

**MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE  
HELD ON THURSDAY, 19 DECEMBER 2019**

**COUNCILLORS:** OSC Committee Members:

**PRESENT**

Susan Erbil (Chair), Achilleas Georgiou (Vice-Chair), Tolga Aramaz, Edward Smith, Guner Aydin, Sinan Boztas, Lee David-Sanders and Doug Taylor.

Cabinet Members: Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy), Alev Cazimoglu, Guney Dogan, Rick Jewell, Mary Maguire, Gina Needs, George Sawva, Mahtab Uddin.

**OFFICERS:**

Ian Davis (Chief Executive), Sarah Cary (Executive Director Place), Tony Theodoulou (Executive Director People), Fay Hammond (Executive Director, Resources), Jeremy Chambers (Director of Law & Governance), Matt Bowmer (Interim Director of Finance), Mark Bradbury (Director of Property and Economy), Andy Ellis (Scrutiny Officer), Elaine Huckell (Scrutiny Secretary).

**Also Attending:**

Tony Murphy (co-optee), Councillors Dinah Barry and Charith Gunawardena, Councillors Daniel Anderson and Derek Levy (both attending in their capacity as members of the public), Simon Alin (press) and five members of the public

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**WELCOME & APOLOGIES**

Councillor Erbil welcomed all attendees to the meeting. Apologies for absence had been received from Councillor Lappage (Councillor Taylor was substituting for her), also from Councillor Nneka Keazor, Bindi Nagra and Stuart Lines.

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**DECLARATIONS OF INTEREST**

There were no declarations of interest.

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**LONDON BOROUGH OF ENFIELD BUDGET CONSULTATION 2020/21**

The Chair outlined the structure and process for the update and budget consultation. Overview and Scrutiny Committee would provide comments to feed in to the final report to Cabinet and Council in February.

Councillor Maguire introduced this item and spoke of the legal requirement to set a realistic and achievable budget. She spoke of the substantial Government cuts to local authorities since 2010, with a £178m gap for Enfield

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since 2010 and an additional £18m for this year. The government approach for providing one- off grant funding had not helped the council in their plans to provide a sustainable budget. She said our priorities were to help the most vulnerable. We would be looking to increase Council tax in line with the Government's referendum threshold of 1.99% and collect a 2.00% precept to cover the rising costs of Adult Social Care.

At present £1.5m of reserves are being used on a one- off basis to address the outstanding funding gap. There is ongoing work to identify further savings and income generation proposals to close this gap.

It was essential that we have a sustainable budget to protect our most vulnerable residents under Adult Social Care and Children's Services areas.

Councillor Caliskan endorsed Councillor Maguires comments and said this was a fair budget given the circumstances of a difficult situation. We were facing challenges and were rightly placing an emphasis on the vulnerable, we were also investing in our young people. As custodians of the borough we are looking at the long term to ensure the budget is sustainable.

Fay Hammond (Executive Director, Resources) and Matt Bowmer (Interim Director of Finance) gave a presentation on the 2020/21 to 2024/25 Medium Term Financial plan (MTFP) they spoke of the need to have a resilient budget and highlighted the following:

- The need to deliver on our priorities and Corporate Plan and protect those most in need
- Adult Social Care and Children's Social Care budgets to increase by £6.6m and £3.9m respectively. This includes funding for intervention of £385k (Edge of Care - this programme has already been shown to be successful.)
- It is a long- term budget to ensure decisions are sustainable. We are matching need, for example in the provision of additional social workers.
- The Ten-Year Capital Programme and financing would go to Cabinet January /February 2020.
- We can evidence that our budgets are becoming more resilient – our overspends are reducing and we have a reduced reliance on Capital Receipts.
- In previous years savings put forward have sometimes been overly ambitious. For this year a much smaller area of savings are at risk - as we have worked towards a more resilient budget.
- Relatively stable reserves level maintained over last five years. The budget is in a resilient place
- There are increased demographic pressures with additional numbers of children in need and an increase in the number of referrals. For example, last year 835 children reliant on SEND transport – and for this year - 960 children.
- Adult Social Care and Children's budgets have increased, all other budgets have been reduced to cover for this.
- Higher Value Savings and Income for 2020/21- are all being monitored to ensure deliverable next year.

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- EQIA's for 2020/21 – services are exploring how any impacts can be mitigated.
- Staffing indicates an overall net increase of 41.0 FTE in staff.
- Public Engagement on the budget – a total of 83 responses with 85% stating that they felt it was important that the budget protects the most vulnerable in the community. 58% agree with the proposals to increase core council tax in line with the Government's referendum threshold of 1.99% and to collect an Adult Social Care Precept of 2.00%.
- After the use of reserves to balance 2019/20, the estimated level of reserves will be £39.0m. This would be 17% (16.2% revenue) of the Council's net budget of £231m.
- There are some risks and uncertainties for the future, for example as single year settlement and spending power grants are only confirmed for one year.
- The funding settlement is due- December 2019/ January 2020. We would continue to review pressures and funding.
- This would be reported to Cabinet and Council in February 2020.

### Questions and comments raised

Q. There appears to have been a low level response rate to the public consultation exercise -are we looking at ways to increase public consultation without additional costs?

A. Councillor Maguire said one of the reasons why the budget simulator had not been used this time was to try to bring down the cost of the consultation exercise. There is a problem in trying to get the public to engage with us on this. We have prepared briefing notes for ward councillors on this subject so that they are able to discuss any concerns with their residents. Responses received appear to agree with our direction.

Councillor Caliskan said there are a number of ways in which we engage with the public - for example through committees and forums where it is possible to gather information and gauge priorities.

Q. I am concerned that the funding gap of £1.5m will need to be met from reserves, how can we ensure that reserves are not used in this way in future?

A: Fay Hammond said we would like to maintain our level of reserves and in the past more use has been made of reserves and using capital receipts however we have gradually reduced the need for these. We could have made more ambitious savings however we have been robust in our style of budget setting.

Councillor Maguire said we have realistic income targets, it is important not to use capital receipts as we do not wish to 'sell off the family silver'.

Q. On page 14 of the report para 6.4 refers to savings proposals for block booking semi-independent accommodation for 12 young people - this has halved from £0.125m to £0.060m. Councillor Erbil questioned this.

A. Tony Theodoulou (Executive Director People) said accommodation for young people requires 24hr staffing levels but as they reach adulthood - living semi-independent lives, whilst this requires an adult presence it would not

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need to be on a 24hour basis. Because of a better procurement process we have a good reputation working with providers. We have approximately 150 young people living in these facilities mainly within the borough.

Q. Appendix 1A of the report refers to Modern Slavery Team - £120k why is this shown under the investment category?

A. This is following on from us signing up on the Modern Slavery Charter – we are to have a joint group working with the police – We have already commenced work with them looking to understand the criminal element involved and looking at the underlying issues. We will be match funded with the police.

Q. Appendix 2A of the report refers to the effect of prior years savings in respect of temporary accommodation - £780k for 2020/21 and £711k for 2021/22.?

A. It was stated that this does not involve cuts to services. It is about being more efficient with less voids and using regeneration properties as decants for temporary accommodation on a short- term basis.

Q. Appendix 2B of the report refers to Savings and Income Generation Proposals 2020/21 – 2024/25 – Meridian Water meanwhile use income £1.109m.

A. This reflects the decision about our approach to delivering this project – for example Enfield film studio - renting out/ leasing – Building Bloqs providing income and job creation for the area. We are looking at the best way to utilise land at Meridian Water for meanwhile use.

Q. Appendix 2B – Savings and Income Generation Proposals 2020/21 – 2024/25 - - New arrangements for hosting ICT applications and mobile phone contract reductions - £1.300m. It was asked how this would affect services?

A. We are confident we can deliver savings – residents experience should be enhanced – the impact will not be seen until next autumn. This should involve savings.

Q. I do not think the three questions asked during the public consultation are adequate. For example, asking people would they wish to protect the vulnerable – this is a leading question. What is the definition of 'vulnerable'?

A. Tony Theodoulou said someone is considered vulnerable if they are unable to look after themselves for example if they have a disability, have a mental health problem or a child is not receiving adequate parenting.

Councillor Caliskan referred to the need to protect front line services so that people are kept safe and that they can fulfil their potential. There are statutory duties we must cover. We also need to provide services for example to ensure that young people are not left behind, and that old people get the care they need.

Q. Would the term 'vulnerable' cover those who are homeless?

A. You cannot allow a child to be without a home, the Council has a duty to find them somewhere to live.

Q. You have mentioned that this is a sustainable budget, but you have needed to use reserves this year, and last year. It is stated that there were unrealisable savings and income targets of £2.5m in 2019/20. This seems to indicate that this is a deficit budget.

A. We have unrealisable savings of £600k for the year. Over time our overspends are reducing and the budget is becoming more robust.

Q. Under para 6.3 of the report there is reference to 59 individual savings proposals, of which 36 have required a full EQIA. Where is this information?

A. A summary of this will be available with the February report. It was also mentioned that this information is available through the 'black book' to Labour Councillors.

Q. Councillor Smith said the response to the consultation was poor and with very little information. He suggested we should have said 'we intend to protect the vulnerable by making the following savings...' this may have prompted more responses. He asked how we are going to improve consultation to get a better response?

A. Councillor Caliskan said our political commitment is what is reflected in the budget. We are an active and engaged administration, where people report back views.

Councillor Maguire said over the last two years we have looked at how to get more people involved in the consultation process and we shall do so again. Councillor Smith suggested people are provided with more information and this would encourage more responses.

Q. Regarding future savings in the Medium-Term Financial Plan (MTFP) how much slippage is included?

A. We are not overstating savings.

Reference was made to the Property and Asset Strategy under the remit of Mark Bradbury's team – This would determine the council's assets to consolidate them where possible.

Reference was made to school services and possible demographic pressures. It was stated that the aim was to 'de-risk' the budget – there were 7 top savings which we are monitoring carefully. Additionally, there is a £3m contingency fund to cover for any unforeseen demographic risks.

Q. It appears that £1.0m was used last year and we are looking for £1.5m this year to come from reserves? An additional £6.6m is needed for Adult Social Care and £3.9m for Children's Social Care. Is this coming from the General Fund what is our use of reserves?

A. Fay Hammond referred to slide 10 of the presentation – the increase in pressures for 2020/21 are shown as £29.748m – we have been able to reduce our pension contributions by £3.6m and we have an increase in estimated total funding of £9.908m. Savings and Income generation figures are given which are realistic and we will use £1.5m from reserves. There is a shift for us to be less reliant on capital receipts, as we do not wish to sell our assets.

It was pointed out that para 5.23 of the report states that the £39m estimated level of reserves is 17% of the council's net budget of £231m. However, the five-year budget gap as set out in the report totals £45.6m exceeding the Council's level of reserves. It was agreed that this was a challenging situation.

Reference was made to Adult Social Care – Innovation hub. A pilot has been undertaken which allows for assistance from the voluntary sector. This has been beneficial to clients as it has helped them to delay their admission into social care.

Councillor Smith referred to additional resources from the government and said the fairer funding settlement may change things in the future. He was concerned at the pressures in the MTFP of approximately £30m shown in Appendix 1A of this report some of which are quite substantial, this would require careful monitoring and budgeting. This includes costs for Meridian Water.

Councillor Caliskan said the £5m from government was inadequate to cover for the pressures in the MTFP. She spoke of the necessity for us to make investment in Meridian Water to provide affordable homes which are needed. She spoke of the need for people to be paid a decent wage and referred to the 1 in 3 children who are living in poverty.

Councillor Taylor referred to the reduction in pension contributions for this year by £3.6m and said it will be 3 years before the next review takes place. He said it would be useful for a report to be prepared looking at the underlying funds/ assets of the funds and indicating to what extent they may be affected by 'Brexit'. This is to be included on the OSC Work Programme

**Action: Fay Hammond**

A question was asked by a member of the public asking what can be done to help those families who are losing £25 to £35 a week under benefit changes. It was stated that we have transitional arrangements to help people from the hardship fund.

It was NOTED that the minutes of the Overview and Scrutiny Committee Budget Meeting would form the Scrutiny response to the Budget Consultation 2020/21.

Cabinet is due to consider the response from the budget consultation process at its meeting on 12 February 2020. The final response agreed by the Committee will be referred onto Cabinet for consideration as part of this process. The Council's final 2020/21 budget proposals are due to be considered and approved at the Council meeting on 26 February 2020.

NOTED

It was suggested by Members that OSC should discuss the budget twice a year.

Many members and officers left at this point. OSC Members remained to discuss the other items on the agenda.

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**MINUTES OF MEETINGS 30 OCTOBER, 7, 14 AND 21 NOVEMBER 2019**

The minutes of the meetings held on the 30 October 2019, 7 November 2019, 14 November 2019 and 21 November 2019 were AGREED, with the following amendments/ comments from Councillor Aramaz

*07.11.19 Minutes:*

*On the Smith Institute Report Pg4 it mentions that Enfield faces a serious challenge as other inner London boroughs who face high homelessness do not face low level of social housing. So the report makes it quite clear that to meet our ambitions of not having people in TA for more than 6 months, we must maximise social housing in our borough. I asked the question of why this was not mentioned in the council report by Joanne Drew and she accepted the importance of my contribution and that they would seek to incorporate social housing targets in future reports.*

*14.11.19 Minutes:*

*I asked the question of why we are making decisions as customers and JV shareholders in separate capacities when both have the same ramifications to the same entity, which is the council?*

*21.11.19 Minutes:*

*I mentioned that there should be a column in the performance report of the Annual Targets of the year 2018/19 so that we can compare and contrast whether there has been any progress.'*

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**DATES OF FUTURE MEETINGS**

Business meetings OSC–

Thursday 30 January 2020, Thursday 13 February 2020 and Thursday 2 April 2020

Provisional Call-In dates –

Thursday 30 January 2020, Thursday 6 February 2020, Wednesday 4 March 2020, Thursday 26 March 2020, Tuesday 28 April 2020

The Associate Cabinet Members (ACM's) would not be attending the OSC Committee on 30 January 2020. The Leader would attend to discuss council priorities.

NOTED

OSC Members disappointment that ACM's would not attend.

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Councillor Erbil thanked everyone for attending the meeting.