointment that only cuts to frontline services are being shown in this Appendix. Andrew Fraser advised that of the envisaged savings, the following work would be protected of any cuts:

Children's social work  
Looked After Children  
Youth Offending Service, whilst still maintaining the youth service  
NEET's – making sure the children are in a position to finish school and get jobs

The following proposals were discussed:

Children's Centres Review: use of Children's Centres will be looked at in line with effective school improvement standards, although there are no easy choices, the review will achieve what it can. The savings can be made without closing any centres for 2013-14 but are unable to promise this for future years.

Play Services Review: Play Services provide a very important role to those families in limited accommodation. There are ways that the Council can work more closely with schools. Funding can be achieved through HRA with Enfield Homes.

Management Review across the Department: reducing management is being looked at but not to the detriment of the service.

Music Support Service: The Government contributes £100k to this service.

Review of Connexions Service: A reduction in staff would undoubtedly raise the workload being achieved at present.

The following comments were made on the proposals discussed:

On the reduction of Managers which were not deemed important to front line delivery, a question was posed as to why they were there in the first place. Andrew Fraser advised that from the Resilience Commission established in 2005 when Education joined forces with Children's social work department, there have been efficiencies from the joining of some of the areas of work. There are now fewer "middle Managers" which is the only way the process of moving forward can be managed.

Andrew Fraser confirmed that they are working closely with the Regeneration, Leisure & Culture but to send work over to them would only reduce savings potential for future savings. In this respect statutory responsibilities are not compromised.

Cllr Andrew Stafford relayed his thanks to Cllr Orhan and Andrew Fraser for their continued help and creativity in respect of Primary Expansion Programme.

### **Issues raised on the 2013/14 budget consultation proposals by the Crime & Safety and Strong Communities Scrutiny Panel held on 12 December 2012**

Isabel Brittain, Head of Corporate Finance, outlined the key issues for the Budget in 2013/14. It was noted that the Government was due to make a Financial Settlement announcement in the week commencing 17 December and therefore the figures provided in the Consultation paper would be subject to change. Key points to note were:

- Savings for 12/13 would be achieved;
- Council Tax had been frozen for the last three years.
- A 27% reduction in expenditure would be sought over the next four years.
- A Spending Review would take place in the early part of 2013.
- Council Tax Benefit would be abolished. A consultation on this had taken place in the summer and a final decision was due to be taken on the replacement scheme on 30 January.
- There would be a Government cap on Universal Credit, this was not at present quantifiable.
- Impacts on the budgetary position were:
  - I. The Government review of Social Care Reforms;
  - II. NLWA investment;
  - III. Formula for schools;
  - IV. The current economic climate;
  - V. Population growth in the Borough.
- The funding gap would increase over the next four years, rising to a total of £81m in the fourth year (16/17).
- The funding gap for 13/14 was £23m.

- The November Cabinet had agreed savings of £6m. Proposals were currently being considered for further savings and other means of closing the funding gap.
- The Consultation document would be placed on the Council's website and in Our Enfield magazine to seek residents' views on Council spending priorities for 13/14.
- The final Budget would be approved by Cabinet and Council in February/March 2013.

The impact of Welfare Reform was discussed. A Transitional Grant of £680,000 had been confirmed from the Government. However, a significant shortfall would still need to be met. There would be wider implications including a potential increase in demand for housing and impact on the voluntary sector.

Councillor Stafford was then invited to comment and made the following points:

- The Budget would be balanced but there would be an impact on front line services due to the level of savings that needed to be made and the combined impact of a Council Tax freeze, Welfare Reform and Universal Credit and a rising population of c.4,000 people per year.
- £60m in savings had been made over the last three years.

The following questions were then taken:

Q: At page 5 of the Consultation document, reference is made to a budget priority of Road Maintenance and Street Lighting which states that Enfield spent an amount of 'its own' capital funds in 2012/13. What does 'its own' mean?

A: This refers to non-TfL funds.

Q: Are all the projections worked out on an inflation rate of 2.7%?

A: No, there are variables such as the rate applicable to contracts.

Q: How do you deal with negative pressures?

A: A Welfare Reform group, for example, has been set up to look at such things as migration into the Borough.

Q: Why are some staff capitalised on the Regeneration, Leisure and Culture budget?

A: If staff are working on particular capital projects, they have been capitalised in this way.

**Issues raised on the 2013/14 budget consultation proposals by the Health & Wellbeing Scrutiny Panel held on 10 January 2013.**

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K, but the conditions of the grant would leave Enfield with a budget pressure if it were accepted. The final settlement figure is awaited and will go to Cabinet and Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 19th December the full impact is still being considered by Finance Officers. The figures will be included in the budget reports to Cabinet and Council in February 2013. One thing for certain is that austerity is now hitting all public sector services, with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMOs and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on where savings may be achieved and how these relate to future Council Tax levels.

The following comments were received:

1. Most of the schools in the borough are required to increase their class room capacity by 2 and clarification was sought as to whether the residents of Enfield will have to pay for this increased service requirement. It was confirmed that a large volume of the funding will be received from government grants, with the main focus being on primary

schools at present. In the future this will have a knock on effect on secondary schools.

2. From a query in respect of the Public Health Allocation, it was advised that this came out on 10<sup>th</sup> January and is currently set at £12m for Enfield. Some more work is needed and in comparison to other Boroughs in London, Enfield is 18% below the target allocation and is currently one of the most poorly funded Borough's, although the funding is ring fenced.
3. The impact of the budget on joint commissioning is separate to public health and will continue as it has been, with the joint commissioning commitments being protected for the three years of the strategy.
4. Gratitude and thanks were given to the Council and in particular the Social Services department for their good work done in respect of the dementia strategy. Clarification was given that the word "protected" in the report was referring to the level of investment in dementia. Dr Alpesh Patel confirmed that the allocation is not known yet for NHS and NHS Commissioning body.
5. The Healthy Meals service is currently available to everybody in the borough and has been protected in the budget as it is governed by the individual users own budgets. Decline in the service is mainly due to different forms of meals being preferred.
6. Confirmation was received that there are currently no profits being made from parking charges and there is in fact a shortfall in parking income. This is due to less penalty notices being issued and better driver behaviour.
7. With regard to the publicised 27% reduction in expenditure over 4 years, savings have been identified totalling £60m in the first 3 years and £8/10m is forecast for the final year. This, however, excludes pressures and so is not what the budget requirement is reduced by.
8. Councillor Taylor reminded the Scrutiny Panel that Enfield had again lost funding through the grant damping mechanism. He advised the panel that the three Enfield MP's had been to a meeting the Local Government Minister (Brandon Lewis) to lobby about the unfairness of grant damping.
9. As a direct result of Welfare Reform, population numbers are rising in Enfield, together with numbers in deprivation. Currently a letter is being drafted to the Secretary of State on the financial settlements which sets out our opposition to grant damping.



**Issues raised on the 2013/14 budget consultation proposals by the Housing, Growth & Regeneration Scrutiny Panel held on 24 January 2013**

- Enfield Council must make savings of £81m to settle the budget over four years including £23m in 2013/14. The council had already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and new proposed savings are outlined in Appendix A and B respectively.
- From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and be replaced by a local scheme, together with a Government cap on Universal Credit. The Government has offered a transitional grant, likely to be £680K but the conditions of the grant would leave Enfield with a funding shortfall of up to £3m if it were accepted. The Local Scheme would be approved by Council in January 2013;
- Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon.
- Austerity is now hitting all public sector services with a 27% reduction in expenditure over 4 years, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.
- There would be a new Business Rates Localisation Scheme;
- Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal.
- Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMO's and illegal conversions.
- The Voluntary sector is likely to be called upon more significantly for advice and support in the coming years.
- Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14
- The 2013-14 budget is on course for completion so the budget consultation will focus on the input in order to help us balance the overall Council Budget in the medium term.  
The process is forward looking and will be seeking views not just for the 2013/14 budget but for future decision making in relation to levels of savings and how these relate to future Council Tax levels.
- Housing proposed rent increases -rents are increased in line with Government guidelines i.e. RPI (2.6%) plus 0.5% plus movement to formula rent
- Next year's rent is going to increase on average by 3.9%. This is lower than the average rent increase for London Boroughs
- The percentage is an average and individual rent increases will vary

- Housing Business Plan - HRA 30 year business plan approved in July 2012 and regularly updated
- Updated Capital Programme agreed October 2012 Includes a Capital grant of £12m from Government for 2013/14
- Improvements and renewals of 16 estates planned over the next 30 years
- Welfare Reform risk –increased provision for bad debts include in the plan
- Increasing numbers of Right to buys predicted due to change in Government policy (now estimated at 30-40 per year)

A discussion took place, highlighting:

- The Budget Proposals, including the HRA Budget would be agreed at Cabinet / Council in February 2013;
- Proposed rent increases would average 3.9% which was the lowest increase amongst 'peer Councils';
- Enfield, along with Haringey, Bromley and Croydon were 'pilot boroughs' for the new Welfare Reforms;
- £1.8m was built into the General Fund Budget proposals due to the capping of Housing Benefits. This was to offset 'rent risk' from 320 households in temporary accommodation who would face difficulties in paying their rent with benefits being reduced to £500:00 per week;
- Regular contact was being made with the 320 households, to check on their circumstances and the range of difficulties. This was a 'challenging situation' for all involved, but all situations were dealt with 'sensitively but firmly'.
- Councillor Lamprecht felt that £1.8m was a huge amount of money to meet pressures that may arise from the 320 households 'at risk' due to benefit cap. He asked for a 'breakdown' of figures to reflect the demands attached. Councillor Lamprecht added that 'greedy landlords' had significant effects on the very serious issues facing all Councils with the increase of homelessness. He suggested that a separate meeting of the Panel could be arranged to discuss this issue such as these in more depth.
- Councillor Oyken commented that the Government's housing policies were constantly changing. He advised that Enfield's Homelessness Grant was £500,000, but in Westminster and Kensington & Chelsea etc. their grants were huge in comparison. He said that this was utilised to pay the higher rents in these boroughs, whereas Enfield had 'cheaper properties' to rent;
- Councillor Ibrahim referred to previous concerns raised at earlier meetings regarding Universal Credit payments being given direct to recipients. Sally McTernan advised that the Universal Credit Programme had been 'pushed back' and was now due to be 'rolled out' in 2014, with London left towards the end of the programme. She added that the North West of England was chosen for the 'test theories' as it was seen as a less risk area. Councillor Smith said that the rent element of the Programme would cause significant problems if paid

direct to the tenant. Sally McTernan advised that she would be attending a meeting with the DWP on Friday 25 January 2013 and would check again and get an update on the Universal Credit Programme.

- Councillor Bearryman said that, in reality, those households in Temporary Accommodation could not be judged as temporary as it appears most would have been living in the properties for some time. She said it would be useful for figures on the latest position on the length of stay in Temporary Accommodation.
- Councillor Lavender felt that more data was needed to gain the overall picture attached to those in Temporary Accommodation. He said that a much wider perspective was crucial to understand why / how families remained in their situation. He added Social services, Education, and Training Services had a fundamental impact on the future of these tenants. Councillor Lavender said that perhaps there should be more innovation rather than 'can't collect rent', could the Council 'do a deal' and try and elicit their services to the Council in some form of employment. Sally McTernan said that 'all creative ideas' were looked at / considered and part of the ongoing plan was to get to know the families better overall. She added that all the issues, including evictions, attached to Temporary Accommodation was a 'legal minefield';
- Councillor Oykenner advised that it was recognised that the issues surrounding Temporary Accommodation / unemployment needed to be looked at on a 'holistic' basis and that a task force had been set up. Job Centres / Employment Agencies / Education Services get together to analyse the situation and explore all avenues to try and resolve some of the complexities attached.  
Councillor Lamprecht suggested that this was another area that could be looked at in a separate meeting.
- Mark Hayes referred to a family housed within his Housing Trust, who were deemed as a 'general needs family' who originally received £707:20 benefits per week, with the cap being introduced, their loss of £207:20 per week put them into arrears and eventually had to be evicted. Families in these situations would inevitably add to the Council's burden of accommodation needs;
- Councillor Goddard referred to the 10, 000 residents unemployed in Enfield and gave examples of the difficulties in solving the problem. He advised that various jobs needed training ie: Class I driver vacancy, there was no funding available to finance training. There was not a simple solution to unemployment issues, skills needed to be matched with vacancies and this presented a very difficult situation;
- Councillor Simon said that it was imperative that when the cap is introduced to Enfield's tenants, monitoring/publishing of the effects on rent collection should be produced on a monthly basis;
- Councillor Hurer referred to the use of Section 106 monies and whether there were any constraints on its use. Isabel Brittain said that she did not know of the individual constraints attached to 106 monies. Councillor Smith said that as the Council was now 'in control' of the HRA it would be useful to have the figures available attached to the

'huge regeneration' proposals in Enfield. He added that currently there was an underspend in the HRA, but as the programmes developed borrowing would increase. Paul Walker said that whatever funding / borrowing attached to regeneration proposals, all would be 'viable' projects without burdening the Council with heavy borrowing or loss of monies to the Council;

- Councillor Oyken referred to the Ladderswood and Alma Estate renewal proposals and said that these were sound schemes, but would be 'more than happy' to discuss all the issues surrounding all the regeneration proposals in further detail;
- A resident referred to his work within the voluntary sector and said that he and his colleagues did try and gauge how the Welfare Reforms would have effects in 'human cost' to their clients. He said that Panel Members should perhaps look at interim / contingency plans for those in need of help. Councillor Oyken said that a Discretionary Housing Grant, operating as a 'one – off' payment would be in place for those who would qualify. He would provide further information on this at a later date.

Councillor Simon said that Social Services / Children's Services would also form part of a 'safety net' for those in need. Councillor Smith added that these issues would be monitored and discussed at future meetings of the Panel;

Councillor Smith thanked Isabel Brittain for her presentation. He also thanked all those present for their contribution to the discussions.

**Action:** To consider holding an informal Panel meeting to discuss the rent risk of the 320 households in temporary accommodation and the role of the task force dealing with temporary accommodation and unemployment.

### **Issues raised on the 2013/14 budget consultation proposals by the Older People & Vulnerable Adults Scrutiny Panel held on 15 January 2013**

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B of the budget consultation paper.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap on Universal Credit of £26,000 per household. The Government has offered a transitional grant, likely to be £680K, but the conditions of the grant would leave Enfield with a budget pressure if it were accepted. The final settlement figure is awaited and will go to Cabinet and Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 19th December the full impact is still being considered by Finance Officers. The figures will be included in the budget reports to Cabinet and Council in February 2013. One thing for certain is that austerity is now hitting all public sector services, with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken by the government in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to Houses of Multiple Occupancy (HMOs) and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on where savings may be achieved and how these relate to future Council Tax levels.

The following comments were received from Panel members in response to the presentation:

1. It was noted that the Council cannot stop people wanting to come to Enfield to live and with these increased numbers and the fact that people are generally living longer, more budget requirements will be needed for the disabled, vulnerable and elderly residents of our community. The Council's Social Services department were thanked by the Chair in this instance for their hard work in this field thus far. In response, there is a predicted rise in older people in our community but the biggest increase has been in younger people. There has been a baby boom in the Borough recently which will create pressures on primary school places and in time secondary schools. Pressures will be felt on front line services also, such as doctors' surgeries, hospitals, play groups etc.
2. In response to the future of the Civic Centre building and its running costs, recommendations have been received to keep it going for the next ten years. There is presently 1000+ people employed at the Civic Centre and in recent months from closure of other Council buildings, staff numbers in the Civic Centre have increased. This has made better use of our facilities in a more cost effective manner.

3. With regard to the overall investment at Edmonton Green of £20m, the Council financed 50% of these funds and the rest split between National Heritage, Lottery, Newlon Housing and St Modwens.
4. The Government have transferred £1.1m of funding in relation to the Social Fund to support people in crisis. £200K of this is administrative to recognise the new burden on Councils. Enfield is in the process of designing a scheme to award the funds. The scheme is aimed at providing crisis loans to people who have no money to get by week on week/day on day.
5. Confirmation was received that the predicted cuts of £100K Child Centre Review and £250K Play Services Review are now not proceeding, this decision having been reversed.
6. Confirmation was received that there is no proposals for cuts in contributions to the Voluntary and Community Sector funding in 2013/14.
7. Savings have recently been seen with the increased use of the Telecare System (e.g. monitoring devices to help care for dementia patients). This has been evident as although the number of people aged 60+ has remained static, demand on services has increased. The number of older people with long term illnesses is expected to increase by 7% over the next 4 years and the number of people accessing services is expected to increase by 4% in the next year. Therefore the use of the Telecare System, although requiring an initial outlay, can reduce the amount of care required to an individual, thus providing an overall saving.

It was noted that the Telecare System saves huge amounts of money, not only for hospitals but also police. When patients go wandering they can be tracked easily. This can also assist people who live alone to retain their independence longer.

8. It was noted that 6-7% of local residents aged 55-64 leave the Borough and move to quieter regions. Those with greater need tend to stay. However, there has been an increase in health conditions affecting people aged between 45-64 as they reach the second stage of their lives, such as diabetes, blood pressure etc.
9. A question was asked about the replacement of the Edmonton Incinerator, it was confirmed that the seven other Boroughs, who will make use of the Incinerator, will split the costs incurred primarily according to the volume of waste they produce.
10. With regard to the renegotiating of contracts to reduce costs, clarity was sought as to whether the same level of service would be provided. Confirmation was received that the same outcomes from the contracts

would be expected and delivery of services to be as good as previously seen.

11. With regard to the reduction in middle management posts within the Community Housing Service, it was noted that back office costs would be reduced before front line services and £2m savings have been associated with the use of prevention measures.

### **Issues raised on the 2013/14 budget consultation proposals by the Sustainability & The Living Environment Scrutiny Panel held on 17 January 2013**

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1st April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K, but the conditions of the grant would leave Enfield with a budget pressure if it were accepted. The final settlement figure is awaited and will go to Cabinet and Council in January. Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 19th December the full impact is still being considered by Finance Officers. The figures will be included in the budget reports to Cabinet and Council in February 2013. It is apparent that austerity is now hitting all public sector services, with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMOs and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on

where savings may be achieved and how these relate to future Council Tax levels.

The views of the panel were requested, James Rolfe asked that consideration be given on whether Council Tax should be frozen and views on service priorities for the year.

The following points were raised:

- A resident referred to a Local Authority who had employed contractors at a cost of £800 a day, she asked if Enfield employed contractors at such high costs. The numbers involved had been substantially reduced by the current Council Administration and were small now. It was confirmed that agency staff were occasionally used on a very time limited basis to fill a 'skills gap' or for specific projects.
- The responsibility for the provision of public health would soon fall under the responsibility of the Local Authority and it was agreed that this service would prove challenging for LBE in the current financial climate.
- The question arose whether the £81million funding gap mentioned encompassed a frozen council tax. It was stated that LBE had originally planned for a 3% Council tax rise, however the Government had stopped this from happening. It was not possible to predict any future Government restrictions.
- The transitional funding grant (expected to be £680,000) from Government would leave shortfall. The Local Authority would be unable to introduce a rise in Council Tax above 2% without having a referendum. It was suggested that we may wish to see how this plays out for those Local Authorities who are defying the freeze on Council Tax.
- Costs for SEN (Special Education Needs) Transport will be reduced due to revised employment costs.
- It was asked whether it was wise for savings to be made on Leisure facilities management, at a time when we are responsible for public health and have concerns about high levels of child obesity in the borough. The response pointed out that savings should result from more income generation in this area and in the rationalisation of pay scales.

### **Minute extracts from Area Forum meetings held to consider the 2013/14 Budget Consultation proposals**

#### **Issues raised on the 2013/14 budget consultation proposals at the Bowes, Palmers Green & Southgate Green Area Forum held on 29 January 2013**

Councillor Georgiou introduced the background position to the budget consultation for 2013/14:



Government funding had been reduced year on year and therefore all public services faced increasingly difficult choices in respect of their services. Government damping was a particular issue for Enfield and the Council has lobbied the Government again to address this situation, which had been the case for a number of years.

The Council faced additional pressures on the budget from a substantially increasing and ageing population which increased social need and the demand on public services. Other reforms, such as the Welfare Reform programme and proposed social care reforms also impacted on the budgetary position. At the same time, the Council recognised residents' individual pressures such as job security and inflation.

The Consultation would explain in more detail the pressures on the Council's finances and what was being done to address these, it would also ask residents what priorities they thought the Council should have.

James Rolfe, Director of Finance, Resources and Customer Services then gave a presentation, the key points summarised as follows:

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant of £680K, but the conditions of the grant would leave Enfield with a budget pressure if it were accepted. The budget will be submitted to Cabinet and Council in February.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 19th December the full impact is still being considered by Finance Officers. The figures will be included in the budget reports to Cabinet and Council in February 2013. It is apparent that austerity is now hitting all public sector services, with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding,

migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMOs and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years. Residents' views are sought on service priorities, freezing Council Tax for 13/14 and suggestions for where savings may be achieved.

All feedback from the Area Forums and Scrutiny Panels will be brought for consideration to the Overview and Scrutiny Budget Meeting on 31 January.

The following questions were then taken from the floor:

Q: If there is an inexorable financial pressure on local authorities with major reductions in significant services, is it not sensible to look at a smaller increase in Council Tax of 1% now, rather than a significant increase later on? (particularly given that if an increase of more than 2% is proposed, it would need to be taken to referendum)? What would a 1% increase yield in revenue for the Council?

A: Up until the end of March an increase of 1% has raised typically a figure of between £1.1m and £1.2m in Council Tax revenue. As a result of the Council Tax reforms the Council Tax base has fallen from 110,000 to 80,000. Therefore, from 1 April 2013 a 1% increase would yield approximately £800,000 per year.

Q: Is the Council still intending to sign the IAA whereby they will fund the NLWA procurement and has it still got a minimum tonnage clause?

A: Seven boroughs have been working on this for some time. Various issues are being worked through to ensure that Enfield has an agreement that meets its needs. It will be a Member decision. There is a clause for minimum tonnage but the figures are still being worked on and updated.

Q: The Budget Consultation document refers to a deadline for responses of 18 January? Is it too late to respond?

A: No, the deadline has been extended to 30 January and views are welcome.

Q: East to West and North to South across the Borough there is more and more development on land. This will increase the population and consequent need for schools, hospitals etc. How will the Council budget for this?

A: The Coalition Government has recently introduced a scheme called the New Homes Bonus. The Council receives extra money for building

new housing to help meet the extra demand for services new housing creates. The downside is that damping is still in effect, with a loss of £8m this year and £11m next year.

Q: Can waste collections be made once a fortnight? There is also a very large planning office still sited in Brimsdown, why hasn't it been moved into the Civic Centre?

A: It is technically possible to collect fortnightly but this is entirely a matter for local people. The question regarding the planning office sited in Brimsdown will be looked into after the meeting.

Q: What is the position in respect of the New Homes Bonus and Council Tax revenue if you are building social housing where the majority of occupants are likely to be on benefits?

A: New Homes Bonus payments are still made for the development of social housing. The great majority of benefits are paid for centrally, however, changes to these will have implications. We have taken into account the implications of individuals currently living in our own housing stock who may in future have problems paying due to the changes to benefits being made.

### **Issues raised on the 2013/14 budget consultation proposals by the Bush Hill Park, Grange & Winchmore Hill Area Forum held on 13 December 2012**

Enfield Council must make savings of £81m to settle the budget over four years including £23m in 2013/14. The council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendix A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and be replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K but the conditions of the grant would leave Enfield with a budget pressure of up to £3m if it were accepted. The final settlement figure awaited and will go to Cabinet and Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and the financial settlement agreed will not be announced until at least the 18<sup>th</sup> December with a view to being agreed at Cabinet and Council in February 2013. Austerity is now hitting all public sector services with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will

be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMO's and illegal conversions. The Voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on future decision making levels of savings and how these relate to future Council Tax levels. This matter will also be discussed at the Scrutiny Panels in December and January. It was stated that that there would be difficulty scrutinizing the budget paper as it stands until the local government finance settlement is received on the 19<sup>th</sup> December. It should be noted that work is progressing using estimated settlement figures, although detailed planning cannot be undertaken until details of the local government finance settlement is received the following week.

The following issues/ questions were raised:

- The Finance Team were thanked for their work completing the budget consultation. There had been significant savings in administration within the Council over the last two years (£46m) and further cuts of £15m were envisaged for this year.
- Reference was made to the North London Waste Authority – and plans for Pinkham Way site. It was confirmed that no decisions had yet been made about the site but it was thought that should the development go ahead, it would be likely that the original plans would be scaled down.
- Concern was expressed for local businesses in the present financial climate. When asked if the business rate would be affected, it was stated that the business rate was set by the valuation officer and in an effort to help businesses as much as possible there were various schemes that businesses could apply to, for support.
- It was asked if we had undertaken a risk assessment in relation to the large number of people who were coming to live in the borough as it was thought that approximately 100 families a month were moving into the Borough. Councillor Stafford stated that Enfield found themselves in a difficult position, population growth was averaging 4,000 per year in Enfield and was continuing to rise. At

present the books were being balanced but there may be difficult choices to be made in future as demands on services rise.

- The Director of Finance was asked if any hard choices had been made on where savings would fall and whether we would be looking to reduce our refuse service or close libraries. He stated that nothing had yet been decided, nothing had yet been ruled in or out, but it was thought likely that there would be a reduction in the number of council staff employed.
- As a result of the unprecedented demand for school places we had made use of portakabins and undertaken building works at existing schools, and it was asked if we anticipated the building of new schools. Councillor Stafford confirmed that we had a significant school building programme with 9 schools being expanded at a cost of £24M, he went on to say that it was possible to borrow money for capital projects of this type but not for revenue, and confirmed that the school places/ programme would be in place by next September.
- A resident raised a concern that for financial reasons, the Council's Planning Department were now offering a commercial service to cover building regulations from design stage to planning approval. The resident felt that this may be considered to undermine the 'checks and balances' procedures in the Department. It may also give the authority an advantage over other commercial operations. It was confirmed that advice was being given by the Planning service to applicants but this service was entirely separate from the Planning Committee process. Councillor Neville would discuss this issue further with Ian Davis, Director of Environment.

### **Issues raised on the 2013/14 budget consultation proposals by the Chase, Southbury & Town Area Forum held on 8 January 2013**

Prior to the presentation Councillor Achilleas Georgiou felt it would be useful to 'set the scene' s regarding the Council' Budget demands.

- There continues to be a significant reduction in Government Funding and with the 'Damping' processes also reducing funding, substantial savings had to be made;
- The economic climate had increased pressures on all households in the borough;
- Enfield's population had increased from 28, 000 to 312, 000 since the last census 10 years ago;
- There is an increase of older people needing care;
- The introduction of the Welfare Reform would have a huge impact, and would affect issues such as additional homelessness demands;
- The Council has made efficiency savings focusing on priority areas in consultation with residents;

- Council Tax has been 'frozen' for the last few years;
- The Council showed commitment to residents' views and have kept the weekly refuse collection, street cleansing schedules and maintaining library opening hours.

#### NOTED

- Enfield Council must make savings of £81m to settle the budget over four years including £23m in 2013/14. The council had already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and new proposed savings are outlined in Appendix A and B respectively.
- From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and be replaced by a local scheme, together with a Government cap on Universal Credit. The Government has offered a transitional grant, likely to be £680K but the conditions of the grant would leave Enfield with a funding shortfall of up to £3m if it were accepted. The Local Scheme would be approved by Council in January 2013;
- Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon.
- Austerity is now hitting all public sector services with a 27% reduction in expenditure over 4 years, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.
- There would be a new Business Rates Localisation Scheme;
- Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal.
- Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMO's and illegal conversions.
- The Voluntary sector is likely to be called upon more significantly for advice and support in the coming years.
- Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14
- The 2013-14 budget is on course for completion on schedule so the budget consultation will focus on the input in order to help us balance the overall Council Budget in the medium term.
- The process is forward looking and will be seeking views not just for the 2013/14 budget but for future decision making in relation to levels of savings and how these relate to future Council Tax levels.

In conclusion, James Rolfe referred to the Budget Consultation papers available to residents' and urged them to respond to the three main questions:

- Despite the increasing difficulties facing the Council to make efficiency savings that did not impact on services, would you still prefer your Council Tax to be frozen in 2013/14;
- Please rank 1 –3 the priority services in the list provided;
- Suggestions welcome on how to make further savings or improving efficiency.

A brief question and answer session followed:

1. Councillor East referred to Housing costs and the H.R.A. funding and asked where the figures for this were within the Council's budget. James Rolfe said that the Budget Presentation was about the General Fund rather than the Housing Revenue Account. He advised that from 1 April 2011, housing revenue accounts were self-financing (without subsidy from central government), and subject to a 30 year Business Plan which set out the Council's plans for repairs, maintenance, refurbishment and replacement of the estate.
2. A resident asked for a 'rough figure' to reflect income / expenditure on one of the Council's services. James Rolfe explained that the Council had to balance its books and, therefore, its income equalled its expenditure. Gross expenditure in 2011/13 was just over £1bn.
3. A resident queried the recovery of the £5m invested by Enfield Council in Iceland. James Rolfe said that since the demise of the banking systems in Iceland, the Council had managed to retrieve most of its investment. James Rolfe would ensure the relevant figures would be circulated with the minutes.

**Action: James Rolfe / Secretary**

**Post meeting note:** "The Council have recovered £3.9m to date, but we are still receiving regular distributions from the administrator."

4. In response to a resident, Neil Rousell advised that the Council had appointed an external company – 'Fusion Leisure' - to operate the Leisure Centres in the borough. This £9m investment will bring the boroughs facilities up to a modern new standard for the benefit of all residents.
5. Referring to the introduction of the Business Rates Localisation Scheme, a resident asked whether this would increase revenue for the Council. James Rolfe explained that the Scheme would not affect funding for the borough as Business Rates operates on an equitable basis ie: no gain/no loss.
6. A resident said that more help should be given to local small businesses who struggle to pay their rates. James Rolfe advised that Central Government determine the amount applicable for businesses, but added that there was help available via such schemes as the Small Business Rates Relief Scheme and the Hardship Rates Relief Scheme. Details of both of these schemes were available on the Council's website.

**Issues raised on the 2013/14 budget consultation proposals by the Cockfosters, Southgate and Highlands Area Forum held on 16 January 2013**

Councillor Georgiou introduced the background position to the budget consultation for 2013/14:

Government funding had been reduced year on year and therefore all public services faced increasingly difficult choices in respect of their services. Government damping was a particular issue for Enfield and the Council has lobbied the Government again to address this situation, which had been the case for a number of years.

The Council faced additional pressures on the budget from a substantially increasing population which increased social need and the demand on public services. Other reforms, such as the Welfare Reform programme and proposed social care reforms also impacted on the budgetary position. At the same time, the Council recognised residents' individual pressures such as job security and inflation.

Year on year the Council had made efficiency savings but this would become increasingly difficult as the Council strove to preserve good services for residents.

The Consultation would explain in more detail the pressures on the Council's finances and what was being done to address these, it would also ask residents what priorities they thought the Council should have.

Richard Tyler, Assistant Director of Finance, then gave a presentation, the key points summarised as follows:

- £52m of savings was needed to balance the budget for 12/13-15/16
- The savings required for 12/13 had been achieved and built into the ongoing budget plan;
- The Council was looking to freeze Council Tax again in 13/14;
- In 2010 the Government announced its four year Spending Review which required a 27% reduction in public sector budgets over the following four years;
- A further cut had been added for 14/15;
- The next Spending Review was due to be announced in the first part of 2013;
- A new Business Rates Localisation Scheme had been announced where half of revenue collected from Business Rates would still be passed centrally to Government with 20% passported to the GLA and the remainder retained locally; this would potentially mean an increase in revenue for the Council if new businesses could be encouraged to set up in the Borough.



- Council Tax Benefit would be abolished and replaced by a localised scheme, 10% of Government funding would be taken away and Councils were obliged to devise their own scheme;
- A cap on levels of Universal Credit would be implemented.
- The Dilnott Review of social care reforms would potentially impact the Council's budget;
- The calculation of funding for schools was a complex issue currently under consideration;
- The incinerator in Edmonton was approaching the end of its working life and investment was therefore required via the NLWA to meet future waste disposal needs.
- Other factors would also impact on the Council's budget such as NHS reforms, inflation and the general economic climate.
- A significant population increase had occurred in the Borough since the last Census compared to previous Government projections.
- Damping was an increasingly important issue with £11.6m lost in damping this year;
- The Local Government Finance Settlement was announced in late December.
- Demographic pressures were increasing such as the need for more pupil places.
- The funding gap would rise to a total of £81m over the next four years.
- The Council looks to contain inflationary pressures through the review of contracts and procurement;

#### Budget for 13/14

- £8.4m of the £23m savings required for 13/14 had already been achieved in the 2012 February Budget report;
- £6m additional savings had been approved at the November Cabinet;
- A further £4.4m of savings was proposed in the consultation document.
- All responses to the consultation would be considered at Overview and Scrutiny Committee on 31 January;
- The budget would then be taken to Cabinet in early February and Council later in February to set the Council Tax.

#### Council Tax Localisation

- The consultation on the new scheme had been undertaken from July to September of 2012. A transitional grant from the Government of £680,000 had been offered. A funding shortfall would remain if this was accepted. Papers setting out the options would be considered at Council in January.

#### Welfare Reform

- There was a high likelihood that homelessness demand in the Borough would increase as a result of the Reforms;
- The role of Universal Credit is still unclear;

- A social fund scheme was currently being worked on to provide crisis loans for people in extreme short term need;
- It was difficult to gauge potential related social impacts such as overcrowding, domestic violence and migration, as well as the impact and increased demand on the voluntary sector.

### Budget Consultation 2013/14

The budget for 2013/14 was on course for finalisation; it would therefore be necessary to consider our priorities and position further into the future. The Consultation was being taken to all Scrutiny Panels and Area Forums.

The following questions were then taken from the floor:

Q: I wrote to Councillor Bond over a year ago proposing a reduction in street lighting, what has happened? How much could be saved? Also, I proposed that we have a pay-as-you-leave parking system at the multi-storey car park in town, has the Council missed an opportunity here?

A: Technology is being installed in our street lighting to enable the Council to choose when it is switched on and off. Two years ago the Council looked at street lighting levels in the Borough and agreed a programme of dimming; a saving was achieved as a result. Safety also needs to be a consideration when looking at any street lighting reduction programme. As to income generation generally, PwC were engaged to come in and look at all our income generation schemes and were very positive in their feedback, but we can always of course look for more things to do. In respect of the suggested parking schemes, we can always consider these, but we need to balance these against discouraging shoppers from coming into the Town.

Q: The Council currently has an expenditure of around £1bn per year. Does the Council have a view on where the expenditure will be in four years' time?

A: The Council's gross spend is around £1bn, however, some of this expenditure is ringfenced to particular areas such as schools, we have to exclude these when considering savings. We may therefore still have an expenditure of the same sort of amount in four years but we will have absorbed the pressures on the Council's finances to keep the valued services going.

Q: If we read certain publicity, the level of cuts experienced by other local authorities across the country such as Birmingham is very serious. How do we compare with, say, other London Boroughs?

A: This is a difficult question to answer as, clearly, we are not party to other discussions held at other authorities however, we have

been very good at looking at our efficiencies through, for example, the programme of service reviews and initiatives such as New Ways of Working, which probably puts us ahead of the game in this respect. We will be financially well placed for 13/14, however, damping remains a big issue and we are getting to the point where we will need to consider what services can realistically be managed in their current shape.

Q: How much debt has been written off by the Council in the last year and what is the forecast over the next two years? How are we dealing with it?

A: I don't have the numbers immediately to hand but our Council Tax collection rate is currently running at 98%. We do compare favourably with other local authorities in terms of how we deal with debt, we have undertaken a lot of work in improving the collection of property debt and the Council has recently won an award for its anti fraud services.

Councillor Georgiou added that since 2010 a number of back office efficiencies had been achieved, including a reduction in the employment of consultants and agency staff.

Q: Cllr Delman responded that prior to 2010 consultants had been employed in this manner as it worked out cheaper than employing a full time employee in the long term. He then asked why the population in Enfield had risen, along with some other London Boroughs?

A: The population in London as a whole has increased significantly since the last Census however, in particular, there seemed to have been a movement out of Central London Boroughs such as Westminster, into Outer London and Eastern Boroughs, including Enfield. This may have been related to the affordability of accommodation.

Q: Would there be an increasing demand for Council Tax Benefit as a result?

A: Council Tax Benefit was at £35m this year and had been rising year on year, however, levels now seemed to be stabilising.

Q: If the population in Enfield was increasing, shouldn't there be an increased level of revenue for the Council? Why would this not be? Shouldn't everyone be paying Council Tax if they could?

A: The Council was seeking to get unemployed residents into work wherever possible, and Council Tax payments if not made were chased vigorously.

Councillor Georgiou added that there appeared to be a migration of people from Boroughs such as Westminster into Boroughs such as Enfield due to the greater affordability of private rented accommodation in the Borough (e.g. in

Edmonton) to those on benefit. When the Welfare Reform programme came into effect, private accommodation would be less affordable in Enfield and the Council could consequently experience a higher demand for social housing; the Council has a statutory obligation to provide housing to those in need.

Q: What had happened to plans to incentivise people to move out to other local authorities in the UK?

A: This had been tried, but some residents did not wish to do so as they had family roots in the Borough or thought that employment opportunities were lower in the areas offered. The Council would need to consider this option again however, if it could not provide social housing to all who needed it.

Q: This scenario is not correct, we have waiting lists for housing already in the Borough, so where is the incentive for people to come into the Borough from places such as Westminster?

A: Rented accommodation is cheaper in areas such as Edmonton compared to Westminster, it is a matter of market forces. If landlords are prepared to offer accommodation at benefit set levels then people will take that up. The Government should be insisting all Boroughs provide an appropriate level of social housing to prevent such migration.

Q: Is the Council obliged to house everyone coming into the Borough?

A: The Council has a statutory obligation to find temporary accommodation for the homeless, even if this is not within the Borough itself.

Richard Tyler informed attendees that the end date for submission of responses to the Consultation was 31 January and not 18 January as stated on the paper. Any responses could be given to the Secretary after the meeting or returned to the Council at the address provided. All views were welcomed.

### **Issues raised on the 2013/14 budget consultation proposals by the Edmonton Green, Haselbury and Upper Edmonton Area Forum held on 24 January 2013**

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap

on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K, but the conditions of the grant would leave Enfield with a budget pressure if it were accepted. Enfield's Council Tax Support scheme will be formally agreed at Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 18<sup>th</sup> December, the impact is still being considered by Finance Officers. Once done, this will be incorporated into the budget report to Cabinet and Council in February 2013. One thing for certain is that austerity is now hitting all public sector services, with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMOs and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on where savings may be achieved and how these relate to future Council Tax levels.

The following comments were received:

1. Councillor Andrew Stafford, Cabinet Member, Finance & Property re-iterated Richard's comments about the future financial pressures faced by Enfield Council. He said that although the budget had been balanced for this financial year, there were worrying times ahead over the next three years, what with the changes to the welfare system, council tax benefits etc. However, he paid tribute to an amazing financial team and all Enfield Council staff who had so far managed to achieve the necessary savings without cutting front line services.
2. A resident asked about the possibility of reducing waste collections to a fortnightly service, which could result in a substantial financial saving. Neil Isaac, Assistant Director, Waste, Street Scenes & Parks agreed that this was a possibility and yes, it would save money. However, he explained that Enfield Council was currently tied into the existing arrangement of weekly waste collections as, when the Government had originally put up grant funding to increase waste collection facilities, Enfield Council had put in a bid and received £2.4million funding. As a result of receiving this

funding, a restriction had then been implemented stipulating that Enfield Council had to maintain weekly waste collection for a set period of time. Neil did point out however that the service could look at ways of collecting re-cycled waste, namely the blue bins which are used for dry recycling, on a less frequent basis. However this would have to be looked at as part of a consultation process, taking into consideration how much it would actually save and of course the views of residents.

3. Councillor Stafford agreed that the reduction of waste collection services would indeed save money as would schemes such as dimming street lights for a period of time. He added that although no one wanted to make any cuts to services in the borough, unfortunately the grim reality was that savings must be made.
4. Richard spoke about the expected changes in welfare reform and the economy generally, Enfield find themselves in a difficult position. Population growth is averaging 4,000 per year in Enfield and continuing to rise. At present the books are being balanced but future confidence in this respect is uncertain.

The Chairman thanked Richard and his team for their continued hard work completing the budget consultation. Richard said that credit should go to the service managers who have had to make the cuts whilst maintaining high quality services.

### **Issues raised on the 2013/14 budget consultation proposals by the Enfield Highway, Enfield Lock & Turkey Street Area Forum held on 16 January 2013**

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K, but the conditions of the grant would leave Enfield with a budget pressure if it were accepted. The final settlement figure is awaited and will go to Cabinet and Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 19th December the full impact is still being considered by Finance Officers. The figures will be included in the budget reports to Cabinet and Council in February 2013. It is apparent that austerity is now hitting all public sector services, with a 27% reduction in expenditure

over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMOs and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on where savings may be achieved and how these relate to future Council Tax levels.

The views of the forum were requested, Isabel Brittain asked that consideration be given as to whether Council Tax should be frozen and views were requested on service priorities for the year.

The following points were raised:

- Concerns were expressed about the growing number of people coming to live in Enfield which, with the growing birth rates, indicated that our population was growing at an additional 4,000 people a year. Many people were coming from Central London to the suburbs as a result of benefit changes. It was agreed that this was a challenging time for Enfield however, as there was freedom of movement in the country it was not possible to stop people from coming to live in the borough.
- It was asked whether we still held any reserve funds. It was confirmed that we have a contingency fund of £13 million which is in line with other Local Authorities. Members confirmed that the latest auditors report shows Enfield to be in a sound prudent financial position.
- The money that had been invested in Icelandic bank in previous years had now been largely recovered. Of the £1 million invested - £850,000 had now been returned. We were fortunate that this was a relatively minor problem for us in comparison with some other Local Authorities. We have now reviewed our position and no longer invest outside the UK
- It was confirmed that we would be taking on extra services as part of the move of public health duties from the NHS to Local Authorities on 1 April 2013. This involves partnership working with the local PCT's (Partnership Care Trust) leading to a more joined up way of working. One example of this is the proposals for this building (The Ordnance Road Library) which will encompass health facilities as well as a new library and community facility.

**Issues raised on the 2013/14 budget consultation proposals by the Jubilee, Lower Edmonton & Ponders End Area Forum held on 19 December 2012**

Enfield Council must make savings of £81m to balance the budget over four years, including £23m in 2013/14. The Council has already agreed £8m of savings for 2013/14 in the budget report in February 2012. Further agreed and proposed savings are outlined in Appendices A and B respectively.

Enfield Council remains committed to listening to views of residents and trying to protect the vital frontline services when deciding the budget and Council Tax requirement for 2013/14. From 1<sup>st</sup> April 2013, Council Tax Benefit will be abolished and replaced by a local scheme, together with a Government cap on Universal Credit up to £26,000 per household. The Government has offered a transitional grant, likely to be £680K, but the conditions of the grant would leave Enfield with a budget pressure of up to £3m if it were accepted. The final settlement figure is awaited and will go to Cabinet and Council in January.

Significant future risk to Council finances due to cuts in public funding and changes to the local government finance and benefits arrangements are still being consulted upon, and although the government's financial settlement agreed was announced on 18<sup>th</sup> December, impact has not been analyzed yet by Finance Officers. Once done, findings will be shared, pending agreement at Cabinet and Council in February 2013. One thing for certain is that austerity is now hitting all public sector services, with a 27% reduction in expenditure over 4 years from 2011, together with additional cuts in Government funding. A spending review will be undertaken in the first part of 2013 to set out the next 4 years up to 2017-18.

Other pressures are also apparent over the next 4 years, including inflation and interest rates, demographic pressures across services, capital financing and increasing costs of waste disposal. Wider welfare changes will potentially increase the cost of additional homelessness demands, impacting on staffing levels (effect unknown yet but likely to cause pressure), overcrowding, migration, requirement for increase in school places and other relevant services, together with increased enforcement to regulations in relation to HMOs and illegal conversions. The voluntary sector is likely to be called upon more significantly for advice and support in the coming years.

The 2013-14 budget is on course for completion and therefore the consultation paper looks to the future years and views are welcomed on where savings may be achieved and how these relate to future Council Tax levels.

The following comments were received:

Q1. What impact do the budget reductions have on services, especially dementia in the borough?



- A1. These services are ring fenced and will not be impacted by the budget reductions. An update on dementia is being received at the Health & Wellbeing Scrutiny Panel on 10<sup>th</sup> January and further information can be received from the Community Secretary upon request.
- Q2. How is the Council coping with the recent fraudulent activity of an ex-member of their staff?
- A2. Although fraud has been identified in this case, internal control is now extremely tight. There is no single cost code within the Council accounts which is not reconciled on a regular basis with monthly close downs – a new service system is in use. Lessons have been learned and the Council confirm that they are still in the process of pursuing the lost monies fraudulently extracted from their accounts.
- Q3. How is the Council/Enfield Homes coping in-house with the delivery of services with the budget reductions identified?
- A3. Housing revenue is separate from the budget accounts and is ring fenced to provide a high level of service as a priority. Rental income is used for maintenance of Council properties and this income cannot be used elsewhere.
- Q4. How is the expenditure of Enfield Homes monitored?
- A4. Enfield Homes is a separate company – the Council as shareholder monitors the account process although they do have a separate set of auditors. They do have joint shared finance team who provide a joined up service. There are still discussions being held to see what services can be shared to make further savings. Enfield Homes CEX confirmed Enfield Homes financial figures are monitored monthly and have achieved 3% savings year on year.
- Q5. Further to the announcement by Eric Pickles today that a further 2% reductions will be required by Local Authorities, he suggested 50 ways of achieving savings, one of which is the sacking of the Chief Executive. What are the panel's views on this?
- A5. The authority is seeking to reduce costs as much as possible without reducing services. Reduction in staff numbers is an increasing problem. Reducing basic pay for trained individuals in their specific field who provide essential services such as child and vulnerable adult protection will have a significant impact on this important work, which many people rely upon. Staff members undertake difficult jobs under intense pressure and the authority is seeking to protect these jobs. Reduction in staff numbers will undoubtedly reduce the ability for monitoring, with negative outcomes.

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