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## **THE CABINET**

**Wednesday, 11th September, 2019 at 7.15 pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA**

### **Membership:**

Councillors : Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader of the Council), Alev Cazimoglu (Cabinet Member for Health & Social Care), Guney Dogan (Cabinet Member for Environment and Sustainability), Rick Jewell (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety & Cohesion), Mary Maguire (Cabinet Member for Finance & Procurement), Gina Needs (Cabinet Member for Social Housing), George Savva MBE (Cabinet Member for Licensing & Regulatory Services) and Mahtab Uddin (Cabinet Member for Public Health)

### **Associate Cabinet Members**

Note: The Associate Cabinet Member posts are non-executive, with no voting rights at Cabinet. Associate Cabinet Members are accountable to Cabinet and are invited to attend Cabinet meetings.

Mustafa Cetinkaya (Associate Cabinet Member – Non Voting), Ahmet Hasan (Associate Cabinet Member – Non Voting) and Claire Stewart (Associate Cabinet Member – Non Voting)

### **NOTE: CONDUCT AT MEETINGS OF THE CABINET**

Members of the public and representatives of the press are entitled to attend meetings of the Cabinet and to remain and hear discussions on matters within Part 1 of the agenda which is the public part of the meeting. They are not however, entitled to participate in any discussions.

## AGENDA – PART 1

### 1. APOLOGIES FOR ABSENCE

### 2. DECLARATIONS OF INTEREST

Members of the Cabinet are invited to identify any disclosable pecuniary, other pecuniary or non pecuniary interests relevant to items on the agenda.

### 3. DEPUTATIONS

To note, that no requests for deputations have been received for presentation to this Cabinet meeting.

### 4. SCRUTINY WORK PROGRAMME 2019/2020 AND UPDATE ON NEW STATUTORY SCRUTINY GUIDANCE (Pages 1 - 44)

A report from the Director of Law and Governance is attached. (Non key)  
(Report No.69)  
(7.20 – 7.25 pm)

### 5. TRANSITION OF CHILDREN LEAVING CARE SCRUTINY WORK STREAM (Pages 45 - 62)

A report from the Director of Law and Governance is attached. (Non key)  
(Report No.70)  
(7.25 – 7.30 pm)

### 6. REVENUE MONITORING 2019/20: QUARTER 1 (JUNE 2019) (Pages 63 - 98)

A report from the Executive Director – Resources is attached. **(Key decision – reference number 4944)**  
(Report No.71)  
(7.30 – 7.35 pm)

### 7. CAPITAL PROGRAMME MONITOR FIRST QUARTER (JUNE) 2019 (Pages 99 - 114)

A report from the Executive Director – Resources is attached. **(Key decision – reference number 4943)**  
(Report No.72)  
(7.35 – 7.40 pm)

### 8. HOMELESSNESS IN ENFIELD (Pages 115 - 166)

A report from the Executive Director – Place is attached. **(Key decision – reference number 4959)**  
(Report No.73)  
(7.40 – 7.45 pm)

**9. ENERGETIK - TRANCHE 2 INVESTMENT DECISION** (Pages 167 - 204)

A report from the Executive Director – Resources is attached. (Report No.78, agenda part two also refers) **(Key decision – reference number 4642)**

(Report No.74)  
(7.45 – 7.50 pm)

**10. BREXIT PANEL UPDATE**

To receive a verbal update.

**11. CABINET AGENDA PLANNING - FUTURE ITEMS** (Pages 205 - 210)

Attached for information is a provisional list of items scheduled for future Cabinet meetings.

**12. MINUTES** (Pages 211 - 236)

To confirm the minutes of the previous meetings of the Cabinet held on 8 July and 17 July 2019.

**13. DATE OF NEXT MEETING**

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 16 October 2019.

**14. EXCLUSION OF THE PRESS AND PUBLIC**

To consider passing a resolution under Section 100(A) of the Local Government Act 1972 excluding the press and public from the meeting for the items of business listed on part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

(Members are asked to refer to the part two agenda)

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**MUNICIPAL YEAR 2019/2020 REPORT NO.****69****MEETING TITLE AND DATE:**

EMT 2<sup>nd</sup> July 2019  
 Cabinet 11<sup>th</sup> September 2019  
 Council 18<sup>th</sup> September 2019

**REPORT OF:**

Director of Law & Governance

Contact officer and telephone number:  
 Claire Johnson, Head of Governance &  
 Scrutiny Tel: 020 8379 4239  
 E-mail: Claire.johnson@enfield.gov.uk

<b>Agenda - Part:1</b>	<b>Item: 4</b>
<b>Subject: Scrutiny Work Programme 2019/20, and update on new Statutory Scrutiny guidance</b>	
<b>Wards: None specific</b>	
<b>Cabinet Member consulted: Cllr Barnes</b>	

**1. EXECUTIVE SUMMARY**

- 1.1 This report and Appendices A and B set out the Scrutiny work programme and workstreams for 2019/20 for the Council's Overview & Scrutiny Committee (OSC), Health and Crime Standing Panels.
- 1.2 The Council's Constitution requires that the work programme proposed by OSC is adopted by Council on the recommendation of the Overview & Scrutiny Committee, following consultation with the Cabinet and the Executive Management Team (EMT).

**2. RECOMMENDATIONS**

Cabinet is being invited to comment on the Overview & Scrutiny Committee proposed work programme and workstreams for 2019/20, prior to approval by Council.

**3. BACKGROUND**

- 3.1 The Overview and Scrutiny Committee sets its own work programme for the year, taking into consideration wider consultation with Cabinet, EMT, and stakeholders.

- 3.2 OSC consists of one overarching Overview & Scrutiny Committee, 2 Standing Panels on Health and Crime, with 8 members, 6 majority and 2 opposition.
- 3.3 The Overview & Scrutiny Committee holds 8 business meetings throughout the municipal year. In addition to this, 12 provisional dates are put in the calendar to accommodate call-ins and pre-decision Scrutiny.
- 3.4 The Committees first meeting of the year, is set aside for planning the work programme and workstreams. The Leader of the Council was invited to the work planning session to outline the Cabinet's priorities for 2019/20. EMT were consulted on any areas where they felt Scrutiny could add value and these were all considered at the meeting.

#### **4.0 Workprogramme & workstreams**

- 4.1 OSC have agreed the work programme and workstreams for 2019/20 to put forward to Council. The OSC work programme and the Crime and Health Panels work programmes are shown in Appendix A. The agreed workstreams are shown as Appendix B.
- 4.2 Workstreams vary in their duration, with some being more condensed than others. Therefore, to enable a wider span of effective coverage in each municipal year, subject to resource capacity, OSC has an ongoing 'waiting list' of pre-agreed additional topics or themes ready to replace workstreams once they have been fully concluded. This provides continuity and ensures that a forward plan is in place from the start of the forthcoming year.
- 4.3 Membership of the workstreams will be agreed with the OSC leads and party whips, allocating non-executive councillors to the workstreams who have expressed an interest in undertaking scrutiny in those areas. Membership of the workstreams is cross party and will reflect political proportionality. However, membership numbers can be flexible on the workstreams, and once the work stream has finished, the membership is disbanded.
- 4.4 Before beginning its work, each workstream will agree a scope for the review including:
- Terms of reference
  - Desired outcomes
  - Key stakeholders
  - Training/information required for members to prepare for the review
  - Timescale for the review
  - Co-optees
- 4.5 Final recommendations from reviews will be discussed in detail between the Chair of the workstream, the Cabinet member and Executive Director.
- 4.6 Implementation of all agreed recommendations will be monitored by OSC.

## **5.0 Engagement**

5.1 The Scrutiny work programme will be an item for information for the Health & Wellbeing board and the Safer and Stronger Communities Board. In addition, the work programmes will be sent to key stakeholders such as Health, the Police, CCG, and EVA.

## **6.0 New Statutory Guidance on Overview & Scrutiny in Local and Combined Authorities**

6.1 In May 2019, the Ministry of housing, Communities and Local Government published new statutory guidance for Scrutiny. The guidance has been issued under section 9Q of the Local Government Act 2000 and under paragraph 2(9) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

6.2 The Guidance is seeking to ensure local authorities are aware of the purpose of OSC, what effective scrutiny looks like, how to conduct it effectively, and the benefits it can bring. The guidance covers:

- Culture
- Resourcing
- Selecting committee members
- Powers to access information
- Planning work and engaging the public
- Evidence sessions

6.3 It reminds authorities of the role and areas that effective scrutiny should undertake, and lists:

- Provide constructive critical friend challenge
- Amplify the voices and concerns of the public
- Be led by independent people who take responsibility for their role; and
- Drive improvement in public services.

6.4 Much of the guidance is about authorities re-establishing the authority of Scrutiny to ensure it is effective and can add value, however, there are also some changes under the new guidance that the council needs to pay regard to. These have been communicated to the Chair of the Scrutiny and the guidance sent to all members. Please see the link below to the guidance, and a hardcopy attached at the end of this report.

Link to the guidance:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/800048/Statutory\\_Guidance\\_on\\_Overview\\_and\\_Scrutiny\\_in\\_Local\\_and\\_Combined\\_Authorities.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800048/Statutory_Guidance_on_Overview_and_Scrutiny_in_Local_and_Combined_Authorities.pdf)

## **7. ALTERNATIVE OPTIONS CONSIDERED**

The Overview & Scrutiny Committee is required, under the Council's Constitution, to present an annual scrutiny work programme to Council for adoption.

## **8. REASONS FOR RECOMMENDATIONS**

To comply with the requirements of the Council's Constitution, the work programme has to be formally adopted by Council. In addition, scrutiny is essential to good governance, and enables the voice and concerns of residents and communities to be heard, and provides positive challenge and accountability.

## **9. COMMENTS FROM EMT**

EMT agreed the Scrutiny Work programme and advised that they may wish to refer items to Scrutiny. It was confirmed that dates are set aside during the year for this.

## **10. COMMENTS FROM OTHER DEPARTMENTS**

### **9.1 Financial Implications**

Any cost implications of undertaking the Scrutiny workstreams must be contained within budgeted resources.

### **9.2 Legal Implications**

The recommendations within this report for adoption of the annual Scrutiny Workstream Programme are lawful and will help support the Council in meeting its statutory obligations for effective overview and scrutiny.

The Council has statutory duties within an existing legal framework to make arrangements for the scrutiny of its decisions and service delivery, including the areas of crime and health, which are covered within these recommendations.

The setting of the annual scrutiny work programme is a matter for the Council, following consultation with EMT, members and key stakeholders within an agreed protocol. These requirements are set out in the Council's Constitution.

## **11. KEY RISKS**

There are no key risks associated with this report. Any risks relating to individual scrutiny workstreams will be identified and assessed through the scoping process.

**12. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

**Good Homes in Well-Connected Neighbourhoods; Sustain Strong and Healthy Communities, Build our Local Economy to Create a Thriving Place**

OSC will monitor the scrutiny work programme to ensure that it addresses issues affecting a wide range of Enfield residents and that services provided are fair and equitable

**13. EQUALITIES IMPACT IMPLICATIONS**

Equalities impact assessments relating to individual scrutiny workstreams and their recommendations will be assessed through the scrutiny process.

**14. PERFORMANCE AND DATA IMPLICATIONS**

OSC will monitor the work programme and ensure that review recommendations are acted on and implemented by departments.

**15. PUBLIC HEALTH IMPLICATIONS**

There are no direct public health implications of this report, but rather what happens as a result of scrutiny.

**Background Papers**

None

Appendix A

DRAFT OSC WORK PROGRAMME 2019/20

WORK	22 May 19 (Planning)	18 June 19	23 July 19	4 Sept 19	7 Nov 19	19 Dec 19	13 Feb 20	2 Apr 20
Date papers to be with Scrutiny Team								
<b>Specific Topics:</b>								
HR issues- The Council's plan of reducing the number of external consultants and agency staff/ sickness & recruitment/ employment of BAME, gender/ women returning to work							Report	
ACM's work programmes					Report			
Temporary accommodation					Report			
Population Growth & Housing targets								Report
Cultural strategy								
Pre-Decision scrutiny								
Future of Responsive Repairs Service	Report							
HIF infrastructure works- the procurement strategy/ approval to procure		Report						
ICT & Digital Strategy								

<b>WORK</b>	<b>22 May 19 (Planning)</b>	<b>18 June 19</b>	<b>23 July 19</b>	<b>4 Sept 19</b>	<b>7 Nov 19</b>	<b>19 Dec 19</b>	<b>13 Feb 20</b>	<b>2 Apr 20</b>
<b>Standing Items</b>								
Children's and Young People's Issues			Annual Complaints Report for Adults Social Care and Children's Social Care	Fostering & Adoption/IRO/LADO Pupil Places	Annual social care self assessment Ofsted Improvement Plan		SEND places strategy update  Educational attainment	
<b>Monitoring/Updates</b>								
Scrutiny Involvement in Budget Consultation 19/20					Update Report	Budget Meeting		
Workstream -Tracking recommendations								Update Reports
Crime Scrutiny & Health Scrutiny Panel Updates					Update Reports			Update Reports
Annual Corporate Complaints Report			Report					
Customer Experience							Report	
Annual Adults & Children's Safeguarding Report (date to be confirmed)								

<b>WORK</b>	<b>22 May 19 (Planning)</b>	<b>18 June 19</b>	<b>23 July 19</b>	<b>4 Sept 19</b>	<b>7 Nov 19</b>	<b>19 Dec 19</b>	<b>13 Feb 20</b>	<b>2 Apr 20</b>
<b>Work Programme</b>								
Setting the Overview & Scrutiny Annual Work Programme 2019/20	Agree Work Programme and discuss workstreams	Finalise workstreams						
Selection of New Workstreams for 2019/20	Discuss new Workstreams	Finalise new workstreams						

Note: Provisional call-in dates: 20th June, 3<sup>rd</sup> July, 8th August, 19th September, 31<sup>st</sup> October, 28th November, 15th January, 30th January, 6th February, 4th and 26th March, 28th April. These dates may also be used for pre-decision scrutiny as necessary. Any call-ins received will take precedence at this meeting.

Please note that the above programme may be subject to change during the year

**CRIME SCRUTINY PANEL: WORK PROGRAMME 2019/2020 DRAFT**

<b>WORK</b>	<b>Thursday 13 June (Work Planning)</b>	<b>Thursday 12 September</b>	<b>Tuesday 28 Jan</b>	<b>Tuesday 17 Mar</b>
<b>Deadline for sending papers to Scrutiny Team</b>	<b>N/A</b>			
<b>Panel Work Programme 2019/20 – To consider the Panel work programme</b>	Agree work programme			
<b>Standing Items</b>				
<b>SSCB Partnership Plan &amp; Strategic Priorities</b> – To review the development of the Plan and strategic priorities for 2019 – 20.		<b>Verbal update</b>		<b>Progress Update –</b>
<b>SSCB Performance Management</b> – provide a monitoring overview on performance of SSCB		<b>Monitoring Update</b>	<b>Monitoring Update</b>	<b>Monitoring Update</b>
<b>Briefings, Monitoring &amp; Updates:</b>				
Update from the Fire Brigade (on the work they are doing to reduce crime)		<b>Report</b>		
Prostitution				<b>Report</b>
Burglary			<b>Report</b>	
Cuckooing			<b>Report</b>	
Parks (issues of safety and vandalism)		<b>Report</b>		

## HEALTH SCRUTINY PANEL: WORK PROGRAMME 2019/2020 DRAFT

Work Programme	Tuesday 11 <sup>th</sup> June 2019 (planning session)	Wednesday 10 <sup>th</sup> September 2019	Thursday 23 <sup>rd</sup> January 2020	Wednesday 25 <sup>th</sup> March 2020
<b>Deadline for sending papers to Scrutiny Team</b>	n/a	30 <sup>th</sup> August	10 <sup>th</sup> January	13 <sup>th</sup> March
<b>Annual Items</b>				
Agree Annual Work Programme 2019/20	Agree			
NHS Trust Quality Accounts B&CF(RF), NMUH, BEHMHT, (in liaison with NCL JHOSC)				If available
<b>Monitoring Items</b>				
Chase Farm Hospital:  Feasibility Study Urgent Care Centre Phlebotomy Services		Presentations/briefings		
North Middlesex Hospital:  CQC Inspection and Action Plan A&E Performance				Presentations/briefings
Continuing Healthcare – Enfield CCG  GPs and Primary Care Networks - Enfield CCG  Immunisation Services – NHS England			Presentations/briefings	

## Appendix B

### Workstreams agreed for 2019/20

- **Improving Enfield Shopping Areas**

- Lead Member: Tolga Aramaz

This is a continuation of the workstream, to conclude the review and finalise recommendations

- **Review of Procurement**

- Lead Member: Edward Smith

- **Review of Exclusions**

- Lead Member: Bernadette Lappage

- **Meridian Water**

- Lead Member: Achilleas Georgiou

The above workstreams were put forward by members, these will be scoped and discussed with lead officers identified within departments.

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Ministry of Housing,  
Communities &  
Local Government

# Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities



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# Ministerial Foreword

The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership and service failure.

It is vital that councils and combined authorities know the purpose of scrutiny, what effective scrutiny looks like, how to conduct it and the benefits it can bring. This guidance aims to increase understanding in all four areas.

In writing this guidance, my department has taken close note of the House of Commons Select Committee report of December 2017, as well as the written and oral evidence supplied to that Committee. We have also consulted individuals and organisations with practical involvement in conducting, researching and supporting scrutiny.

It is clear from speaking to these practitioners that local and combined authorities with effective overview and scrutiny arrangements in place share certain key traits, the most important being a strong organisational culture. Authorities who welcome challenge and recognise the value scrutiny can bring reap the benefits. But this depends on strong commitment from the top - from senior members as well as senior officials.

Crucially, this guidance recognises that authorities have democratic mandates and are ultimately accountable to their electorates, and that authorities themselves are best-placed to know which scrutiny arrangements are most appropriate for their own individual circumstances.

I would, however, strongly urge all councils to cast a critical eye over their existing arrangements and, above all, ensure they embed a culture that allows overview and scrutiny to flourish.



A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

**Rishi Sunak MP**  
**Minister for Local Government**

# About this Guidance

## Who the guidance is for

This document is aimed at local authorities and combined authorities in England to help them carry out their overview and scrutiny functions effectively. In particular, it provides advice for senior leaders, members of overview and scrutiny committees, and support officers.

## Aim of the guidance

This guidance seeks to ensure local authorities and combined authorities are aware of the purpose of overview and scrutiny, what effective scrutiny looks like, how to conduct it effectively and the benefits it can bring.

As such, it includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions.

The guidance recognises that authorities approach scrutiny in different ways and have different processes and procedures in place, and that what might work well for one authority might not work well in another.

The hypothetical scenarios contained in the annexes to this guidance have been included for illustrative purposes, and are intended to provoke thought and discussion rather than serve as a 'best' way to approach the relevant issues.

While the guidance sets out some of the key legal requirements, it does not seek to replicate legislation.

## Status of the guidance

This is statutory guidance from the Ministry of Housing, Communities and Local Government. Local authorities and combined authorities must have regard to it when exercising their functions. The phrase 'must have regard', when used in this context, does not mean that the sections of statutory guidance have to be followed in every detail, but that they should be followed unless there is a good reason not to in a particular case.

Not every authority is required to appoint a scrutiny committee. This guidance applies to those authorities who have such a committee in place, whether they are required to or not.

This guidance has been issued under section 9Q of the Local Government Act 2000 and under paragraph 2(9) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, which requires authorities to have regard to this guidance. In addition, authorities may have regard to other material they might choose to consider, including that issued by the Centre for Public Scrutiny, when exercising their overview and scrutiny functions.

### Terminology

Unless 'overview' is specifically mentioned, the term 'scrutiny' refers to both overview and scrutiny.<sup>1</sup>

Where the term 'authority' is used, it refers to both local authorities and combined authorities.

Where the term 'scrutiny committee' is used, it refers to an overview and scrutiny committee and any of its sub-committees. As the legislation refers throughout to powers conferred on scrutiny committees, that is the wording used in this guidance. However, the guidance should be seen as applying equally to work undertaken in informal task and finish groups, commissioned by formal committees.

Where the term 'executive' is used, it refers to executive members.

For combined authorities, references to the 'executive' or 'cabinet' should be interpreted as relating to the mayor (where applicable) and all the authority members.

For authorities operating committee rather than executive arrangements, references to the executive or Cabinet should be interpreted as relating to councillors in leadership positions.

### Expiry or review date

This guidance will be kept under review and updated as necessary.

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<sup>1</sup> A distinction is often drawn between 'overview' which focuses on the development of policy, and 'scrutiny' which looks at decisions that have been made or are about to be made to ensure they are fit for purpose.

# 1. Introduction and Context

1. Overview and scrutiny committees were introduced in 2000 as part of new executive governance arrangements to ensure that members of an authority who were not part of the executive could hold the executive to account for the decisions and actions that affect their communities.
2. Overview and scrutiny committees have statutory powers<sup>2</sup> to scrutinise decisions the executive is planning to take, those it plans to implement, and those that have already been taken/implemented. Recommendations following scrutiny enable improvements to be made to policies and how they are implemented. Overview and scrutiny committees can also play a valuable role in developing policy.

Effective overview and scrutiny should:

- Provide constructive 'critical friend' challenge;
- Amplify the voices and concerns of the public;
- Be led by independent people who take responsibility for their role; and
- Drive improvement in public services.

3. The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011.
4. The Localism Act 2011 amended the Local Government Act 2000 to allow councils to revert to a non-executive form of governance - the 'committee system'. Councils who adopt the committee system are not required to have overview and scrutiny but may do so if they wish. The legislation has been strengthened and updated since 2000, most recently to reflect new governance arrangements with combined authorities. Requirements for combined authorities are set out in Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.
5. Current overview and scrutiny legislation recognises that authorities are democratically-elected bodies who are best-placed to determine which overview and scrutiny arrangements best suit their own individual needs, and so gives them a great degree of flexibility to decide which arrangements to adopt.
6. In producing this guidance, the Government fully recognises both authorities' democratic mandate and that the nature of local government has changed in recent years, with, for example, the creation of combined authorities, and councils increasingly delivering key services in partnership with other organisations or outsourcing them entirely.

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<sup>2</sup> Section 9F of the Local Government Act 2000; paragraph 1 of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

## 2. Culture

7. The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.
8. While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.
9. Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.
10. Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports, including best value inspection reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole.

### How to establish a strong organisational culture

11. Authorities can establish a strong organisational culture by:

- a) **Recognising scrutiny's legal and democratic legitimacy** – all members and officers should recognise and appreciate the importance and legitimacy the scrutiny function is afforded by the law. It was created to act as a check and balance on the executive and is a statutory requirement for all authorities operating executive arrangements and for combined authorities.

Councillors have a unique legitimacy derived from their being democratically elected. The insights that they can bring by having this close connection to local people are part of what gives scrutiny its value.

- b) **Identifying a clear role and focus** – authorities should take steps to ensure scrutiny has a clear role and focus within the organisation, i.e. a niche within which it can clearly demonstrate it adds value. Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the wider authority – this is one of the most challenging parts of scrutiny, and a critical element to get right if it is to be recognised as a strategic function of the authority (see chapter 6).

Authorities should ensure a clear division of responsibilities between the scrutiny function and the audit function. While it is appropriate for scrutiny to pay due regard to the authority's financial position, this will need to happen in the context of the formal audit role. The authority's section 151 officer should advise scrutiny on how to manage this dynamic.

While scrutiny has no role in the investigation or oversight of the authority's whistleblowing arrangements, the findings of independent whistleblowing investigations might be of interest to scrutiny committees as they consider their wider implications. Members should always follow the authority's constitution and associated Monitoring Officer directions on the matter. Further guidance on whistleblowing can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf).

- c) **Ensuring early and regular engagement between the executive and scrutiny** – authorities should ensure early and regular discussion takes place between scrutiny and the executive, especially regarding the latter's future work programme. Authorities should, though, be mindful of their distinct roles:

In particular:

- The executive should not try to exercise control over the work of the scrutiny committee. This could be direct, e.g. by purporting to 'order' scrutiny to look at, or not look at, certain issues, or indirect, e.g. through the use of the whip or as a tool of political patronage, and the committee itself should remember its statutory purpose when carrying out its work. All members and officers should consider the role the scrutiny committee plays to be that of a 'critical friend' not a de facto 'opposition'. Scrutiny chairs have a particular role to play in establishing the profile and nature of their committee (see chapter 4); and
- The chair of the scrutiny committee should determine the nature and extent of an executive member's participation in a scrutiny committee meeting, and in any informal scrutiny task group meeting.

- d) **Managing disagreement** – effective scrutiny involves looking at issues that can be politically contentious. It is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee.

It is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement.

One way in which this can be done is via an 'executive-scrutiny protocol' (see annex 1) which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens. Often,

the value of such a protocol lies in the dialogue that underpins its preparation. It is important that these protocols are reviewed on a regular basis.

Scrutiny committees do have the power to 'call in' decisions, i.e. ask the executive to reconsider them before they are implemented, but should not view it as a substitute for early involvement in the decision-making process or as a party-political tool.

- e) **Providing the necessary support** – while the level of resource allocated to scrutiny is for each authority to decide for itself, when determining resources an authority should consider the purpose of scrutiny as set out in legislation and the specific role and remit of the authority's own scrutiny committee(s), and the scrutiny function as a whole.

Support should also be given by members and senior officers to scrutiny committees and their support staff to access information held by the authority and facilitate discussions with representatives of external bodies (see chapter 5).

- f) **Ensuring impartial advice from officers** – authorities, particularly senior officers, should ensure all officers are free to provide impartial advice to scrutiny committees. This is fundamental to effective scrutiny. Of particular importance is the role played by 'statutory officers' – the monitoring officer, the section 151 officer and the head of paid service, and where relevant the statutory scrutiny officer. These individuals have a particular role in ensuring that timely, relevant and high-quality advice is provided to scrutiny.
- g) **Communicating scrutiny's role and purpose to the wider authority** – the scrutiny function can often lack support and recognition within an authority because there is a lack of awareness among both members and officers about the specific role it plays, which individuals are involved and its relevance to the authority's wider work. Authorities should, therefore, take steps to ensure all members and officers are made aware of the role the scrutiny committee plays in the organisation, its value and the outcomes it can deliver, the powers it has, its membership and, if appropriate, the identity of those providing officer support.
- h) **Maintaining the interest of full Council in the work of the scrutiny committee** – part of communicating scrutiny's role and purpose to the wider authority should happen through the formal, public role of full Council – particularly given that scrutiny will undertake valuable work to highlight challenging issues that an authority will be facing and subjects that will be a focus of full Council's work. Authorities should therefore take steps to ensure full Council is informed of the work the scrutiny committee is doing.

One way in which this can be done is by reports and recommendations being submitted to full Council rather than solely to the executive. Scrutiny should decide when it would be appropriate to submit reports for wider debate in this way, taking into account the relevance of reports to full Council business, as well as full Council's capacity to consider and respond in a timely manner. Such

reports would supplement the annual report to full Council on scrutiny's activities and raise awareness of ongoing work.

In order to maintain awareness of scrutiny at the Combined Authority and provoke dialogue and discussion of its impact, the business of scrutiny should be reported to the Combined Authority board or to the chairs of the relevant scrutiny committees of constituent and non-constituent authorities, or both. At those chairs' discretion, particular Combined Authority scrutiny outcomes, and what they might mean for each individual area, could be either discussed by scrutiny in committee or referred to full Council of the constituent authorities.

- i) **Communicating scrutiny's role to the public** – authorities should ensure scrutiny has a profile in the wider community. Consideration should be given to how and when to engage the authority's communications officers, and any other relevant channels, to understand how to get that message across. This will usually require engagement early on in the work programming process (see chapter 6).
- j) **Ensuring scrutiny members are supported in having an independent mindset** – formal committee meetings provide a vital opportunity for scrutiny members to question the executive and officers.

Inevitably, some committee members will come from the same political party as a member they are scrutinising and might well have a long-standing personal, or familial, relationship with them (see paragraph 25).

Scrutiny members should bear in mind, however, that adopting an independent mind-set is fundamental to carrying out their work effectively. In practice, this is likely to require scrutiny chairs working proactively to identify any potentially contentious issues and plan how to manage them.

### Directly-elected mayoral systems

12. A strong organisational culture that supports scrutiny work is particularly important in authorities with a directly-elected mayor to ensure there are the checks and balances to maintain a robust democratic system. Mayoral systems offer the opportunity for greater public accountability and stronger governance, but there have also been incidents that highlight the importance of creating and maintaining a culture that puts scrutiny at the heart of its operations.
13. Authorities with a directly-elected mayor should ensure that scrutiny committees are well-resourced, are able to recruit high-calibre members and that their scrutiny functions pay particular attention to issues surrounding:
  - rights of access to documents by the press, public and councillors;
  - transparent and fully recorded decision-making processes, especially avoiding decisions by 'unofficial' committees or working groups;
  - delegated decisions by the Mayor;
  - whistleblowing protections for both staff and councillors; and
  - powers of Full Council, where applicable, to question and review.

14. Authorities with a directly-elected mayor should note that mayors are required by law to attend overview and scrutiny committee sessions when asked to do so (see paragraph 44).

### 3. Resourcing

15. The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority.
16. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.
17. Authorities should also recognise that support for scrutiny committees, task groups and other activities is not solely about budgets and provision of officer time, although these are clearly extremely important elements. Effective support is also about the ways in which the wider authority engages with those who carry out the scrutiny function (both members and officers).

When deciding on the level of resource to allocate to the scrutiny function, the factors an authority should consider include:

- Scrutiny's legal powers and responsibilities;
- The particular role and remit scrutiny will play in the authority;
- The training requirements of scrutiny members and support officers, particularly the support needed to ask effective questions of the executive and other key partners, and make effective recommendations;
- The need for ad hoc external support where expertise does not exist in the council;
- Effectively-resourced scrutiny has been shown to add value to the work of authorities, improving their ability to meet the needs of local people; and
- Effectively-resourced scrutiny can help policy formulation and so minimise the need for call-in of executive decisions.

#### Statutory scrutiny officers

18. Combined authorities, upper and single tier authorities are required to designate a statutory scrutiny officer,<sup>3</sup> someone whose role is to:
- promote the role of the authority's scrutiny committee;
  - provide support to the scrutiny committee and its members; and
  - provide support and guidance to members and officers relating to the functions of the scrutiny committee.

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<sup>3</sup> Section 9FB of the Local Government Act 2000; article 9 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

19. Authorities not required by law to appoint such an officer should consider whether doing so would be appropriate for their specific local needs.

#### Officer resource models

20. Authorities are free to decide for themselves which wider officer support model best suits their individual circumstances, though generally they adopt one or a mix of the following:

- Committee – officers are drawn from specific policy or service areas;
- Integrated – officers are drawn from the corporate centre and also service the executive; and
- Specialist – officers are dedicated to scrutiny.

21. Each model has its merits – the committee model provides service-specific expertise; the integrated model facilitates closer and earlier scrutiny involvement in policy formation and alignment of corporate work programmes; and the specialist model is structurally independent from those areas it scrutinises.

22. Authorities should ensure that, whatever model they employ, officers tasked with providing scrutiny support are able to provide impartial advice. This might require consideration of the need to build safeguards into the way that support is provided. The nature of these safeguards will differ according to the specific role scrutiny plays in the organisation.

## 4. Selecting Committee Members

23. Selecting the right members to serve on scrutiny committees is essential if those committees are to function effectively. Where a committee is made up of members who have the necessary skills and commitment, it is far more likely to be taken seriously by the wider authority.
24. While there are proportionality requirements that must be met,<sup>4</sup> the selection of the chair and other committee members is for each authority to decide for itself. Guidance for combined authorities on this issue has been produced by the Centre for Public Scrutiny<sup>5</sup>.

Members invariably have different skill-sets. What an authority must consider when forming a committee is that, as a group, it possesses the requisite expertise, commitment and ability to act impartially to fulfil its functions.

25. Authorities are reminded that members of the executive cannot be members of a scrutiny committee.<sup>6</sup> Authorities should take care to ensure that, as a minimum, members holding less formal executive positions, e.g. as Cabinet assistants, do not sit on scrutinising committees looking at portfolios to which those roles relate. Authorities should articulate in their constitutions how conflicts of interest, including familial links (see also paragraph 31), between executive and scrutiny responsibilities should be managed, including where members stand down from the executive and move to a scrutiny role, and vice-versa.
26. Members or substitute members of a combined authority must not be members of its overview and scrutiny committee.<sup>7</sup> This includes the Mayor in Mayoral Combined Authorities. It is advised that Deputy Mayors for Policing and Crime are also not members of the combined authority's overview and scrutiny committee.

### Selecting individual committee members

27. When selecting individual members to serve on scrutiny committees, an authority should consider a member's experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve.

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<sup>4</sup> See, for example, regulation 11 of the Local Authorities (Committee System) (England) Regulations 2012 (S.I. 2012/1020) and article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

<sup>5</sup> See pages 15-18 of 'Overview and scrutiny in combined authorities: a plain English guide': <https://www.cfps.org.uk/wp-content/uploads/Overview-and-scrutiny-in-combined-authorities-a-plain-english-guide.pdf>

<sup>6</sup> Section 9FA(3) of the Local Government Act 2000.

<sup>7</sup> 2(3) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009

28. Authorities should not take into account a member's perceived level of support for or opposition to a particular political party (notwithstanding the wider legal requirement for proportionality referred to in paragraph 24).

#### Selecting a chair

29. The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.

30. The attributes authorities should and should not take into account when selecting individual committee members (see paragraphs 27 and 28) also apply to the selection of the Chair, but the Chair should also possess the ability to lead and build a sense of teamwork and consensus among committee members.

Chairs should pay special attention to the need to guard the committee's independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.

31. Given their pre-eminent role on the scrutiny committee, it is strongly recommended that the Chair not preside over scrutiny of their relatives<sup>8</sup>. Combined authorities should note the legal requirements that apply to them where the Chair is an independent person<sup>9</sup>.

32. The method for selecting a Chair is for each authority to decide for itself, however every authority should consider taking a vote by secret ballot. Combined Authorities should be aware of the legal requirements regarding the party affiliation of their scrutiny committee Chair<sup>10</sup>.

#### Training for committee members

33. Authorities should ensure committee members are offered induction when they take up their role and ongoing training so they can carry out their responsibilities effectively. Authorities should pay attention to the need to ensure committee members are aware of their legal powers, and how to prepare for and ask relevant questions at scrutiny sessions.

34. When deciding on training requirements for committee members, authorities should consider taking advantage of opportunities offered by external providers in the sector.

#### Co-option and technical advice

35. While members and their support officers will often have significant local insight and an understanding of local people and their needs, the provision of outside expertise can be invaluable.

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<sup>8</sup> A definition of 'relative' can be found at section 28(10) of the Localism Act 2011.

<sup>9</sup> See article 5(2) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

<sup>10</sup> Article 5(6) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

36. There are two principal ways to procure this:

- Co-option – formal co-option is provided for in legislation<sup>11</sup>. Authorities must establish a co-option scheme to determine how individuals will be co-opted onto committees; and
- Technical advisers – depending on the subject matter, independent local experts might exist who can provide advice and assistance in evaluating evidence (see annex 2).

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<sup>11</sup> Section 9FA(4) Local Government Act 2000

## 5. Power to Access Information

37. A scrutiny committee needs access to relevant information the authority holds, and to receive it in good time, if it is to do its job effectively.
38. This need is recognised in law, with members of scrutiny committees enjoying powers to access information<sup>12</sup>. In particular, regulations give enhanced powers to a scrutiny member to access exempt or confidential information. This is in addition to existing rights for councillors to have access to information to perform their duties, including common law rights to request information and rights to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
39. When considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively.
40. Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. Where this information exists, and scrutiny members are given support to understand it, the potential for what officers might consider unfocused and unproductive requests is reduced as members will be able to frame their requests from a more informed position.
41. Officers should speak to scrutiny members to ensure they understand the reasons why information is needed, thereby making the authority better able to provide information that is relevant and timely, as well as ensuring that the authority complies with legal requirements.

While each request for information should be judged on its individual merits, authorities should adopt a default position of sharing the information they hold, on request, with scrutiny committee members.

42. The law recognises that there might be instances where it is legitimate for an authority to withhold information and places a requirement on the executive to provide the scrutiny committee with a written statement setting out its reasons for that decision<sup>13</sup>. However, members of the executive and senior officers should take particular care to avoid refusing requests, or limiting the information they provide, for reasons of party political or reputational expediency.

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<sup>12</sup> Regulation 17 - Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10 Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

<sup>13</sup> Regulation 17(4) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(4) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

Before an authority takes a decision not to share information it holds, it should give serious consideration to whether that information could be shared in closed session.

43. Regulations already stipulate a timeframe for executives to comply with requests from a scrutiny member<sup>14</sup>. When agreeing to such requests, authorities should:
- consider whether seeking clarification from the information requester could help better target the request; and
  - Ensure the information is supplied in a format appropriate to the recipient's needs.

44. Committees should be aware of their legal power to require members of the executive and officers to attend before them to answer questions<sup>15</sup>. It is the duty of members and officers to comply with such requests.<sup>16</sup>

#### Seeking information from external organisations

45. Scrutiny members should also consider the need to supplement any authority-held information they receive with information and intelligence that might be available from other sources, and should note in particular their statutory powers to access information from certain external organisations.

46. When asking an external organisation to provide documentation or appear before it, and where that organisation is not legally obliged to do either (see annex 3), scrutiny committees should consider the following:

- a) **The need to explain the purpose of scrutiny** – the organisation being approached might have little or no awareness of the committee's work, or of an authority's scrutiny function more generally, and so might be reluctant to comply with any request;
- b) **The benefits of an informal approach** – individuals from external organisations can have fixed perceptions of what an evidence session entails and may be unwilling to subject themselves to detailed public scrutiny if they believe it could reflect badly on them or their employer. Making an informal approach can help reassure an organisation of the aims of the committee, the type of information being sought and the manner in which the evidence session would be conducted;

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<sup>14</sup> Regulation 17(2) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(2) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

<sup>15</sup> Section 9FA(8) of the Local Government Act 2000; paragraph 2(6) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

<sup>16</sup> Section 9FA(9) of the Local Government Act 2000; paragraph 2(7) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

- c) **How to encourage compliance with the request** – scrutiny committees will want to frame their approach on a case by case basis. For contentious issues, committees might want to emphasise the opportunity their request gives the organisation to ‘set the record straight’ in a public setting; and
- d) **Who to approach** – a committee might instinctively want to ask the Chief Executive or Managing Director of an organisation to appear at an evidence session, however it could be more beneficial to engage front-line staff when seeking operational-level detail rather than senior executives who might only be able to talk in more general terms. When making a request to a specific individual, the committee should consider the type of information it is seeking, the nature of the organisation in question and the authority’s pre-existing relationship with it.

**Following ‘the Council Pound’**

Scrutiny committees will often have a keen interest in ‘following the council pound’, i.e. scrutinising organisations that receive public funding to deliver goods and services.

Authorities should recognise the legitimacy of this interest and, where relevant, consider the need to provide assistance to scrutiny members and their support staff to obtain information from organisations the council has contracted to deliver services. In particular, when agreeing contracts with these bodies, authorities should consider whether it would be appropriate to include a *requirement* for them to supply information to or appear before scrutiny committees.

## 6. Planning Work

47. Effective scrutiny should have a defined impact on the ground, with the committee making recommendations that will make a tangible difference to the work of the authority. To have this kind of impact, scrutiny committees need to plan their work programme, i.e. draw up a long-term agenda and consider making it flexible enough to accommodate any urgent, short-term issues that might arise during the year.
48. Authorities with multiple scrutiny committees sometimes have a separate work programme for each committee. Where this happens, consideration should be given to how to co-ordinate the various committees' work to make best use of the total resources available.

### Being clear about scrutiny's role

49. Scrutiny works best when it has a clear role and function. This provides focus and direction. While scrutiny has the power to look at anything which affects 'the area, or the area's inhabitants', authorities will often find it difficult to support a scrutiny function that carries out generalised oversight across the wide range of issues experienced by local people, particularly in the context of partnership working. Prioritisation is necessary, which means that there might be things that, despite being important, scrutiny will not be able to look at.
50. Different overall roles could include having a focus on risk, the authority's finances, or on the way the authority works with its partners.
51. Applying this focus does not mean that certain subjects are 'off limits'. It is more about looking at topics and deciding whether their relative importance justifies the positive impact scrutiny's further involvement could bring.
52. When thinking about scrutiny's focus, members should be supported by key senior officers. The statutory scrutiny officer, if an authority has one, will need to take a leading role in supporting members to clarify the role and function of scrutiny, and championing that role once agreed.

### Who to speak to

53. Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way and at the right time. Gathering evidence requires conversations with:
- *The public* – it is likely that formal 'consultation' with the public on the scrutiny work programme will be ineffective. Asking individual scrutiny members to have conversations with individuals and groups in their own local areas can work better. Insights gained from the public through individual pieces of scrutiny work can be fed back into the work programming process. Listening to and participating in conversations in places where local people come together, including in online forums, can help authorities engage people on their own terms and yield more positive results.

Authorities should consider how their communications officers can help scrutiny engage with the public, and how wider internal expertise and local knowledge from both members and officers might make a contribution.

- *The authority's partners* – relationships with other partners should not be limited to evidence-gathering to support individual reviews or agenda items. A range of partners are likely to have insights that will prove useful:
  - Public sector partners (like the NHS and community safety partners, over which scrutiny has specific legal powers);
  - Voluntary sector partners;
  - Contractors and commissioning partners (including partners in joint ventures and authority-owned companies);
  - In parished areas, town, community and parish councils;
  - Neighbouring principal councils (both in two-tier and unitary areas);
  - Cross-authority bodies and organisations, such as Local Enterprise Partnerships<sup>17</sup>; and
  - Others with a stake and interest in the local area – large local employers, for example.
  
- *The executive* – a principal partner in discussions on the work programme should be the executive (and senior officers). The executive should not direct scrutiny's work (see chapter 2), but conversations will help scrutiny members better understand how their work can be designed to align with the best opportunities to influence the authority's wider work.

#### Information sources

54. Scrutiny will need access to relevant information to inform its work programme. The type of information will depend on the specific role and function scrutiny plays within the authority, but might include:

- Performance information from across the authority and its partners;
- Finance and risk information from across the authority and its partners;
- Corporate complaints information, and aggregated information from political groups about the subject matter of members' surgeries;
- Business cases and options appraisals (and other planning information) for forthcoming major decisions. This information will be of particular use for pre-decision scrutiny; and
- Reports and recommendations issued by relevant ombudsmen, especially the Local Government and Social Care Ombudsman.

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<sup>17</sup> Authorities should ensure they have appropriate arrangements in place to ensure the effective democratic scrutiny of Local Enterprise Partnerships' investment decisions.

As committees can meet in closed session, commercial confidentiality should not preclude the sharing of information. Authorities should note, however, that the default for meetings should be that they are held in public (see 2014 guidance on '*Open and accountable local government*':

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/343182/140812\\_Openness\\_Guide.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf)).

55. Scrutiny members should consider keeping this information under regular review. It is likely to be easier to do this outside committee, rather than bringing such information to committee 'to note', or to provide an update, as a matter of course.

### Shortlisting topics

Approaches to shortlisting topics should reflect scrutiny's overall role in the authority. This will require the development of bespoke, local solutions, however when considering whether an item should be included in the work programme, the kind of questions a scrutiny committee should consider might include:

- Do we understand the benefits scrutiny would bring to this issue?
- How could we best carry out work on this subject?
- What would be the best outcome of this work?
- How would this work engage with the activity of the executive and other decision-makers, including partners?

56. Some authorities use scoring systems to evaluate and rank work programme proposals. If these are used to provoke discussion and debate, based on evidence, about what priorities should be, they can be a useful tool. Others take a looser approach. Whichever method is adopted, a committee should be able to justify how and why a decision has been taken to include certain issues and not others.

57. Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.

### Carrying out work

58. Selected topics can be scrutinised in several ways, including:

- a) **As a single item on a committee agenda** – this often presents a limited opportunity for effective scrutiny, but may be appropriate for some issues or where the committee wants to maintain a formal watching brief over a given issue;
- b) **At a single meeting** – which could be a committee meeting or something less formal. This can provide an opportunity to have a single public meeting about a

given subject, or to have a meeting at which evidence is taken from a number of witnesses;

- c) **At a task and finish review of two or three meetings** – short, sharp scrutiny reviews are likely to be most effective even for complex topics. Properly focused, they ensure members can swiftly reach conclusions and make recommendations, perhaps over the course of a couple of months or less;
- d) **Via a longer-term task and finish review** – the ‘traditional’ task and finish model – with perhaps six or seven meetings spread over a number of months – is still appropriate when scrutiny needs to dig into a complex topic in significant detail. However, the resource implications of such work, and its length, can make it unattractive for all but the most complex matters; and
- e) **By establishing a ‘standing panel’** – this falls short of establishing a whole new committee but may reflect a necessity to keep a watching brief over a critical local issue, especially where members feel they need to convene regularly to carry out that oversight. Again, the resource implications of this approach means that it will be rarely used.

## 7. Evidence Sessions

59. Evidence sessions are a key way in which scrutiny committees inform their work. They might happen at formal committee, in less formal 'task and finish' groups or at standalone sessions.

Good preparation is a vital part of conducting effective evidence sessions. Members should have a clear idea of what the committee hopes to get out of each session and appreciate that success will depend on their ability to work together on the day.

### How to plan

60. Effective planning does not necessarily involve a large number of pre-meetings, the development of complex scopes or the drafting of questioning plans. It is more often about setting overall objectives and then considering what type of questions (and the way in which they are asked) can best elicit the information the committee is seeking. This applies as much to individual agenda items as it does for longer evidence sessions – there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session.

Chairs play a vital role in leading discussions on objective-setting and ensuring all members are aware of the specific role each will play during the evidence session.

61. As far as possible there should be consensus among scrutiny members about the objective of an evidence session before it starts. It is important to recognise that members have different perspectives on certain issues, and so might not share the objectives for a session that are ultimately adopted. Where this happens, the Chair will need to be aware of this divergence of views and bear it in mind when planning the evidence session.
62. Effective planning should mean that at the end of a session it is relatively straightforward for the chair to draw together themes and highlight the key findings. It is unlikely that the committee will be able to develop and agree recommendations immediately, but, unless the session is part of a wider inquiry, enough evidence should have been gathered to allow the chair to set a clear direction.
63. After an evidence session, the committee might wish to hold a short 'wash-up' meeting to review whether their objectives were met and lessons could be learned for future sessions.

### Developing recommendations

64. The development and agreement of recommendations is often an iterative process. It will usually be appropriate for this to be done only by members, assisted by co-optees where relevant. When deciding on recommendations, however, members should have due regard to advice received from officers, particularly the Monitoring Officer.

65. The drafting of reports is usually, but not always, carried out by officers, directed by members.
66. Authorities draft reports and recommendations in a number of ways, but there are normally three stages:
- i. the development of a 'heads of report' – a document setting out general findings that members can then discuss as they consider the overall structure and focus of the report and its recommendations;
  - ii. the development of those findings, which will set out some areas on which recommendations might be made; and
  - iii. the drafting of the full report.
67. Recommendations should be evidence-based and SMART, i.e. specific, measurable, achievable, relevant and timed. Where appropriate, committees may wish to consider sharing them in draft with interested parties.
68. Committees should bear in mind that often six to eight recommendations are sufficient to enable the authority to focus its response, although there may be specific circumstances in which more might be appropriate.

Sharing draft recommendations with executive members should not provide an opportunity for them to revise or block recommendations before they are made. It should, however, provide an opportunity for errors to be identified and corrected, and for a more general sense-check.

# Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol

An executive-scrutiny protocol can deal with the practical expectations of scrutiny committee members and the executive, as well as the cultural dynamics.

Workshops with scrutiny members, senior officers and Cabinet can be helpful to inform the drafting of a protocol. An external facilitator can help bring an independent perspective.

Councils should consider how to adopt a protocol, e.g. formal agreement at scrutiny committee and Cabinet, then formal integration into the Council's constitution at the next Annual General Meeting.

The protocol, as agreed, may contain sections on:

- The way scrutiny will go about developing its work programme (including the ways in which senior officers and Cabinet members will be kept informed);
- The way in which senior officers and Cabinet will keep scrutiny informed of the outlines of major decisions as they are developed, to allow for discussion of scrutiny's potential involvement in policy development. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with scrutiny members;
- A strengthening and expansion of existing parts of the code of conduct that relate to behaviour in formal meetings, and in informal meetings;
- Specification of the nature and form of responses that scrutiny can expect when it makes recommendations to the executive, when it makes requests to the executive for information, and when it makes requests that Cabinet members or senior officers attend meetings; and
- Confirmation of the role of the statutory scrutiny officer, and Monitoring Officer, in overseeing compliance with the protocol, and ensuring that it is used to support the wider aim of supporting and promoting a culture of scrutiny, with matters relating to the protocol's success being reported to full Council through the scrutiny Annual Report.

## Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers

This example demonstrates how one Council's executive and scrutiny committee worked together to scope a role and then appoint an independent adviser on transforming social care commissioning. Their considerations and process may be helpful and applicable in other similar scenarios.

Major care contracts were coming to an end and the Council took the opportunity to review whether to continue with its existing strategic commissioning framework, or take a different approach – potentially insourcing certain elements.

The relevant Director was concerned about the Council's reliance on a very small number of large providers. The Director therefore approached the Scrutiny and Governance Manager to talk through the potential role scrutiny could play as the Council considered these changes.

The Scrutiny Chair wanted to look at this issue in some depth, but recognised its complexity could make it difficult for her committee to engage – she was concerned it would not be able to do the issue justice. The Director offered support from his own officer team, but the Chair considered this approach to be beset by risks around the independence of the process.

She talked to the Director about securing independent advice. He was worried that an independent adviser could come with preconceived ideas and would not understand the Council's context and objectives. The Scrutiny Chair was concerned that independent advice could end up leading to scrutiny members being passive, relying on an adviser to do their thinking for them. They agreed that some form of independent assistance would be valuable, but that how it was provided and managed should be carefully thought out.

With the assistance of the Governance and Scrutiny Manager, the Scrutiny Chair approached local universities and Further Education institutions to identify an appropriate individual. The approach was clear – it set out the precise role expected of the adviser, and explained the scrutiny process itself. Because members wanted to focus on the risks of market failure, and felt more confident on substantive social care matters, the approach was directed at those with a specialism in economics and business administration. The Council's search was proactive – the assistance of the service department was drawn on to make direct approaches to particular individuals who could carry out this role.

It was agreed to make a small budget available to act as a 'per diem' to support an adviser; academics were approached in the first instance as the Council felt able to make a case that an educational institution would provide this support for free as part of its commitment to Corporate Social Responsibility.

Three individuals were identified from the Council's proactive search. The Chair and Vice-Chair of the committee had an informal discussion with each – not so much to establish their skills and expertise (which had already been assessed) but to give a sense about

their 'fit' with scrutiny's objectives and their political nous in understanding the environment in which they would operate, and to satisfy themselves that they will apply themselves even-handedly to the task. The Director sat in on this process but played no part in who was ultimately selected.

The independent advice provided by the selected individual gave the Scrutiny Committee a more comprehensive understanding of the issue and meant it was able to offer informed advice on the merits of putting in place a new strategic commissioning framework.

## Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee

This example shows how one council ensured a productive scrutiny meeting, involving a private company and the public. Lessons may be drawn and apply to other similar scenarios.

Concerns had been expressed by user groups, and the public at large, about the reliability of the local bus service. The Scrutiny Chair wanted to question the bus company in a public evidence session but knew that she had no power to compel it to attend. Previous attempts to engage it had been unsuccessful; the company was not hostile, but said it had its own ways of engaging the public.

The Monitoring Officer approached the company's regional PR manager, but he expressed concern that the session would end in a 'bunfight'. He also explained the company had put their improvement plan in the public domain, and felt a big council meeting would exacerbate tensions.

Other councillors had strong views about the company – one thought the committee should tell the company it would be empty-chaired if it refused to attend. The Scrutiny Chair was sympathetic to this, but thought such an approach would not lead to any improvements.

The Scrutiny Chair was keen to make progress, but it was difficult to find the right person to speak to at the company, so she asked council officers and local transport advocacy groups for advice. Speaking to those people also gave her a better sense of what scrutiny's role might be.

When she finally spoke to the company's network manager, she explained the situation and suggested they work together to consider how the meeting could be productive for the Council, the company and local people. In particular, this provided her with an opportunity to explain scrutiny and its role. The network manager remained sceptical but was reassured that they could work together to ensure that the meeting would not be an 'ambush'. He agreed in principle to attend and also provide information to support the Committee's work beforehand.

Discussions continued in the four weeks leading up to the Committee meeting. The Scrutiny Chair was conscious that while she had to work with the company to ensure that the meeting was constructive – and secure their attendance – it could not be a whitewash, and other members and the public would demand a hard edge to the discussions.

The scrutiny committee agreed that the meeting would provide a space for the company to provide context to the problems local people are experiencing, but that this would be preceded by a space on the agenda for the Chair, Vice-chair, and representatives from two local transport advocacy groups to set out their concerns. The company were sent in

advance a summary of the general areas on which members were likely to ask questions, to ensure that those questions could be addressed at the meeting.

Finally, provision was made for public questions and debate. Those attending the meeting were invited to discuss with each other the principal issues they wanted the meeting to cover. A short, facilitated discussion in the room led by the Chair highlighted the key issues, and the Chair then put those points to the company representatives.

At the end of the meeting, the public asked questions of the bus company representative in a 20-minute plenary item.

The meeting was fractious, but the planning carried out to prepare for this – by channelling issues through discussion and using the Chair to mediate the questioning – made things easier. Some attendees were initially frustrated by this structure, but the company representative was more open and less defensive than might otherwise have been the case.

The meeting also motivated the company to revise its communications plan to become more responsive to this kind of challenge, part of which involved a commitment to feed back to the scrutiny committee on the recommendations it made on the night.

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**MUNICIPAL YEAR 2019/2020 REPORT NO. 70****MEETING TITLE AND DATE:**

Cabinet  
11 September 2019

**REPORT OF:**

Director of Law &  
Governance

<b>Agenda – Part: 1</b>	<b>Item: 5</b>
<b>Subject: Transition of Children Leaving Care Scrutiny Workstream</b>	
<b>Wards: All</b>	
<b>Cabinet Member consulted: Cllr Rick Jewell</b>	

Contact officer and telephone number:

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**1. EXECUTIVE SUMMARY**

- 1.1 It is a statutory duty for the Local Authority to provide a leaving care service for all eligible looked after children who leave care aged 16 plus, and for all care leavers aged up to 21. The Children and Social Work Act 2016, which came into force in April 2018, introduced a new duty for the offer of available support to be extended to all young people leaving care up to the age of 25.
- 1.2 Looked after children are some of the most vulnerable children in society, living away from their families because their parents faced difficulties and pressures in providing their care or because the children suffered abuse and neglect whilst in the care of their families. As such they need and deserve the best possible support from the services there to help them
- 1.3 Young people in care have often had difficult lives and start living independently and become self-sufficient much earlier than their peers.
- 1.4 As a Corporate Parent it is the duty of the local authority, elected members, employees and partners to act in the best interests of looked after children and care leavers and to question 'Would this be good enough for my child'.

## 2. RECOMMENDATIONS

Cabinet are asked to note the recommendations below and, the Cabinet Member and Executive Director's comments as set out in Appendix A of the report:

- 2.1 Further to discussions at workstreams meetings and with the full support of the workstream members, it was agreed the Corporate Parenting Board will take forward immediately:
- I. Total Respect Training (Corporate Parent Training for elected members)- it was agreed that this will be arranged through the Corporate Parent Board with training commencing as soon as possible. This is delivered in small groups by the children in Care Council, so it was agreed that it would not be possible to deliver this to all elected members, this will be targeted to elected members working with Children's Services who need a more in depth understanding of the issues
  - II. Free Gym passes/ membership of Leisure clubs- it was agreed that the Corporate Parenting Board will investigate this further and look at possibilities around this
  - III. Gap analysis on mental health to inform a business case for increasing capacity in the CAMHS/ HEART team- it was agreed that this will be provided to the Corporate Parenting Board for them to take forward.
- 2.2 Prior to 2010, information on Corporate Parenting to inform all elected members of their own and the council's responsibilities was previously provided as part of the induction pack given to Members. This information is to be included in future induction packs that Councillors receive when they are elected and to also be provided to all current councillors.
- 2.3 To demonstrate a whole council approach towards care leavers and to ensure that corporate parenting is everyone's responsibility, exploration of online resources to take place for online awareness raising training purposes. This information should be made available for officers outside of Children's Services, so they can recognise their role as corporate parents and the support that they could provide.
- 2.4 Under corporate parent responsibilities:
- The Council creates a bespoke apprenticeship scheme specifically for Care Leavers.
  - Council departments consider where they might be able to provide work experience opportunities specifically to Looked after Children and Care Leavers.
  - When the council agrees new contracts consideration to be given to prioritising opportunities for care leavers where possible within corporate contracts.
- 2.5 To further embed a strong corporate parenting ethos; the Council, explore the viability of developing a light touch mentoring scheme where council officers are linked to individual care leavers who have no strong family networks. Council officers taking part in the scheme would be provided with basic relevant training but ultimately such a scheme would be cost neutral.
- 2.6 To note that further to a request from officers in the leaving care team and following discussions with colleagues in adult mental health services. A single point of contact number in adult mental health services has been provided to staff in the Leaving Care team to contact for advice and guidance.

### **3. BACKGROUND**

- 3.1 Councillor Susan Erbil chaired the workstream, and evidence was heard from staff including senior management within Children's Services, the Cabinet Member for Children's Services and Protection and a group of Care Leavers. The workstream would like to thank all officers that contributed to the evidence gathering and the young people they met with who provided their honest and frank views.
- 3.2 The Leaving Care Service has responsibility for looked after children and care leavers between the ages of 16 and 25. Until new legislation came into force in 2018, a Council's statutory responsibility for supporting care leavers ended when they turned 21, unless they were in higher education. The Children and Social Work Act 2016 introduced a duty for the offer of available support to be extended to all young people leaving care up the age of 25 years. The duties within the Act came into force in April 2018.
- 3.3 The nature of the support required under this extended duty is determined by an assessment of the needs of the individual young people and will range from one off advice and guidance, through to allocation to a Personal Advisor and an ongoing casework service.
- 3.4 Limited funding has followed this extended duty, in Enfield this has been used to contribute towards the costs of two new Personal Advisors. Members felt that extending the transition period to 25 was helpful for care leavers.

#### Care Leavers/ A changing cohort

- 3.5 The workstream received demographic information on the current cohort of care leavers and how this has changed over the years. A key difference is that there are now higher numbers of young people coming into care much later; reasons behind this include:
- A change in law where if a young person under 18 is remanded by the courts they will now automatically become a looked after child. The service may have had no involvement with them up to this point. In addition, the court disposals have changed with fewer young people being remanded but those that are reminded being charged with more serious crimes
  - Increases in the number of unaccompanied asylum-seeking children (UASC)
  - Some young people coming into care having become homeless or out of parental control.
- This older group brings challenges and often means it takes longer to effect change
- 3.6 Workstream members were advised that the majority of Enfield looked after children between the ages of 16-18, are male and significantly (87%) of these young people coming into care over the age of 11.

- 3.7 Large numbers of unaccompanied asylum-seeking children are part of this cohort. Most UASC present directly to the service, whilst there is a transfer scheme in place this is not currently effective due to the large numbers across all London boroughs. The leaving care team have adapted services to ensure support to this group.
- 3.8 There was at the time of the workstream 251 over 18-year olds open to the leaving care team with the majority being male and most of these aged up to 21. However, with the changes to legislation entitling all young people up to the age of 25 to request a service it is expected that the number of those over 21 will increase. The number of previous UASC aged 18 to 24 usually decreases over 18, although only slightly as not all of the young people secure leave to remain in the UK, there is a significant delay in the Home Office taking action against those who become appeal Rights Exhausted.
- 3.9 Care leavers should have safe, stable and suitable accommodation this could be either in their own tenancies, an independent affordable or private rented tenancy, in semi-independent supported accommodation, or by enabling them to remain with their foster carers under the 'staying put arrangements'.
- 3.10 At 18 all young people legally 'leave care' and are allocated a personal advisor who will continue to visit them, encourage and support them and provide emotional and practical help as they transition to adulthood. Young people with more complex needs may remain with their original social worker beyond 18.
- 3.11 Care Leavers in foster placements are encouraged to consider 'Staying Put' with their carer beyond 18. These arrangements can stay in place for up to 3 years. The workstream were pleased to note that in Enfield this has worked well with the number growing each year.
- 3.12 There are 40 Council tenancies available to the Leaving Care Service and these are allocated via a nomination and bidding process at a Housing nominations panel. Young people can bid once they are 18 and are supported in this process by their Social Worker or Personal Advisor. Members were advised that 97% of 19 to 21-year olds are in suitable accommodation, during 2018/19 20 independent tenancies were secured and a further 11 young people were accepted and were bidding.
- 3.13 The workstream were particularly interested in how individual achievements and successes are celebrated and were pleased to note various examples such as achievement days, individual celebrations and incentives provided as praise. Members were pleased to note that 22 Enfield care leavers were currently studying at university, and that many other different achievements are also individually recognised.

4. The Local Offer

4.1 New duties that came into force in April 2018 required all local authorities to publish a 'core local offer', setting out the support available to care leavers, by January 2019. The process of publishing the core offer had to include consultation with young people and with those agencies involved in their lives.

4.2 The local offer details support that the Council must provide by law:

- Care Leavers can ask to have support from the Leaving Care Service until they are 25 years old
- Each Care Leavers pathway plan will be written by their Personal Advisor after consultation with them and the people important to them. This will be reviewed regularly so that it is kept up to date
- Care Leavers will be involved in all decisions about their plan for leaving care and have the right to support from an independent advocate if they are thinking of challenging the decisions about the care they given
- Care Leaver can make a complaint or give a compliment about the service received.
- Care Leavers must be provided with suitable accommodation until they are 18 years old
- Care Leavers can continue to live with their foster carer for up to three years from the age of 18 if this is what they and their carer want, and the service agrees it is the right thing for them.

4.3 The offer also details other support available with finances; health and well-being; relationships and networks; education, training or employment; accommodation, participation in society, and additional needs (special educational needs and/or disability)

4.4 The workstream were consulted and commented on the draft local offer and were pleased to note that an extensive consultation had been undertaken involving looked after children through KRATOS, foster carers, key workers, staff, partners and elected members and that this had an influence on the final offer which was published in December 2018.

5. Pathway Plans

5.1 The completion and review of a Pathway Plan is a statutory requirement. In Enfield this is recorded using the looked after child's Care Plan framework until the young person reaches 18, when the pathway planning template is used. The workstream looked at a live anonymised Pathway Plan and noted from this the shift to working with young adults and encouraging them to take responsibility. The Plan covers; health & development; education/training/employment, emotional and behavioural development, identity, family and social relationships, social presentation and self-care skills, financial, support,

view and agreements. These plans must be reviewed every 6 months as a minimum.

- 5.2 The workstream were taken through the new document that the service had recently development for pathway planning and the consultation that had occurred with young people and staff and agreed that this would help ensure a more consistent approach.
- 5.3 Members were provided with an audit of Pathway Planning that had been recently undertaken, this identified good practice. The workstream reviewed the areas identified for improvement and noted the plans in place on these, and the actions that had been taken and monitoring in place.
- 5.4 At the time of the meeting 96% of all Pathway Plans were completed and reviewed on time, against Enfield's own target of 95%.

6. Care Leavers not in Education, Employment or Training (NEET)

- 6.1 The workstream felt that employment education and training are key to ensure future success for young people. 23% of Care Leavers aged 16-21 were currently not in education, employment or training. Just under half of this group were young people who were; in custody; pregnant or parenting, those with ill health or disability and some unaccompanied asylum-seeking children not eligible to work or attend training due to their immigration status.
- 6.2 The majority of the remaining young people within these figures are those who came into care as late teenagers, often having been out of education for long periods. Members were advised that it often takes longer and requires more support to achieve employment, education or training status. The workstream looked at the diverse activities and methods of engaging young people when comparing NEET figures with other boroughs, Enfield compared favourably.
- 6.3 They noted other measures of success before achieving education, employment or training status, such as the young person not going missing, engaging with their key worker, being more settled and the small steps they take along the way.
- 6.5 The workstream were greatly encouraged by the work being undertaken and the progress that had been made. They were provided with a current provision map for those aged 16-25. Members were disappointed to note that the council did not offer apprenticeships specifically for care leavers or work experience specifically for looked after children and care leavers. There were advised that there had in the past been a bespoke apprenticeship for care leavers and that initial discussions had begun on developing a similar scheme again.
- 6.6 Members felt strongly that as part of the Council's Corporate Parenting responsibilities there should be a bespoke apprenticeship scheme in

place for care leavers. Within the Council itself there is a vast range of professions that could offer a range of possible work experience opportunities and placements. This could be explored to further the development of the Borough's looked after children and care leavers as they would be by any good parent.

7. Finance

7.1 The Finance Policy for the Leaving Care Service Transition to Adulthood is reviewed annually. This covers all entitlements, in addition the service can also use its discretion to go over and above if the young person is engaging and support is needed. The young person's worker goes through their entitlements with them as soon as they are in the leaving care team.

7.2 Young people are encouraged to manage their money and save up for the things that they would like. The service is keen to encourage young people not to be dependent on benefits and instead earn their own money. Care Leavers are given help with setting up bank accounts and the documentation that they will need for identification is also arranged for them.

8. Corporate Parenting

8.1 Corporate Parenting is the legal term applicable to all local authorities giving them collective responsibility for the well-being of all looked after children and care leavers. This duty is held by the Council, elected members, employees and partners. The Corporate Parenting Board has delegated authority on behalf of full Council to act in the best interests of looked after children and care leavers.

8.2 The role of the Corporate Parenting Board is to ensure that the Council fulfils its role as corporate parents and that elected members, partner agencies, officers and children in care council all work together to provide a coordinated, holistic approach to service delivery and development. The Board scrutinises the performance of those services responsible for supporting looked after children and approves key strategies on behalf of full council.

8.3 The Children in Care Council in Enfield is called KRATOS. Members of KRATOS attend the Corporate Parenting Board and chair the meeting once a year.

8.4 Workstream members were interested in member training on their roles and responsibilities as corporate parents. Following discussions both at the workstream and that had occurred at the Corporate Parenting Board, 'Total Respect training' will be offered. The Corporate Parenting Board will arrange to take this training forward. As this training is delivered by KRATOS to small groups it was agreed that it would not be possible to deliver to all elected members, but that it will be targeted to elected members working with Children's Services who need a more in depth understanding of the issues.

- 8.5 Prior to 2010 the induction pack given to all new councillors contained information on corporate parenting. Members felt this information needs to be reinstated as part of the induction pack for new councillors in future and that all existing councillors should also be provided with this information to ensure that all elected members understand and fulfil their corporate parenting responsibilities.
- 8.6 The workstream were keen to promote corporate parenting as everyone's responsibility and not just the Children's Services Department. All departments should deliver their services to care leavers in a way that promotes their best interests, responds to their wishes and feelings, helps them make the best use of council services, promotes high aspirations and the best possible outcomes and support their transition to adulthood.
- 8.7 To assist in enabling officers across all departments to recognise their role as corporate parents and encourage them to look at the services and support that they provide; online awareness raising resources should be explored with a view to training being made available to officers outside of Children's Services department.
- 8.8 An Ofsted report was being undertaken at the time of this meeting and some early feedback was provided to the workstream. Young people had praised their social workers and personal advisers for the help they had been given. Some of the young people who had spoken to Ofsted had said that they would like free gym passes which they felt were available in other boroughs, and the workstream were informed that this was something that the Executive Director and Cabinet Member agreed to explore further through the Corporate Parenting Board.
- 8.9 Members reiterated that they felt as part of the council's corporate parenting responsibilities the council should have a bespoke apprentice scheme and council departments should also consider where they might be able to provide work experience opportunities specifically to looked after children and care leavers. They also felt that when the council agrees new contracts consideration could be given to prioritising care leavers where possible.
9. Mentoring
- 9.1 The use of mentors has proved successful with some young people who are more challenging. Gym mentors have worked particularly well in engaging challenging young people who had previously been reluctant and have helped young people get involved in a formal activity as a first step.
- 9.2 Young people leaving care face the challenges of transition to adulthood, often without consistent support from their families. One of the biggest issues experienced by care leavers is that of isolation – without a strong and stable social network, it can be extremely hard to

navigate life after leaving care. The care leavers that the members spoke to said they valued having someone to talk to.

- 9.3 The Council should continue to do all it can to support looked after children leaving care as they turn 18 and become independent. The workstream noted that some other local authorities such as Wakefield Council provide a flexible mentoring/ buddying scheme connecting young people with council officers.
- 9.4 Taking account of corporate parent responsibilities of all council departments and how these could be further embedded across the council as a whole. The council should explore the viability of developing a scheme for Enfield linking council officers with care leavers with no strong family links. Council officers taking part would need to be provided with basic relevant training but ultimately such a scheme would be cost neutral.
10. Therapeutic Services
  - 10.1 Looked after Children are some of the most vulnerable children and young people in society. Research has shown that looked after children are far more likely to experience negative mental health than their peers. However, when a child in care becomes a care leaver and reaches 18, they are no longer eligible for bespoke support from the CAMHS HEART Team and this creates a gap.
  - 10.2 Access to ongoing support is key to sustaining care leavers emotional well being after they leave care. Care leavers can find that they are no longer eligible for support from mental health services once they become adults. Often with a chaotic upbringing young people often want support as they get older and come to terms with events in their lives.
  - 10.3 Young people with very serious mental health issues will often meet the criteria for Adult services and in Enfield the transition is very well managed. Those young people with very low-level concerns can be supported by the personal Advisors or can be referred to GP's.
  - 10.4 The more problematic area is where young people do not meet the threshold for adult services but may have significant emotional health/ wellbeing needs.
  - 10.5 Prior to turning 18 the HEART team works extremely well, delivering bespoke assessments and support. There is no waiting list, no screened referral process. They also provide support to social workers on mental health issues of their clients and therapeutic training for foster carers.
  - 10.6 The workstream were concerned for the future wellbeing of these young people and how a lack of support could affect their future.

- 10.7 During discussions with the Executive Director and the Cabinet Member for Children's Services and Protection it was agreed that to support further interventions, there must be a strong evidence base. A gap analysis to inform a business case for increasing the capacity of the CAMHS/HEART team would be undertaken. This information will then be reported back to the Corporate Parenting Board for them to consider the best way forward.
11. Views of Staff
- 11.1 Workstream members met with a cross section of staff from the Leaving Care Service including Team Managers, Advanced Social Workers, Social Workers and Personal Advisors.
- 11.2 Members noted that the Care Leavers service is a very stable team with staff who have been in post a while. This assists as young people are able to work with the same person. Members observed that officers were very enthusiastic and wanted to spend quality time with the young person and were keen to find creative solutions for the young people that they worked with.
- 11.3 The following issues were highlighted by officers:
- They felt that there is a need to raise awareness of the needs of looked after children and what to expect with anyone coming into contact with looked after children or care leavers, and this would assist the team in their dealings with officers across the council.
  - Raising awareness of Corporate Parenting Responsibilities with elected members.
  - Their main concern was they felt the gap in mental health and the difficulties accessing service once the young person turns 18. Many young people don't always fit into a box or meet threshold for adult services. This is particularly problematic for mental health especially given that all those who come into care will have suffered some sort of trauma. It is not uncommon for them to take time to come to terms and become adults before they are ready to address their issues.
  - Officers felt it would be helpful if there was a named person in adult's mental health for the Leaving Care team to contact for advice and guidance on how best to help the young person, not for those with profound mental health difficulties but for those that disengage and have wellbeing issues
  - The council should offer work experience and apprenticeships specifically for care leavers and looked after children. Any managers would need to have an understanding of what it means to come from care. e.g. those leaving care will often lack skills in what to wear, how to speak, time keeping etc.
- 11.4 Members were impressed by their openness, honesty, genuine enthusiasm, perseverance and desire to connect with the most

challenging young people to make a real difference to the lives of the young people that they worked with.

#### Views of Care Leavers

- 11.5 The workstream met with 4 young people all in different circumstances with different challenges. They were pleased that all the young people felt free to speak tell their stories, including their positive and negative experiences. The young people were pleased that members were interested in what they had to say.
- 11.6 Without exception the young people said that their social workers/ personal advisors had made the biggest difference to their lives, they were all grateful and quite simply could not say where they would be without this support.
- 11.7 Amongst the issues they raised were:
- Financial concerns over managing their money,
  - Housing was raised by most of the young people, they found this process stressful,
  - Anxieties and emotional support, young people said that it is helpful and that they value having someone to talk to.
  - Also discussed the importance of being allowed to remain in contact with siblings particularly when this was challenging due to events that had taken place. Members noted the efforts of officers to ensure where at all possible that this occurs.
- 11.8 The members would like to thank the young people for giving their time and providing their frank and honest views.

#### 12. Conclusion

- 12.1 There is lots of good work taking place in Enfield. The staff that the workstream met with throughout the review showed enthusiasm, commitment and dedication to improving the lives of the young people they worked with and sought to find creative solutions to connect with the most disengaged young people. They also showed commitment to providing support to allow young people to develop their independence skills.
- 12.2 Members were keen that the success of the team is celebrated and recognised in some sociable way. As a way of corporate parents thanking the people behind the figures, this may also assist with retention.
- 12.3 The young people themselves in comments made both to the workstream and as part of the recent Ofsted inspection said that what had made the most difference and that they valued the most is the support that they had received from their workers.
- 12.4 Members were pleased to note the recent positive Ofsted report.

- 12.5 The workstream were very pleased that the Cabinet Member and Executive Director had attended a meeting and agreed to take forward immediately items through the Corporate Parenting Board. They were particularly pleased that the gap analysis will be completed on mental health.
- 12.6 Further to a request from officers in the leaving care team and following discussions with colleagues in adult mental health services. A single point of contact number and email address in adult mental health services has been provided for staff in the leaving care team where they can access advice and guidance to enable them to help the young people that they were working with.
- 12.7 They felt training for members is vital to ensure that all elected members are both aware and able to fulfil their Corporate responsibilities and this should form part of the induction pack that new councillors are provided and be provided to all current councillors. Online resources should be explored for corporate parenting awareness raising with a view to online training/ resources being made available to officers outside of Children's Services department helping ensure a whole Council approach.
- 12.8 As part of its corporate parenting responsibilities the council should create a bespoke apprenticeship scheme specifically for care leavers. Council departments should consider where they might be able to provide work experience opportunities specifically for looked after children and care leavers and where possible opportunities for care leavers should be prioritised within corporate contracts.
- 12.9 To further embed a positive culture and strong corporate parenting ethos; the possibility of the council developing a light touch mentoring scheme where individual council officers are linked to care leavers who have no strong family networks should be explored. Council officers taking part in the scheme would be provided with basic training but ultimately such a scheme would be cost neutral.

**13. ALTERNATIVE OPTIONS CONSIDERED**

None, the Council has a legal duty as Corporate Parents to provide the best possible care to looked after children and care leavers.

**14. REASONS FOR RECOMMENDATIONS**

To enhance the services available and raise awareness of the Corporate Parenting duties and responsibilities with elected members and officers and further embed a strong ethos across the whole Council.

**15. COMMENTS FROM EMT**

EMT noted the report and the comments made by the Cabinet Member and the Director in response to the recommendations.

**16. COMMENTS FROM OTHER DEPARTMENTS**

**16.1 Financial Implications**

The delivery of the Total Respect Training will have no direct cost implication. The remaining proposals will require further investigation, such as cost analysis, to establish the financial implications. This will be assessed at a later stage.

**16.2 Legal Implications**

16.2.1 The Children and Social Work Act 2017 ('the Act') imposes duties on local authorities to act as 'corporate parent' for children and young people who are currently looked after by that local authority, or who are aged up to 25 and were previously looked after by that local authority. Section 1(1) of the Act sets out this duty in detail.

16.2.2 In general these duties require the local authority to act towards these young people as a caring and responsible parent would towards his or her own child. The duties specifically require local authorities to promote the physical and mental health and wellbeing of these young people, and to prepare them for adulthood and independent living.

16.2.3 There is statutory guidance on the provision of Personal Advisers, 'Extending Personal Adviser Support to all Care Leavers to age 25' (February 2018).

16.2.4 The proposals set out in this report comply with the above statute and guidance.

16.2.5 One of the recommendations within this report (2.4) is that consideration is given to prioritising opportunities for care leavers where possible within corporate contracts. Before implementing this recommendation, there needs to be detailed discussion with the Council's Procurement and Commissioning Hub to ensure compliance with procurement legislation and the Council's Contract Procedure Rules, especially the Council's Sustainable Procurement Policy.

16.2.6 In relation to apprentice scheme, the apprentice can be anyone age 16 and over and not in full-time education. An apprentice age under 19 or 19 and over but in its first year of apprenticeship are entitled to £3.90 per hour. However, once the apprentice reaches the age of 19 and has completed the first year of the apprenticeship the employer must pay the full National Minimum Wage rate. Furthermore, the Working Time

Regulations would apply for apprentices age 18 and under, their working hours should not exceed 8 hours a day or 40 hours per week. They are also entitled to paid holidays and rest breaks of at least 30 minutes when their shift lasts more than four and a half hours.

16.2.7 In relation to work experience, we should ensure that the person is a volunteer for minimum wage purposes or if an exemption applies. If the person is not a genuine volunteer and is not exempt, then you must pay them at least the minimum wage.

## **17 KEY RISKS**

Looked after children and care leavers are some of the most vulnerable children and young people in society. They need and deserve the best possible support from the services there to help them. Enhancing the services available and raising awareness of the Corporate Parenting duties and responsibilities with elected members and officers will help to improve the life chances of our most vulnerable residents.

## **18 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

**Good homes in well-connected neighbourhoods, Sustain strong and healthy communities, Build our local economy to create a thriving place**

The Overview and Scrutiny Committee uses focused, time-limited workstreams to scrutinise Council decisions and services that impact on the successful delivery of the Council's key priorities. Improving services for looked after children and care leavers meets the council's priority of Sustaining strong and healthy communities, and its key aims within the Corporate Plan.

## **19 EQUALITIES IMPACT IMPLICATIONS**

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report. However, it should be noted that projects or individual work streams deriving from this may be subject to a separate Equalities Impact Assessment. Therefore, any projects or work stream will be assessed independently on its need to undertake an EQIA to ensure that the council meets the Public Sector Duty of the Equality Act 2010.

## **20 PERFORMANCE AND DATA IMPLICATIONS**

Workstream recommendations are reported to the Overview and Scrutiny Committee who monitor the progress and effectiveness in implementing the recommendations. This complements service performance management arrangements

## **21 PUBLIC HEALTH IMPLICATIONS**

Provision of services for looked after children will help to improve the life chances of our most vulnerable residents.

### **Background Papers**

None.



**Appendix A  
CABINET MEMBER FOR CHILDREN'S SERVICES AND EXECUTIVE  
DIRECTOR PEOPLE RESPONSE TO TRANSITION OF CHILDREN  
LEAVING CARE SCRUTINY WORKSTREAM REPORT &  
RECOMMENDATIONS**

<b>Recommendations</b>	<b>Response</b>
<p>2.1 Further to discussions at workstreams meetings and with the full support of the workstream members, it was agreed the Corporate Parenting Board will take forward immediately:</p> <ul style="list-style-type: none"> <li>I. Total Respect Training (Corporate Parent Training for elected members)- it was agreed that this will be arranged through the Corporate Parent Board with training commencing as soon as possible. This is delivered in small groups by the children in Care Council, so it was agreed that it would not be possible to deliver this to all elected members, this will be targeted to elected members working with Children's Services who need a more in depth understanding of the issues</li>   <li>II. Free Gym passes/ membership of Leisure clubs- it was agreed that the Corporate Parenting Board will investigate this further and look at possibilities around this</li>   <li>III. Gap analysis on mental health to inform a business case for increasing capacity in the CAMHS/ HEART team- it was agreed that this will be provided to the Corporate Parenting Board for them to take forward.</li> </ul>	<p>Total Respect training has been delivered to many Councillors over the last six years and has always received excellent feedback. Opportunities for further training during 2019/20 will be sought subject to the availability and willingness of the young people to deliver it.</p> <p><b>Head of Corporate Parenting</b></p> <p>The option of providing gym passes will be costed and if affordable will be implemented with looked after children age 16/17 and care leavers</p> <p><b>Head of Services for Looked After Children</b></p> <p>Gap analysis to be presented to the Corporate Parenting Board in September 2019 and any agreed actions to be progressed.</p> <p><b>Head of Corporate Parenting</b></p>
<p>2.2 Prior to 2010, information on Corporate Parenting to inform all elected members of their own and the council's responsibilities was previously provided as part of the induction pack given to Members. This information is to be included in future induction packs that Councillors receive when they are elected and to also be provided to all current councillors.</p>	<p>Information to be sourced or developed and included in new Member induction packs and provided to all current Members</p> <p><b>Head of Corporate Parenting</b></p>

<p>2.3 To demonstrate a whole council approach towards care leavers and to ensure that corporate parenting is everyone's responsibility, exploration of online resources to take place for online awareness raising training purposes. This information should be made available for officers outside of Children's Services, so they can recognise their role as corporate parents and the support that they could provide.</p>	<p>Availability of online training to be investigated</p> <p><b>Head of Learning and Development</b></p>
<p>2.4 Under corporate parent responsibilities:</p> <ul style="list-style-type: none"> <li>• The Council creates a bespoke apprenticeship scheme specifically for Care Leavers.</li>   <li>• Council departments consider where they might be able to provide work experience opportunities specifically to Looked after Children and Care Leavers.</li>   <li>• When the council agrees new contracts consideration to be given to prioritising opportunities for care leavers where possible within corporate contracts.</li> </ul>	<p>Feasibility of apprenticeship schemes to be explored with the new Director of HR once appointed.</p> <p><b>Head of Services for Looked After Children</b></p> <p>Presentation to be made the Council's Senior Managers Forum to explore opportunities</p> <p><b>Head of Services for Looked After Children</b></p> <p>Report to be prepared for EMT and the Corporate Parenting Board re opportunities for Care Leavers in Council contracts</p> <p><b>Head of Corporate Parenting</b></p>
<p>2.5 To further embed a strong corporate parenting ethos; the Council, explore the viability of developing a light touch mentoring scheme where council officers are linked to individual care leavers who have no strong family networks. Council officers taking part in the scheme would be provided with basic relevant training but ultimately such a scheme would be cost neutral.</p>	<p>Such an initiative would require a formal framework. Feasibility of extending the externally commissioned Independent Visitor volunteer scheme to Council officers to be explored</p> <p><b>Head of Services for Looked After Children</b></p>
<p>2.6 To note that further to a request from officers in the leaving care team and following discussions with colleagues in adult mental health services. A single point of contact number in adult mental health services has been provided to staff in the Leaving Care team to contact for advice and guidance.</p>	<p>Agreed and Completed</p>

**MUNICIPAL YEAR 2019/2020 REPORT NO. 71****MEETING TITLE AND DATE:**

**Cabinet**  
**11th September 2019**

**REPORT OF:**

Acting Executive Director  
of Resources

**Agenda – Part: 1****Item: 6**

**Subject:** Revenue Monitoring 2019/20:  
Quarter 1 (June 2019)

**Wards:** ALL

**Key Decision No:** 4944

**Cabinet Member Consulted:** Cllr Mary  
Maguire

Contact officer and telephone number:

Fay Hammond, 0208 379 2662

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**1. EXECUTIVE SUMMARY**

- 1.1. This report sets out the Council's revenue budget monitoring position based on information to the end of June 2019.
- 1.2. After the application of capital receipts for transformation purposes of £2.6m; the revenue budget forecast reflects an outturn position of £3.9m overspend for 2019/20 which will be funded using the Council's reserves.
- 1.3. Since 2010, the Council has saved £178m; for 2019/20 a further £13.1m saving and income were agreed and £0.3m of income and £3.1m savings agreed from prior years. As time has progressed delivering these savings and additional income generation year on year continues to be challenging. Subject to substitute savings and management action being taken, prior year income totalling £0.6m is considered at risk of delivery.
- 1.4. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £2.12m. With the £0.38m surplus brought forward from 2018/19, the cumulative forecast deficit at year end is £1.74m and will be the first call on the 2020/21 grant allocation and therefore reduce the funding available for next year's allocation.
- 1.5. The Housing Revenue Account is forecasting no variance to budget.

**2. RECOMMENDATIONS**

- 2.1. Cabinet is recommended to note:
  - i. The financial backdrop to the Council's budget position (described in paragraphs 3.1 to 3.11).
  - ii. The £3.9m overspend revenue outturn projection and the use of £2.6m of capital receipts to support organisation transformation.

- iii. That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2019/20 and implement savings.
  - iv. That the Pressures Challenge Board will be reconvened for 2019/20.
  - v. The position of the Dedicated Schools Grant (DSG) as set out in section 5.37
  - vi. The position of the Housing Revenue Account (HRA) as set out in section 7.
- 2.2. That Cabinet recommend:
- i. £1.5m of the overspend in respect of IWE being met from Contingency as set out in paragraphs 5.8 and 5.32.
  - ii. Council to approve the update to the planned flexible use of capital receipts for 2019/20 (paragraph 5.25 and Appendix I).

### **3. BACKGROUND**

- 3.1. On 27 February 2019, the Council's 2019/20 budget was set by Council. This budget was set in the challenging context of a reduction in core funding of £6.3m in 2019/20; following previous funding reductions of £93m since 2010.
- 3.2. New savings of £10.7m and new income generation of £2.4m were agreed for 2019/20. Savings and income agreed from previous years totalled £3.4m, of which £3.1m relates to savings and £0.3m to income. As part of the aim to place the budget in a more resilient position, in 2019/20 £2.5m of growth was included to offset prior year budget pressures. However, there still remained £4.2m of 2018/19 pressures. where officers continued to work on reducing these pressures and are included in Appendix H, Savings and Income Monitor, 2018/19 budget savings carried forward.
- 3.3. Enfield, reflecting the national picture, continues to experience rising cost pressures from Temporary Accommodation, SEN transport, families with no recourse to public funds, and cost and demographic pressures in social care. Over the last few years the adult social care precept and flexible homelessness grant have contributed in part to relieving these cost pressures. There has been no financial recognition nationally of the cost pressures within children's services.
- 3.4. Since 2013/14, Enfield has continued to lobby for fairer funding, with the current transitional arrangements resulting in a £11.6m embedded (damped) reduction in funding. The impact of the new funding arrangements due to be implemented in 2020/21 is unlikely to be known prior to November. National funding uncertainties are compounded by the potential exit date of October 31<sup>st</sup> 2019. The

LGA and other bodies, such as CIPFA, are lobbying for a one year agreement, so that there is some stability for 2020/21.

- 3.5. A 75% London Pilot Pool for 2019/20 was announced as part of the Local Government Finance Settlement in December 2018 and the Budget includes this within its assumptions. There is no clarity yet with regards to future pooling.
- 3.6. Local authority financial management has become headline news since 2018/19 (Northants, and more recently Somerset and East Sussex County Council). In the context of the economic situation and the cumulative impact of the sustained funding reductions since 2010, balancing councils budget remains a significant challenge.
- 3.7. As reported to Cabinet on 17 July 2019, the Council services overspent by £13.4m offset by underspends of £9.0m in corporate expenses and £1.2m additional government grants to give a net overspend of £3.2m, with £3.7m of capital receipts being utilised. During 2018/19 the Council's risk reserves increased and this is due to planned contributions to risk and smoothing reserves, whilst service specific reserves have reduced.
- 3.8. In setting the budget for 2019/20 the Corporate Budgets were reviewed and where capacity was identified it has been utilised to address the significant pressures within the service departments budgets and this was reflected in the Budget Report for 2019/20.
- 3.9. In this context, managing the Council's budget position continues to be a high-risk priority for the Council. The Council's revenue expenditure against budget is monitored by regular reports to the Executive Management Team and Cabinet. These reports provide a snapshot of the revenue position and implementation of savings for each Department and for the Council and provide details of any projected additional budget pressures and risks, or any significant underspends.
- 3.10. This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, variations in this report are limited to +/- variances of £50,000 or over to provide a greater strategic focus.
- 3.11. The next report to Cabinet will be the 2019/20 Quarter Two Revenue Outturn report which provide an update on the monitoring position based on information as at the end of September 2019.

#### **4.0 June 2019 Monitoring – General Fund**

- 4.1 Each of the departments has generated a list of the variances which are contributing to the projected outturn figures. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by implementing offsetting savings measures. All Executive Directors reporting overspends are working on mitigating actions for the current year and where

pressures are ongoing these are also being worked up as part of the MTFP.

- 4.2 The forecast budget overspend is £3.9m; after the planned application of £2.6m capital receipts. Below is a summary of the projected outturn variances broken down between departments:

**Table 1: Forecast Projected Departmental Outturn Variances**

	Original Budget	Approved Changes	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£m	£m	£m	£m	£m	£m
Chief Executive's	8.0	(0.1)	7.9	7.9	0.0	0.0
People	118.2	(5.5)	112.7	118.2	(0.3)	5.2
Place	25.5	5.6	31.1	32.6	(0.6)	0.9
Resources	39.4	0.0	39.4	41.9	(1.7)	0.8
<b>Service Net Costs</b>	<b>191.1</b>	<b>0.0</b>	<b>191.1</b>	<b>200.6</b>	<b>(2.6)</b>	<b>6.9</b>
Corporate Expenses	36.9	0.0	36.9	36.9	0.0	0.0
<b>Contingency</b>	<b>3.0</b>	<b>0.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(3.0)</b>
<b>Net Expenditure</b>	<b>231.0</b>	<b>0.0</b>	<b>231.0</b>	<b>237.5</b>	<b>(2.6)</b>	<b>3.9</b>
Net Expenditure financed by:						
Business Rates	(97.6)	0.0	(97.6)	(97.6)	0.0	0.0
Collection Fund	(1.3)	0.0	(1.3)	(1.3)	0.0	0.0
Other non- ringed fenced Government Grants	(3.8)	0.0	(3.8)	(3.8)	0.0	0.0
Council Tax	(127.3)	0.0	(127.3)	(127.3)	0.0	0.0
Reserves	(1.0)	0.0	(1.0)	(1.0)	0.0	0.00
<b>General Fund Corporate Financing</b>	<b>(231.0)</b>	<b>0.0</b>	<b>(231.0)</b>	<b>(231.0)</b>	<b>0.0</b>	<b>(0.0)</b>
<b>Total Under/Overspend</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.5</b>	<b>(2.6)</b>	<b>3.9</b>

- 4.3 Management actions are ongoing to continue to address these budget pressures. Management action taken to reduce costs includes reconvening the Pressures Challenge Board to review the most significant pressures being reported in this first quarter. The purpose of the sessions will be to identify any further solutions to reduce the overspend in 2019/20 but also to identify whether there will be an ongoing pressure that will need to be taken in to account in the 2020/21 budget setting process.

- 4.4 The overspend has been driven by the following key factors:

- continuing budget pressures in Adult Social Care, specifically Learning Disabilities, Older People Services and IWE, SEN Transport, No Recourse to Public Funds and Housing Related Support. These were recognised and addressed as part of the

2019/20 budget but demand continues and is greater than that estimated for.

- £0.6m of income generation is considered at high risk of not being realised (Appendix G, Table 7), due to change of circumstances or optimism bias in terms of the level or speed of delivery. and relates to decisions taken in financial years prior and remained in the budget for the services to manage in 2019/20.

4.5 A service by service detailed analysis of this can be seen in section 5 appendices B to F.

4.6 The forecast variance at the year-end will need to be met from a contribution from the Council's general balances, though it is intended to keep this as low as possible.

4.7 This report provides further information on the budget position as follows:

- Summary narrative for each service area supported by Appendices B to F providing additional data
- Monitoring information on the progress towards meeting agreed savings and income generation agreed
- Update on Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA)
- The financial management key performance indicators set out in Appendix A.

## **5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS**

### **5.1. Chief Executive's Department (Appendix B)**

5.2. The department is reporting a neutral position for Quarter 1 (budget of £7.9m) with no material variances greater than £50k being reported. The most significant variance reported in the 2018/19 outturn was the pressure experienced in level of income from land charges being achieved, this was addressed and additional budget allocated through the 2019/20 budget to mitigate the pressure.

### **5.3. People (Appendix C)**

5.4. **The department is forecasting a £5.2m overspend (budget of £112.7m).**

### **5.5. Adult Social Care (ASC)**

5.6. £4.3m relates to Adult Social Care. Financial modelling was undertaken based on activity and cost of service trends in ASC as part of the budget setting process leading to an additional £6.0m being added to fund demographic and inflationary pressures with £1.0m in savings and £4.2m of Government funding being identified to contribute towards the growth. However, indications as per the Quarter One position are that ASC continues to have significant pressures. These primarily relate to services for adults with Learning

Disabilities and older people. The initial forecasts indicate the pressure is circa £2.9m for 2019/20. It is also worth highlighting that the department continues to identify a risk around continuing health care reviews, that the CCG are undertaking, which could result in a further cost pressure to the Council.

- 5.7. A review of income from service users' contributions to care is underway to ensure that all financial assessments are carried out and income recorded and collected appropriately. The Better Care Fund allocations for 2019/20 have been now being received and indications are that this will result in an increased amount of funding for the Council. However, at this stage it is not possible to quantify the benefit from either the income review or the BCF allocation, though it is expected to generate some benefit that will contribute towards managing the reported overspend.
- 5.8. The wholly owned Council company Independence & Well Being Ltd continues to experience budget pressure. An increase in demand for services for people with very complex needs continues this year together with the company's responsibility as the Council's provider of last resort has meant an increased need for more front line delivery staff, including qualified nursing staff where vacancies had previously been held to manage budget pressures. This is reflected in this Quarter One monitor as a £1.5 m overspend with further details provided in Appendix C. The pressure in 2019/20 will be funded from the Council's contingency fund. This is included in the overall £4.3m overspend position for Adult Social Care.
- 5.9. **Education and Children's & Families**
- 5.10. In 2019/20, £3.5m was added to fund demographic and inflationary pressures with £1.3m in savings and £1.1m of Government funding being identified to contribute towards the growth. The total overspend forecast for these services is a £0.7m overspend. Demand in Special Guardianship Allowances continues to grow and additional budget was allocated in 2019/20 budget to reflect this. Current forecasts indicate that at current demand there will be an underspend of £0.1m, however this area continues to be considered high risk and a small change in demand could reverse this forecast. The external child care placements are forecast to be £0.2m underspent (HB Unaccompanied Asylum Seeking Children (UASC) is forecasting a net £0.1m underspend where we are experiencing significant pressure in former UASC 18+ cases due to 27 unfunded cases where appeal rights have been exhausted, however this is mitigated by a positive forecast in the UASC budget where additional Home Office funding has relieved the pressure on the budget. The In house fostering allowances budget is forecasting a £0.2m overspend and is as result of a significant increase in the number of friends and family carers.
- 5.11. Unachievable savings of £0.6m generating additional income in the Schools Traded Services remains in the departmental budgets to be managed in 2019/20. These services now report across the Resources and People Departments and the split of the income will be

reflected in the Quarter 2 monitor.

- 5.12. **Use of capital receipts:** Included in the forecast is £0.3m relating to the Edge of Care transformation project. This project commissions a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision. It was agreed through the 2019/20 Budget Report that the cost of this project is funded through the Flexible Use of Capital Receipts.
- 5.13. Children's Social Care are on a trajectory of continuous improvement with strong stable leadership in place. Services for looked after children, care leavers, fostering and adoption are good.
- 5.14. There has been an in-year investment of £0.375m to enable the Council to deliver the Ofsted improvement plan as reported to Cabinet in June which will be met from the Council's Risk Reserve for 2019/20 and will be considered as part of the MTFP for the longer term. This will sustain and assure good practice, achieve consistency by maintaining caseloads at a reasonable level, increase quality assurance processes and continue to deliver practice improvement and coaching interventions to targeted key staff.
- 5.15. Furthermore, moving from agency staffing to permanent staffing in Child Protection and Family Support will stabilise reasonable workloads and encourage social workers to stay in Enfield thus reducing staff turnover.
- 5.16. As per Ofsted recommendations, the investment will deliver improvement in the following areas:
- decision making and quality of plans for children in need
  - the response to children missing from home
  - the response to children in private fostering
  - providing health information for care leavers.
- 5.17. **Housing Related Support**
- 5.18. The Housing Related Support schemes (Supporting People) budget is forecast to overspend by £0.2m. Previous years highlighted a far greater problem where the pace of implementing a challenging decommissioning programme could not keep pace with the expected budget reductions. However, following the Pressures Challenge Board review of Housing Related Support undertaken in 2018/19, it was identified that the full year effect of the programme would reduce the pressure to £0.5m in 2019/20 and that further savings could reduce this by a further £0.25m. Therefore £0.25m was allocated in 2019/20 through the MTFP with the remaining £0.25m for the service to manage. It is now considered by the department that all recommissioning and decommissioning activity will be concluded by December 2019. £8m of savings will have been achieved in this area and reducing this area of activity and spend any further would create cost pressures elsewhere across Social Care and the wider Council.
- 5.19. Further details are provided in Appendix C.

**5.20. Place (Appendix D)**

- 5.21. The Place department is forecasting an overspend position of £0.9m (budget of £31.1m).
- 5.22. The Passenger Transport (Home to School/SEN Service) continues to forecast a pressure for 2019/20. £2.0m was added to the budget for 2019/20 following the Budget Pressures review undertaken in setting the 2019/20 budget. The £2.0m was considered at the time sufficient to manage the then 2018/19 forecast overspend. However, by the final outturn the overspend had increased to £2.2m and the number of children transported has continued to grow during the first quarter of this financial year. This growth along with the loss of an external contractor is resulting in a £0.6m forecast overspend.
- 5.23. There is a forecast overspend of £0.3m predominantly relating to the Dry Recycling Contract and the budgeted income from the onward selling of the recycling materials. This position has been deteriorating over the last few quarters and is due to the decreasing commodity prices i.e. income generated from recyclable materials where LBE receive a share of the income, there is also a slight increase in the levels of contamination in dry recycling material and the corresponding increase in the number of rejected loads.
- 5.24. Strategic Property Services are reporting a £0.2m overspend due to the external costs of property assets valuations that was previously undertaken by an external contractor. This was funded by capacity created by a vacant post in previous years which is no longer available.
- 5.25. Meanwhile Use income relating to Meridian Water was agreed as part of the savings and income proposals for 2019/20. A £0.1m under achievement is currently forecast because the cost of security is eroding the total income generated which itself is subject to lease agreements.
- 5.26. Though Housing General Fund services are not reporting a pressure at the end of June (Quarter1) monitor it should be noted that a challenging and continued level of demand continues to put pressure on the budget and this is predominantly being managed and mitigated by the progress of savings and income generating projects agreed in the 2019/20 budget. In addition, £3.0m is forecast to be applied from the total £7.1m received for the Flexible Homelessness Support Grant.
- 5.27. These are the most significant variances and several areas are forecasting a favourable variance. Further details are provided in Appendix D.
- 5.28. **Use of capital receipts:** There are two items relating to Place projects. The first is the new waste changes being implemented across the borough which were agreed at Cabinet in February 2019. It was agreed that both the revenue and capital mobilisation costs associated with implementing the changes would be funded from the Flexible Use of Capital receipts. The revenue element being £0.572m

and reflected in this report. The second and more minor overspend of £0.03m relates to the last two months (April and May 2019) of the EDGE transport contract. In previous years this has been funded by the flexible use of capital receipts and the is proposed to continue for 2019/20. There are sufficient capital receipts forecast to be received in 2019/20 to cover these additional commitments.

5.29. **Resources (Appendix E)**

5.30. The Resources department is forecasting an overspend of £0.8m (budget £39.4m) after the planned use of capital receipts is applied to fund transformational related expenditure.

5.31. The most significant variance of £0.5m in the department relates to the cost of former employees, specifically the capital cost of early retirement. This cost is met by the General Fund over 5 years and though significant in 2019/20, assuming no further additions this pressure will reduce to circa £0.3m in 2020/21.

5.32. The other most significant variances relate to Sustainability and Schools Catering services. The Sustainability team are reporting an underspend of £0.1m achieved by holding posts vacant. There is a new entrant in the school catering market, and the service have experienced a reduction in the schools purchasing the service; as a result a £0.2m overspend is forecast. There is a new entrant in the school catering market, and the service have experienced a reduction in the schools purchasing the service; as a result of this, a £0.2m overspend is forecast.

5.33. **Use of capital receipts:** It was agreed in the 2019/20 Budget Report that £1.5m will be used to fund the transformational element of the Procurement and Commissioning hub. In addition to this the Transformation team are restructuring and dependent on the timing of recruitment, a short term call on further capital receipts will be required in 2019/20, this is currently estimated to be circa £0.2m.

5.34. **Corporate Items (Including Contingency & Contingent Items) General Fund**

5.35. Corporate expenses include funding set aside in the budget for pay awards, inflation and other corporate pressures are also held in the contingent items budget to be allocated out during the year. At this stage in the year there is not expected to be any material variance in the overall budget. Corporate items also include levy payments and treasury management costs, which are made up of interest payments on council borrowing and receipts on investments and the Council maintains a general budget contingency of £3.0m. This will be used to offset the IWE overspend in 2019/20 on a one off basis with the pressure being addressed though the MTFP in the longer term.

5.36. **Proposed Flexible Use of Capital Receipts (Appendix I)**

5.37. With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to

finance projects that are designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. £2.579m is forecast to be applied in 2019/20 of which £1.8m has already been agreed in the Council Budget report for 2019/20 to fund the Procurement & Commissioning co-managed service and Edge of Care Contract. Since the Budget Report three further items listed in the table below have been proposed to be funded by the flexible use of capital receipts but will require Council approval. The table below illustrates where the funding is applied to:

5.38. **Table 2: Planned and Proposed Flexible Use of Capital Receipts**

<b>Service Area</b>	<b>£m</b>
Edge of Care (Children's)	0.320
Procurement & Commissioning co-managed service	1.457
Transformation Team	0.200
EDGE transport contract	0.030
Mobilisation costs associated with the implementation of waste service changes	0.572
<b>Total</b>	<b>2.579</b>

5.39. The Government has extended this flexibility until 2021/22. However, the Council is mindful of over reliance on and sustainability of this one-off funding. The EDGE contract, Edge of Care and co-managed procurement and commissioning arrangements are time limited costs. However, the Council's ongoing investment in transformation and ICT indicates that longer term solutions to fund these pressures will be needed in future years.

5.40. **Dedicated Schools Grant (DSG) Budgets (Appendix F)**

5.41. For 2019/20 Enfield received a total Dedicated Schools Grant allocation of £334.187m and the funding is allocated across four blocks; £259.009m for the Schools Block, £2.925m for the Central Schools Services Block, £25.410m for Early Years and £46.843m for the High Needs Block.

5.42. In 2018/19 there was a bought forward DSG deficit of £1.481m. During 2018/19, due to receipt of additional High Needs funding and underspends on the Schools and Early Years Blocks, there was a net underspend which resulted in a net DSG surplus of £0.38m bought forward to 2019/20. This was expected to be a short term position as the budget setting process had already highlighted pressures in several high needs budgets that were likely to result in overspends. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are placed in borough. There are plans in place to develop additional provision in the borough over the next 3 year period which will help to reduce costs.

5.43. The in-year forecast outturn position is a deficit of £2.12m. This is due to a projected overspend of £2.38m in the High Needs Block offset by an underspend of £0.26m in the Schools Block due to reduced rates liability for schools converting to academies. The main pressures in the High Needs Block relate to increased costs for out borough placements due to additional pupils, full year effect of pupils starting in 2018/19 and the Education budget picking up the full cost of complex care pupils who have turned 18 (costs previously split between education, health and social care). The 2018/19 included some contingency within the out borough placements budgets, but this was not possible in 2019/20, due to budget constraints, so any additional costs immediately result in overspends.

5.44. Therefore, the cumulative forecast deficit at year end is £1.74m and will be the first call on the 2020/21 grant allocation and therefore reduce the funding available for next year's allocation.

## **6. ACHIEVEMENT OF SAVINGS (Appendix G)**

6.1. A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where a score is given in relation the value of saving or income and the likelihood of delivery, these are then multiplied together and the total score provides the following risk ratings:

- Blue - Banked i.e. fully achieved
- Green - On track
- Amber - At risk of delivery
- Red - Undeliverable

6.2. The savings include those that are new for 2019/20 plus the full year effect of previous decisions and savings/income from 2018/19 or before that continue to have an adverse impact on the current year budget. These last items were considered in the budget setting process for 2019/20 and decided that they will remain with the service departments to managed during this financial year. Where these items continue to cause a pressure that can't be managed they will be addressed in the 2020/21 budget setting process along with new emerging pressures.

6.3. Of the £20.6m departmental savings, £13.9m is expected to be fully delivered at this stage. This consists of £6.5m which has been fully achieved and a further £7.4m which are on track for delivery. This includes £3.4m of corporate savings that are expected to be fully delivered.

6.4. However, £6.1m and £0.6m are amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and form part of the reasons for variances as described in the narrative above. The red saving relates to income generation, specifically related to the Schools Traded Services where the risks of delivery include timing and speed of implementation and change in market

conditions e.g. school funding reductions placing pressure on schools' budgets and therefore reducing opportunities.

- 6.5. Further details for each department are summarised in the charts and tables in Appendix 6.

## **7. HOUSING REVENUE ACCOUNT (HRA)**

- 7.1. The HRA projection for Quarter 1 shows no variance to budget forecast for 2019/20.
- 7.2. There has been an improvement in the collection of our arrears which has reduced the contribution required to the provision of bad debt. This reduction has been reflected in this year's budget and will continue to be monitored monthly
- 7.3. Fire safety works continue to be prioritised this year.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1. Not applicable to this report.

## **9. REASONS FOR RECOMMENDATIONS**

- 9.1. To ensure that Members are aware of the projected budgetary position, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

## **10. COMMENTS OF OTHER DEPARTMENTS**

### **10.1. Financial Implications**

- 10.1.1. It is imperative to continue to keep under review the financial position of the Authority. The revenue monitoring is a key part of this review process. There is further work to be done to ensure a budget can be set within available resources.
- 10.1.2. Management of this financial year's position, and the long-term sustainability of the Council's finances (as expressed in the budget and MTFS) will require ongoing focus and effort by officers and councillors. The corporate failure of Northamptonshire County Council acts as a reminder for all local authorities of the need to continue to manage their finances tightly, and to make sometimes difficult decisions despite the prevailing circumstances (e.g. the sustained reductions in funding since 2010, the uncertainty created by Brexit, and growth pressures in many areas).

### **10.2. Legal Implications**

- 10.2.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

### **10.3. Property Implications**

- 10.3.1. Not applicable in this report.

## **11. KEY RISKS**

- 11.1. There are several general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan: -
- Achievement of challenging savings targets.
  - Brexit and the state of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
  - Impact of the fall in the pound on inflation and pay
  - Demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.
  - Potential adjustments which may arise from the audit of various Grant Claims.
  - Movement in interest rates.
- 11.2. Risks associated with specific Services are mentioned elsewhere in this report.

## **12. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **Good homes in well-connected neighbourhoods**

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

### **Sustain strong and healthy communities**

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

### **Build our local economy to create a thriving place**

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

## **13. EQUALITIES IMPACT IMPLICATIONS**

- 13.1. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole Borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.
- 13.2. The Council does not discriminate on grounds of age, colour,

disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

- 13.3. Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

**14. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 14.1. The report considers the financial impact of changes arising from reduced funding. The projections and future pressures on the budget are viewed with due consideration of financial management and the most efficient use of resources.

**15. HEALTH AND SAFETY IMPLICATIONS**

- 15.1. Not applicable in this report.

**15.2. HUMAN RESOURCES IMPLICATIONS**

- 15.3. Not applicable in this report.

**16. PUBLIC HEALTH IMPLICATIONS**

- 16.1. The Council's budget continues to contribute towards public health outcomes throughout the borough, through the £16.8m Public Health grant as well as through services provided within the Councils general fund budget.

**Background Papers**

None

## Appendix A

## Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below in Table 1. The intention of this is to provide the key highlight messages in a “dashboard” style summary. It is designed to capture the key messages across the Council’s main financial areas, namely:

1. Income and expenditure;
2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
3. Cash flow forecasting and management.

**Table 3: Summary performance overview**

Financial Indicator	Status @ Q1	Key Highlights
Income & Expenditure Position – General Fund Year end forecast variances		Year-end variances of £4.5m overspend have been forecast to date in relation to General Fund net controllable expenditure. Departments are developing actions to mitigate the pressure to offset identified pressures.
Progress to Achieving Savings MTFP (current Year)		Savings monitoring has identified a total of £0.6 considered a high risk rated/ undeliverable and a further £6.1m that are at risk of delivery. These are reflected in the reported overspend for Quarter 1 2019/20.
Income & Expenditure Position – HRA		The HRA is projecting a balanced position at year-end outturn against budget.
Income & Expenditure Position – DSG		The DSG is forecasting a £2.1m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £1.7m and will be the first call on the 2020/21 grant allocation.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council’s approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn projection for General Fund balances will meet the Council’s Medium Term Financial Strategy target based on the use of uncommitted reserves to meet one-off overspends in 2019/20.

## Appendix B

<b>Chief Executives</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Flexible Use of Capital Receipts</b>	<b>Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other minor variances less than £50k	7,874	7,874	0	0
<b>Chief Executive's Department Total</b>	<b>7,874</b>	<b>7,874</b>	<b>0</b>	<b>0</b>

## Appendix C

People Department	Current Net Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
<p><b>Adult Social Care</b>  <i>Key assumptions within the forecast are based on projected activity and year to year trends. In future years there is an increased budget pressures due to demographic pressures, provider cost pressures and a growing demand for social care services.</i></p>				
<p><b>Strategy &amp; Resources</b>            These services, grants to voluntary originations, Safe Guarding and Service Development. The projected underspend is within Safeguarding Adults. The expenditure, on safeguarding adults' reviews, which is undertaken by external experts varies depending upon the number of reviews.</p>	6,181	(98)	0	(98)
<p><b>Mental Health</b>            The service is currently projecting a zero variance.</p>	5,979	0	0	0
<p><b>Learning Disabilities</b>            The service continues to project an overspend position because of managing demand led services. There are 25 transition cases in 2019/20. Savings will continue to be made in year however, demand for services continues to rise because of demographics.</p>	20,108	1,694	0	1,694
<p><b>Older People and Physical Disabilities (the Customer Pathway)</b>            The service is projecting care purchasing overspends due to demand led services, within residential and community based services. Substantial savings have been made in year however, demand for services continues to rise because of demographics.</p>	28,302	1,159	0	1,159
<p><b>IWE</b>            This includes the management fee to IWE plus client income at Bridgewood House. IWE continue to experience significant cost pressures which is forecast to lead to a £1.5m overspend, due to increasing demand and the company being the Council's provider of last resort. This has resulted in increased staffing needs at Bridgewood and elsewhere.            The breakdown of the overspend is:</p>	10,066	2,100	0	1,500

<ul style="list-style-type: none"> <li>Staffing costs of running Bridgewood - £1.0m</li> <li>Company Management staffing costs - £0.3m</li> <li>Other staffing costs i.e. pay award, enhanced pay - £0.4m</li> <li>There is also an over achievement of income of £0.2m</li> </ul> <p>The above overspend total of £1.5m will be monitored closely in the current financial year.</p>				
<b>Adult Social Care Sub total</b>	<b>70,636</b>	<b>4,855</b>	<b>0</b>	<b>4,255</b>
<b>Public Health</b> The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2019/20 is now £16.38m, this reflects a reduction in grant of £444k. There is a risk that demand led sexual health services could result in additional pressures.	(4,351)	0	0	0
<b>Public Health Sub total</b>	<b>(4,351)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing Related Support</b> All recommissioning/decommissioning activity will be concluded by December 2019. £8m of savings will have been achieved in this area. Reducing this area of activity and spend any further would create cost pressures elsewhere across Social Care and the wider Council	3,219	225	0	225
<b>Housing Related Support Sub total</b>	<b>3,219</b>	<b>225</b>	<b>0</b>	<b>225</b>
<b>Education</b>				
<b>Enhanced Pensions</b> Projected underspend on enhanced pension budgets based on current monthly trend	1,942	(56)	0	(56)
<b>Traded Services</b> Traded Services additional income targets for 2017/18 (£230k) and 2018/19 (£417k) will not be achieved due to contraction of school budgets. This was partly managed in the 2019/20 budget setting process but remained with services to manage in year. These services now sit within Resources and People Department and the split will be reflected in the Q2 Revenue Monitor report.	(647)	647	0	647
Other Minor Education Variances	2,881	0	0	0
<b>Education Sub Total</b>	<b>4,176</b>	<b>591</b>	<b>0</b>	<b>591</b>
<b>Children's &amp; Families</b>				
<b>Special Guardianship Allowances</b> The area received a growth of £660K in the 2018/19 budget and £710K this year. Since	2,337	(113)	0	(113)

April 2019 21 SGOs have been granted and projection includes 45 planned SGO cases (approximately a 30% increase on 2018/19).				
<b>In House Fostering Allowances</b> The area is overspent mainly due to a significant increase in the number of Friends and Family carers and rate increase for second child placement.	2,395	241	0	241
<b>Looked After Children Social Work Team</b> Overspend is due to vacancy factor, agency cover for vacant posts and maternity cover. In addition, £34k relates to a Placement Officer post that was funded from the Controlling Migration grant. The overspend is a result in accounting arrangements applied in the 2018/19 final accounts where planned grant balances at year end 2018/19 were carried forward as General Balances rather than as individual balances.	2,228	170	0	170
<b>Leaving Care - Social Work Team</b> The overspend is due to due to vacancy factor and a further £36k for the Personal Advisor post that was funded from the Controlling Migration grant. The overspend is a result in accounting arrangements applied in the 2018/19 final accounts where planned grant balances at year end 2018/19 were carried forward as General Balances rather than as individual balances.	1,207	65	0	65
<b>UASC</b> Underspend is due to the Home Office funding exceeding the cost.	279	(715)	0	(715)
<b>Former UASC 18+</b> Overspend due to the 27 unfunded clients (appeal rights exhausted).	719	600	0	600
<b>External Child Care Placements</b> The area received a growth of £970K in 2019/20 and, based on information currently available, the area is projected to be on budget.	6,090	(200)	0	(200)
<b>Edge of Care</b> As agreed in the 2019/20 Budget Report the Edge of Care costs will be funded from the flexible use of capital receipts. The forecast includes the contract costs plus £80k payment by results payment for the first cohort.	0	320	320	0
Other Children's & Families Minor Variance	23,840	84	0	84
<b>Children's &amp; Families Sub total</b>	<b>39,095</b>	<b>452</b>	<b>320</b>	<b>132</b>
<b>People Total</b>	<b>112,775</b>	<b>6,123</b>	<b>320</b>	<b>5.203</b>

## Appendix D

Place	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
<b>Highways Services</b> £50k favourable variance, due to Highways Scaffolding additional income.	1,906	(50)	0	(50)
<b>Traffic &amp; Transportation</b> £50k favourable variance, due to additional income from Traffic Orders (increased utility works).	211	(50)	0	(50)
<b>Regulatory Services</b> £70k favourable variance, the overachievement of income is due to the additional income generated from the commercialisation of the Pest Control Service, and FPN litter dropping income.	2,130	(70)	0	(70)
<b>Health and Safety Team</b> £50k favourable variance is forecast, due to staffing and Occupational Health under spend.	503	(50)	0	(50)
<b>Waste Client</b> The over spend is mainly due to the increased costs for Dry Recycling (2019/20 Q1 is £310k compared to 2018/19 Q4 £275k and Q3 £247K and Q2 £219k). 1) Commodity prices deteriorating 2) Rejections increase 3) Contraries increase and compensation payments	2,468	330	0	330
<b>Waste Operations</b> The forecast additional cost is the planned revenue mobilisation costs associated with the implementation of the waste changes. This was agreed at Cabinet on the 13 <sup>th</sup> February 2019, which also stated that the costs would be funded by the flexible use of capital receipts.	4,290	572	572	0
<b>Parks Operations</b> Due to efficiencies generated from the Cemeteries In House Contract.	2,245	(50)	0	(50)

<p><b>Passenger Transport Service (Home To School/SEN)</b></p> <p>The total number of placements in April 2018 was 694, the equivalent for June 2019 is 747, leading to an increase in costs of circa £410k.</p> <p>Total number of Personal Travel Budgets has gone up by 3 (net gain) in 2019/20. The cost of the service has increased in total by £68k.</p> <p>Loss of external contractor and cost of new arrangements has increased cost by approximately £120k.</p> <p>The current forecasts assume operational efficiencies such as reviews to identify if there are any improvements to the model of delivery and systems being used will be generated in the coming months to mitigate for the projected operational costs over spend</p>	5,909	567	0	567
<p><b>Strategic Property Services (SPS)</b></p> <p>The overspend is due to external costs of property assets valuation (capital accounting).</p>	441	150	0	150
<p><b>Economic Development</b></p> <p>Due to vacant posts (salary underspend), subject to restructure.</p>	488	(50)	0	(50)
<p><b>Meridian Water Meanwhile Use Income</b></p> <p>The over spend is due to security costs, eating into the income projections. Estimated income is £1,085k for 2019/20. But is subject to lease agreements.</p>	(1,190)	105	0	105
<p><b>Other Minor variances below £50k</b></p> <p>£30k required to fund Edge Contract costs for April and May 2019</p>	11,663	48	30	18
<b>Place Total</b>	<b>31,064</b>	<b>1,452</b>	<b>602</b>	<b>850</b>

## Appendix E

Resources	Current Budget	Forecast Outturn	Flexible Use of Capital Receipts	Forecast Variance
	£000	£000	£000	£000
<b>Cost of former Employees</b> All cost of former employees have now been centralised from across the Resources Department, where as these would previously have caused smaller pressures within each of the services budget. The pressure is due to the capital cost of early retirement, whilst in year redundancy costs will be funded from the Corporate Redundancy reserve.	706	467	0	467
<b>Sustainability</b> The favourable variance is because of posts being held vacant within the service.	416	(101)	0	(101)
<b>Procurement &amp; Commissioning</b> The forecast outturn reflects the agreement to fund the cost of the EY Contract from flexible use of capital receipts as reported in the 2019/20 Budget Report.	1,299	1,457	1,457	0
<b>Catering Service</b> The forecast overspend is because of schools no longer buying into the service.	(235)	200	0	200
<b>ICT &amp; Transformation</b> Although the services are not forecasting a variance, a restructure of the transformation team is proposed will be part funded by the flexible use of capital receipts reflecting the transformational activities undertaken by the team. The level of which will depend on the recruitment to posts and as such an estimate of £0.2m is included in this Q1 report	12,567	200	200	0
Other minor variances	24,647	282	0	282
<b>Resources Total</b>	<b>39,400</b>	<b>2,505</b>	<b>1,657</b>	<b>848</b>

<b>Dedicated Schools Grant 2019/20</b>	<b>Budget Variation £000</b>
<p><b>High Needs Block</b> Forecast overspend is due to:</p> <ul style="list-style-type: none"> <li>• Increased cost of out borough placements because of additional pupil numbers</li> <li>• Full year effect of pupils starting in 2018/19</li> <li>• Education service picking up the full cost of complex care pupils who have turned 18 (costs previously split with Health and Children's Social Care).</li> </ul>	<b>2,380</b>
<p><b>Schools Block</b> Underspend is due to reduced rates liability for schools converting to academies.</p>	<b>(260)</b>
<b>DSG NET TOTAL VARIANCE</b>	<b>2,120</b>

**Table 4: Savings by Department**

Savings	CEx	People	Place	Resources	Corporate	Grand Total
FYE	(327)	(945)	(1,172)	(177)	(500)	(3,120)
New 2019/20	(556)	(3,178)	(2,906)	(270)	(2,944)	(9,854)
Previous years		(250)		(1,530)		(1,780)
Savings Total	(883)	(4,373)	(4,078)	(1,977)	(3,444)	(14,754)

**Table 5: Income by Department**

Income	CEx	People	Place	Resources	Corporate	Grand Total
FYE			(250)			(250)
New 2019/20	(247)	(225)	(2,182)	(573)		(3,227)
Previous years		(897)	(450)	(1,050)		(2,397)
Income Total	(247)	(1,122)	(2,882)	(1,623)		(5,874)

**Table 6: Total Savings & Income by Department**

Total	CEx	People	Place	Resources	Corporate	Grand Total
FYE	(327)	(945)	(1,422)	(177)	(500)	(3,370)
New 2019/20	(803)	(3,403)	(5,088)	(843)	(2,944)	(13,081)
Previous years	0	(1,147)	(450)	(2,580)	0	(4,177)
Total	(1,130)	(5,495)	(6,960)	(3,600)	(3,444)	(20,628)

**Table 7: Risk Status of Total Savings & Income by Department**

Total	CEx	People	Place	Resources	Corporate	Grand Total
Blue	0	(1,840)	(1,327)	(385)	(3,444)	(6,496)
Green	(1,130)	(2,094)	(2,971)	(754)	0	(7,448)
Amber	0	(968)	(2,662)	(2,461)	0	(6,091)
Red	0	(593)	0	0	0	(593)
Total	(1,130)	(5,495)	(6,960)	(3,600)	(3,444)	(20,628)

Savings and Income Monitor 2019/20

Appendix H

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
CEx	CEx	FYE	Savings	Organisational Review Savings	3.5	0	(327)
CEx	CEx	New 2019/20	Income	Review of Recharges to HRA - CEX Service Centres	1.5	0	(47)
CEx	CEx	New 2019/20	Income	Legal Team - increased recharges to HRA and capital projects	2.5	0	(200)
CEx	CEx	New 2019/20	Savings	Communications - reduced production of 'Enjoy Enfield'	1.5	0	(100)
CEx	CEx	New 2019/20	Savings	Communications: Meridian Water media and marketing support	1.5	0	(84)
CEx	CEx	New 2019/20	Savings	Communications - 'Our Enfield' becoming digital	1.5	0	(80)
CEx	CEx	New 2019/20	Savings	Internal Audit - move to shared management function with a neighbouring borough	1.5	0	(50)
CEx	CEx	New 2019/20	Savings	Internal Audit - replace bought in provision with in-house	1.5	0	(42)
CEx	CEx	New 2019/20	Savings	Voluntary & Community Sector Commissioning	2.5	0	(200)
<b>CEx Total</b>						<b>0</b>	<b>(1,129)</b>

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Corporate	Corporate	FYE	Savings	Reduction in TA contingency	0.0		(500)

Corporate	Corporate	New 2019/20	Savings	Reduce Interest Budgets	0.0	0	(1,744)
Corporate	Corporate	New 2019/20	Savings	Corporate Budgets - reduce interest charges budget	0.0	0	(1,200)
<b>Corporate Total</b>						<b>0</b>	<b>(3,444)</b>

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
People	C & F	FYE	Savings	Organisational Review Savings	0.0	0	17
People	Education	FYE	Savings	Organisational Review Savings	0.0	0	(181)
People	EI&P	FYE	Savings	Organisational Review Savings	0.0	0	(84)
People	EI&P	FYE	Savings	Service Development Review	0.0	0	(37)
People	C & F	FYE	Savings	Joint Service for Disabled Children- staffing restructure	1.5	0	(65)
People	C & F	FYE	Savings	Independent Reviewing efficiencies	1.5	0	0
People	ASC	FYE	Savings	Organisational Review Savings	2.5	0	(250)
People	Education	FYE	Savings	EPS / CAMHS Service	2.5	0	(220)
People	EI&P	FYE	Savings	Organisational Review Savings	5.0	0	(125)
People	ASC	New 2019/20	Grant Funding	Social Care funding (Indicative allocations for Improved BCF)	0.0	0	(1,839)
People	ASC	New 2019/20	Grant Funding	Social Care funding (Indicative allocations for ASC Social Care support grant)	0.0	0	(1,100)

People	C & F	New 2019/20	Grant Funding	Social Care funding	0.0	0	(1,100)
People	ASC	New 2019/20	Grant Funding	Social Care funding (Indicative allocations for Winter Pressures)	5.0	0	(1,300)
People	C & F	New 2019/20	Income	Looked After Children - replace core funding with grant funding streams	1.5	0	(75)
People	ASC	New 2019/20	Income	Increased Income from Fees and Charges	2.5	0	(150)
People	ASC	New 2019/20	Savings	Reduction in funding to Voluntary and Community Sector	0.0	0	(100)
People	ASC	New 2019/20	Savings	Assistive Technology	0.0	0	(50)
People	EI&P	New 2019/20	Savings	Children's Services - reduction in Operational Support staffing	0.0	0	(50)
People	EI&P	New 2019/20	Savings	Youth Offending Unit - reduce the use of sessional workers and running costs	0.0	0	(20)
People	PH	New 2019/20	Savings	Public Health Underspends	0.0	0	(865)
People	PH	New 2019/20	Savings	Healthy Schools	0.0	0	(70)
People	ASC	New 2019/20	Savings	Direct Payments - moving service users to e-cards	1.5	0	(50)
People	ASC	New 2019/20	Savings	Healthcare reviews	1.5	0	(50)
People	ASC	New 2019/20	Savings	Reduction in placements from hospital	1.5	0	(37)
People	C & F	New 2019/20	Savings	Staffing Underspend	1.5	0	(16)
People	PH	New 2019/20	Savings	Substance Misuse (Contract Management)	1.5	0	(100)
People	PH	New 2019/20	Savings	NHS Health Checks	1.5	0	(30)
People	ASC	New 2019/20	Savings	Physical Disability Clients - provision of adapted accommodation	2.5	0	(105)

People	PH	New 2019/20	Savings	Stop Smoking Service	2.5	0	(130)
People	ASC	New 2019/20	Savings	Reardon Court - Extra Care	3.0	0	0
People	PH	New 2019/20	Savings	PH funding for Domestic Violence IRIS project	3.0	0	(12)
People	ASC	New 2019/20	Savings	Contract management - management of annual contract uplift to service providers	3.5	0	(450)
People	PH	New 2019/20	Savings	Sexual Health (Recommissioning)	3.5	0	(300)
People	PH	New 2019/20	Savings	PH funding for Domestic Violence Prevention Post	4.5	0	(43)
People	PH	New 2019/20	Savings	0-19 Service (Recommissioning)	7.0	0	(60)
People	PH	New 2019/20	Savings	Public Health Restructure	7.5	0	(240)
People	EI&P	New 2019/20	Savings	CCTV - use of capital funding to purchase equipment	0.0	0	(400)
People	Education/Commercial Services	Previous years	Income	Traded Services	3.0	(54)	0
People	ASC	Previous years	Income	Additional income (Attendance Allowance)	7.5	(250)	0
People	Education/Commercial Services	Previous years	Income	Traded Services	10.5	(593)	0
People	ASC	Previous years	Savings	Housing Related Support - Supporting People	5.0	(250)	0
<b>People Total</b>						<b>(1,147)</b>	<b>(9,687)</b>

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Place	All	FYE	Income	Increase income across R&E	0.0	0	(250)
Place	All	FYE	Savings	Management actions to contain pressure	0.0	0	(446)
Place	Housing	FYE	Savings	Organisational Review Savings	0.0	0	(131)
Place	Env & Ops	FYE	Savings	Changes to Parking Measures	3.5	0	(300)
Place	Env & Ops	FYE	Savings	Organisational Review Savings	3.5	0	(295)
Place	Env & Ops	New 2019/20	Income	Review of Parking Strategy across borough and council owned car parks	0.0	0	(50)
Place	Env & Ops	New 2019/20	Income	Growth of the Commercial Waste Services	1.5	0	(50)
Place	Env & Ops	New 2019/20	Income	General Cemeteries operations income - sales of mausolea and vaulted graves	1.5	0	(50)
Place	Env & Ops	New 2019/20	Income	Highways recharges to capital and other external and internal funded projects	1.5	0	(50)
Place	Env & Ops	New 2019/20	Income	Growth in customer base of the Pest Control Service	1.5	0	(25)
Place	Env & Ops	New 2019/20	Income	Additional Traffic & Transportation income from recharges to capital	1.5	0	(25)
Place	Planning	New 2019/20	Income	Building Control Income	3.0	0	0
Place	Property	New 2019/20	Income	Parks Assets Income through marketing of assets	3.0	0	(60)
Place	Env & Ops	New 2019/20	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	3.5	0	(338)

Place	Env & Ops	New 2019/20	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	3.5	0	(304)
Place	Property	New 2019/20	Income	Additional Filming income	4.5	0	(40)
Place	Property	New 2019/20	Income	Market Rentals for Council Properties	4.5	0	0
Place	Mer Water	New 2019/20	Income	Meridian Water Meanwhile Use income –	5.0	0	(1,190)
Place	Env & Ops	New 2019/20	Savings	Parks - Remodelling the Service	1.5	0	(100)
Place	Env & Ops	New 2019/20	Savings	Traffic and Transportation - restructure of service	1.5	0	(45)
Place	Env & Ops	New 2019/20	Savings	Stop School Crossing Patrols	1.5	0	(34)
Place	Env & Ops	New 2019/20	Savings	Remodelling Regulatory Services	2.5	0	(250)
Place	Housing	New 2019/20	Savings	Temporary Accommodation - Future Years	3.0	0	0
Place	Planning	New 2019/20	Savings	Planning Policy - reduction in the Local Plan consultancy budget	4.5	0	(50)
Place	Env & Ops	New 2019/20	Savings	LED Street Lighting	5.0	0	(250)
Place	Housing	New 2019/20	Savings	Temporary Accommodation Reduction Strategy	5.0	0	(1,132)
Place	Housing	New 2019/20	Savings	Review of Recharges to HRA - Place Service Centres	1.5	0	(46)
Place	Planning	New 2019/20	Savings	Capitalisation of Urban Design team's time on MW Project	1.5	0	(24)
Place	Housing	New 2019/20	Savings	Use of HRA Decants	3.5	0	(975)
Place	Property	Previous years	Income	Property - Commercial property	0.0	(450)	0
<b>Place Total</b>						<b>(450)</b>	<b>(6,510)</b>

Department	Directorate	FYE/New 2019/20	Savings or Income	Title and Short Description	Risk Score	Budget Saving c/f 2018-19 £'000	Budget Impact 2019-20 £'000
Resources	Commercial	FYE	Savings	Organisational Review Savings	0.0	0	(65)
Resources	Finance	FYE	Savings	Efficiencies following implementation of time-saving financial software.	0.0	0	(50)
Resources	Finance	FYE	Savings	Organisation Review	1.5	0	(90)
Resources	Customer Experience & Change	FYE	Savings	Organisational Review Savings	3.0	0	59
Resources	Finance	FYE	Savings	Organisation Review	4.5	0	(31)
Resources	Commercial	New 2019/20	Income	Review of Recharges to HRA - Resources Service Centres	1.5	0	(19)
Resources	Finance	New 2019/20	Income	Increase Finance Recharges to Pension Fund	1.5	0	(10)
Resources	Customer Experience & Change	New 2019/20	Income	Review of Recharges to HRA - Resources Service Centres	2.5	0	(187)
Resources	Customer Experience & Change	New 2019/20	Income	Customer Services/Access Centres - increased support and recharge to HRA	2.5	0	(162)
Resources	Finance	New 2019/20	Income	Review of Recharges to HRA - Resources Service Centres	2.5	0	(120)
Resources	Customer Experience & Change	New 2019/20	Income	Library Service - increased income target	3.0	0	(75)
Resources	Commercial	New 2019/20	Savings	Energy Saving Initiatives	0.0	0	(150)
Resources	Commercial	New 2019/20	Savings	Operational Support Team - saving from restructure of team	0.0	0	(120)
Resources	Finance	New 2019/20	Savings	Payments Programme - new system allowing efficiencies in Exchequer	1.5	0	0
Resources	Commercial	Previous years	Income	Procurement - Contracts review	2.5	(150)	0

Resources	Commercial	Previous years	Income	Leisure services	7.0	(600)	0
Resources	Customer Experience & Change	Previous years	Income	Commercialisation of IT (Assets & Infrastructure)	7.0	(300)	0
Resources	Customer Experience & Change	Previous years	Savings	IT Contracts	5.0	(1,000)	0
Resources	Commercial	Previous years	Savings	Procurement - Procurement Forward Plan	7.0	(530)	0
<b>Resources Total</b>						<b>(2,580)</b>	<b>(1,020)</b>

<b>Grand Total</b>						<b>(4,177)</b>	<b>(21,790)</b>
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2019/20 Estimated Cost of Start-Up Initiatives to be funded:	2019/20 £	Planned Savings and Demand Reductions
<b>People</b> <ul style="list-style-type: none"> <li>• Edge of Care (Children's)</li> </ul>	320k	The Edge of Care transformation project will commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision.
<b>Resources</b> <ul style="list-style-type: none"> <li>• Procurement and Commissioning co-managed service contract</li> </ul>	1,457k	Procurement services/roles across the Council were brought together to form the Procurement & Commissioning Hub as part of the Enfield 2017 transformation programme. The Procurement & Commissioning Hub is made up of Enfield employees and the Council's co-manage partner EY. A focus of the work carried out by the hub is on contract and commissioning reviews, innovative procurement and programme management of MTFP savings.
<ul style="list-style-type: none"> <li>• Transformation Team</li> </ul>	200k	<p>The Transformation Service manages a diverse Portfolio of Programmes, designing, planning and managing activity on behalf of Directors across the council, hiring and managing specialist IT and other resources, as required for each individual project. The projects listed below are those relating to revenue projects:</p> <ul style="list-style-type: none"> <li>• Build the Change Programme <ul style="list-style-type: none"> <li>○ Intranet Project</li> <li>○ Collaboration (Sharepoint)</li> <li>○ New Device roll out</li> <li>○ Asset Management System replacement</li> <li>○ Flexible Working Project</li> <li>○ Operational Buildings Review</li> <li>○ Property Strategy and Development Project</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• Customer Experience Programme <ul style="list-style-type: none"> <li>○ Customer Journey Project 3A – Recruitment and onboarding</li> <li>○ Customer Journey Project 3B – Planning Applications</li> <li>○ Learning &amp; Development, Workforce and Culture Change</li> <li>○ Libraries Hub Access Centre</li> <li>○ Customer Insight and Performance Monitoring</li> <li>○ Customer Experience ICT Experience <ul style="list-style-type: none"> <li>▪ ININ re-procurement</li> <li>▪ Enterprise telephony</li> <li>▪ Website and Enfield Connected software upgrades (Evolve)</li> <li>▪ Bartec Integration for the waste service and its customers</li> </ul> </li> </ul> </li> </ul>
<b>Place</b> <ul style="list-style-type: none"> <li>• EDGE Transport Contract</li> </ul>	30k	The EDGE Transport Contract is an invest to save initiative relating to the Councils People Transport Service, carried out by EDGE Public Solutions with and on behalf of the Council. This is the third and final year of the project and has been successful in terms of both savings and improvement of customer experience.
<ul style="list-style-type: none"> <li>• Mobilisation costs associated with the implementation of waste service changes</li> </ul>	572k	<p>The changes being implemented will revise the waste and recycling collection system for kerbside properties with a wheeled bin. The changes are:</p> <ul style="list-style-type: none"> <li>• To collect refuse every fortnight rather than weekly (collections from the property will</li> <li>• be made on the alternative week to collections for dry recycling)</li> <li>• To collect dry recycling every fortnight rather than weekly (collections from the</li> <li>• property will be made on the alternative week to collections for refuse)</li> <li>• To provide a new service of a weekly separate food waste collection</li> <li>• To introduce a £65 per year charge to collect garden waste from</li> </ul>

		<p>households that opt</p> <ul style="list-style-type: none"> <li>• into the scheme (additional bins per property will be charged at £65 per year)</li> <li>• recruitment of 2 additional Recycling Officers</li> <li>• recruitment of 2 additional Enforcement Officers</li> <li>• To invest £500k in Street Cleaning Services.</li> </ul> <p>The total net savings over the 5-year business plan will be £7.5m from Waste Services, where the financial savings from the agreed option was significantly higher when compared to any other proposal or the current collection system, it conforms with the Mayor's Environment Strategy by providing separate food waste collections and has a projected step change in recycling to 49%.</p>
<b>Total</b>	<b>2,579k</b>	

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## MUNICIPAL YEAR 2019/2020 REPORT NO. **72**

**MEETING TITLE AND DATE:**  
Cabinet – 11 September 2019

**REPORT OF:**  
Executive Director of Resources

**Contact:** Matt Bowmer  
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<b>Agenda – Part: 1</b>	<b>Item: 7</b>
<b>Subject:</b> Capital Programme Monitor First Quarter (June) 2019	
<b>Wards:</b> All <b>Key Decision No:</b> 4943	
<b>Cabinet Member consulted:</b> Cllr Maguire	

### 1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform Members of the current position up to the end of June 2019 regarding the Council's Capital Programme (2019/20 to 2022/23) considering the latest information for all capital schemes including the funding arrangements.
- 1.2 The report shows that the overall expenditure for the approved programme is projected to be £144m for the General Fund, £117m for HRA and £24m for Enfield Companies for 2019/20.
- 1.3 The report sets out the estimated capital spending plans for 2019/20 to 2022/23 including the proposed arrangements for funding and confirms that the revenue capital financing costs for the approved 2019/20 to 2022/23 programme are provided for in the budget.

### 2 RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the additions to the Capital Programme set out in Table 3 in paragraph 4.9. and approves the addition of the following to the approved Capital Programme:
  - i. Reardon Court and,
  - ii. Corporate Capital Condition Programme (CCCP)
- 2.2 Agrees the proposed reductions set out in Table 4 in paragraph 4.11.
- 2.3 Notes the £156m Housing Infrastructure Fund (HIF) award.
- 2.4 Agrees the revised four-year approved programme totalling £562m as set out in Appendix A.

### 3. BACKGROUND

- 3.1 The Council's Capital Programme is continually reviewed, and monitoring reports are submitted to Cabinet on a quarterly basis. The Council continually strives to maximise external grants and contributions, attracting new income streams to fund projects wherever possible and minimising the need to borrow.
- 3.2 This is the first report on the Capital Strategy (2019/20) and Four-Year Capital Programme (2019/20 to 2022/23) as approved by Council on the 27th February 2019. This is reporting the position at the end of the first quarter.

### 4. 2019/20 CAPITAL PROGRAMME BUDGET

- 4.1 The full capital programme is detailed in Appendix A and is a four-year programme with the budgets shown inclusive of carry forwards from 2018/19.
- 4.2 The approved capital budget for the current financial year 2019/20 is summarised in Table 1 below and this provides the latest position reflecting updated project expenditure profiles as advised by programme managers.

**Table 1 Current Year Capital Programme**

	*2019/20 Revised Budget	Reprofil- ing	Growth	Proposed Reduc- tions	Forecast 2019/20	Actuals as at end of June	Spend against Q1 Forecast
	£000	£000	£000	£000	£000	£000	%
Resources	12,405	24	0	0	<b>12,429</b>	(465)	-3.74%
People	30,733	(38,711)	24,974	0	<b>16,996</b>	1,404	8.26%
Place	67,916	(4,346)	20,706	(2,685)	<b>81,591</b>	4,154	5.09%
Place - Meridian Water	(1,234)	0	34,381	0	<b>33,147</b>	(59)	-0.18%
General Fund exc. Companies	109,820	(43,034)	80,062	(2,685)	144,163	5,034	3.49%
Energetik	6,036	(2,121)	0	0	<b>3,915</b>	0	0.00%
Housing Gateway Ltd	40,000	(19,721)	0	0	<b>20,279</b>	0	0.00%
<b>Total General Fund inc. Companies</b>	<b>155,856</b>	<b>(64,876)</b>	<b>80,062</b>	<b>(2,685)</b>	<b>168,357</b>	<b>5,034</b>	<b>2.99%</b>
Place - HRA	72,376	0	44,338	0	<b>116,714</b>	10,267	8.80%
<b>Total Capital Programme</b>	<b>228,232</b>	<b>(64,876)</b>	<b>124,399</b>	<b>(2,685)</b>	<b>285,071</b>	<b>15,301</b>	<b>5.37%</b>

\*Includes carry forwards from 2018/19

Note on Actuals: negative figures are due to outstanding creditors as at Q1.

### 4.3 Carry Forwards from Previous Years

4.4 Carry forwards within the revised budget represent the net effect of reprofiling the prior year 2018/19 approved budgets into or from 2019/20 to reflect a change in the delivery of the timing of projects.

#### 4.5 Reprofiling

4.6 These are changes regarding the forecast timing of expenditure from the approved programme between financial years with no reported increase or decrease in budget requirement. Unless otherwise reported below these movements have minimal impact on the overall delivery of the project. Where service delivery may be impacted, this will be reported quarterly to members.

4.7 Table 2 summarises the budget reprofiling in Q1, with explanations below the table for the significant items.

**Table 2 Budget Reprofiling**

Programme	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Funding Source
IT Investment	24	(24)	0	0	General Resources
<b>RESOURCES</b>	<b>24</b>	<b>(24)</b>	<b>0</b>	<b>0</b>	
Extra Care Housing: Reardon Court	(9,831)	1,658	1,658	6,515	External Grant (GLA) & General Resources
Schools' Future Programme	(26,880)	14,324	9,977	2,578	External Grant (ESFA)
Mental Health and Wellbeing Centre	(2,000)	2,000	0	0	External Grant (BCF)
<b>PEOPLE</b>	<b>(38,711)</b>	<b>17,982</b>	<b>11,636</b>	<b>9,093</b>	
Electric Quarter	(4,746)	4,746	0	0	General Resources
Vehicle Replacement Programme	400	(400)	0	0	Earmarked Reserves
<b>PLACE</b>	<b>(4,346)</b>	<b>4,346</b>	<b>0</b>	<b>0</b>	
Energetik	(2,121)	2,121	0	0	Borrowing Funded by Deferred Capital Receipts
Housing Gateway Ltd	(19,721)	19,721	0	0	Borrowing Funded by Deferred Capital Receipts
<b>COMPANIES</b>	<b>(21,842)</b>	<b>21,842</b>	<b>0</b>	<b>0</b>	
<b>TOTAL Budget Reprofiling</b>	<b>(64,876)</b>	<b>44,147</b>	<b>11,636</b>	<b>9,093</b>	

- i. Extra Care Housing: Reardon Court - Following the increased capital funding and contribution from the GLA, the budget has been reprofiled to reflect timetable of planned development as set out in report KD4898.
- ii. Schools Future Programme - Following the latest Maintenance Grant allocations, the Schools' capital programme has been reprofiled to reflect the updated plan as set out in The Updated School Condition and Fire Safety Programme 2018/19 to 2020/21 (KD4755) Report. The report outlines a proposed programme for 2019/20 and 2020/21 which has been formulated to address the most urgent condition items. Projects have

been prioritised for inclusion in the Programme based mainly on technical information from condition surveys.

- iii. Mental Health and Wellbeing Centre - Currently in the process of locating a building for the Centre. £500k remains assigned for 2019/20 to facilitate any potential work they may be required in preparing the building.
- iv. Electric Quarter and Ponders End - £2.9m reprofiled to 2020/21 for Library Fit costs on Electric Quarter Project Delivery. £1.8m reprofiled for potential interest holders claims.
- v. Vehicle Replacement Programme - £400k has been brought forward to 2019/20 for parks and cemeteries equipment replacements.
- vi. Energetik - The impact of prior year delays regarding pipe connection between Electric Quarter and Alma, resulting in other activities being reprofiled
- vii. Housing Gateway - Deferred loan requirements as a result of the slowdown experienced in the acquisition of 110 properties planned for 2018/19.

#### 4.8 Growth

4.9 There are several additions to the 2019/20 Approved Capital Programme which are summarised in Table 3. These are newly approved schemes and additions to existing programmes since the approval of the Capital Strategy (2019/20) and Four-Year Capital Programme (2019/20 to 2022/23) on 27th February 2019.

**Table 3 Additional Items**

Programme	2019/20 £'000	Future Years £'000	Total Growth £'000	Funding Sources	Notes
Community Safety	300	0	<b>300</b>	General Borrowing	KD4744
Schools' Future Programme	14,658	0	<b>14,658</b>	External Grants (ESFA)	KD4755
Extra Care Housing: Reardon Court	10,016	0	<b>10,016</b>	External Grants (GLA) & General Borrowing	KD4898; pending Council approval
<b>PEOPLE</b>	<b>24,974</b>	<b>0</b>	<b>24,974</b>		
Broomfield House	180	0	<b>180</b>	General Borrowing	Operational Decision
Corporate Property Investment Programme	800	1,100	<b>1,900</b>	General Borrowing	KD4792
Flood Alleviation	319	0	<b>319</b>	External Grants (EA and others)	KD4795

LED Street Lighting	1,918	4,457	<b>6,375</b>	<i>External Grant (SALIX) &amp; General Borrowing</i>	<i>KD4863</i>
Corporate Capital Condition Programme (prev. BIP)	1,500	0	<b>1,500</b>	<i>General Borrowing</i>	<i>KD4853; pending Council approval</i>
Highways & Street Scene	6,450	0	<b>6,450</b>	<i>General Borrowing</i>	<i>KD4821</i>
Waste & Recycling	1,197	455	<b>1,652</b>	<i>Capital Receipts</i>	<i>KD4810</i>
Transport for London	8,342	0	<b>8,342</b>	<i>External Grant (TFL)</i>	<i>KD4905-based on total TFL allocations</i>
Meridian Water	34,381	0	<b>34,381</b>	<i>General Borrowing</i>	<i>KD4469</i>
<b>PLACE</b>	<b>55,088</b>	<b>6,012</b>	<b>61,100</b>		
Major Works	0	8,872	<b>8,872</b>	<i>Revenue Contribution &amp; Earmarked Reserves</i>	<i>KD4741</i>
Minor Works	6,350	600	<b>6,950</b>	<i>Earmarked Reserves</i>	<i>KD4741</i>
Estate Renewals	37,988	78,622	<b>116,610</b>	<i>Capital Receipts, External &amp; Revenue Contributions</i>	<i>KD4741</i>
<b>HRA</b>	<b>44,338</b>	<b>88,094</b>	<b>132,432</b>		
<b>TOTAL Growth</b>	<b>124,399</b>	<b>94,106</b>	<b>218,505</b>		

#### 4.10 Proposed Reductions

4.11 Table 4 details the removal of budgets from the Capital Programme.

**Table 4 Reductions**

<b>Programme</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>Total Reductions £'000</b>
Ponders End	(2,685)	(1,569)	<b>(4,254)</b>
<b>PLACE</b>	<b>(2,685)</b>	<b>(1,569)</b>	<b>(4,254)</b>
<b>TOTAL Reductions</b>	<b>(2,685)</b>	<b>(1,569)</b>	<b>(4,254)</b>

4.12 The Ponders End Opportunity Sites (Ponders End Phase-2) are mainly focussed around accelerating housing delivery. The new organisation structure reflects that this work no longer sits with Neighbourhood Regeneration and has been transferred to Housing and Regeneration. Housing and Regeneration are

currently reviewing the Ponders End Opportunity Sites and will take any suitable sites forward as part of the Housing Pipeline Programme.

4.13 The project is progressing on site and any further phases will be housing based delivery. Therefore, previous allocations for further phases/acquisitions from the property capital budget has been removed.

#### 4.14 Financing General Fund Capital Expenditure

**Table 5 General Fund Capital Expenditure Financing**

	2019/20		2020/21	2021/22	2022/23	Total Funding £'000
	General Fund	Companies	General Fund inc. Companies	General Fund inc. Companies	General Fund inc. Companies	
	£'000	£'000	£'000	£'000	£'000	
Capital Grants & External Contributions	33,320		19,183	9,977	2,578	65,058
Revenue Contributions	759		0	0	0	759
Capital Receipts	1,629		0	0	0	1,629
Earmarked & Reserves	411		1,860	0	0	2,271
Borrowing Funded by Deferred Capital Receipts	33,147	24,194	33,399	0	0	90,740
General Borrowing	74,897		27,400	12,420	6,515	121,232
<b>Total Funding</b>	<b>144,163</b>	<b>24,194</b>	<b>81,842</b>	<b>22,397</b>	<b>9,093</b>	<b>281,689</b>
<b>2019/20 Total</b>	<b>168,357</b>					

#### 4.15 2019/20 Forecast and Projected Outputs

#### 4.16 Resources

4.17 IT Investment (£11.876m) - The Council's ICT and Transformation Capital Programme aims to improve the customer experience of individuals, businesses, and employees through enabling a digital workforce and operating seamlessly through its systems. These are some of the expected deliverables for 2019/20:

- i. Infrastructure Programme which is building an onsite datacentre to increase the council's self-reliance and flexibility in how it manages the performance of key business applications (such as Northgate Housing and Lagan). In addition, it is moving some key applications such as SAP, Skype for Business and IPO from the SunGard data centre to Microsoft Azure which is a more secure environment.
- ii. Replacement of the current customer platform; there will be an initial soft market test and a comprehensive procurement exercise to receive,

evaluate and select the most economically advantageous tender for Council.

- iii. A new case management system (Eclipse) for Adult Social Care and the 'My Life' web-based resource for information, advice and services.
- iv. Capita AIM project through implementation of SCP, implementation of IT to support direct debits, e-billing, SMS and email messaging and VAT improvements.
- v. LiquidLogic Children's Portal and Delegation Portal; LiquidLogic Finance Integration; requirements and planning for a new EHCP system, delivery of a Synergy/SAP interface for SEN and planning for an Educational psychologist case management system.

#### 4.18 **People**

4.19 Reardon Court (£1.318m)- Professional and technical costs are expected to be incurred for the procurement of main contract works. The cost of demolishing existing Reardon Court buildings will also be charged in 2019/20.

4.20 Education (£14.878m) - The most urgent schools' capital projects undertaken in 2019/20 include the following:

- i. Finishing works to the Autistic Provision at Minchenden and Broomfield,
- ii. Progression to the building of Russett House School,
- iii. Refurbishment of the existing KS2 building and external areas to facilitate an autistic unit at Garfield School. As well as moving and rebuilding the Caretaker's house,
- iv. Phase-A to West Lea begins with an extension to the assembly hall,
- v. Heating and electrical works to Eldon School.

4.21 Furthermore, many of Enfield Schools will also be undertaking fire safety and evacuation works. Also included in the forecasted spend for the Schools' Capital Programme are professional fees, retention and potential costs for contractors' claims.

#### 4.22 **Place**

4.23 LED Street Lighting (£1.918m) - The PFI Service Provider will undertake the designs for the new LED units throughout autumn, place orders with the supplier and start the installation programme of the LED lighting units in February/March 2020.

4.24 Highways & Street Scene (£6.992m) – Schemes are progressing on site to deliver approximately 10km of carriageway resurfacing and approximately 6km of footway renewals in accordance with the approved programme for 2019/20, and approximately 1,800 individual highway defects, such as potholes and paving trips, are being repaired each month in accordance with our highway maintenance plan. The deck joints have been replaced at Conduit Lane bridge and other bridge maintenance schemes are on programme. Several flood management schemes are progressing in

accordance with the approved report, with the official opening of the Broomfield Park Wetlands Project on 14th August. The tree planting programme is scheduled for the winter period in accordance with normal planting practices.

4.25 Waste & Recycling (£1.434m) - The key deliverables are listed as follows:

- i. The purchase and delivery of kitchen caddy, kerbside caddy and liners,
- ii. Dry recycling bin exchange and replacements,
- iii. The collection of garden bins that do not subscribe to service,
- iv. Garden bin exchange and replacements,
- v. And compost bins giveaway.

4.26 TFL: Local Implementation Plans (£2.356m) - The following are included in 2019/20 plans for Enfield:

- i. Delivery of Quieter Neighbourhoods and Quietway with the current programme including routes through Haselbury neighbourhood, several Quieter Neighbourhood areas and school streets / neighbourhood connectors.
- ii. Road Safety Schemes which include the improvements of 11 school crossings and completion of Ponders End safety and walking scheme.
- iii. Cycle Enfield Supporting Measures- delivery of Cycle Enfield Wayfinding strategy, installation of at least 15 bike hangars and 50 Sheffield stands.
- iv. Programme, Project and Scheme Development- areas of interest include Healthy Streets and controlled parking zones including in the Bowes Road area.

4.27 Also included in the programme are Highway Interventions, Air Quality and Road Safety Schemes.

4.28 TFL: Cycle Enfield (£6.060m)- The following are included in 2019/20 plans for Enfield:

- i. Substantial construction of A1010 North from Ponders End to Freezy Water.
- ii. Completion of A1010 South from Edmonton Green to Ponders End.
- iii. Feasibility and design for this route connecting Enfield Town centre with the regeneration at Ponders End railway station.
- iv. Development of design and delivery of a series of mini hubs at several railway stations in the Borough.

4.29 Meridian Water (£33.147m) - In 2019/20 the Meridian Water project is expected to spend £33m to continue the work on regenerating the site. During the year £4.7m of land acquisitions are expected which will enable infrastructure works to go ahead to unlock the site for the development of homes. Further works on the Willoughby Lane site will begin to allow an additional 600 homes to be developed on the site. Approximately £7m will be spent on acquiring land, relocating the pressure reduction station and remediating the Willoughby Lane site to allow it to be fully developed.

- 4.30 Planning for infrastructure works across the Meridian Water site is expected to cost £2.2m in the coming year. The Council has very recently received the very positive announcement on Housing Infrastructure Fund, the £156m bid was successful. This will enable the required planning to be in place to allow works will be begin at the earliest point.
- 4.31 There will be nearly £3m spent in the year on the Meanwhile project with Building Bloqs, which involves refurbishing the VOSA building, a Council asset, for Building Bloqs to occupy. Grants will be paid to Building Bloqs to support the capital investment in equipment and machinery for the business.
- 4.32 The project will continue with securing the site and preventing unwanted occupation and vandalism, marketing sites for meanwhile use, clearing land of refuse and community engagement. Other expenditure on the project includes sitewide planning and design, staffing and commercial advisors.
- 4.33 Corporate Capital Condition Programme (CCCP) (£2.174m)- Cyclical improvement works continue to be carried out across various council dwellings. In 2019/20, this will include:
- i. continuation of replacing the agricultural shed at Beech Barn Farm,
  - ii. sprinkler installation to the basement of Millfield House,
  - iii. Demolition of structures deemed to be at the state of disrepair,
  - iv. works required by the Disability Discrimination Act (DDA) to allow better access at the Civic Centre,
  - v. Fire Precaution and Health & Safety works across various sites.
- 4.34 Corporate Property Investment Programme (CPIP) (£0.800m) - This new programme starts with the initial stages of relocating the Integrated Learning Disabilities Services from St. Andrews Court to Enfield Highway Carnegie Building. This will involve consultations, planning and designing; with works on site due to start towards February 2020. Other works within CPIP for 2019/20 include:
- i. improvements to the public area at John Wilkes House,
  - ii. the relocation of Southgate Library,
  - iii. civic centre toilet refurbishments,
  - iv. and pre-construction services for 'Build the Change'.
- 4.35 Electric Quarter (£3.424m) - The key deliverables are listed as follows:
- i. Commencement of Phase-B to deliver 106 units by 2021,
  - ii. Demolition of existing structures within Phase-B,
  - iii. Granting of Phase B Lease to Lovell,
  - iv. Construction underway with ground and enabling works and above ground build,
  - v. Delivery of 22 three- and four-bedroom houses by 31 March 2020,
  - vi. Temporary library relocated into Swan Annex,
  - vii. And Qube Meanwhile facility relocated into Eagle House Car Park.

4.36 Genotin Road (£12.249m) - Construction and development costs, including associated consultants' fees.

4.37 Montagu Industrial Estate (£11.446m) – The planning application has been submitted. A separate report is due to go to Cabinet in October where the overall project delivery and budgets will be reviewed. An update will be provided in Q2.

#### 4.38 **Companies**

4.39 Energetik - The company's plan for 2019/20 is leveraged on several key activities/major works. These include:

- i. Diverting the trunk sewer on the EcoPark which runs under the proposed leased site of the energy centre.
- ii. Extending a district heating pipe from the Alma Estate to Ponders End High Street.
- iii. Extending the Electric Quarter primary heat network and installing a heat exchanger substation for Phase-B of Electric Quarter.
- iv. Build a mobile prefabricated boiler plantroom (1000kwh).
- v. Undertake site investigation works at the EcoPark near the proposed leased site of the energy centre.

4.40 Housing Gateway - Deliver demonstrably, good quality housing solutions for residents through a variety of products suitable for residents on low to median income levels. Deliver increased housing supply to the Council with at least an additional 50 units in 2019/20.

## 5 HOUSING REVENUE ACCOUNT

5.1 Table 6 summarises the 3-year programme, with sections 5.1 and 5.2 highlighting key projected outputs.

**Table 6 HRA Capital Programme**

PROGRAMME	2019/20	2020/21	2021/22	TOTAL
	£'000	£'000	£'000	£'000
Major Works	7,410	23,817	22,066	<b>53,294</b>
Major Works: Borough Wide Decent Homes	9,000	0	0	<b>9,000</b>
Major Works: Cambridge Road West	4,575	0	0	<b>4,575</b>
Major Works: New Southgate	2,198	0	0	<b>2,198</b>
Major Works: Upper Edmonton	4,135	0	0	<b>4,135</b>
Major Works: Waltham Cross	1,500	0	0	<b>1,500</b>
Minor Works	1,920	900	900	<b>3,720</b>
Minor Works: Aids & Adaptations	750	750	750	<b>2,250</b>
Minor Works: Fire Precaution	6,550	200	200	<b>6,950</b>
Minor Works: Health & Safety	2,210	0	0	<b>2,210</b>
Minor Works: Structural Repairs	800	50	50	<b>900</b>

Estate Renewals	19,904	65,395	38,198	<b>123,497</b>
Estate Renewals: Alma Towers	26,192	3,492	4,078	<b>33,763</b>
Estate Renewals: Ladderswood	360	2,401	0	<b>2,761</b>
Estate Renewals: New Avenue	5,358	333	301	<b>5,992</b>
Estate Renewals: Small Sites 1	4,895	0	0	<b>4,895</b>
Estate Renewals: Small Sites 2	18,957	0	0	<b>18,957</b>
<b>Total HRA</b>	<b>116,714</b>	<b>97,339</b>	<b>66,543</b>	<b>280,596</b>

## 5.2 Major and Minor Works

- i. Borough Wide Decent Homes Programme - This includes core decent homes catch up works in Council properties including kitchens, bathrooms, rewires, heating and insulation works. These works will improve levels of decent homes compliance. Tenders have been received for these works and are now in the evaluation stages. It is anticipated that c. 7,000 homes will receive these decent homes works over the next 5 years.
- ii. Upper Edmonton Externals - These major works consist of both external works and communal area works to 21 blocks within the borough. These works are due to start in October 2019 and include renewal and roof repairs, window renewals and balcony works.
- iii. Waltham Cross Houses - This scheme consists of decent homes works to 71 street properties. The works include roofing, window, kitchen and bathroom renewals and rewiring. The contracts have been let and the contractors will be on site by the end of July 2019.
- iv. New Southgate Externals - These major works consist of both external works and communal area works to 24 blocks within the borough. These works are due to finish at the end of the financial year and included pitched and flat roof covering replacement, window and door replacements and upgraded door entry systems.
- v. Fire improvement works- Bliss, Purcell and Walbrook have all had their cladding removed and we are in the process of determining and procuring contractors to undertake the replacement and associated works.
- vi. Other Projects- Smaller projects within the programme include lift replacements, health and safety works, aids and adaptations and boiler replacements.

## 5.3 Estate Renewals & Development

5.4 The Estate Renewal budgets have been re-profiled to reflect the accurate position for all projects. The main movements in the projects are due to the following:

- i. Alma - The Alma leaseholder buybacks budget has been reprofiled to reflect the revised buyback programme. Phase-1 will see the completion of 97 affordable HRA units in July 2019.
- ii. New Avenue - The construction of Phase 1 has made good progress, with 127 units being delivered by early 2020. There are 18 leaseholders left to

buyback on the estate and its anticipated that these will complete in 2019/20.

- iii. Ladderswood - Phase 1 consists of 23 affordable units and 17 private units which were handed over during October 2017. These properties are being managed by One Housing and are now all in occupation. Phases 2 and 3 are progressing well. Utility and ground works have been completed to form the basement car park. These phases will deliver 114 private units, 21 affordable homes, 85 bed hotel and 6 commercial units by September 2019. Costs to the HRA for this project include staffing and tenant decants.
- iv. Small Sites - The construction of the 6 remaining sites has progressed well, completion of all 94 units in this project is expected to December 2019. Additional budget was agreed in January 2019 to complete and finish construction works.

### 5.5 HRA Capital Financing

- 5.6 The Council was successful in securing £18.1m of GLA grant for the next 3 years as part of the Building Council Homes for Londoners scheme. The programme is made up of several small site schemes and is expected to deliver 150 new homes within the Borough.
- 5.7 The RTB receipts programme will fund development schemes, acquiring land and properties and funding Registered Providers to assist in developing sites or acquiring properties. As the HRA debt cap has been lifted it has enabled Enfield to match fund receipts and build in growth within the HRA. This programme is expected to deliver 675 additional affordable homes.
- 5.8 The HRA development strategy (agreed at February 2019 Cabinet) will use our RTB receipts, GLA Grant and additional HRA headroom borrowing (c. £132m) to fund the housing programme in the next 3 years.

**Table 7 HRA Capital Programme Financing**

HRA	Grants & External Contributions	Revenue Contributions	Capital Receipts	Earmarked Reserves	Borrowing	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Major Works		4,578		80,453		85,031
Minor Works				5,700		5,700
Estate Renewals	10,608	12,880	18,877		147,500	189,865
	<b>10,608</b>	<b>17,458</b>	<b>18,877</b>	<b>86,153</b>	<b>147,500</b>	<b>280,596</b>

## **6 ALTERNATIVE OPTIONS CONSIDERED**

6.1 No alternative options were considered.

## **7 REASONS FOR RECOMMENDATIONS**

7.1 To update the programme for carry forwards from 2018/19 along with amendments to the Programme for additions and deletions since Council approval in February and also to inform members of the current forecast position at the end of the first quarter of the financial year. Additionally to bring to the attention of members the significant award of £156m of HIF grant.

## **8 COMMENTS FROM OTHER DEPARTMENTS**

### **8.1 Financial Implications**

8.2 As the Section 151 Officer, the Executive Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority. The quarterly capital monitoring is part of this review process. If required, measures will be put in place to address risks identified through the monitoring process and to contain expenditure within approved budgets.

### **8.3 Legal Implications**

8.4 The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.”

### **8.5 Property Implications**

8.6 This report has been written in consultation with Property Services and therefore any relevant implications are included within the body of the report. Capital investment in the Council’s property assets to ensure compliance and support income growth is supported by the Council’s Strategic Asset Management Plan. Any type of property transactions related to this report will follow the Council’s usual processes, complying with the Property Procedure Rules and being in line with the Strategic Asset Management Plan and Corporate Landlord Policy.

## **9 KEY RISKS**

9.1 All the key risks relating to the quarter are included within the main report.

## **10 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **a. Good homes in well-connected neighbourhoods**

The Capital Programme is designed to address the deliver the Councils priorities and all projects are considered in the context of these priorities.

### **b. Sustain strong and healthy communities**

The Capital Programme is designed to address the deliver the Councils priorities and all projects are considered in the context of these priorities.

**c. Build our local economy to create a thriving place**

The Capital Programme is designed to address the deliver the Councils priorities and all projects are considered in the context of these priorities.

**11 EQUALITIES IMPACT IMPLICATIONS**

11.1 Not applicable to this report.

**12 PERFORMANCE AND DATA IMPLICATIONS**

12.1 The report provides clear evidence of sound financial management, efficient use of resources.

**13 HEALTH AND SAFETY IMPLICATIONS**

13.1 Not applicable to this report

**14 HUMAN RESOURCES IMPLICATIONS**

14.1 Not applicable to this report.

**15 PUBLIC HEALTH IMPLICATIONS**

15.1 The underlying schemes which this report refers, all contribute to the overall public health objectives of the borough

**16 BACKGROUND PAPERS**

None.

## APPENDIX A – Approved Capital Programme (Detailed)

APPENDIX A - Approved Capital Programme	2019/2020	2020/2021	2021/2022	2022/2023	TOTAL
	£'000	£'000	£'000	£'000	£'000
<b>RESOURCES</b>					
<b>Commercial</b>					
Forty Hall	68	0	0	0	68
<b>Total Commercial</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>
<b>Customer Experience &amp; Change</b>					
IT Investment	11,876	2	0	0	11,878
Libraries	485	0	0	0	485
<b>Total Customer Experience &amp; Change</b>	<b>12,361</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>12,363</b>
<b>Total RESOURCES</b>	<b>12,429</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>12,431</b>
<b>PEOPLE</b>					
<b>Adult Social Care</b>					
Extra Care Housing: Reardon Court	1,318	6,999	12,420	6,515	27,252
Mental Health and Wellbeing Centre	500	2,000	0	0	2,500
<b>Total Adult Social Care</b>	<b>1,818</b>	<b>8,999</b>	<b>12,420</b>	<b>6,515</b>	<b>29,752</b>
<b>Education</b>					
School Expansions	9,435	0	0	0	9,435
Schools Maintenance	2,518	0	0	0	2,518
Schools' Future Programme	925	14,324	9,977	2,578	27,805
Schools Devolved Capital	2,000	0	0	0	2,000
<b>Total Education</b>	<b>14,878</b>	<b>14,324</b>	<b>9,977</b>	<b>2,578</b>	<b>41,758</b>
<b>Strategic Commissioning</b>					
Community Safety	300	0	0	0	300
<b>Total Strategic Commissioning</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>
<b>Total PEOPLE</b>	<b>16,996</b>	<b>23,324</b>	<b>22,397</b>	<b>9,093</b>	<b>71,810</b>
<b>PLACE</b>					
<b>Environment &amp; Operations</b>					
Alley Gating	100	0	0	0	100
<b>Highways:</b>					
Flood Alleviation	553	0	0	0	553
LED Street Lighting	1,918	4,457	0	0	6,375
Highways & Street Scene	6,992	0	0	0	6,992
<b>Parks:</b>					
Edmonton Cemetery	1,327	0	0	0	1,327
Southgate Cemetery	1,116	0	0	0	1,116
Play Areas	41	0	0	0	41
Tennis Courts Works	292	0	0	0	292
<b>Waste, Recycling &amp; Fleet:</b>					
Waste & Recycling	1,434	455	0	0	1,889
Vehicle Replacement Programme	411	1,860	0	0	2,270
<b>Traffic &amp; Transportation:</b>					
TFL: Local Implementation Plans	2,356	0	0	0	2,356
TFL: Cycle Enfield	6,060	0	0	0	6,060
TFL: Angel Walking	720	0	0	0	720
<b>Total Environment &amp; Operations</b>	<b>23,321</b>	<b>6,772</b>	<b>0</b>	<b>0</b>	<b>29,373</b>
<b>Meridian Water</b>					
Meridian Water	33,147	456	0	0	33,604
<b>Total Meridian Water</b>	<b>33,147</b>	<b>456</b>	<b>0</b>	<b>0</b>	<b>33,604</b>
<b>Property &amp; Economy</b>					
Broomfield House	266	0	0	0	266
Bury Street West Depot	19,029	0	0	0	19,029
Corporate Capital Condition Programme (prev. BIP)	2,174	0	0	0	2,174
Corporate Property Investment Programme	800	1,100	0	0	1,900
Edmonton Cemetery Chapel Conversion	108	0	0	0	108
Electric Quarter	3,424	4,746	0	0	8,171
Genotin Road (Metaswitch)	12,249	12,500	0	0	24,749
Montagu Industrial Estate	11,446	0	0	0	11,446
Town Centre Regeneration	6,761	0	0	0	6,761
<b>Total Property &amp; Economy</b>	<b>56,257</b>	<b>18,346</b>	<b>0</b>	<b>0</b>	<b>74,603</b>
<b>Housing &amp; Regeneration</b>					
<b>Assessment Services:</b>					
Housing Adaptations (DFG)	2,001	0	0	0	2,001
Housing Assistance	12	0	0	0	12
<b>Total Assessment Services</b>	<b>2,013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,013</b>
<b>Total PLACE exc. HRA</b>	<b>114,738</b>	<b>25,574</b>	<b>0</b>	<b>0</b>	<b>140,312</b>
<b>Total GENERAL FUND exc. COMPANIES</b>	<b>144,163</b>	<b>48,899</b>	<b>22,397</b>	<b>9,093</b>	<b>224,553</b>
<b>COMPANIES</b>					
Energetik	3,915	2,121	0	0	6,036
Housing Gateway Ltd	20,279	30,822	0	0	51,101
<b>Total COMPANIES</b>	<b>24,194</b>	<b>32,943</b>	<b>0</b>	<b>0</b>	<b>57,137</b>
<b>Total GENERAL FUND inc. COMPANIES</b>	<b>168,357</b>	<b>81,842</b>	<b>22,397</b>	<b>9,093</b>	<b>281,689</b>
<b>Housing Revenue Account:</b>					
Major Works	28,818	23,817	22,066	0	74,701
Minor Works	12,230	1,900	1,900	0	16,030
Estate Renewals	75,666	71,622	42,577	0	189,865
<b>Total HRA</b>	<b>116,714</b>	<b>97,339</b>	<b>66,543</b>	<b>0</b>	<b>280,596</b>
<b>Total PLACE inc. HRA</b>	<b>231,452</b>	<b>122,914</b>	<b>66,543</b>	<b>0</b>	<b>420,909</b>
<b>APPROVED CAPITAL PROGRAMME</b>	<b>285,071</b>	<b>179,182</b>	<b>88,940</b>	<b>9,093</b>	<b>562,285</b>

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## MUNICIPAL YEAR 2019/2020 REPORT NO. **73**

**MEETING TITLE AND DATE:**

**Cabinet Meeting  
11 September 2019**

**REPORT OF:**

Executive Director of Place

Director of Housing and Regeneration

Joanne Drew

Email: joanne.drew@enfield.gov.uk

<b>Agenda – Part: 1</b>	<b>Item: 8</b>
<b>Subject: Homelessness in Enfield</b>	
<b>Wards: All</b>	
<b>Key Decision No: KD 4959</b>	
<b>Cabinet Member consulted: Cllr Needs</b>	

### 1. EXECUTIVE SUMMARY

- 1.1. The Smith Institute was commissioned to carry out research into the drivers of homelessness in the borough and how the Council should respond to a 246% increase in homelessness acceptances between 2010 and 2017. The full report is included as an appendix. The report makes it clear that the solutions to the rise of homelessness in the borough lie in the private rented sector.
- 1.2. The report and its recommendations are a stark reminder of the role of housing in alleviating poverty and of the Council's role as both an enabler and provider of rented housing. The scale of the challenge identified requires a radical change of direction in how the Council addresses the needs of households in crisis.
- 1.3. We are currently consulting on our draft Homelessness Prevention Strategy. This report focuses on the Council's statutory homelessness functions and sets out the Council's proposed response to the recommendations of the Smith Institute, alongside a vision for preventing and reducing homelessness with the aim of eliminating the use of temporary accommodation. Detailed proposals on a new service model for homelessness and temporary accommodation, an ethical lettings agency, and a revised allocation scheme will be brought to Cabinet following public consultation.

### 2. RECOMMENDATIONS

- 2.1. Endorse the direction of travel outlined in the report to put greater emphasis on homelessness prevention.
- 2.2. Authorise the following actions prior to bringing back further reports to Cabinet:
  - Negotiate terms to join Capital Letters (the Pan London Housing procurement agency) to access Government funding for the procurement of private rented accommodation
  - develop a business case for a lettings and property management agency
  - delegate to the Director of Housing and Regeneration, after consultation with the Cabinet Member for Social Housing, to go to public consultation on a revised scheme of allocation for social housing

### 3. BACKGROUND

- 3.1. As outlined in our draft Homelessness Prevention Strategy, the Council is committed to using all its resources and creativity to make the experience of homelessness rare, brief and non-recurring. We are determined to enable everyone to access a stable, secure and decent home.
- 3.2. The Smith Institute was commissioned to research the drivers behind the number of homelessness applications in Enfield and how Enfield Council can better support people to prevent homelessness more effectively.
- 3.3. The core message of the Smith Institute's research is that poverty is the key driver of homelessness. What sets Enfield apart from other London boroughs is a high number of poorer households living in the private rented sector. This combination of households with low levels of financial resilience living in a relatively fluid private sector housing market has led to a 246% increase in homelessness acceptances in Enfield over a seven-year period.
- 3.4. The sheer volume of requests for assistance have overloaded our homelessness services to the extent that we now have over 3400 households in temporary accommodation.

Type of Temporary Accommodation	No of Households
Nightly Paid	1948
PSL	662
PLA	661
B&B (mix of shared and self-contained)	61
Housing Association Leased	83
<b>Total</b>	<b>3415</b>

- 3.5. The 3415 households equate to 11,081 individuals currently living in temporary accommodation. Without action, this figure is projected to rise to over 4700 households (or 15,250 individuals) by 2025. Although the accommodation is designated as temporary, the reality for most people is that they will remain there for several years. To put this in context, each year roughly 245 social rented homes are let to homeless households in the borough. Any solution therefore needs to be firmly rooted in the private rented sector and we must act to ensure that this sector is developed and that residents and landlords are supported to make tenancies successful.
- 3.6. In developing the Council's response to the report, the scale of the challenge means that a radical change in direction is required to meet the needs of our most vulnerable residents. The economic outlook for the next twelve months is uncertain, and the most recent figures suggest that the economy contracted in the last quarter. What is clear is that any economic downturn will have a disproportionate impact on low income households in the borough. As the Smith Report highlights, low income families in the private rented sector lack the financial resilience to be able to weather a significant economic downturn.

#### 4. DEVELOPING A NEW SERVICE MODEL FOR HOMELESSNESS PREVENTION

4.1. We propose meeting these challenges head on, taking a transformational approach to the prevention and alleviation of homelessness whilst ensuring that the needs of our residents are paramount. The key principles that underpin the proposed new service model strategy are:

- Private Rented Sector as the solution
- Clear communication and messaging with residents on their options
- Prevention and support is better than relief
- Temporary Accommodation should be genuinely temporary
- Give residents informed choices
- Focus on outcomes for residents

4.2. We recognise that the change in approach will lead to an increased cost of our prevention services. However, the current net cost to the Council of providing temporary accommodation is over £7m per year and this is projected to rise over the next five years without action. We believe that it is better to invest our scarce resources in the upstream prevention of homelessness rather than the provision of temporary accommodation. These proposals are therefore based on an invest to save model with the aim of eliminating the use of temporary accommodation over the next five years and in particular the use of temporary accommodation as a long-term option for residents. We will seek external funding to support this ambitious change including lobbying around fairer funding and retention/growth of the homelessness support grant.

4.3. Our plans are still at an early stage. We will be consulting with residents over the next few months on the overall design of services going forwards using a community commissioning framework. Detailed proposals on the design of services, a revised scheme of allocation, and an ethical lettings agency will be brought back to Cabinet following consultation with residents and other stakeholders. This paper seeks endorsement of the overall direction of the strategy. The key areas of focus are:

##### 4.4. ***Homelessness Prevention***

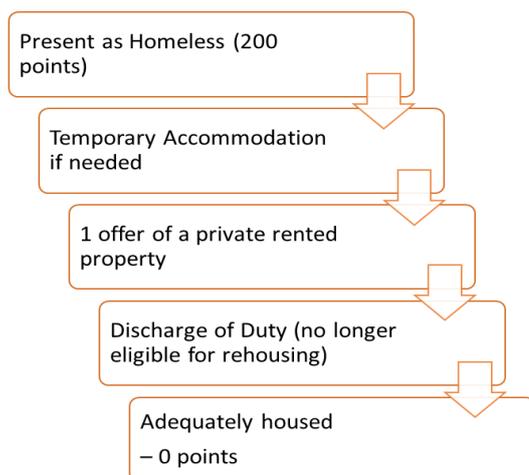
4.4.1. We want to focus our resources on the prevention of homelessness at the earliest possible stage, avoiding the need for temporary accommodation. The service will be intelligence led, using data to identify households most at risk of losing their existing home and targeting services to them. We will go beyond advice to actively advocate on behalf of residents to prevent homelessness. Where prevention work has failed this would allow sufficient time to locate a private rented sector tenancy without recourse to temporary accommodation. For this approach to be truly effective residents will need ongoing support. We will introduce pre- tenancy training for residents to both assist them in securing a property and sustaining it. This will sit alongside an enhanced support package to assist residents in sustaining their tenancy.

4.4.2. Our services will need to be easily accessible to residents at any stage in their housing journey to ensure that we are able to intervene before the household reaches a crisis. Services will be community based, operating from hubs within other existing Council services. Wherever possible we want to make

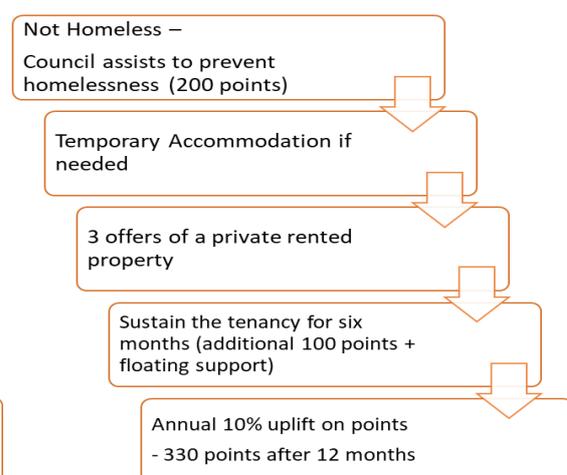
best use of the synergies available through colocation with other council services to maximise the benefit to residents.

- 4.4.3. Equally, if we are to maximise the benefits to residents whilst reducing the cost to the Council we need to strengthen our relationship with voluntary sector agencies and develop new partnerships with organisations able to leverage external funding. This will be particularly important in addressing the needs of single homeless people. The North London Housing Partnership is a joint project between Enfield, Camden, Barnet, Islington and Westminster. They have been successfully piloting an early prevention service operating out of John Wilkes House. This model will inform the development of the wider homelessness service.
- 4.4.4. We are also in discussion with the Single Homelessness Prevention Service (SHPS) about the provision of services in Enfield. SHPS is a pan London partnership that piloted an early intervention approach in Brent. They have been awarded £4.7M from the Life Chances Fund to roll out their service across London.
- 4.4.5. For this approach to be successful we will need to change the allocations scheme to incentivise residents to work with us to prevent homelessness. Under the existing scheme residents approaching us as statutory homeless are placed on the housing register and can be made an offer in the private rented sector. Once the offer has been made they are deemed to be adequately housed and so are removed from the register.
- 4.4.6. We propose to offer residents a choice of either pursuing the statutory route or working with us as part of our prevention work. Where a household works with us to actively prevent homelessness we will enable them to retain their points after securing a private rented sector tenancy and gain additional points for sustaining the tenancy. They would then be entitled to an annual uplift in points. The two proposed options that would be offered to residents are set out below:

**Homeless route**



**Prevention route**



**4.5. Scheme of Allocation**

- 4.6. The change in approach detailed above will require significant changes to the scheme of allocation. We aim to bring a revised scheme of allocation to Cabinet for approval in February 2020 following public consultation.
- 4.7. ***Cost effective supply***
- 4.7.1. We need to ensure access to the private rented sector for residents. This will include a variety of different approaches, working in partnership with other London boroughs and with the private rented sector. Key actions in this area include:
- 4.8. ***Joining Capital Letters (the pan-London housing procurement agency)***
- 4.8.1. Authority is sought to negotiate to join Capital Letters. The outcome of the negotiations will be the subject of a further Cabinet Report later in the year with a view for membership to formally start from April 2020. This is a joint endeavour between London boroughs to reduce costs on temporary accommodation and create improved outcomes for families. This is done via jointly procured supply of accommodation, and management.
- 4.8.2. Capital Letters will collaboratively procure new properties on behalf of London boroughs supported by the Ministry of Housing Communities and Local Government (MHCLG) using top-sliced Flexible Homelessness Support Grant to reduce the cost to boroughs and provide extra staffing, IT and other resources to improve the service offered to customers in housing need
- 4.8.3. The Capital Letters business plan estimates aggregate financial benefit of the proposals to London Boroughs are up to £116m, plus potential savings on changing how placements are made and reduced repeat homelessness through tenancy sustainment. It will also build on the effective work through the Inter Borough Accommodation Agreement (IBAA) which has led to reduced spending through rate sharing and the application of a cap on rates paid for certain types of accommodation. The company will work within this system and provide further opportunities to rationalise and secure efficiencies in the procurement of accommodation for homeless households.
- 4.8.4. Capital Letters will be set up in several phases, so that not all boroughs are required to join at once. Boroughs that do not join Capital Letters will still have properties procured by Capital Letters in their area but will not have access to them.
- 4.9. ***Establishing an ethical lettings and property management agency***
- 4.9.1. The aim of the Lettings Agency would be to help to develop a quality Private Rented Sector, ensuring that it is an attractive choice for landlords and that private rented housing contributes in reducing the Council's homeless duties by increasing the housing choices to better cope with demand. It could also provide access to the private rented market for those who are in employment but cannot secure a mortgage due to low income. This constitutes a significant and growing proportion of the population.
- 4.9.2. The Lettings Agency will focus on securing properties from private landlords. It would operate under the umbrella of Housing Gateway Ltd which is a company wholly owned by the Council. The intention would be to transfer properties currently leased as temporary accommodation by the Council to Housing Gateway. Residents could then be offered a long-term tenancy

rather than being in temporary accommodation. This brings forward the realisation of financial and social benefits by allowing the Lettings Agency to operate efficiently from day one, it also provides a strong financial rationale for its implementation independent of its success in securing management responsibility for private landlords.

4.9.3. To attract and secure private landlord properties for rent, the Lettings Agency/LBE may have to provide additional services and financial incentives to make lettings to nominated tenants a viable option. It is proposed that these would include floating support for tenants (that would also act as a point of contact for landlords), guaranteed rents, repairs and maintenance, and a fully-managed service with boiler servicing. It is possible that additional financial incentives may also be required given the strength of competition in the market.

4.9.4. The Lettings Agency would also incorporate the existing Homefinder service. This service matches prospective tenants with private sector landlords and offers help with deposits and rent in advance to ensure that residents can access the private rented sector.

4.10. ***Engaging with landlords and agents to enhance and promote the supply of private rented homes***

4.10.1. We need to proactively engage with private landlords at a variety of different levels including:

*Prevention Focus*

4.10.2. As part of our focus on prevention we need landlords to let us know when they are considering taking action against a tenant. This would enable us to act as a mediator to resolve any issues with the sustainment of the tenancy including providing the tenants with support in sustaining their tenancy. By working with landlords to ensure that tenants can successfully sustain their tenancy we want to build trust between landlords and the Council. We aim to enable more residents to be able to access the sector and increase the supply of private rented accommodation to low income households.

*Supply*

4.10.3. We will establish forums and ongoing communication with landlords. We need to understand the barriers that prevent landlords from offering tenancies to low income households and wherever possible act to remove these, or put measures in place to reduce the landlord's perceived risk. Many of our initiatives around both prevention and the development of an ethical lettings agency are predicated on building a strong relationship with private sector landlords and agents. Whilst there is an annual private sector landlords' forum the focus to date is on the Council's regulatory role rather than how the Council can increase the supply of homes into the sector and remove barriers for low income households.

4.11. ***The establishment of additional and selective licencing to drive up the quality of homes***

4.11.1. The private sector plays a pivotal role in how we can deliver good homes, and, as the Council, we have a vital role in improving and shaping it. This means we will use all the tools at our disposal to engage and support

landlords to deliver better housing, to tackle poor practice and increase new supply of better private rented homes which can offer security and stability for tenants.

4.11.2. We will support and work with landlords to improve standards of management within Enfield's private rented sector, whilst also taking a strong approach to tackling poor conditions and stopping rogue landlords and managing/letting agents.

4.11.3. Our approach also involves engaging with other private sector landlords and providing advice and guidance to support them to raise standards, as well as taking enforcement action to tackle rogue landlords and lettings agents. We are currently consulting on whether to implement an additional and selective licensing scheme for private landlords to drive up standards and reward good practice in the sector.

#### **4.12. Temporary Accommodation**

4.12.1. We will be seeking reduce the numbers of people needing temporary accommodation as part of our drive to prevent homelessness. For households already in temporary accommodation and for whom we have accepted a duty under the Homelessness Reduction Act we will work directly with them to assist them in securing private rented sector accommodation. Where necessary this will include making direct offers of accommodation.

4.12.2. Households for whom we accepted a duty prior to November 2012 have a statutory right to an offer of social rented housing. We will support these households in bidding through the Choice Based Lettings system. Where households are not proactively bidding for properties we will make one direct offer of a tenancy before discharging our duty.

4.12.3. As our need for long term temporary accommodation diminishes, we anticipate that there will be a need for short term temporary accommodation where households have yet to secure private rented sector accommodation. We anticipate that this requirement will be met through the provision of specialist accommodation. We will develop a Temporary Accommodation Strategy which will outline how we can insource the provision of in-borough genuinely temporary accommodation using existing assets, modular accommodation and short-life housing.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1. The primary option considered is to continue with the current approach. This is focused on prevention and relief of homelessness through the provision of temporary accommodation. Our projections suggest that if the number of requests for assistance remain at their current level the number of households in temporary accommodation and the associated costs will continue to rise.

### **6. REASONS FOR RECOMMENDATIONS**

6.1. The human cost of homelessness and households spending years in temporary accommodation is enormous. At the same time the financial cost to the council of an ever-increasing number of households in temporary accommodation is growing. The proposals outline above represent a shift in focus and investment in the prevention of homelessness and support for

residents to proactively reduce the number of households reaching crisis point.

## **7. COMMENTS FROM OTHER DEPARTMENTS**

### **7.1. Financial Implications**

7.1.1. This report sets out the Council's desire to take a transformational approach to the prevention and alleviation of homelessness whilst ensuring that the needs of residents are paramount. These proposals will require an upfront investment initially which is still being quantified, but over the next 5 years the proposed service delivery model is anticipated to generate greater efficiencies in the cost of providing the homelessness service.

7.1.2. A comprehensive financial modelling exercise to quantify the costs/benefits of these proposals (see below) is in progress and once the financial implications are fully understood the outcome will be reported to Cabinet in the next phase of the decision-making process.

7.1.3. The key principles that underpin the proposed new service model strategy are listed below).

- Private Rented Sector as the solution
- Clear communication and messaging with residents on their options
- Prevention and support is better than relief
- Temporary Accommodation should be genuinely temporary
- Give residents informed choices
- Focus on outcomes for residents

7.1.4. The current costs of developing these proposals and the financial modelling of the new proposed service provision are met from within the existing homelessness budget.

7.1.5. It is important to note that at this time there is no guarantee of FHSG funding beyond 2019/20 and the continued receipt of the grant will be crucial in taking these initiatives forward.

### **7.2. Legal Implications**

7.2.1. The Homelessness Reduction Act 2017 made wide ranging changes to existing homelessness legislation. Prevention and Relief duties are at the forefront of the changes.

7.2.2. The Prevention and Relief duties moving from one duty to the next leading up to acceptance of a full housing duty if homelessness is not prevented or relieved and any duty to provide interim or temporary accommodation is effectively time sensitive and a homelessness application from start to a full duty acceptance requires substantial officer involvement and resources.

7.2.3. A focus on prevention as set out in this report and the successful or effective prevention of homelessness is in accordance with statutory duties and the Council's overall aims as set out in its housing and preventing homelessness & rough sleeping strategies particularly the updated strategies it will be introducing in the current municipal year.

### **7.3. Property Implications**

- 7.3.1. Strategic Property Services are currently providing a professional property acquisition service to HGL where 500+ residential properties have been purchased to alleviate the pressures on temporary accommodation in Enfield. This report will have implications for HGL's business model.
- 7.3.2. The aspirations in this report are supported by Strategic Property Services and are in line with the Strategic Asset Management Plan and the optimisation of Council property assets to meet council objectives, which includes growth in the Private Rented Sector.
- 7.3.3. SPS recommend that their professional property expertise is utilised in the creation and procurement of the property management/letting agency.
- 7.3.4. All Council Property transactions (e.g. acquisitions and disposals) in relation to this strategy will need to comply as usual with the Property Procedure Rules and The Council's Constitution.

## **8. KEY RISKS**

- 8.1. This project is at an early stage and key risks will be identified as the plans are developed.

## **9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **9.1. Good homes in well-connected neighbourhoods**

In seeking to drive up the quality and availability of properties in the private rented sector, the proposal will increase the number and quality of homes available to low income households in the borough.

### **9.2. Sustain strong and healthy communities**

Poor quality housing and homelessness have been identified as key factors in health inequality. Through reducing the number of households reaching crisis point and increasing the supply and quality of rented homes we will help to reduce the impact of homelessness and poor housing on the health and wellbeing of our residents.

### **9.3. Build our local economy to create a thriving place**

- 9.3.1. The proposals aim to ensure a thriving, high quality private rented sector that is accessible to low income households. By acting proactively to engage with and support landlords we aim to increase the supply of rented homes. Through the creation of a landlord licensing scheme we will ensure that these homes are well maintained and good quality.

## **10. EQUALITIES IMPACT IMPLICATIONS**

- 10.1. This report outlines the Council's proposed approach to the prevention of homelessness and the elimination of the use temporary accommodation. In doing so the proposals should have a positive impact on all residents in the

borough. Full Impact Assessments will be carried out for each of the proposals as part of the development of the strategy.

## **11. PERFORMANCE AND DATA IMPLICATIONS**

**11.1.** This report outlines the Council's proposed approach to the prevention of homelessness and the elimination of the use temporary accommodation. A full analysis of the potential impact on data will be carried out once the proposals have been fully developed. Data on residents will be a key part of our prevention work to enable the Council to identify at risk households. The future proposals will therefore incorporate our data protection obligations and statutory duties.

## **12. PUBLIC HEALTH IMPLICATIONS**

**12.1.** Poor quality housing and homelessness have been identified as key factors in health inequality. Through reducing the number of households reaching crisis point and increasing the supply and quality of rented homes we will help to reduce the impact of homelessness and poor housing on the health and wellbeing of our residents.

### **Background Papers**

The Smith Institute Report - Why is Enfield facing high levels of homelessness and what are the options for change?

# **Why is Enfield facing high levels of homelessness and what are the options for change?**

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**A report by the Smith Institute**

**June 2019**



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## Preface

This report was commissioned by the London Borough of Enfield and completed between April and June 2019. The Council wanted to know why Enfield has seen a sharp rise in the levels of homelessness (and temporary accommodation use), and on the basis of the evidence what are the options for step change.

Through desk research, data analysis and interviews with internal and external stakeholders and residents themselves, this research seeks to answer the following questions:

- To what extent might the prevention and relief strategies of other boroughs affect Enfield's level of demand and subsequent temporary accommodation liabilities (e.g. robust gatekeeping, or promoting Enfield as a better alternative)?
- To what extent is the Enfield housing market, the high level of privately rented homes and the actual or perceived opportunity for lower cost housing affecting increased demand?
- To what extent might the Council's policies of seeking to minimise out-of-borough placements attract new residents?
- To what extent does the promotion of affordable, new housing supply in regeneration schemes including Meridian Water attract residents?
- What could Enfield do to make a step change in homelessness prevention and the eradication of the use of TA?

The first part of the report examines the background data on the rise of homelessness in the Borough and what it might be telling us about the drivers of homelessness in Enfield. The second part presents findings from the qualitative research examining perceptions about the problems and challenges facing those who are or about to become homeless. Based on the findings from data analysis and interviews, the final section of the report presents options for change that the Council may wish to consider.

This report does not attempt to review or audit the existing service frameworks but rather to provide an overview of the causes, challenges and options Enfield Council should consider in achieving the goal of reducing homelessness and eliminating the use of temporary accommodation.

We would like to offer our thanks to the staff at Enfield Council who gave up their time to support this project.

## Executive summary

### Main research findings

- Enfield has experienced a rapid increase in homelessness (rising by 250% since 2011/12), and now has high levels even by London standards.
- Enfield's homelessness challenge appears rooted in the Private Rented Sector (PRS). The rise in homelessness is largely due to the failure of private tenancies. And the main driver is likely to have been welfare reforms which disproportionately affected tenants in the private sector (and Enfield's PRS services high levels of tenants claiming Housing Benefit (HB)).
- The changes to the London housing market alongside welfare reforms may mean that Enfield is a relatively more affordable place to live for those on low incomes (even if rents have risen). This could mean the Borough's housing market is attracting lower income residents who are at greater risk of homelessness. The data suggests this to be the case, with Enfield being home to a growing proportion of London's HB/Universal Credit (UC) claimants in the PRS while inner London boroughs' share is in decline.
- Regardless of the causes this presents Enfield with a serious challenge. It is also a different challenge that inner London boroughs more associated with high levels of homelessness face because of lower levels of social housing. As a result of having large levels of homelessness, the Borough also has high levels of tenants in temporary accommodation (the third highest in the country), but not demonstrably out of line with others when comparing TA levels with levels of homelessness. The sheer level of homelessness and temporary accommodation and use of evictions by landlords demands a robust strategy and programmes for intervening early to reduce these numbers. The evidence from both the data (although not an outlier Enfield appears to be worse than average on certain measures) and interviews suggests there is room for improvement in how the council approaches homelessness prevention.
- There is concern within the council that its policies were attracting homeless people to the Borough or encouraging homelessness. However, interviews with clients suggested there was no detectable pattern of people moving to Enfield to take advantage of a generous system and no evidence that people are becoming homeless with the expectation that they will access social housing.
- What the research did find was that people felt there was a lack of information about the support available and the clients spoken to would have benefitted from information from the council earlier in the timeline of their journey into homelessness. This is an issue the Borough could seek to address as a top priority given the importance of intervening early to stop problems escalating.
- The research highlighted two examples of other boroughs having a clear policy to help ensure residents are provided with clear information as early as possible. Croydon's approach was to make it explicitly clear that when someone is presenting as homeless that they are advised that all roads lead to the PRS. Camden's approach is to use the points system to provide an incentive not to become homeless by increasing the chances of securing a social tenancy.
- Concerns within the Borough were voiced about the use of out-of-borough placements by neighbouring local authorities. Interviews with other boroughs suggested that all councils do this and it would 'even itself out'. However, the data did suggest that surrounding boroughs

resort to out of borough placements more often than Enfield but with the biggest inflows coming from inner London.

### Options for change

Based on the evidence, the Borough may wish to consider a range of options big and small and aimed internally and externally. These include:

#### Local action

- **Clearer policy and messaging:** The examples of Croydon and Camden highlighted the different approaches the Borough could adopt. It is not possible to assess the efficacy of the approaches given the very different demographics and housing markets/social housing provision. However, the council may conclude that the Camden approach incentivises behaviour which will sustain tenancies while also providing residents with a better opportunity of securing a social tenancy which if achieved is likely to result in a more affordable and sustainable tenancy. Leaving aside the different policies, the message from the interviews was that the approach should be clear and consistent. This would support efforts to communicate what options are available to residents, landlords and third sector organisations as well as help manage expectations. At present some homeless households in Enfield do receive offers of council properties, but the approach is poorly communicated with Enfield residents facing an information vacuum when they face homelessness.
- **Invest to save:** Examples were highlighted where prevention could produce savings for the council. The reverse of this was highlighted in one of the interviews with Enfield where it was stated that a 10% increase in homelessness could create a £6m budget pressure for the council.
- **Early intervention:** The evidence from the interviews with tenants suggested that support would have been welcome earlier in the process. Additional, resources from within the Borough or central government could help with efforts to intervene early to avoid problems escalating.
- **Better engagement with landlords:** some of the Enfield residents interviewed wanted support in speaking to and liaising with their landlord while the example of a staff member situated in the Job Centre Plus office suggested this could be effective and deliver savings.
- **Introduce a landlord licensing scheme:** A borough-wide licensing scheme could help tackle homelessness as well as driving up standards in the PRS. The scheme could require landlords to undertake training, support the barring of 'rogue' landlords, provide invaluable information about the PRS to help the council actively engage with landlords on homelessness, build up relationships and enforce standards.
- **Working with the third sector:** The council could consider how best to work with and support the third sector, either by greater liaison with the sector or direct funding for organisations to help provide information, support and advice on homelessness. This could help prevent homelessness by intervening early amongst hard to reach groups who are often at highest risk of homelessness but also could support the council communicate its homelessness policies.
- **Stakeholder forum/homelessness panel:** There were concerns about possible tensions between landlords and the Borough. To improve relationships, guide policy and disseminate information about the Borough's approach the establishment of a Homelessness Prevention Board as consulted on by Government is recommended to be taken forward.

- **Best value TA:** Enfield may wish to consider actively reducing the proportion of nightly paid accommodation which is not always a suitable form of accommodation and is more expensive, contributing more significantly to the deficit.
- **Joining Capital Letters**, a pan-London procurement company (established by London Councils with MCHLG funding), could help drive down the use of nightly paid accommodation.
- **Pre-tenancy training:** The interviews highlighted the importance of pre-tenancy training to sustaining tenancies and building trust with landlords. Additional and sustained funding could support this.
- **Withdrawal of incentives:** A neighbouring borough suggested that a large proportion of its landlords renewed agreements without incentives. The view from Enfield was that paying incentives was not a widespread practice and was leading the way on agreeing pan London harmonisation of incentives. Nevertheless, the Borough may wish to explore whether further withdrawal of incentives to landlords could be possible.

#### **Changes beyond the borough**

- **Longer term funding from central government:** The Council's response to the Fairer Funding review for local government seeks long term funding to help the Borough tackle the problem in a strategic way. As Enfield has high levels of homelessness and household in TA it could also have a strong case for receiving more support under existing or new funding programmes.
- **Increasing LHA rates:** The main reason behind the spike in homelessness appears to be changes in the Local Housing Allowance rates. Enfield could push for central government to reverse cuts to LHA rates.
- **More provision of social housing:** Although not a short-term solution, provision of more affordable housing would help in the longer-term providing residents with more sustainable tenancies. This would require greater central government funding including to allow the Council to build more homes at social rent levels.
- **Strategic approach from the GLA:** There is scope for the GLA to play a greater role in bringing boroughs together to foster collaboration that seeks to address the underlying causes of homelessness and need for temporary accommodation as well as the displacement of problems from one borough to another. This could be supported by the establishment of a GLA homelessness panel which could work in collaboration with any LGA initiative.
- **Additional temporary accommodation:** The GLA could also provide additional support for new temporary accommodation, such as it did to establish the Pan-London Accommodation Collaborative Enterprise (PLACE) to acquire modular temporary accommodation. Equally the Borough itself could also seek to provide additional support for its Housing Gateway to buy PRS accommodation to help discharge duties to maximise TA cost avoidance.
- **Partnership working:** There appeared to be some scope for greater collaboration with neighbouring boroughs around co-operation on temporary accommodation procurement and harmonising incentive payments for temporary accommodation providers.

## Further details of the main findings

### *Data analysis*

- Enfield has a relative high proportion of homelessness cases per resident compared with both London and England. This has not always been the case. However, since 2011/12 the Borough has seen a 250% increase compared with a 35% rise in London.
- Poverty is central driver of homelessness. However, whilst the Borough has high levels of poverty levels, they are lower than other London boroughs where homelessness has not risen as sharply.
- Instead, Enfield's specific problems appear to be rooted in the private rented (PRS). The termination of assured shorthold tenancies lies behind the increase of homelessness across the country but has been a particular driver in Enfield. One of the reasons posited for the increase in the loss of PRS tenancies are changes to the LHA rates.
- While Enfield does not have high levels (for London) of residents in the PRS, it does have large numbers of poorer residents living in the PRS. Comparisons of housing benefit claims in the Borough to the estimated number of households in the PRS suggest that almost seven in ten PRS households claim housing benefit in Enfield. This is the highest for London, and especially high compared with inner London highlighting the fact that the PRS in Enfield caters for lower income households compared with young professionals that might be found in central London.
- This may lead to the likely conclusion that the rise in homelessness appears to be driven by the large number of people on low incomes in the Borough who live in the PRS. In other boroughs there is greater supply of social housing for poor residents and social tenants have been relatively better protected from changes to housing benefit cuts and welfare reforms more generally.
- The Borough may also be experiencing increasing need because it has become a more affordable place to live (although prices have risen, they have not done so as much as in inner London) coupled with changes to LHA rates and wider welfare reforms. Indeed, while residents may face a large shortfall between LHA rates and rents it is not as large as in other areas. This could act as a pull factor for lower income Londoners not in social housing looking for relatively more affordable housing. This trend may be evident in the decline in the number of people in the PRS claiming housing support in inner London boroughs compared with Enfield.
- So, while poverty is a central driver of homelessness, the recent trends suggest that it is being most acutely felt by those living in the PRS. As such, when comparing homelessness rates per LHA claimant homelessness rates in each London borough, Enfield is more in line with the average. This suggests that the main issue is the negative impact of welfare reforms coupled with the dynamics of London's housing market rather than something the Borough is or isn't doing.
- Enfield also has higher rates of people in temporary accommodation than the England and London average. However, again when contextualised by the levels of homelessness it does not appear to be hugely out of line with London averages. But where there are differences is in the type of TA provided. When compared with London, Enfield has higher use of relatively more expensive nightly paid accommodation and less use of hostels which maybe more cost effective.
- Where Enfield is slightly different is in the level of out of borough placements. It appears from the data that other boroughs place more households out of borough. The data suggests that

Enfield is a net 'importer' of households from outer London but especially so from inner London although the borough places more households in neighbouring authorities to its north than it receives.

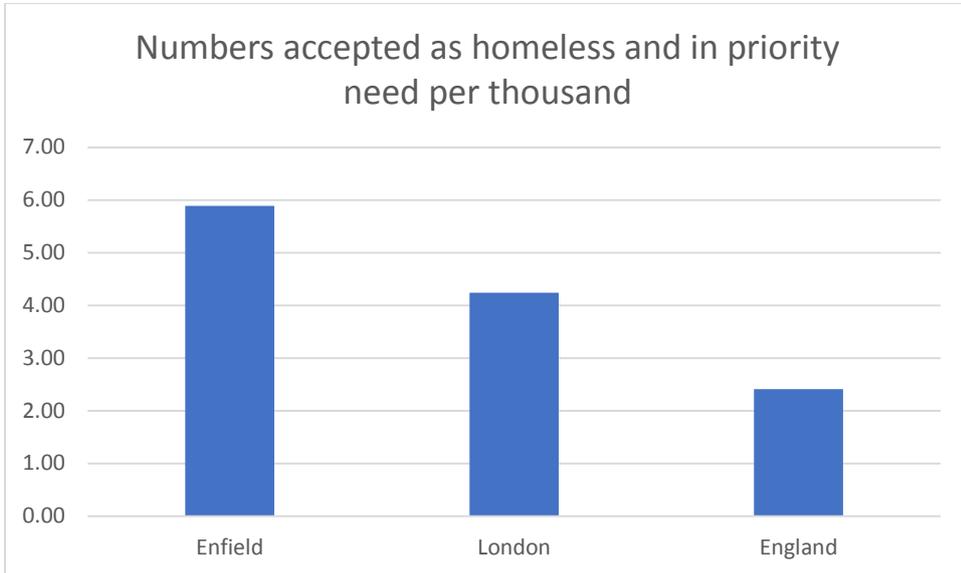
### ***Qualitative research***

- Our interviews show that internal stakeholders have a clear understanding of the main drivers of homelessness in Enfield; poverty, welfare changes and a lack of affordable housing.
- Client interviews showed that people move to Enfield for a variety of personal reasons and it is a change in personal circumstances such as sickness, loss of employment, benefits changes or pregnancy that make private tenancies become unaffordable. There was no detectable pattern of people moving to Enfield to take advantage of a generous system.
- It's clear that many possible solutions to reduce the rate of homelessness are already known, especially the need to intervene earlier and more holistically in the lives of people in the PRS at risk of homelessness and prevent them from entering temporary accommodation. Similarly, there is recognition of the need to work more closely in partnership with landlords and agents and play a role in creating and sustaining tenancies.
- However, some of the beliefs internal stakeholders hold about the causes of homelessness have been challenged by the external stakeholder interviews and more importantly by the client interviews.
- Internal stakeholders expressed a belief that Enfield was seen as paternalistic and compassionate in comparison with other boroughs, which may be a cause behind people migrating to the Borough. Although clients have had positive face to face interactions with staff, we did not find further evidence of a perception of a paternalistic approach in the client interviews.
- In addition, we did not find evidence that people are becoming homeless with the expectation that they will access social housing, although some people may aspire to a social tenancy once in a homelessness situation. For our interviewees the causes of homelessness were beyond their control to the extent that they had experienced significant life changes which had made their living situation untenable, or they had simply run out of road in the PRS, needing a move but unable to pay the rent of suitable properties.
- We have also not found evidence from the client interviews that any specific third-party source of advice is giving consistently misleading or unhelpful direction to people at risk of becoming homeless.
- We found there is a vacuum in terms of information about the support available and the clients we spoke to would certainly have benefitted from information from the council earlier in the timeline of their journey into homelessness.
- In terms of the view that decisions made by other boroughs are disadvantaging Enfield's position, this is disputed by the external stakeholders, who feel that the burden evens itself out over time.
- There are some interesting examples of different ways of working from other boroughs that provide some options for change. It will also clearly be important to engage in sub regional and

pan-London work, so the market dynamics do not further shift unfavourably towards Enfield. This could include lobbying central government.

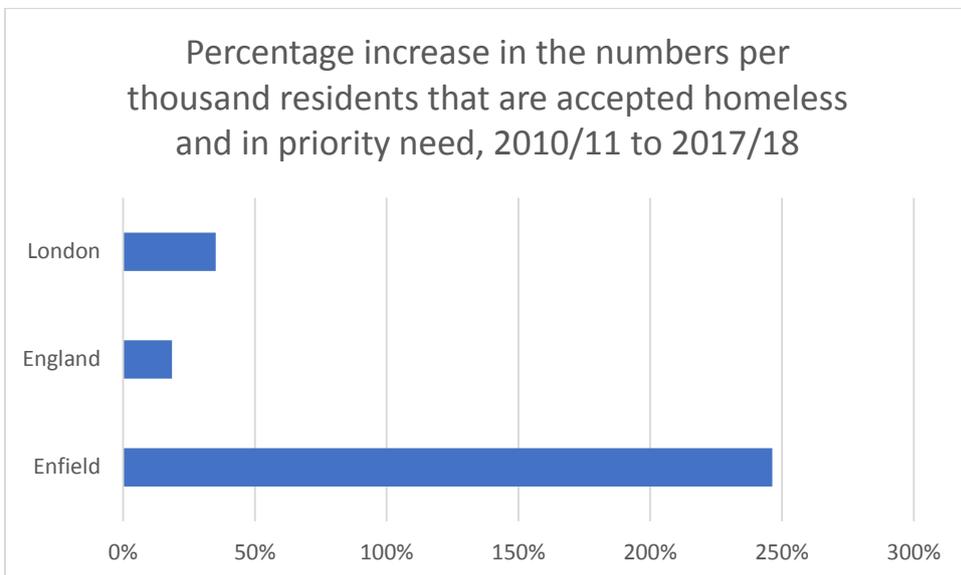
1. Background

1.1 Enfield has high level of homelessness in the Borough relative to other London boroughs and much higher than the English average.



Source: MHCLG, Local authorities' action under the homelessness provision of the Housing Acts, 2017/18

1.2 This was not always the case. In 2010 the number of households accepted as homeless and in priority need per thousand households was around the English average. Over that period there has been a significant increase in the Borough.



Source: MHCLG, Local authorities' action under the homelessness provision of the Housing Acts

1.3 There are areas where Enfield appears to particularly stand out regarding homelessness cases. Looking at the reason for a loss of the last settled home for those owed a prevention or relief duty by the local authority, there are a high proportion that are due to the termination of an

assured shorthold tenancy. Second, there is a high proportion whose family or friends are no longer willing or able to accommodate them.

**Reason for loss of last settled home for those owed a prevention or relief duty by local authority, England, April to June 2018 (cases as a proportion of residents)**

	Total <sup>1</sup>	Family and friends no longer willing or able to accommodate <sup>2</sup>	Non-violent relationship breakdown with partner	Violent relationship breakdown with partner or associated persons	Loss of rented or tied accommodation due to: Termination of assured shorthold tenancy	Loss of rented or tied accommodation due to: Reasons other than termination of assured shorthold tenancy <sup>3</sup>	Other reasons <sup>4</sup>
England	0.25%	0.06%	0.02%	0.02%	0.06%	0.01%	0.08%
London	0.34%	0.09%	0.01%	0.02%	0.07%	0.02%	0.13%
Enfield	0.66%	0.19%	0.02%	0.04%	<b>0.26%</b>	0.02%	0.12%

Source: MHCLG, Reason for loss of last settled home for those owed a prevention or relief duty by local authority, England, April to June 2018

## 2. The causes of homelessness

- 2.1 There is extensive literature on the link between poverty and homelessness – with the vast majority of people (but not all) experiencing homelessness being in poverty. Evidence from the UK and elsewhere suggests that those with lower social and economic capital are less able to ride out personal shocks such as the loss of employment and relationship breakdowns. Other academic work has suggested that it is long-term marginality in the labour market which causes homelessness rather than the sudden shock of redundancy.<sup>1</sup>
- 2.2 The relationship between individual and structural causes of homelessness is complex. Structural issues around the labour and housing markets and welfare system interact with potential personal causes of homelessness; substance abuse, ill health and dysfunctional family relationships. And the relationship between these factors is not straightforward with structural poverty associated with health inequalities and relationship breakdown.
- 2.3 Analysis by Bramley and Fitzpatrick into which groups face the biggest risks of homelessness, highlights those in tight housing markets face higher risks as alternative accommodation is harder to find. They also highlight the relationship with poverty. Their findings show that those in social housing are more likely to have experienced homelessness than those in the PRS.<sup>2</sup> However, this may not point to a causal relationship between social housing and homelessness as historically those who are homeless have had effective rights to be housed in the social rented sector.

<sup>1</sup> For a full review see Johnsen, S and Watts, B Homelessness and poverty: reviewing the links (Heriot-Watt University, 2014)

<sup>2</sup> Bramley, G and Fitzpatrick, S “Homelessness in the UK: Who is most at risk”, Housing Studies, Volume 33, 2018

- 2.4 There have been concerns about the recent welfare reforms leading to heightened risks of homelessness. These include: LHA caps particularly affecting London; Shared Accommodation Rate (SAR) affecting younger people in the PRS; and the bedroom tax. Tenants also face Universal Credit (UC) rollout. These may particularly affect those in the PRS, including the UC where there may be less forbearance from private landlords and less willingness to let to benefit claimants.
- 2.5 Research for the Residential Landlords' Association has suggested that the recent rise of homelessness from people in the PRS has been due to changes to LHA rates rather than length of tenancy.<sup>3</sup>
- 2.6 In addition, while unemployment rates have remained relatively low, low income households have faced benefit sanctions and those working may be in precarious work or face sluggish wage growth. This may have a demographic component with younger people particularly affected by the slowdown in wage growth and more likely to live in the PRS.
- 2.7 The current national data on homelessness suggests that tenancy breakdown is experienced most by those in the PRS. The data is not clearly cut in a binary way between PRS and the social rented sector but nevertheless shows that in April to June 2018 the highest number of people by accommodation type where an initial homelessness duty was owed were in the PRS. This accounted for 30% of cases: followed by living with family (23%), no fixed abode (11%), living with friends (10%), and social housing (9%). This would suggest that private rented sector is a specific issue nationally. This is further supported by the data on the loss of assured shorthold tenancies which accounts for large numbers entering homelessness.<sup>4</sup> Although it is not possible to hold for personal characteristics the data shows a rise in the numbers from the PRS in previous years (see section 4).
- 2.8 To look at the link between PRS and homelessness a quick regression analysis using Family Resources Survey data into levels of evictions (not homelessness) was undertaken. The results, which hold for characteristics associated with evictions (income, employment status, region, ethnicity, housing benefit claimant), suggests that those in the PRS are 1.4 times more likely to have been evicted than those in the social rented sector.<sup>5</sup>

### 3. Poverty in Enfield

- 3.1 As the evidence suggests, poverty is widely accepted as a key driver of homelessness. Overall, Enfield is a local authority with higher than average rates of poverty and deprivation.
- 3.2 In the Index of Multiple Deprivation (2015) Enfield is in the bottom 20% of the poorest local authorities, and the bottom 10% for both income and housing elements of the IMD.
- 3.3 According to research by Laura Valadez-Martinez and Donald Hirsch, from the Centre for Research in Social Policy at Loughborough University Enfield has the 11<sup>th</sup> highest rate of child

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<sup>3</sup> O'Leary, et al Homelessness and the Private Rented Sector (2018)

<sup>4</sup> MHCLG, Reason for loss of last settled home for those owed a prevention or relief duty by local authority and MHCLG, Accommodation at time of application for those owed a prevention or relief duty, England, April to June 2018

<sup>5</sup> Analysis of FRS data: Office for National Statistics, Social and Vital Statistics Division, Department for Work and Pensions, National Centre for Social Research. (2019). Family Resources Survey, 2016-2017. UK Data Service. SN: 8336

poverty in the country (39% of children).<sup>6</sup> Figures used by the GLA are considerably lower at around 20%.<sup>7</sup>

- 3.4 Half of areas in Enfield have rates of poverty that place them in the top quarter of areas for concentrations of poverty.<sup>8</sup>
- 3.5 Analysis of Annual Survey of Hours and Earnings suggests that around a third of Enfield's residents are paid below the London Living Wage. This compares with 22% for the capital as a whole.<sup>9</sup>
- 3.6 Enfield has a higher unemployment rate (5%) compared with the rest of the country (4.3%). It also has a higher claimant count (3.1%) than London (2.6%) and Great Britain (2.7%).<sup>10</sup>
- 3.7 Around a quarter of Enfield households claim housing benefit versus around 15% across England.<sup>11</sup>

#### 4. Levels of homelessness

- 4.1 Enfield appears to have a high proportion of residents experiencing homelessness.<sup>12</sup>
- 4.2 In total within Enfield there were 852 cases where there was an initial decision of homelessness duty owed. This is the 5<sup>th</sup> highest in absolute terms.
- 4.3 When calculated as a proportion of households within the Borough it had the second highest proportion of any local authority behind only Southwark (0.67% versus 0.77%). This compares with 0.26% in England.
- 4.4 Enfield has a high number of households who are made homeless after the loss of an assured shorthold tenancy. In total 340 households were made homeless, the second highest in absolute terms. As a proportion of homelessness cases it totalled 40% of cases – the 29<sup>th</sup> highest in England – and compares with 21% of cases for London.
- 4.5 The data suggests that Enfield has a higher proportion of homelessness than might be expected given that while it is poorer than most areas it is not the poorest.

#### 5. Homelessness and the PRS

- 5.1 Enfield also has a high proportion of households being made homeless from the PRS – the second highest in absolute numbers and the 14<sup>th</sup> by proportion of all cases. As a proportion around half (48%) of cases are from the end of private tenancy (versus 30% in England). This compares with loss of social housing tenancy contributing 10% in England versus 5% in Enfield and no fixed abode (11% nationally versus 1% in Enfield). A similar proportion were living with their family (both 23%).
- 5.2 The data also suggests that Enfield faces a specific challenge of homelessness that comes from residents in the PRS. The next section suggests that a reason for higher rates of homelessness in the Borough may be due in part to higher rates of poorer households in the PRS.

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<sup>6</sup> End Child Poverty, Compilation of child poverty local indicators, update to September 2017

<sup>7</sup> GLA, Children in Poverty

<sup>8</sup> ONS, Households in Poverty estimates for middle layer super output areas, England & Wales, 2013/14

<sup>9</sup> ONS, Annual Survey of Hours and Earnings, 2018

<sup>10</sup> NOMIS

<sup>11</sup> Housing benefit data take from DWP, Stat-Xplore and compared with mid-year household estimates

<sup>12</sup> Data taken from MHCLG Live Tables on Homelessness

5.3 This can be observed as the level of change in the main reason for the loss of the last settled home for households found to be eligible, unintentionally homeless and in priority need during the quarter. The data highlights that the main areas where there has been an increase between 2010 and 2016 was the PRS, specifically the loss of an assured shorthold tenancy or rent arrears in the PRS. This is also found to be the case nationally and in London both of which explain around 70% of the increase in homelessness.

#### Changes within Enfield, 2010-16

		Change (2010 – 2016)	Contribution to change (%)
1. Parents no longer willing or able to accommodate		50	5%
2. Other relatives or friends no longer willing or able to accommodate		66	7%
3. Non-violent breakdown of relationship with partner		0	0%
4. Violence	a. Violent breakdown of relationship, involving partner	29	3%
	b. Violent breakdown of relationship involving associated persons	0	0%
	c. Racially motivated violence	0	0%
	d. Other forms of violence	0	0%
5. Harassment, threats or intimidation	a. Racially motivated harassment	0	0%
	b. Other forms of harassment	0	0%
6. Mortgage arrears		-6	-1%
7. Rent arrears on:	a. Local authority or other public sector dwellings	0	0%
	b. Registered Provider dwellings	0	0%
	c. Private sector dwellings	43	5%
8. Loss of rented or tied accommodation due to:	a. Termination of assured shorthold tenancy	557	60%
	b. Reasons other than termination of assured shorthold tenancy	137	15%
9. Required to leave accommodation by Home Office as asylum support		30	3%
10. Left an institution or LA care	a. Left prison/on remand	0	0%
	b. Left hospital	0	0%
	c. Left other institution or LA care	0	0%
11. Other reason for loss of last settled home	a. Left HM-Forces	0	0%
	b. Other reason	28	3%
Total		930	100%

Source: MHCLG, Statutory Homelessness, Detailed Local Authority Level Responses

5.4 The data also highlights the problems are in the PRS with 20% of those owed a duty were due to service of valid Section 21 Notice. This compares with a London average of 7%.<sup>13</sup>

## 6. Welfare reforms and the PRS

- 6.1 The rise of homelessness from the PRS needs to be contextualised by welfare reforms, which are seen by many as a major cause for its rise.
- 6.2 There have been specific welfare reforms which have affected those in low income households in the PRS.
- 6.3 Initial reforms occurred in 2011 when the government changed LHA rates, reducing amounts households could claim from the 50th percentile house price in a broad rental market area to the 30th (so LHA would cover rental costs for properties in the bottom 30% by price)
- 6.4 This was coupled with under 25s only being able to claim shared accommodation rates.
- 6.5 LHA was further reduced in 2013 following reforms which uprated levels according to CPI rather than how much rents were actually rising by.
- 6.6 In 2014 and 2015 rates increased by 1% again rather than in line with rent rises.
- 6.7 In 2015 the shared accommodation rate for young people was extended to cover all those under 35.
- 6.8 Since 2016 LHA rates have been further reduced by LHA being completely frozen until 2020.
- 6.9 At the same time the benefit cap has been introduced which has particularly impacted private rented tenants, especially in London, because the amount they can claim in benefits is higher than social rents.
- 6.10 There have been measures to mitigate these changes such as Targeted Affordability Funding which was focused on areas where rents were high.
- 6.11 However, the overall underinvestment in LHA rates has meant the areas where households can reasonably afford to live has been reduced.<sup>14</sup>
- 6.12 There have also been serious issues with the introduction of Universal Credit which has led to long periods that tenants have to wait before they receive any payment. This may affect all tenants, but social landlords are likely to show more forbearance than private landlords.

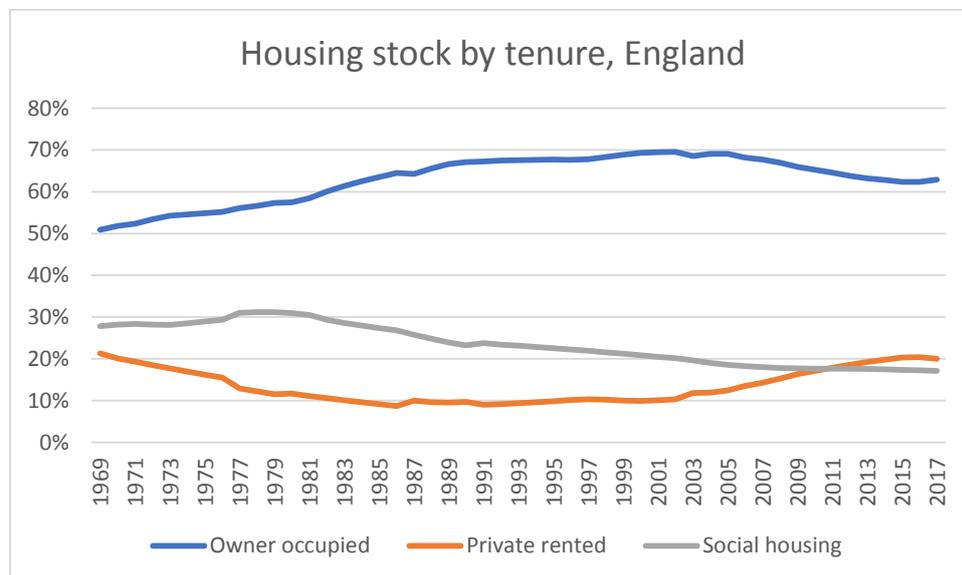
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<sup>13</sup> MHCLG, Initial assessments of statutory homelessness duties owed, April – December 2018

<sup>14</sup> See Chartered Institute of Housing, Missing the target: is Targeted Affordability Funding doing its job (2018)

## 7. Poverty and tenure in Enfield

7.1 The PRS has risen across England since the early 2000s, doubling from around 10% to 20% of the housing stock. This has come from both the decline in social housing and from lower levels of homeownership.<sup>15</sup>



Source: MHCLG Live Table 104

7.2 Enfield has also experienced the same phenomenon. Over the decade to 2016, households in the PRS rose from 13% to 22%. The rise of the PRS has been faster than for London as a whole with the proportion of households in the PRS rising by 61%. The Borough has a similar proportion of households renting privately to outer London and is lower than the inner London average and many nearby boroughs.

	Proportion of households in PRS	Percentage increase since 2006
Barnet	23.7	4%
Camden	27.9	-1%
Enfield	22.2	61%
Haringey	26.6	63%
Islington	31.5	81%
Waltham Forest	32.2	71%
Inner	29.2	24%
Outer	22.9	48%
London	25.6	36%

Source: GLA, Housing tenure of households

7.3 The table above shows that Enfield has around the outer London average level of PRS and below that of the inner London average. However, the makeup of tenants in the PRS in Enfield is very different to the London average. As the table below demonstrates, at the time of the last census, the proportion of Enfield's PRS tenants who were economically active was lower

<sup>15</sup> MHCLG, Live Table 104

than any other London borough and had high concentrations of tenants who were unemployed.

	Proportion of private renters (HRP) economically active	Proportion of private renters (HRP) unemployed		Proportion of private renters (HRP) economically active	Proportion of private renters (HRP) unemployed
<b>Enfield</b>	<b>64%</b>	<b>8%</b>	Haringey	79%	5%
Barking and Dagenham	66%	8%	<b>London</b>	<b>79%</b>	<b>4%</b>
Bexley	68%	7%	Ealing	79%	4%
Havering	68%	7%	Camden	79%	3%
Redbridge	72%	6%	Sutton	79%	5%
Croydon	72%	7%	Kingston upon Thames	80%	3%
Hillingdon	75%	5%	Hounslow	82%	3%
Barnet	76%	5%	Hackney	83%	5%
Westminster	76%	3%	Islington	83%	3%
Brent	76%	6%	Hammersmith and Fulham	83%	3%
Harrow	76%	4%	Tower Hamlets	84%	3%
Newham	76%	6%	Southwark	85%	3%
Bromley	77%	5%	Lambeth	86%	4%
Lewisham	78%	5%	Merton	86%	3%
Kensington and Chelsea	78%	3%	Richmond upon Thames	86%	2%
Waltham Forest	78%	5%	City of London	88%	1%
Greenwich	79%	5%	Wandsworth	88%	2%

Source: 2011 Census

7.4 This can be seen in more up-to-date housing benefit data. We know from previous studies that housing benefit is good proxy for poverty.<sup>16</sup> The table below shows, Enfield has the second highest number of PRS housing benefit claimants out of all the London boroughs.

	Number of housing benefit claimants in the PRS		Number of housing benefit claimants in the PRS
<b>Brent</b>	14,448	<b>Merton</b>	3,882
<b>Enfield</b>	13,624	<b>Westminster</b>	3,765
<b>Barnet</b>	12,770	<b>Havering</b>	3,721
<b>Haringey</b>	10,357	<b>Bexley</b>	3,598
<b>Ealing</b>	10,208	<b>Hounslow</b>	3,574
<b>Newham</b>	9,598	<b>Bromley</b>	3,539
<b>Hackney</b>	7,736	<b>Camden</b>	3,308

<sup>16</sup> Fenton, A Small-area measures of income poverty (LSE, 2013)

<b>Redbridge</b>	7,397	<b>Tower Hamlets</b>	2,696
<b>Hillingdon</b>	6,831	<b>Kingston upon Thames</b>	2,563
<b>Croydon</b>	6,763	<b>Islington</b>	2,164
<b>Harrow</b>	6,699	<b>Sutton</b>	2,037
<b>Lewisham</b>	6,534	<b>Richmond upon Thames</b>	2,029
<b>Waltham Forest</b>	5,299	<b>Hammersmith and Fulham</b>	1,731
<b>Wandsworth</b>	4,504	<b>Kensington and Chelsea</b>	1,680
<b>Greenwich</b>	4,465	<b>Southwark</b>	1,629
<b>Barking and Dagenham</b>	4,341	<b>City of London</b>	26
<b>Lambeth</b>	4,169		

Source: DWP, Stat-Explore. Figures are from November 2018

7.5 This needs to be further contextualised by the size of the PRS in the boroughs. As a result, we can see when comparing households in the PRS with HB data that Enfield stands out (even if caution may be needed because of the difficulty quantifying household tenure) by some distance in the proportion of tenants in the PRS who are claiming HB.

	Proportion of private renters claiming housing benefit (2016)		Proportion of private renters claiming housing benefit (2016)
Enfield	69%	Greenwich	28%
Havering	49%	Hounslow	26%
Barking and Dagenham	49%	Sutton	24%
Brent	48%	Waltham Forest	23%
Barnet	47%	Bromley	22%
Haringey	47%	Kingston upon Thames	21%
Croydon	43%	Lambeth	19%
Bexley	38%	Richmond upon Thames	18%
Ealing	36%	Wandsworth	17%
Redbridge	35%	Hammersmith and Fulham	14%
Harrow	34%	Camden	13%
Hillingdon	33%	Kensington and Chelsea	12%
Merton	31%	Westminster	11%
Hackney	31%	Southwark	11%
Lewisham	31%	Tower Hamlets	10%
Newham	30%	Islington	8%

Source: DWP, Stat-Explore (HB figures are from 2016) and GLA datastore, Household Tenure by Borough (2016 data)

7.6 The data suggests that although the proportion of private renters is similar to the outer London average and below that of inner London, the Borough is likely to face higher rates of homelessness from the PRS because of who lives in it. Whilst the PRS in inner London boroughs may cater for wealthier tenants (i.e. young professionals) in Enfield just under seven in ten tenants appear to be claiming housing benefit.

## 8. Low income PRS tenants driving homelessness

### 8.1 The evidence thus far suggests:

- Those in poverty face heightened risk of homelessness
- Those in the PRS seem particularly at risk versus other tenures
- Enfield has a higher rate of homelessness per head than most local authorities
- Enfield has above average proportion of people in the PRS but is below average by London standards
- However, the PRS in Enfield is largely servicing lower income residents

8.2 This would suggest that Enfield may be experiencing higher rates of homelessness not from the local authority's approach to homelessness but rather the composition and intersection of tenure and poverty in the Borough.

8.3 Housing benefit data suggests that Enfield has the third highest number of claimants from the PRS of all local authorities in England and the 11<sup>th</sup> highest as a proportion of all housing benefit claims (54%).

8.4 Using housing benefit data for a proxy for the number of households in poverty by tenure we can compare how well Enfield performs versus other local authorities.

8.5 Of those local authorities for which data is available, as a proportion of PRS homelessness duty cases to PRS housing benefit claims, Enfield is around 99<sup>th</sup> highest out of 311 local authorities. Homelessness cases from the PRS make up around 2.25% of PRS claimants versus 1.6% in England.

8.6 Analysis of data on homelessness duties from the loss of an assured shorthold tenancy as a proportion of HB claimants in the PRS, shows that Enfield is 97<sup>th</sup> highest (Of 308) and is 1.3% of PRS claimants in Enfield versus 1.8% in England.

8.7 Residents may also now be supported by the housing element of Universal Credit. When adding these claimants to those claiming housing benefit the figures remain similar with Enfield rates slightly worse than the English average. As the table below of London boroughs illustrates Enfield is not an outlier, and although it may be able to do better it is by no means the worst.

	Loss of assured shorthold tenancy as % of PRS UC/HB claimants	PRS as % of PRS UC/HB claimants		Loss of assured shorthold tenancy as % of PRS UC/HB claimants	PRS as % of PRS UC/HB claimants
<b>Southwark</b>	6.3%	2.6%	<b>Barking and Dagenham</b>	1.4%	1.1%
<b>Havering</b>	4.2%	3.2%	<b>England</b>	1.4%	1.1%
<b>Hillingdon</b>	2.9%	2.7%	<b>Hammersmith and Fulham</b>	1.4%	1.0%
<b>Lewisham</b>	2.4%	1.7%	<b>Harrow</b>	1.3%	0.7%
<b>Haringey</b>	2.3%	1.4%	<b>Hounslow</b>	1.2%	1.1%
<b>Tower Hamlets</b>	2.2%	1.4%	<b>Sutton</b>	1.2%	1.0%

<b>Bexley</b>	2.2%	2.1%	<b>Hackney</b>	1.2%	0.7%
<b>Enfield</b>	2.1%	1.7%	<b>Bromley</b>	1.2%	0.8%
<b>Ealing</b>	1.8%	1.3%	<b>Newham</b>	1.1%	1.0%
<b>Waltham Forest</b>	1.7%	1.3%	<b>Brent</b>	1.0%	0.3%
<b>Westminster</b>	1.7%	0.6%	<b>Croydon</b>	0.8%	0.3%
<b>Islington</b>	1.6%	0.9%	<b>Kensington and Chelsea</b>	0.8%	1.0%
<b>London</b>	1.5%	1.0%	<b>Wandsworth</b>	0.5%	0.4%
<b>Merton</b>	1.5%	1.3%	<b>Camden</b>	0.4%	0.3%
<b>Greenwich</b>	1.5%	1.3%	<b>Barnet</b>	0.3%	0.2%
<b>Lambeth</b>	1.5%	0.8%			

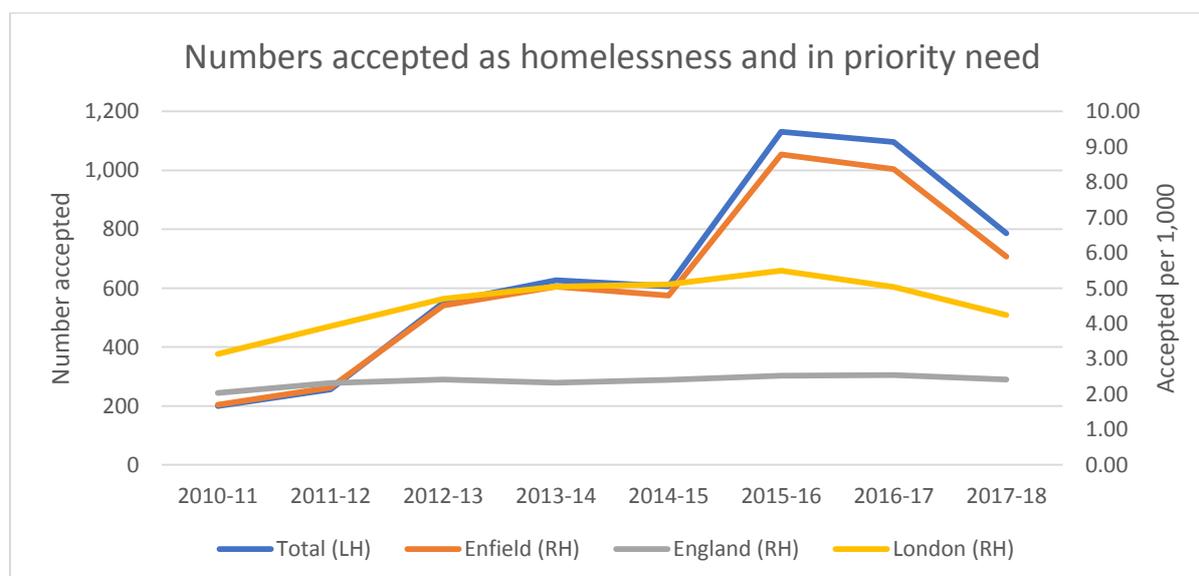
Source: DWP, Stat-Xplore, MHCLG, Reason for loss of last settled home for those owed a prevention or relief duty by local authority and Accommodation at time of application for those owed a prevention or relief duty, England, April to June 2018

8.8 To further make the point an analysis of the relationship between levels of homelessness resulting from the loss of an assured shorthold tenancy by local authority and level of claims for LHA by local authority was undertaken. The results show that there is a statistically significant relationship and relatively strong correlation.

		Number of LHA claims
Homeless from end of assured shorthold tenancy	Pearson Correlation	.755*
	Sig. (2-tailed)	0.000
	N	309

## 9. Potential drivers of homelessness

9.1 Homelessness in Enfield has increased over the past decade, although fallen back from its peak in 2015. Whilst the data from the previous year shows a decline, the number of households accepted as homeless and in priority need is well above the England average and significantly above the London average. Whereas in 2010-11 it was below both the English and London averages. The following section highlights potential structural drivers for this change.



Source: MHCLG, Local authorities' action under the homelessness provision of the Housing Acts

9.2 **Population.** The data above suggests that the rising levels of homelessness is not caused by population alone, with the proportion per households increasing. Nevertheless, population increases could partly explain a rise in the absolute increase. It could place additional stress on existing housing stock and increased reliance on the PRS if social rented housing has not kept pace with the population growth of poorer households. It is also likely that additional population growth is likely to mean additional resources are required in absolute terms. Since 2010 ONS data suggest that the number of households in Enfield was 11% higher (in line with the London average) versus growth of 7% in England.

9.3 **Levels of acceptances in Enfield:** One of the drivers of homeless acceptances could be the approach Enfield Council takes to accepting people as homelessness. However, in the London context Enfield is not outlier regarding the numbers presenting as homeless and the level of acceptances. As the table below shows Enfield is 12<sup>th</sup> regarding the proportion of households not owed a duty as a proportion of total initial assessments.

	No duty owed as proportion of initial assessments		No duty owed as proportion of initial assessments
Redbridge	0%	Waltham Forest	5%
Kingston upon Thames	0%	Harrow	5%
Newham	0%	Barnet	7%
Bexley	1%	Hammersmith & Fulham	8%
Havering	1%	Brent	8%
Hillingdon	2%	Tower Hamlets	11%
Southwark	2%	Westminster	14%
Kensington & Chelsea	2%	Camden	15%
Lewisham	2%	Wandsworth	15%
Lambeth	2%	Barking & Dagenham	18%
Ealing	2%	Haringey	18%
Enfield	2%	Hounslow	20%
Croydon	3%	Sutton	26%
Islington	4%	Greenwich	31%
Hackney	4%	Richmond upon Thames	32%
Merton	4%	Bromley	47%

Source: MHCLG, Initial assessments of statutory homelessness duties owed, April-June and July-September 2018

Note: In the cases of Richmond and Redbridge only one quarter of data was available

9.4 **Changes in rates of poverty and deprivation.** Increased levels of poverty in the Borough could be driving homelessness. Enfield has moved from London's 14<sup>th</sup> most deprived borough in 2010 to the 12<sup>th</sup> most in 2015.<sup>17</sup> It has also seen a rise in low pay rates from 17% to 19%

<sup>17</sup> MHCLG, English Indices of Deprivation, 2015 and 2010 – rank of average score

between 2010 and 2018.<sup>18</sup> The number of residents claiming housing benefit between March 2010 and March 2018 has risen by 15% whereas in England it has fallen by around 10%.<sup>19</sup>

- 9.5 **Increased reliance on the PRS.** As the population has grown there may have been more reliance on the PRS where tenancies are less secure and rents higher. This is evident in Enfield and can be seen through housing benefit data. Between 2010 and 2018 the proportion of housing benefit claimants in the PRS increased by 7 percentage points. As the data has shown, Enfield has a high proportion of poorer residents living in the PRS. Those in the PRS are more likely to have their tenancy ended. Therefore, areas with higher rates of poorer people in the PRS could be more susceptible to higher rates of homelessness and experience the impact of other changes (welfare, housing market, labour market) more acutely. This could also be driven by the tenure shift within the Borough away from homeownership to the PRS (meaning that the housing stock is catering for different types of households).
- 9.6 **Lack of social housing.** According to MHCLG figures, social landlord stock declined by 1% in the Enfield between 2010 and 2017.<sup>20</sup> As such, poorer residents in Enfield are more reliant on the PRS than other areas. Enfield has historically had a lower proportion of households in social housing than the London average (currently around 20% versus 23% for the capital).<sup>21</sup> While social housing may act as a pull factor for poorer tenants, it could also ensure that those on lower incomes have lower rents and more secure tenancies. There has been a decline in the rate of lettings to new tenants and analysis of data has suggests there has been an overall decline in the proportion of lettings to homeless people.<sup>22</sup> In addition, those in poverty in London have become more likely to live in the PRS.<sup>23</sup> This means that those on low incomes may be increasingly likely to seek more affordable housing in areas where rents are lowest (see below), especially as a result of welfare reforms. Enfield's low level of social housing provision for its demographic profile is also evident in the data below which compares provision as a proportion of child poverty rates.

	Proportion of residents in social housing stock	Child poverty as a proportion of social housing stock		Proportion of residents in social housing stock	Child poverty as a proportion of social housing stock
Redbridge	9.8	113%	Richmond upon Thames	8.2	49%
Harrow	8.0	111%	Kingston upon Thames	12.6	48%
Ealing	14.2	86%	Wandsworth	16.6	48%
Waltham Forest	16.7	82%	Lewisham	27.6	46%
Enfield	19.9	81%	Haringey	29.3	46%
Barking and Dagenham	29.3	73%	Tower Hamlets	39.2	43%
Bexley	12.9	72%	Hounslow	22.2	43%

<sup>18</sup> Analysis of Annual Survey of Hours and Earnings data, low pay is defined as two thirds of median hourly earnings for all employees

<sup>19</sup> DWP, Stat-Xplore

<sup>20</sup> MHCLG, Live Table 100

<sup>21</sup> GLA, Housing tenure of households – 2016 data based on the ONS, Annual Population Survey dataset

<sup>22</sup> Fitzpatrick, S et al, The homelessness monitor: England 2018 (Crisis/JRF, 2018)

<sup>23</sup> See Hunter, P 'The unspoken decline of outer London' (2019)

Brent	22.1	68%	Greenwich	32.9	41%
Hillingdon	15.3	67%	Hackney	43.7	34%
Croydon	15.1	66%	Lambeth	33.8	31%
Newham	26.5	63%	Islington	37.6	31%
Havering	15.4	60%	Camden	36.7	27%
Merton	13.4	57%	Southwark	40.9	27%
Bromley	12.2	56%	Hammersmith and Fulham	31.7	26%
Barnet	14.8	56%	Westminster	30.9	24%
Sutton	11.4	51%	Kensington and Chelsea	32.7	16%

Sources: GLA, Children in Poverty and GLA, Household Tenure

**9.7 Impact of welfare reforms.** Welfare reforms could have several impacts on homelessness in Enfield.

- **Overall level of need.** Reforms may have increased deprivation - this would impact all residents in all areas.
- **Residents in Enfield are more affected by welfare reforms.** This is largely due to the disproportionate impact of reforms on those in the PRS where high levels of Enfield's poorest live. Reforms include changes to LHA rates making more residents poorer and making paying rent more difficult. It also includes the impact of Universal Credit, which will potentially make it more difficult for those in the PRS where landlords show less forbearance.
- **Push and pull factors.** Although proportionately fewer residents in inner London may be affected by reformed LHA caps, those that are affected are severely impacted. This means they may move to lower cost areas (such as Enfield) adding to the levels of poorer residents in the Borough and living in the less secure PRS (see below).

**9.8 Different housing market.** There are a number of potential drivers behind the rise of the PRS, including: accessing homeownership (issues raising a deposit, mortgage availability, lower interest rates driving higher prices, attractiveness of housing versus other assets for investors) and the decline of social housing (driven longer term by right to buy and the lack of investment in new social housing). However, there is a spatial dimension to these trends and to affordability within the capital.

Although there are methodological shortcomings to the raw VOA rent data, comparing two bed properties gives a fairer comparison of rental prices. The table below shows that rents in Enfield are not the lowest. However, they are lower than neighbouring boroughs (with the exception of Waltham Forest where rents are the same).

Area	Median	Area	Median
Bexley	1050	Ealing	1450
Havering	1100	Merton	1450
Sutton	1160	Brent	1500
Barking and Dagenham	1200	<b>Haringey</b>	<b>1500</b>
Croydon	1200	LONDON	1500
Bromley	1225	Richmond upon Thames	1595

Hillingdon	1250	Lambeth	1600
Hounslow	1250	Southwark	1600
Redbridge	1250	Wandsworth	1672
<b>Enfield</b>	<b>1300</b>	Tower Hamlets	1733
Greenwich	1300	Inner London	1733
Harrow	1300	Hammersmith and Fulham	1753
<b>Waltham Forest</b>	<b>1300</b>	<b>Hackney</b>	<b>1778</b>
Outer London	1300	<b>Islington</b>	<b>1950</b>
Kingston upon Thames	1325	<b>Camden</b>	<b>2058</b>
<b>Barnet</b>	<b>1375</b>	City of London	2383
Lewisham	1400	Westminster	2492
Newham	1400	Kensington and Chelsea	2817

Source: VOA, Private Rental Market Statistics

Data on rent levels over the longer term is not readily available. However, there is a close relationship between rents and house prices. Examination of house prices reveals that average prices in Enfield are lower than average in London. The data also shows that the Borough has become relatively more affordable in comparison with other boroughs. For example, while in 1995 the average property in Enfield was 93% of that in Haringey today it is 72%. This suggests that the Borough is relatively more affordable than surrounding boroughs and has become more so with time. As poorer people have become more reliant on the PRS this could be a significant driver for households to locate in outer London areas such as Enfield.

	Enfield prices as a proportion of prices in other areas	
	Feb-95	Feb-19
Barnet	79%	75%
Camden	61%	46%
Haringey	93%	72%
Islington	78%	62%
Waltham Forest	121%	92%
Inner	96%	71%
Outer	100%	94%
London	101%	86%

Source: ONS, House Price Index

9.9 **LHA and housing costs.** Another driver is that LHA rates. The table below shows the shortfalls that tenants face.

Bedroom Size	Enfield Social Rent 2019/20	London affordable rent 2019/20	Lower quartile private rented sector	Median private rented sector	Local Housing Allowance 2019/20
1 bed	91.24	150.03	231	242	212.42
2 bed	101.17	158.84	288	300	263.72

3 bed	111.39	167.67	340	368	325.46
4 bed	117.51	176.49	404	462	389.72

LHA rates could potentially be displacing lower income households into Enfield's PRS. As the table below shows the shortfall between LHA rates and lower quartile rents is lowest in Enfield meaning that it could attract lower income households as fewer resources are needed to make up the shortfall between HB and rents.

	Weekly shortfall between LQ rents and LHA rate, two bed property	BRMA
Enfield	-£26	Outer North London
Barnet	-£42	North West London
Hackney	-£37	Central London
Haringey	-£60	Outer North London
Waltham Forest	-£41	Outer East London
Islington	-£60	Central London
Camden	-£105	Central London

Source: VOA, Private Rental Market Statistics and VOA, LHA Rates

NB some boroughs have more than one BRMA which would impact the level of shortfall

**9.10 Increases in housing cost support in the PRS.** An indication of the relative growth in the numbers of lower income households in the PRS in Enfield can be observed in the table below. The data highlights that in Enfield there has been a 23% increase in the number of households in the PRS claiming housing support – the biggest increase of any borough. And overall the 8% of PRS claims for housing benefit/Universal Credit are in Enfield – again a higher proportion than any other borough.

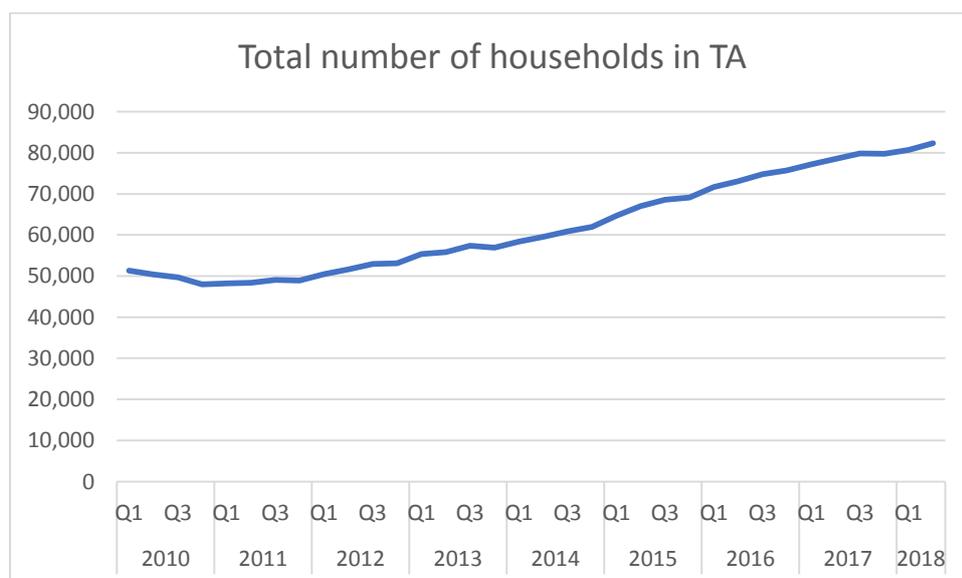
	Percentage change in the number of PRS claiming HB/UC	Proportion of London's HB/UC claimants (2011)	Proportion of London's HB/UC claimants (2018)		Percentage change in the number of PRS claiming HB/UC	Proportion of London's HB/UC claimants (2011)	Proportion of London's HB/UC claimants (2018)
Enfield	23%	6.0%	7.8%	Haringey	-11%	5.1%	4.9%
Barnet	20%	5.3%	6.7%	Hackney	-13%	3.7%	3.5%
Hounslow	18%	2.6%	3.3%	Bromley	-19%	2.1%	1.8%
Ealing	12%	4.8%	5.7%	Wandsworth	-21%	3.0%	2.5%
Sutton	9%	1.7%	2.0%	Lewisham	-21%	4.2%	3.5%
Hillingdon	8%	2.9%	3.3%	Merton	-21%	3.0%	2.5%

Havering	6%	1.7%	1.9%	Hammersmith and Fulham	-23%	1.7%	1.4%
Harrow	5%	3.3%	3.7%	Southwark	-23%	1.9%	1.5%
Brent	5%	6.0%	6.7%	Camden	-24%	1.9%	1.5%
Redbridge	1%	3.7%	4.0%	Lambeth	-25%	3.2%	2.5%
Greenwich	0%	2.1%	2.2%	Islington	-32%	1.5%	1.1%
Newham	0%	4.9%	5.3%	Waltham Forest	-32%	4.0%	2.8%
Kingston upon Thames	-2%	1.4%	1.4%	Kensington and Chelsea	-41%	1.6%	1.0%
Barking and Dagenham	-4%	2.5%	2.5%	Westminster	-46%	3.2%	1.8%
Croydon	-8%	6.2%	6.1%	City of London	-53%	0.0%	0.0%
Bexley	-8%	1.8%	1.7%	Inner	-20%	38.0%	32.5%
Richmond upon Thames	-9%	1.1%	1.1%	Outer	2%	62.0%	67.5%
Tower Hamlets	-9%	2.0%	1.9%				

Source: DWP Stat-Xplore, April 2011 and April 2018

## 10. Temporary accommodation

10.1 In the short-term temporary accommodation is used to meet acute housing needs. Across England there has been a steady rise in the number of households in temporary accommodation – increasing from 50,000 households in 2010 to around 80,000 in 2018.



Source: MHCLG, Households in temporary accommodation

- 10.2 Enfield has the third highest level of households in temporary accommodation in England. In Enfield 26 households per 1000 are in temporary accommodation– this compares with the London average 15 and English average of 4.
- 10.3 The Borough has the second highest number of households in temporary accommodation (3,466) and second highest for the number of children in TA (2,700) of any local authority (it has more households with children in temporary accommodation than the West Midlands combined).
- 10.4 Enfield is particularly reliant on nightly paid, privately managed accommodation and has lower levels in others forms of temporary accommodation.

	Bed and breakfast hotels	Nightly paid, privately managed accommodation, self-contained	Hostels (including reception centres and emergency units and refuges)	Private sector accommodation leased by authority or leased or managed by a registered provider	Local authority or Housing association stock	Any other type of temporary accommodation (including private landlord)
Enfield	2%	57%	0%	39%	0%	2%
England	8%	26%	7%	31%	19%	9%
London	5%	31%	6%	37%	13%	8%

Source: MHCLG, Households in temporary accommodation, April to June 2018

- 10.5 The household composition of those in temporary accommodation will also be an important factor when deciding what types of TA is needed. Around three quarters (78%) of households in TA have children, which is the same as the London average. Where there are differences are in the type of accommodation TA people are placed in. Clearly, some forms of TA are better than others, but some forms may offer better value of money for certain types of households. For example, Ealing council found in 2015 that the weekly subsidy shortfall the council had to meet was £242 for B&B accommodation and £136 for annex accommodation whereas hostels were cost neutral.<sup>24</sup>

	Without children		With children	
	London	Enfield	London	Enfield
Bed and breakfast hotels (including shared annexes)	14%	3%	1%	1%
Nightly paid, privately managed accommodation, self-contained	26%	61%	33%	56%
Hostels (including reception centres and emergency units and refuges)	9%	0%	4%	0%
Private sector accommodation leased by your authority or leased or managed by a registered provider	30%	31%	40%	41%
Local authority or Housing association (LA/HA) stock	13%	0%	13%	0%
Any other type of temporary accommodation (including private landlord and not know)	9%	5%	8%	2%

<sup>24</sup> Ealing, Proposals for reducing emergency accommodation costs, 24<sup>th</sup> November 2015

10.6 The level of temporary accommodation in Enfield is high but is not necessarily that high when compared with the rates of homelessness. Using MHCLG data on levels of households accepted as homeless and in priority need and comparing it to the number of households in temporary accommodation we can see that Enfield again is not an outlier. Instead, it suggests that temporary accommodation numbers may be routed in the high levels of homelessness, which itself is driven by high numbers of poorer residents in the PRS.

	Numbers accepted as being homeless and in priority need	Total in temporary accommodation	Ratio		Numbers accepted as being homeless and in priority need	Total in temporary accommodation	Ratio
Haringey	395	2943	7.5	Lewisham	614	1944	3.2
Barnet	444	2579	5.8	Kensington and Chelsea	709	2235	3.2
Hammersmith and Fulham	249	1402	5.6	Hackney	949	2861	3.0
Westminster	454	2521	5.6	Hounslow	247	703	2.8
Tower Hamlets	437	2201	5.0	Havering	330	924	2.8
Southwark	509	2336	4.6	Harrow	307	825	2.7
Brent	536	2450	4.6	Croydon	749	2005	2.7
Redbridge	497	2270	4.6	Bexley	500	1234	2.5
Lambeth	467	2101	4.5	Sutton	231	569	2.5
Newham	1143	4892	4.3	Bromley	630	1522	2.4
Camden	94	395	4.2	City of London	7	15	2.1
Enfield	786	3276	4.2	Wandsworth	822	1761	2.1
Waltham Forest	586	2235	3.8	Hillingdon	264	533	2.0
Kingston upon Thames	190	706	3.7	Richmond upon Thames	207	282	1.4
Barking and Dagenham	512	1876	3.7	Merton	122	165	1.4
Islington	223	745	3.3	Greenwich	562	655	1.2
Ealing	698	2277	3.3				

Source: MHCLG, Local authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts

10.7 This relationship between homelessness rates and numbers in temporary accommodation can be shown when correlating the two by local authority. Here we see a statistically significant relationship and a relatively moderate correlation between the two, with other factors such as levels of affordable housing to place households into likely also to be an important factor.

		Temporary Accommodation
Homeless	Pearson Correlation	.486**
	Sig. (2-tailed)	0.000
	N	285

10.8 Analysis by the LSE shows that spending in Enfield on TA is high – the third highest within London. However, income too is high meaning that the operational loss compared with expenditure is relatively low (4<sup>th</sup> lowest). This means that the net cost to the council is less

than others. Nevertheless, because of the sheer numbers in TA means the bill still stands at £7.9m for 2018/19 – the 12<sup>th</sup> highest in London.

10.9 What is clear from the table is that London local authorities are spending more on TA than other local authorities across the country.

<b>Borough</b>	<b>18/19 Exp</b>	<b>18/19 Income</b>	<b>% Operational loss over Expenditure</b>	<b>18/19 Net Spend</b>	<b>No. of households in TA</b>	<b>Net Cost of TA per unit</b>
Camden	17,694,084	-6,451,279	64	11,242,805	622	18,075
Richmond upon Thames	6,475,000	-3,945,000	39	2,530,000	296	8,547
Hammersmith & Fulham	29,557,000	-18,053,000	39	11,504,000	1,512	7,608
Bromley	22,244,000	-13,850,000	38	8,394,000	1,560	5,381
Hillingdon	6,995,411	-4,445,233	36	2,550,178	-	-
Bexley	22,124,414	-14,373,000	35	7,751,414	1,385	5,597
Lambeth - Consolidated	45,502,421	-30,366,269	33	15,136,152	2,910	5,201
Westminster	73,250,082	-50,832,442	31	22,417,640	2,629	8,527
Southwark	32,505,000	-22,872,000	30	9,633,000	2,618	3,679
Harrow	14,936,000	-10,717,000	28	4,219,000	1,410	2,992
Merton	4,058,065	-3,018,786	26	1,039,279	170	6,113
Islington	15,069,895	-11,596,307	23	3,473,588	655	5,303
Ealing	48,836,908	-37,827,174	23	11,009,734	2,720	4,048
Sutton	5,989,986	-4,643,977	22	1,346,009	597	2,255
Kensington & Chelsea	47,121,100	-36,855,100	22	10,266,000	2,107	4,872
Wandsworth		-19,686,685				

	25,160,132		22	5,473,447	1,992	2,748
Barnet	32,869,000	-25,794,000	22	7,075,000	2,630	2,690
Havering	14,858,683	-11,770,637	21	3,088,046	900	3,431
Kingston upon Thames	11,374,866	-9,068,394	20	2,306,472	687	3,357
Haringey	49,957,332	-40,129,264	20	9,828,068	2,961	3,319
Hackney	41,596,073	-33,635,729	19	7,960,344	2,464	3,231
Redbridge	42,662,590	-34,885,025	18	7,777,565	2,388	3,257
Barking & Dagenham	27,377,281	-22,738,223	17	4,639,058	1,857	2,498
Hounslow	11,378,000	-9,554,000	16	1,824,000	614	2,971
Greenwich	11,191,265	-9,423,748	16	1,767,517	821	2,153
Newham	82,563,525	-69,991,201	15	12,572,324	5,231	2,403
Lewisham	23,334,600	-20,014,000	14	3,320,600	2,056	1,615
Croydon	32,944,977	-28,485,780	14	4,459,197	2,052	2,173
Enfield	66,252,123	-58,372,145	12	7,878,790	3,410	2,310
Waltham Forest	37,896,496	-33,907,289	11	3,989,207	1,882	2,120
Tower Hamlets	39,180,409	-37,268,771	5	1,911,638	2,432	786
Brent	40,709,594	-43,115,137	- 6	- 2,405,543	2,250	- 1,069

10.10 There are concerns about the level of out-of-borough placements. Although it is not possible to ascertain from publicly available government data the location of those placed out of borough, the data does show that Enfield places far fewer households out of borough than its neighbouring authorities. As such it might be assumed that Enfield is net receiver of households in temporary accommodation within the Borough.

	Numbers in TA	Out of borough	Proportion of placements out of borough to number in TA within area	Numbers in TA	Out of borough	Proportion of placements out of borough to number in TA within area	
Kensington & Chelsea	2,372	1,823	77%	Newham	4,979	1,783	36%
Bromley	1,604	1,038	65%	<b>Hackney</b>	2,988	1,050	35%
Lambeth	2,202	1,300	59%	Wandsworth	1,743	554	32%
Hammersmith & Fulham	1,400	784	56%	City of London	9	3	30%
Westminster	2,554	1,343	53%	Lewisham	2,066	570	28%
<b>Waltham Forest</b>	2,311	1,214	53%	England	83,240	22,857	27%
<b>Camden</b>	494	249	51%	Barking & Dagenham	1,766	469	27%
Redbridge	2,330	1,086	47%	<b>Enfield</b>	3,501	653	19%
Greenwich	817	380	46%	Harrow	936	168	18%
Tower Hamlets	2,600	1,196	46%	Sutton	571	102	18%
Richmond upon Thames	234	98	42%	Croydon	1,791	270	15%
<b>Haringey</b>	2,970	1,240	42%	Hillingdon	458	31	7%
Southwark	2,479	1,034	42%	Hounslow	654	37	6%
Merton	144	58	40%	Havering	883	46	5%
<b>Barnet</b>	2,400	967	40%	Brent	2,338	104	4%
Ealing	2,202	836	38%	Bexley	1,375	0	0%
<b>Islington</b>	661	245	37%	Kingston upon Thames	766	0	0%
London	56,497	20,437	36%				

Source: MHCLG, Households in temporary accommodation, April – December 2018, quarterly average in some instances only two quarters were available the average for those two quarters is used

10.11 This was confirmed by data provided by Enfield (covering slightly different period 2017/18 financial year and the data did not cover all units) which highlights where they were placing households in TA out of borough and which boroughs are placing households in Enfield. In total the borough was receiving 250 households more than it was placing out of borough.

	Numbers in TA
Out of Enfield	494
Into Enfield	744
Net into Enfield	250

10.12 The data also revealed in some cases there was not insignificant flows into and out of Enfield from the same borough. Such cases may suggest there could be room for coordination to reduce out of borough placements where it means the household is closer to their local community. It also highlighted that the biggest net inflow to the borough was coming from inner London boroughs (as defined by London Councils).

	Net flow into Enfield
Inner London	232
Outer London	120
Outside London	-102

## 11. Perspectives on the reasons for high levels of homelessness in Enfield and possible solutions from internal stakeholders

- 11.1 We conducted six interviews with internal stakeholders in managerial positions at Enfield Council in which the issue of homelessness is a relevant consideration to varying degrees within their responsibilities. We also interviewed four senior officers with managerial responsibility for homelessness and temporary accommodation within their organisations.
- 11.2 We found a commonly shared perception that Enfield takes a more paternalistic and compassionate approach to homelessness than other London Boroughs, who were believed to take a more business focussed approach. This was seen as a result of a wider culture of being paternalistic and compassionate in the Council as a whole, rather than particular to homelessness. This view was endorsed by a manager who has moved from another London borough in the last couple of years. This paternalistic approach is commonly believed by managers to encourage other London boroughs to gatekeep and pass people on to Enfield. There is also a belief that, perhaps as a result of this approach, Enfield sends messages which lead people to believe they can expect positive outcomes if they become homeless.
- 11.3 As to the further evidence of a paternalistic approach, there is a perception amongst managers at Enfield that the expectations of people at risk of becoming homeless could be better managed in terms of the likelihood of securing social housing and the size, quality and location of temporary accommodation. There is also a feeling that when people are placed in temporary accommodation the Council could do more to move them into privately rented accommodation.
- 11.4 There is also recognition that people choose to migrate to Enfield for a variety of reasons. For example, there is a large Turkish community, there are excellent transport links, relatively low rents in the PRS, nice parks and access to the countryside. Managers believe Enfield is seen as a nice place to live by people on lower incomes choosing where to settle.
- 11.5 Managers recognise that lower income households who by definition cannot afford to buy property want to live in London and seek the lower rents than outer London's PRS can offer whilst enjoying transport links to central locations. There is also a view that this includes a

large number of households that are being displaced from inner London boroughs by rising rents in the PRS and reduced access to social housing.

- 11.6 There are questions as to whether people at risk of becoming homeless are accessing information from third parties which is giving them a misleading view of the best way to manage their situation and the outcome they can expect. Do households avoid engaging early with the Council and leave it until the last minute to seek help because they believe it gives them the best chance of gaining the most favourable outcome (i.e. access to temporary accommodation as a gateway to social housing or long-term temporary accommodation in good locations within the Borough boundaries)?
- 11.7 Managers also questioned whether Enfield's policies are clear and robust enough to be applied consistently despite case by case challenges from individuals. Some argue that either the policies themselves, or how they are applied, may encourage people to 'try their luck' in Enfield. In short, is the decision-making process too complicated?
- 11.8 Expectation management around future access to social housing is also cited as a problem. Some managers feel that people may believe that they have a greater chance of accessing social housing by becoming homeless in Enfield because the message from frontline staff that people are very unlikely to secure a social tenancy due to the low number of properties for social rent and the long waiting list - may be undermined by the fact that families with low points do access socially rented accommodation, by being willing to bid for and accept the least desirable units, for example at the top of high rise blocks.
- 11.9 Given the high level of PRS in the Borough and the important role of private landlords and agents in both enabling homelessness and providing solutions for homeless people, the relationship between the Council and the Borough's landlords and agents is key. There is, however, a tension which needs to be resolved between the desire to increase the quality of PRS at the lower end of the market through schemes such as licensing and realigning incentives, whilst at the same time engaging more closely with landlords and agents to prevent evictions and help homeless households back into private tenancies.
- 11.10 There is a perception that due to high demand, landlords and agents are able to pick and choose their tenants and will opt to evict in order to seek more lucrative arrangements, either by seeking less risky tenants who are not dependent on benefits or by converting their properties to nightly paid temporary accommodation or longer lease temporary accommodation, benefitting from golden handshakes.
- 11.11 Managers recognise that as the local authority with the second highest rate of people on benefits in the PRS it is important to make the PRS viable for lower income families whilst recognising the difficulties caused by the LHA cap and Universal Credit. Landlords are thought to be reluctant to take households on Universal Credit because they do not have the same relationship with Job Centre Plus/DWP that they do with the Council through the Housing Benefit system. The relationship between Job Centre Plus/DWP and landlords and agents is therefore seen as a key barrier to reducing homelessness. There is a fear that unless this issue is resolved landlords may evict hundreds of tenants, and as Enfield has such high rates of claimants in the PRS the Council is disproportionately exposed to this risk. A 10% swing, pushing 2,000 more households into homelessness could create a £6m budget pressure. For this reason, managers argue that maintaining and extending pan-London work to harmonise rates for temporary accommodation are crucial in holding back the tide.

- 11.12 There is also a widely held belief that neighbouring Boroughs are taking advantage of the lower PRS costs in Enfield to place homeless households or households at risk of becoming homeless, who then later become homeless with responsibility transferring to Enfield. There is also a shared belief that other boroughs are placing greater numbers of families in temporary accommodation out of borough than Enfield do, which has an impact on the availability of temporary accommodation for Enfield residents, forcing the Council to seek solutions further afield.
- 11.13 In terms of out of Borough placements, most believe that because of the level of demand and the cost and supply issues, out of borough placements will always be part of the picture unless households have significant needs. Therefore, smart procurement of suitable accommodation outside London must be a priority.
- 11.14 The North London sub group pilot was cited as an example of a way of working which can be effective in preventing homelessness and reducing TA costs. One staff member in Enfield situated in the Job Centre Plus office has prevented 60 households becoming homeless this year by working with landlords, saving the council circa £180,000. It was argued that investing in this way of working with a larger team and sustainable funding would further reduce homelessness and temporary accommodation costs, with just three staff possibly able to save in the region of £0.5m pa.

## 12. Views of external stakeholders and partners

- 12.1 The view from the North London Consortium is that Government policy has resulted in increasing the homelessness problem and shifted it towards Enfield, as a combination of low social housing stock, rising poverty and low pay and changes to the benefits system create 'the perfect storm'. There is a recognition that Enfield cannot tackle this alone and will need co-operation from neighbouring boroughs and across London to affect the market dynamics. There is also a call for changes in national government policy to move the dial on the push factors for low income households. Ending no-fault evictions may help.
- 12.2 In terms of possible solutions, there is a question as to whether Enfield could have done more to invest in work with single homeless people with a clearer housing pathway offering a safety net, and whether the emerging Islington single homeless prevention, which focuses on mediation and support, may offer some useful ideas which could be used locally. Two boroughs from the North London Consortium have joined Capital Letters and joining remains an option for Enfield if there is a clear economic case for doing so. Further co-operation with neighbouring boroughs on temporary accommodation procurement is seen as a productive way forward by the consortium and there is a strong view that pan London co-operation will make a difference, including work on harmonising incentive payments for temporary accommodation providers across London to avoid neighbouring boroughs competing unnecessarily.
- 12.3 Enfield is seen as having done well to source so much temporary accommodation within the Borough. In terms of widening supply in order to be able to move households out of temporary accommodation and as a Borough with a relatively large number of sites for development, Enfield is seen as well placed to trail blaze new initiatives, such as new methods of land use and modular construction. However, this will take time to come through. In the short-term there is a possible cliff edge in 2020 as the flexible homes support grant comes to an end. Enfield have hired staff to deal with the impact of the new legislation so in the view of the consortium it is a risk. They suggest that Enfield should consider lobbying central

government, perhaps with London Councils, to make a case for continued funding given the level of need in the Borough.

- 12.4 We spoke to two managers from a neighbouring borough. Their view is that Enfield gatekeep in the same way as other boroughs and as a result of putting up barriers are seeing people approach them as homeless very late on, making prevention more difficult. The Council have opted for a generic service in which one case worker will 'run with your case' rather than handing off between departments. They argue that this has speeded up decision making, reduced duplication and has enabled more holistic support, such as outreach for drug and alcohol problems, reducing the temporary accommodation spend. They also prioritise working closely with landlords and operate a forum to help with problem solving, such as issues with Job Centre Plus.
- 12.5 This Borough argue that they abide by collective agreements on temporary accommodation rates but do procure more temporary accommodation out of borough than some of their neighbours. They argue that all boroughs place people outside their boundaries, and apart from outliers such as Westminster, 'it all evens out'. The view was that they get 85% annual renewals from landlords without offering incentives, whereas other boroughs will pay to renew leases.
- 12.6 We spoke to two different boroughs (Croydon and Camden) who have had some success in dealing with homelessness and managing temporary accommodation spend to see what lessons there may be from the approaches they have taken.
- 12.7 Croydon are in many ways a mirror of Enfield as a large outer London Borough with a relatively low amount of homes for social rent and a large PRS. On the back of welfare reform, especially the LHA cap, Croydon took a decision a few years ago to move to a 'gateway model' which takes a preventative approach to homelessness by prioritising getting all people who approach for assistance into the PRS, using action plans and making quick decisions on support packages. This approach includes employment support, help with budgeting, rent in advance and use of Discretionary Housing Payments. This is supported by a significant change in the message for staff and residents, namely that due to the length of the waiting lists, you will not access social housing. As a result, and despite a 50% increase in applications since the Homelessness Reduction Act, rates of nightly paid and leased temporary accommodation have not increased.
- 12.8 Croydon have also gone into the private market and bought 250 street properties. They have set up a separate housing company so they can offer assured shorthold tenancies. They have also bought blocks and converted office space within the borough to residential units, creating an additional 300 units. They argue that the worst thing you can do is use your own stock as temporary accommodation.
- 12.9 Croydon have produced a map showing the journey for people going through the system, showing that the journey always ends with the PRS, and this can be done quickly or slowly, with the same result. They have worked with MPs and Councillors to get them on board with the strategy, getting on top of complaints right away but being very clear about the pathway. All letters have text about helping people into the PRS. They are still able to find landlords who will let at the LHA rate and have opted to join Capital Letters, although they are unsure what the impact will be. Although there is clearly churn within South London, with boroughs such as Lambeth and Southwark placing households in temporary accommodation, Croydon's view is that there is little point in blaming those boroughs for doing that, as these are mostly family

homes anyway and the borough boundary lines don't mean much to people facing homelessness.

- 12.10 Camden are a very different Borough to Enfield in terms of housing stock. They have roughly a third owner occupied, a third for social rent and a third in the PRS, the majority of which is let at very high rents. They make 1,000 social housing allocations each year. The homelessness issue comes mostly from outside the Borough, often from people who were from Camden originally. They changed their approach to managing demand in the mid 2000s. At the time there was a target to halve temporary accommodation by 2010. They had 2,000 households in temporary accommodation then, 676 by 2010. Now they have just over 500. They achieved this by using the housing allocation scheme and the PRS to prevent homelessness.
- 12.11 When households approach in Camden they are given two options. Firstly, if you cannot keep your current home you can go into temporary accommodation and you will receive only 100 points to bid for social housing with no additional points for overcrowding. If you are overcrowded, they will move you to new temporary accommodation. Alternatively, you can choose not to apply to become homeless, they will help you into the PRS, you will still receive 100 points, but after six months you will receive a bonus of an additional 100 points, so the yearly increase in points is doubled. Up to three different PRS tenancies are offered and a floating support worker is allocated so the tenancy starts successfully and the landlord/agent has someone to speak to if there is a problem. A tenancy sustainment team specifically for the PRS was created. They offer tenancy training and usually will not offer a tenancy in the PRS until the training has been completed, so landlords know they are getting 'good' tenants.
- 12.12 Those who opted to become homeless and enter temporary accommodation anyway are now given a 'qualifying offer' of a PRS tenancy and can still receive the 100 points. This has made a big difference in terms of further reducing the numbers in temporary accommodation. Camden say their approach has worked because they have been clear and consistent about their approach, so community organisations and third-party advice organisations in the voluntary sector understand and accept it. They also say staff have responded well as there is a better culture, treating people well and understanding that the PRS is the best solution available to homelessness.

### 13. Views and experiences of clients at risk of becoming homeless or who have become homeless and are living in TA.

- 13.1 To test out some of the working hypotheses on why Enfield has such high rates of homelessness we conducted telephone interviews with a small sample of ten clients, five homeless and living in temporary accommodation, five who have made an approach and are going through the process of applying to become homeless.
- 13.2 Our interviewees had originally moved to Enfield for a wide variety of reasons. Some had moved in with relatives during a time of hardship or difficulty in their lives, others knew people in Enfield and had been told the area was nice and they could rent privately, a commutable distance from work or study. One had been placed in Enfield by Kensington and Chelsea following a relationship breakdown and one had been accepted as homeless by Enfield after fleeing domestic violence outside London.
- 13.3 Other than one man who became street homeless after being evicted by a relative and another who had his tenancy cancelled whilst he was in prison, the most common reason for becoming homeless was the breakdown of a private tenancy due to the accommodation becoming unsuitable through overcrowding or poor maintenance, or the landlord wishing to increase the rent, but in most cases the pattern was a traumatic incident such as relationship breakdown, serious illness, pregnancy or unemployment resulting in the tenant being unable to pay the rent, or more commonly the gap between the LHA and their rent.
- 13.4 The most common source of advice and support people sought was from family, friends or neighbours. Some said that their landlords had advised them to go to John Wilkes House and tell staff they were about to be evicted. Just over half of them had been in contact with the CAB but most found this unhelpful due to very short appointment times and a lack of clear advice on how to proceed. The most commonly cited advice from the CAB was to visit John Wilkes House. One client had support from Shelter in fighting his eviction. Another had support from a social worker following a breakdown. One man was receiving informal advice from a nurse at a hospital at which he was due to have a serious medical procedure as the operation could not go ahead without him having accommodation in place.
- 13.5 There is very little awareness that the Council can do anything to help you contact them earlier in the process. Most assume nothing can be done until you are about to be evicted. Asked what would have made the difference in preventing them from becoming homeless, the response is usually either direct help with the rent after a change in personal circumstances, or someone to speak to the landlord on their behalf. Help navigating the benefits system during a change in circumstances was also mentioned, especially by the single mothers we spoke to. Two interviewees said they had gone to the Council for help only to be told that they could only apply to become homeless once an eviction notice had been served, and that they should put their possessions in storage before the bailiffs arrive and then bring their paperwork to John Wilkes House once the eviction had taken place.
- 13.6 Although a few interviewees said that they did hope to access social housing in the future, nobody believed that this would be easy or that it was likely that they would be able to access social housing. Although people usually did not have any knowledge on how much social housing there is available in Enfield in comparison with other boroughs, it was well understood there is a shortage in London and there are long waiting lists.
- 13.7 In general, people had little idea what to expect when they became homeless. The single homeless men we spoke to simply wanted a roof over their heads. The single mothers hoped

for a property in a decent area not too far from their children's school but had no idea what they would be offered. They were all aware you would have to pay rent in temporary accommodation.

- 13.8 Although our interviewees had generally found the council staff whom they had spoken to engaging and friendly, they had all found the system to be slow and difficult to navigate. They feel that unless you are talking to someone face to face then the response is poor; it is difficult to access information by writing or phoning.
- 13.9 In terms of their future plans, the route out of temporary accommodation depends on improving their income through their employment situation or their benefits. Most accept that social housing is not likely to be their next move. The single homeless men we spoke to want to return to work and get their own property; but given the significant barriers they face in terms of their health this seems unlikely. The single mothers all wish to work when their childcare responsibilities will allow. The single mothers want to access the PRS so they can exercise control over their choice of area and the quality of their accommodation, but they do not believe it will be cost effective to return to employment until they can access subsidised childcare or until their children are all in full time education.

#### 14. Options for change

Based on the findings from the interviews and data analysis, the following suggests options for change which could reduce the levels of homelessness and address issues with temporary accommodation.

##### **Local action**

- 14.1 **Clearer policy and messaging:** The approaches from Croydon and Camden provide contrasting ways that a council can seek to operate. The former is to make it explicitly clear that when someone is presenting as homeless that they are advised that all roads lead to the PRS whereas Camden uses the points system to provide an incentive not to become homeless by increasing the chances of securing a social tenancy. The ability to deliver the Camden approach may be constrained by the levels of social housing in Enfield (37% of households in Camden live in social housing versus 20% in Enfield and 15% in Croydon). It is not possible to assess the efficacy of the approaches given the very different demographics and housing markets/social housing provision. However, alongside incentivising certain behaviour, providing a better opportunity of securing a social tenancy if achieved is likely to result in a more affordable and sustainable tenancy. Regardless of the approach, both borough's stated that they had a clear and consistent approach. The view from other boroughs about residents receiving early information and support was that there needed to be a clear and consistent message about the council's approach to homelessness. Those interviewed from Enfield suggested this may be lacking at the moment.
- 14.2 **Invest to save:** Some of the options for change outlined below require additional resources. However, overall the council could consider looking at interventions as invest to save measures. Examples were highlighted where prevention could reduce budgetary pressures. The reverse of this was highlighted in one of the interviews with Enfield where in which it was stated that a 10% increase in homelessness could add £6m to the council's budget.

- 14.3 **Early intervention:** The evidence from the interviews with tenants suggested that support would have been welcome and useful earlier in the process. Additional funding to raise awareness and intervene early was requested by these households and was seen as important in the interviews. Central government funding of support for people who are homeless or are at risk of homelessness could help significantly (see below).
- 14.4 **Working with the third sector:** One way of intervening early may be to work with third sector organisations. The Welsh government has highlighted a third sector agency which imbeds itself within council services (such as housing, children services and welfare rights) to offer mediation where homelessness is a risk.<sup>25</sup> Similarly, Camden council works third sector organisations whose clients have a high risk of homelessness, including victims of domestic violence and abuse and people with mental health issues.<sup>26</sup> The council could consider how best to work with and support the third sector, either by through greater liaison with the sector or direct funding for organisations to help provide information, support and advice on homelessness.
- 14.5 **Review pre-tenancy training:** As mentioned by Croydon, this could not just help tenancy sustainability but also build up trust and relationships with landlords in the private rented sector.
- 14.6 **Better engagement with landlords:** Those managers interviewed from the Borough spoke of potential tensions between landlords regarding engaging them on evictions whilst also seeking to raise standards through licensing. Additional resources may be required to manage this relationship. However, as the example given of a staff member situated in the Job Centre Plus office stated, this could deliver significant savings (the tenants spoken to wanted support in speaking to and liaising with their landlord).
- 14.7 **Introduce a borough-wide landlord licensing scheme:** A borough-wide licensing scheme could help drive up standards in the PRS and help tackle homelessness. Such a scheme could include setting basic safety standards but also require landlords to undertake a training session to ensure they know their rights and responsibilities. Those landlords failing to meet certain standards could be barred from operating in the borough. It could also provide invaluable information about the stock, rent levels and areas where the PRS is most concentrated. This could help the council actively engage with landlords on homelessness, build up relationships and enforce standards. Evidence from Shelter Scotland<sup>27</sup> about the Scottish register of landlords found that it helped local authorities provide training, information and advice for landlords and also address bad practice. The scheme and information about landlords could also be used by the council when discharging the homelessness duties. Any such scheme would, however, need to ensure high levels of coverage to ensure that it is not just the 'best' landlords that are registered.
- 14.8 **Stakeholder forum:** Managing the relationship with a large number of small private landlords is likely to be challenging. Nevertheless, the Borough could look to create a forum for private landlords, agents, tenants' groups, Job Centre Plus, third sector organisations and social landlords to discuss specific housing and homelessness issues to help with problem solving.

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<sup>25</sup> Welsh Government, Preventing Homelessness and Promoting Independence: A Positive Pathway to Adulthood (2016)

<sup>27</sup> Shelter Scotland, Landlord registration in Scotland: three years on (2009)

This could help build relationships and trust and also help disseminate the Borough's approach and what support is on offer amongst a wider group of stakeholders.

- 14.9 **In-house provision of temporary accommodation:** The Borough is heavily reliant on the private sector to support homelessness households. It could explore ways of increasing support for its local housing company, Housing Gateway, to buy additional PRS accommodation. This could help the Borough discharge its homelessness duties and thereby help reduce TA costs.
- 14.10 **Consider different forms of TA:** Data from Ealing showed that certain types of TA require less subsidy from the council and in the case of hostel accommodation required none. The Borough could consider examining whether for certain types of households, such as single households, alternative provision could be provided within the Borough. Although it would not reduce homelessness it could provide additional resources to do so.
- 14.11 **Join Capital Letters:** Capital Letter is a pan-London procurement company (established by London Councils with MCHLG funding) created to increase housing options, help people live closer to their borough and reduce competition and thereby prices. 13 boroughs were founding members of Capital Letters, but Enfield decided against joining at the time. The council could consider joining Capital Letters given its objective of reducing costs and increasing housing choices for residents. There was a strong view in the interviews that pan London co-operation would make a difference.
- 14.12 **Review the approach to incentives:** The Borough may wish to explore whether annual incentives to landlords for tenancy renewals is a good use of money. It was suggested by a neighbouring borough that they have high levels of renewals without the need for making these annual payments. The view from Enfield was that the practice of paying landlords incentives was not widespread and were leading on cross-borough incentive payment harmonisation. Nevertheless, Enfield may wish to consider reducing its use further balanced against the risk that landlords turn away from letting homes, especially if there are also costs attached to registering as a landlord.

#### **Policy changes beyond Enfield**

- 14.13 **Greater collaboration:** The data suggests that while Enfield does place families out of borough it is a net importer of households in temporary accommodation. There could be scope for greater collaboration between Enfield and its neighbouring boroughs. This could include around co-operation on temporary accommodation procurement and harmonising incentive payments for TA providers.
- 14.14 **More support from the GLA:** There is scope for the GLA to play a greater role in bringing boroughs together to foster collaboration that seeks to address the underlying causes of homelessness and need for temporary accommodation and displacement of problems from one borough to another. As such, the GLA could establish a homelessness panel comprised of London boroughs and third sector organisations to accompany the recently announced housing panel which looks at broader housing issues in the capital.
- 14.15 **Additional support for new temporary accommodation could be supported by the GLA.** The GLA has supported the Pan-London Accommodation Collaborative Enterprise (PLACE) established to acquire modular temporary accommodation, but could do more. There may

also be a case that additional support is focused on areas like Enfield with urgent homelessness problems and where land values are lower.

- 14.16 Increase LHA rates:** The data highlights the strong correlation between areas with levels of private renters claiming housing benefit and levels of homelessness due to the ending of an assured shorthold tenancy. There is also growing scrutiny of the impact that welfare reforms have had on levels of homelessness. The evidence would therefore point towards a shift in government policy on increasing LHA rates (and other reforms) having a positive impact on the levels of homelessness, which would specifically benefit Enfield. Given the dynamics of the housing market in London this could also help slow the pace of any displacement of households from inner London. The council may wish to (publicly or privately) push for government to make reforms to LHA rates. It could also seek to work with campaign organisations who are lobbying government to return LHA levels to the 30<sup>th</sup> percentile.<sup>28</sup>
- 14.17 More social housing:** The data suggests that Enfield has a lower proportion of social rented properties than other boroughs. With problems associated with homelessness now appearing to be concentrated in the PRS efforts to increase supply (possibly via one of its local housing companies) could help people into more sustainable tenancies. Achieving a substantial increase in social housing may be difficult because of constraints on grant levels but there could be a strong case for requesting further support from the GLA because of the higher proportion of poorer residents to the relatively low levels of social housing. And at a national level for further funding of social housing, including removing barriers facing councils to build themselves.
- 14.18 Longer term funding from central government.** Tackling homelessness and eradicating the use of temporary accommodation is likely to be a long-term objective. As such there is a case to argue for sustainable funding from central government to tackle the problem by taking a strategic approach. Indeed, it is understood that this is the approach adopted in the Council's response to the Fairer Funding review. Given Enfield's levels of homelessness it may have a strong case for it to receive more funding under existing or new funding programmes.

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<sup>28</sup> Crisis, Everybody In: How to end homelessness in Great Britain (2018)

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## MUNICIPAL YEAR 2019/2020 REPORT NO. 74

**MEETING TITLE AND DATE:**

Cabinet -  
11 September 2019

**Agenda – Part: 1**
**Item: 9**
**Subject:** Energetik - Tranche 2  
Investment Decision

**REPORT OF:**

Director – Commercial

**Wards:** All wards

**Key Decision No:** KD4642

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**Cabinet members consulted:**

Cllr Nesil Caliskan  
Cllr Mary Maguire

### 1. EXECUTIVE SUMMARY

- 1.1 Energetik, the Council's heat network company, received approval of its business plan and initial funding of £15 million in January 2017 (Ref: RE 16/068 C - Parts 1 & 2), to allow it to commence operations on its 'satellite' heat networks, continue the design to planning stage of its largest heat network at Meridian Water and to complete various outstanding activities required before the full investment could be made.
- 1.2 All activities have now been completed and the company is now seeking its second tranche of funding to deliver the remainder of its business plan which includes building the heating infrastructure required to serve Meridian Water.
- 1.3 Energetik was created to design, build and operate heat networks within Enfield that supply better value energy that's reliable and environmentally friendly. A wholly owned energy company allows the Council to realise the multiple advantages of managing heat networks from start to finish, with a customer focused approach that delivers wider benefits within the borough. These benefits include:
- 1.3.1 **Helps tackle the climate change emergency** – the carbon footprint of heating homes connected to Energetik's heat networks is reduced by up to 80% compared to individual gas boilers. The total CO2 offset by the Council through Energetik's 40-year business plan is forecast to be over 200,000 tonnes – the equivalent of 400,000 trees being planted today and absorbing carbon for the next 45 years. This contributes to the Council's target to be carbon neutral by 2030 in accordance with its recent climate emergency declaration (see *Response to Climate Change Emergency PL 19/024 C*).

- 1.3.2 **Improvements to air quality and health** - residents of North London will benefit from the avoidance of harmful Nitrous Oxides (NOx) being released into the environment which would otherwise be emitted from individual gas boilers. NOx and particulates are harmful to people's health and cause thousands of deaths per year in the capital. By the time the 10,000 new homes are built at Meridian Water, the networks will be saving 2,175 tonnes of NOx from being added to the atmosphere, the equivalent of taking 2000 cars off the road each year, every year.
- 1.3.3 **Helps to alleviate fuel poverty** – fair heating charges, no penalty for using pay as you go (prepayment is often charged a higher tariff in electricity and gas markets) and smart in-home technology helps Energetik's customers to see and manage their spending in real time, helping them to manage their budget better. Flexible payment options for customers in financial difficulty, as well as links to charitable organisations who can offer support strikes a balance between prudential debt risk for the company and supporting the most fuel poor customers. Further, some of the interest premium paid by Energetik to the council can ring-fenced for fuel poverty projects.
- 1.3.4 – 1.3.5 See part 2 report
- 1.3.6 **Robust, expandable infrastructure** – future-proofed, with resilience built in, Energetik's heat networks have the capacity and ability to be expanded to supply more homes in the future, sharing the outline benefits with more customers whilst generating equitable income for the Council. The company can supply high quality, reliable and resilient heat networks - built to a bespoke technical specification that exceeds the standard of most UK heat networks.
- 1.3.7 **Returning benefits to Enfield's economy** – Energetik's low carbon infrastructure supports the borough's regeneration ambitions, helping to create a positive environment to attract new business to Enfield.
- 1.4 As a result of the due diligence undertaken in 2016, and before the remaining funding could be released to realise the remainder of Energetik's business plan, the company was required to ascertain greater certainty on the following (3.33 RE 16/068 C - Parts 1 & 2):
- 1.4.1 The construction and phasing programme for Meridian Water, and the appointment of a development partner.
- 1.4.2 A timetable for the delivery of the Meridian Water train station.
- 1.4.3 The timetable for the replacement of the North London Waste Authority's replacement Energy Recovery Facility (ERF).

1.4.4 The company's suite of legal documents.

1.5 Since 2017, more certainty on all items has been established:

1.5.1 A development partner is in place at Meridian Water for the first phase, and the Council is controlling the pace of development since its change of delivery strategy.

1.5.2 The Meridian Water train station is now open.

1.5.3 The timetable for the new ERF is known, and the NLWA has received approval from government to proceed via the Development Consent Order (DCO).

1.5.4 The company has successfully concluded negotiations and executed the majority of its legal agreements, including with three separate developers on its four active heat networks (Alma Road, Electric Quarter, New Avenue and Ladderswood). It expects to execute the Heat Supply Agreement (HSA) with the North London Waste Authority (NLWA) by the end of September 2019.

1.6 Since entering heat agreements with developers at all four of its satellite heat networks, the company has commenced operations to provide its customers with heat and hot water and all associated metering, billing and maintenance services. It has received positive recognition in the industry, being included in various national publications and receiving mention in Westminster hall as an example of best practice.

1.7 Its designs for the main energy centre at Meridian Water are complete and currently in the town planning process, which is expected to be determined later in 2019.

1.8 See part 2 report

## **RECOMMENDATIONS**

2.1 - 2.7 See part 2 report

### **3. BACKGROUND**

#### **Overview and context**

3.1 - 3.2 See part 2 report

3.3 In the 2017 cabinet report, it was noted that tranche 2 funding would be applied for once more information was known in relation to:

3.3.1 The construction and phasing programme for Meridian Water.

3.3.2 Network Rail's programme for the new Meridian Water train station.

3.3.3 NLWA's timetable for the replacement Energy Recovery Facility (ERF).

3.3.4 What is required to be delivered under the suite of contract documents, including the On-Lending Agreement from the Council to the business, and works required under Phase 2 of the Meridian Water Design Build Operate (DBO) contract.

3.4 It is now considered that the above items have been progressed, and given the timing and updated position, sufficient information is available to enable the Council to approve investment in and the second phase of loans to Energetik. Taking each item in turn:

3.4.1 An updated construction and phasing plan has been established for Meridian Water following the revision of the delivery strategy. The company works closely with the Meridian Water delivery team via the interdependency board to ensure it is appraised of the latest information.

3.4.2 Network rail's Meridian Water train station is now complete and open to the public.

3.4.3 The NLWA's ERF programme is forecast to commence operations in 2026. Joint preparatory works have commenced on utility diversions across the site, following the NLWA receiving approval of their DCO in 2017.

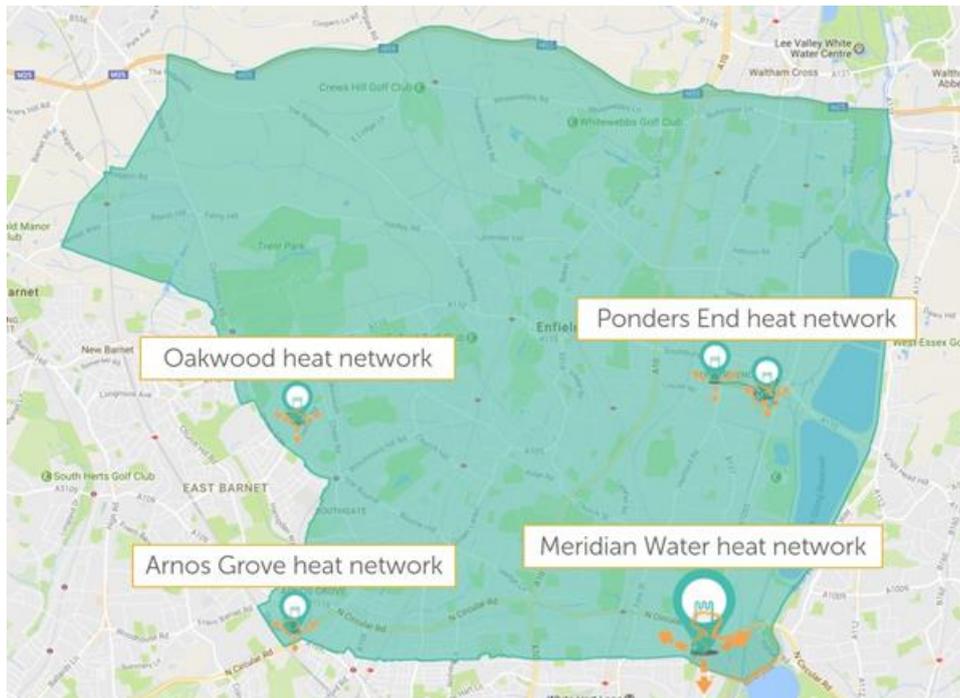
3.4.4 See part 2 report

3.4.5 Energetik's suite of heat agreements has been tested on each of the company's four active development sites, where they have been agreed and executed with a number of different developers, proving they are a balanced set of legal agreements. An On-lending agreement is in place for Tranche 1 that governs Energetik's drawdown of capital and the design to planning phase of Energetik's DBO contract is practically complete.

3.5 Since 2017, Energetik has made significant progress in the delivery of its business plan, adopting customers on four separate heat network

developments at Ladderswood, Electric Quarter, Alma Road and New Avenue, and has progressed with the town planning phase of the Meridian Water heat network and infrastructure that will serve the Meridian Water development. Now that the approach has been determined, a developer has been selected to build the first phase and a phasing plan for the remaining delivery is in place, Energetik are seeking from the Council to apply for the second tranche funding.

**Map of Energetik Heat Network locations:**



- 3.6 In October 2018 in preparation for the request for the second phase of funding being sought, Cabinet asked Energetik to review alternative funding sources to be ensure they were fully appraised of the funding options available to the Council as shareholder, which was undertaken. This included approval to explore the Mayor’s Energy Efficiency Fund (MEEF) and to establish the details of such alternative funding arrangements that may be available (see Cabinet Report entitled ‘Energetik Funding Options’ – October 2018).
- 3.7 In March 2019, a further Cabinet report provided an update on the progress made with the various funding options and sought to establish a co-ordinated view of the current shareholder position in terms of investment options, so that the favoured option could be developed further ahead of a final decision. on the company’s Tranche 2 investment decision.

**Progress to date**

- 3.8 The initial £15 million of funding (Tranche 1) approved by Enfield Council, allowed Energetik to establish itself as a functional heat network utility provider. Tranche 1 funding has enabled Energetik to:

3.8.1 Complete its suite of legal documents including:

- a) The Heat Supply Agreement with the North London Waste Authority (finalised, execution expected September 2019)
  - b) Lease and Agreement for Lease with the North London Waste Authority/London Energy (awaiting final NLWA chair sign off, execution expected December 2019)
  - c) Execution of connection and supply agreements with developers at all four of Energetik's 'satellite' heat network developments at:
    - i) Ladderswood,
    - ii) Electric Quarter,
    - iii) Alma Road, and
    - iv) New Avenue
  - d) The Portfolio Agreement between Energetik and the Council (DAR signed, execution August 2019)
- 3.8.2 Adopt the energy plant and commence heat network operations at Ladderswood on the Arnos Grove Heat Network.
- 3.8.3 Procure, manufacture and commission a pre-fabricated boiler plant to serve Electric Quarter until connection to the permanent energy centre as part of phase 2 of the Alma Road development.
- 3.8.4 Procure, manufacture and commission a pre-fabricated boiler plant unit to serve Alma Road development until connection is achieved to the permanent energy centre as part of phase 2 of the Alma Road development and commence heat network operations at the Alma Road development.
- 3.8.5 Adopt the energy plant and commence heat network operations at New Avenue on the Oakwood Heat Network.
- 3.8.6 Commence the heat service and customer services operations to residents on all four 'satellite' heat networks.
- 3.8.7 Complete the design to planning stage of Energetik's energy centre and heat distribution infrastructure on the Meridian Water heat network (due for decision Oct 2019).
- 3.9 In addition to its core activities, the company has established itself as an example of best practice in the industry in relation to its stringent technical requirements and its focus on customer service and protection, and has gained positive recognition at both the local and national level, receiving mention in Westminster Hall debate<sup>1</sup> and inclusion as a case study in a government document on financing heat networks in the UK, prepared by

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<sup>1</sup> <https://hansard.parliament.uk/Commons/2018-11-28/debates/18112839000003/HeatNetworksRegulation?highlight=heat%20networks%20regulation#contribution-B1E56981-505C-455A-B6C7-D313E63F8201>

Grant Thornton<sup>2</sup>. Additionally, OFGEM, the future regulator of the heat industry has recently requested a visit to Energetik's Arnos Grove heat network to view a scheme that is performing efficiently, to a high design specification, whilst delivering excellent customer service at a reasonable price. For further information on Energetik's progress, please refer to the company's Business Plan Addendum 2019.

(For a summary of progress on each of Energetik's heat networks, see Appendix A).

### **Connection numbers**

- 3.10 At the time of writing Energetik has four live developments connected to its heat networks with 113 customers receiving service from Energetik. An additional 400 customers are estimated to be connected by March 2020 (subject to developer delivery programmes), bringing the total to over 500 + a commercial heat and power agreement with the Premier Inn at Ladderswood.
- 3.11 Connection figures vs. forecast have seen a variance from the 2017 business plan, primarily due to development programme slip outside of Energetik's control. The most significant delay to Energetik's revenue income has been at Meridian Water due to a change in the delivery strategy for this development (see below). However, commensurate with the delay is a reduction to Energetik's capital expenditure requirements as it has not had to commence construction of its energy centre and distribution network.
- 3.12 Therefore, whilst the company is not receiving revenues, it is also not incurring significant build / operating costs to run a large heat network with minimal / no demand. Reduced capital requirements have meant interest payments have been significantly reduced as a result.
- 3.13 Delays on the satellite heat networks do not have a significant impact on the financial returns to the company. Additionally, due to a delay in the execution of the portfolio agreement, Energetik is yet to make adoption payments to the HRA and has therefore not incurred interest expenses from borrowing to make these payments, although the company has accrued the payment in the company's accounts to reflect the charge once the agreement is signed.

### **Revised total connection forecast**

- 3.14 The table below provides an update on the forecast number of connections to Energetik's heat networks for known developments. It should be noted that some Council developments connected to the satellite heat networks (Arnos Grove, Oakwood, Ponders End) may increase in size however these are

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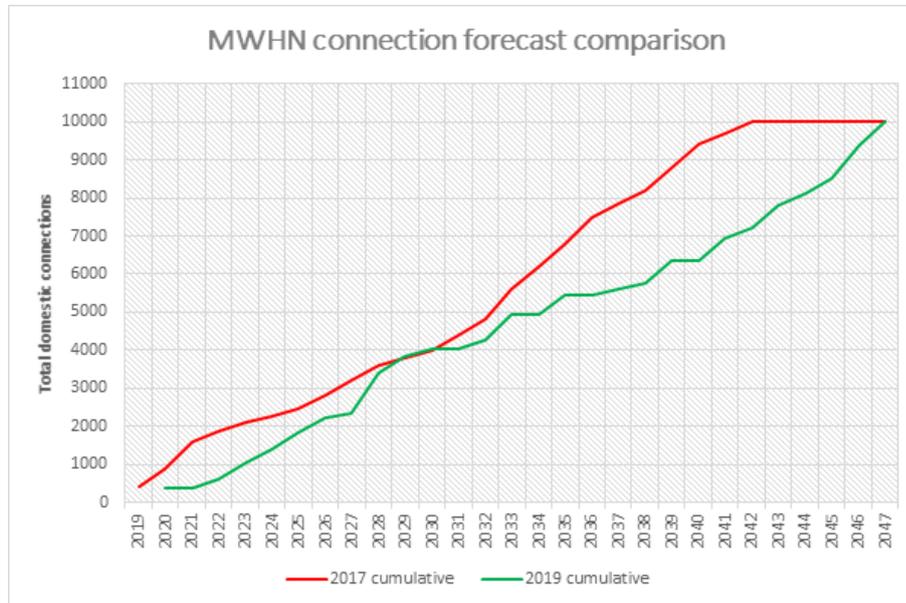
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/736858/GRT107812\\_A4\\_Interactive\\_PDF\\_framework\\_Issued\\_PRINT\\_NO\\_CR\\_OPS.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/736858/GRT107812_A4_Interactive_PDF_framework_Issued_PRINT_NO_CR_OPS.pdf)

subject to revised planning applications and therefore have not been included in conservative forecasts.

<b>Site</b>	<b>2017 connection assumptions</b>	<b>2019 updated connection assumptions</b>	<b>Note / comment</b>
<i>Meridian Water area</i>	10,000	10,000	No change
<i>Meridian Water North / West extension</i>	3,500	2,850	Updated forecast now only includes Joyce and Snells estate renewal. Extension to Edmonton has been removed from forecast as presently no guaranteed connections
<i>Arnos Grove (Ladderswood)</i>	517 + hotel	517 + hotel	No change
<i>Ponders End – Alma Road</i>	992	992	No change
<i>Ponders End - Electric Quarter</i>	167	167	No change
<i>Oakwood (New Avenue)</i>	402	657	Greater number of properties at New Avenue planned plus new development connection of 200 homes to the south.
<b>Total</b>	<b>15,578</b>	<b>15,183</b>	

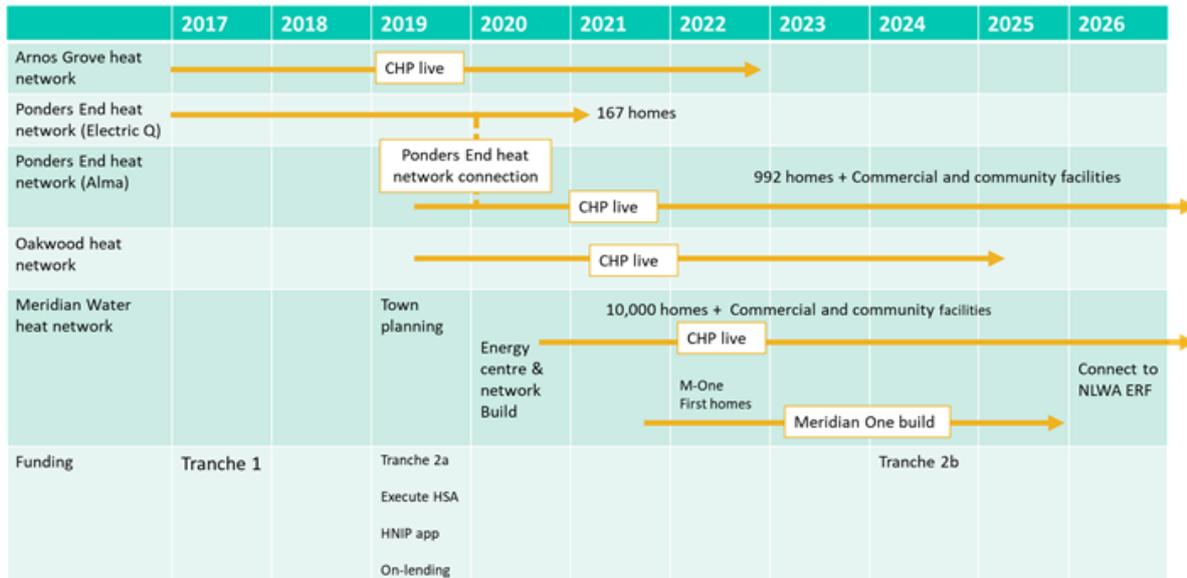
- 3.15 The overall forecast connection figures have reduced marginally since the 2017 business plan forecast and these are reflected within the financial modelling. However, there appears to be significant potential for greater numbers to connect as the developments where Energetik has its heat networks look to increase housing density via revised planning applications and new private planning applications commit to connect such as at New Avenue. The company has not included these increases in its modelling as they are not yet certain, so any increase is considered upside to the forecast returns.
- 3.16 A potential large-scale bulk heat supply is being discussed with a neighbouring borough which could add a heat demand of the equivalent of up to 8,000-10,000 homes but this is not included within the financial models as it is not certain.

- 3.17 The table below shows how the Meridian Water heat network connection forecast has changed since 2017, as this represents the bulk of Energetik's connection income. The overall connection numbers remain unchanged at 10,000 but a profile that reflects a delayed and longer delivery programme as advised by the Meridian Water project team has been shown and is now reflected in the financial model:



### Summary of Key milestones:

The diagram below provides an overview of the estimated programme timescales and key milestones Energetik expects over the coming years. As the company is not in control of developer programmes, specific development phases have not been included, but rather an overall expectation of programme delivery with expected development numbers. It should be noted that there is an expectation that these numbers will increase, as developers look to increase density on each site, however these are subject to separate planning applications out of Energetik's control.



### Industry changes towards a regulated market

- 3.18 Since Energetik commenced its operations in 2017, there has been significant policy and financial support from Government at both local and national level, with heat networks being prioritised as a way to deliver the country's carbon reduction targets (space heating in buildings accounts for nearly half of all the UK's carbon emissions), provide a secure energy supply for the future, all whilst improving local air quality through the reduction of nitrous oxides being emitted into the atmosphere.
- 3.19 It is expected that the industry will be regulated in the next 2-3 years to implement minimum service standards and provide those living on heat networks with customer protection, much like the gas and electricity markets are regulated through OFGEM. Energetik welcomes this move to regulation and is actively involved / contributing to the consultation process with government and through industry trade bodies.

(For a summary of the main policy changes since 2017, see Appendix B)

### Tranche 2 investment

#### Funding requirements

3.20 - 3.23 See part 2 report

#### Updated funding strategy – Tranche 2A and 2B

3.24 - 3.29 See part 2 report

#### Forecast impact of reducing the on-lending rate

3.30 - 3.33 See part 2 report

### **Fuel Poverty – Energetik’s contribution to the borough**

3.34 Ensuring that all residents can afford to heat their home is not a task that any organisation can accomplish alone, nor can it be tackled quickly. Eradicating fuel poverty in Enfield will require sustained effort and cooperation over a long period of time. Community groups and organisations that already work with vulnerable residents - such as Enfield Council, Enfield Citizens Advice Bureau, Enfield Age UK, Enfield CCG and local GPs – need to work together to tackle fuel poverty.

3.35 There are three main aspects to tackling fuel poverty which yield the best results:

1. Using national statistical data to identify areas of concern
2. Maximising income and raising awareness of those effected
3. Making homes more energy efficient

3.36 By combining and cross referencing, several publicly available data sets, it is possible to identify areas where Enfield residents are most affected by fuel poverty. This will allow targeted interventions in areas and for individuals that need it the most.

3.37 With the headroom provided by the improved borrowing rates and the uplift in the interest rate premium charged to Energetik, the Council is now able to ring fence some of this new benefit, to be specifically used to address fuel poverty in the borough. The value and application of this ring-fenced fund will be the subject of an additional report to Cabinet.

### **Heat Tariff reduction**

3.38 Energetik already offers competitive heat tariffs to its customers via a fixed charge and a unit charge for consumption. The Council has requested that the company aims to reduce the unit charge for its heat (tariff), to be comparable or below that of natural gas when compared with the ‘big 6’ energy providers. Whilst it is challenging to compare heat with gas like-for-like, gas is still currently the traditional benchmark with which heat is compared. Therefore, the company has amended its financial models to reduce its unit charge for heat consumption from 5.44p/kWh to 4.44p/kWh to meet this objective, a reduction of 1p/kWh. As the unit charge is only part of the tariff, (the fixed charge being the other part), whilst this reduction requires the Council to accept a lower rate of return on investment in the company, the reduction in the rate of return is modest.

3.39 Energetik forecast that an average customer consumption would be 3,500kWh of heat energy in one year, costing £410.77\* in total for social tenants based on a two-bedroom home. On the Arnos Grove heat network,

customers used an average of 3289 kWh, meaning the average total annual cost for a social tenant was £408.11 (*includes the daily availability charge + VAT, and a tariff change in the period*).

- 3.40 In comparison, the estimated annual heating and hot water cost for the traditional gas central heating alternative in this type of property is £566.97 based on Heat Trust's cost calculator, a difference of over 30%.
- 3.41 It should be noted that for new build properties, gas central heating is not a realistic option in multi-storey developments, due to health and safety risk and as such gas central heating is quickly becoming redundant, with government recently announcing that there will be no new gas boiler installations in homes after 2025. Therefore, moving forwards, comparisons with gas will become less realistic.
- 3.42 Energetik is currently contributing to a consultation on an electricity version of the Heat Trust calculator, which looks at electric heating as a more realistic 'traditional' alternative heating method, due to be released in 2019.

#### **Council tenants on Energetik networks**

- 3.43 Energetik has agreed that for Enfield Council tenants living on one of its heat networks it will undertake an annual price comparison with a basket of the three lowest prepay electricity tariffs available. If Energetik's prices are found to be higher, the company will reduce its tariff to be equal to or less than the available electricity tariffs at the time.

#### **White label electricity supply**

- 3.44 Energetik is reviewing the potential to expand operations into electricity supply via a 'white label' arrangement with a licensed energy supplier. A lower-risk, low-investment alternative to a full supplier license is the 'white label' arrangement; offering electricity from another supplier under the Energetik brand to Enfield customers. It is not economically or resource feasible to obtain a full energy supply license directly, as it is high risk, requiring significant investment and time and no guarantee of success.
- 3.45 This model has seen success in other boroughs across the UK and can allow creative, lower cost electricity tariffs to be offered to customers that may not normally be able to access them (such as electricity prepayment customers that are often charged a premium tariff to protect suppliers from risk). This in turn can help contribute to alleviating fuel poverty, thereby spreading Energetik's benefit to customers not connected to one of its heat networks.
- 3.46 The company is investigating the options surrounding electricity supply, and a separate paper will be provided to Energetik's board and the Shareholder board when this proposition has been researched in detail.

#### **Funding plan and financial projections (company side)**

3.47 - 3.49 See part 2 report

### **Anticipated sources of funding**

3.50 See part 2 report

### **Key assumptions**

3.51 See part 2 report

### **Key financial data**

3.52 - 3.55 See part 2 report

### **Sensitivity analysis**

3.56 See part 2 report

### **Programme/key milestones**

- 3.57 **Execution of Heat Supply Agreement** – agreement with the North London Waste Authority (NLWA) governing the terms of the heat offtake from the NLWA’s waste facility (existing and new). This agreement incurs costs once executed, and therefore has been delayed until it is required and certainty gained before executing. It is expected to be executed by the end of September 2019. The Lease and agreement for lease will be appended to the Heat Supply Agreement in template form for reference as the documents must be read together, but the lease and agreement for lease will not be entered into immediately, as the lease terms are still being discussed and the company is reviewing alternative sites with the Meridian Water team to potentially co-locate the Energetik energy centre with Meridian Water electrical infrastructure.
- 3.58 **Energy Centre and heat network construction** – following Tranche 2 approval and the successful conclusion of Energetik’s planning application, Energetik will commence activities to build out its heat network and energy centre to serve Meridian Water.
- 3.59 **Enter contracts with Meridian One Developer** – included within the tender to deliver Meridian One, the company’s framework supply and connection agreements will be entered with the developer, expected in 2020.
- 3.60 **Delivery of Energetik pipe infrastructure as part of Meridian Water Housing Infrastructure Fund** – to share synergies and cost and to ensure a coordinated approach to infrastructure delivery, Energetik is working with the Meridian Water team to ensure its pipework is installed at the same time as

other services, covered under the Council's Housing Infrastructure Funding bid.

- 3.61 **Commencement of heat supply at Meridian Water** – anticipated to be in 2022, dependent on delivery of Meridian Water first homes.
- 3.62 **Ladderswood Phase 2 adoption (September 2019)** – 135 additional residential units and hotel connection, which will see the CHP commence operation and the sale of private wire electricity to the Hotel.
- 3.63 **Alma Road phase 2 adoption including energy centre (through to March 2020)** – a total of 228 properties are expected to be delivered at Alma Road, including the delivery of the energy centre which Energetik will adopt once complete.
- 3.64 **Connection of Electric Quarter to the Ponders End heat network** (April – May 2020) - programmed to take place following completion of the permanent energy centre at Alma Road as part of phase 2, which will supply both Alma Road and Electric Quarter. The pipe route will extend from Alma Road along South Street, turn into and travel across Ponders End park and connect to the pipework already installed under Ponders End High Street.
- 3.65 **Extension of Oakwood heat network to Southgate** – via planning, Energetik has identified a connection opportunities in Southgate. Subject to commercial negotiations and a viable network route being established, the development will allow Energetik to extend the Oakwood network south toward Southgate.

#### **Business development / expansion opportunities**

- 3.66 **Oakwood** – route between New Avenue and Southgate – any additional connections identified along the route (schools, leisure centre etc.) will be approached to establish appetite and compatibility with the network.
- 3.67 **Arnos Grove** – adjacent to Ladderswood is the Highview Gardens estate, owned by the Council, consisting of high and low-rise Council blocks. The company has undertaken initial desktop feasibility studies and will look to establish if it is commercially feasible to retrofit the estate with a district heating solution in the coming years, potentially applying to HNIP to fund any shortfall between capital expenditure and forecast revenue income.
- 3.68 **Meridian Water** – the company has engaged in talks with Haringey to establish if a heat offtake agreement can be agreed to provide their various developments with heat. The ability to commit to and achieve a connection is based on the development of Energetik's energy centre and heat network infrastructure. The company has also held early talks with the GLA to look at the strategic development of the Meridian Water Heat Network to serve a greater catchment area in North London. These discussions will continue as Energetik develops its Meridian Water heat network.

- 3.69 **Stratford Olympic Park** – early talks have been held with the scheme operators of the Olympic Park and Stratford heat network to establish whether a long-term connection to Energetik’s heat network would be possible. There is appetite to make this connection, however costs to reach the development would be ca. £25 million. Any future connection would be dependent on additional connections being picked up along the route (Haringey, Waltham Forest) and potentially strategic support from the GLA. Further, funding, potentially from HNIP or subsequent funding rounds, could be used.

## **Due diligence**

### Tranche 1

- 3.70 Given the significant investment required for Tranche 1, it was prudent to seek external review and due diligence of the investment decision and the company’s business plan. In autumn 2016, PWC undertook a review of the value for money statement and security package and KPMG undertook a review of the business plan and Cabinet report.
- 3.71 The review on the business plan was positive with minor recommendations. However, the review carried out by PWC on the security packages (i.e. risk to the Council of sensitivities on the business plan) concluded that a two-phase investment approach (i.e. Tranche 1 and Tranche 2) was recommended to limit the Council’s risk exposure at that time, since the developer at Meridian Water had not been appointed with a MDFA and various legal agreements had not been agreed.
- 3.72 The reviews recommended a set of actions. With the exception of the Master Developer Agreement, all of the actions from both reviews have been completed.

### Tranche 2

- 3.73 The Council’s Treasury Strategy requires due diligence to be completed on the Tranche 2 investment. Accordingly, KPMG were commissioned in May 2019 to review the updated Energetik financial model and business plan addendum that the financial figures within this cabinet report are based on.
- 3.74 The first draft of the KPMG report was received on 24<sup>th</sup> June; comments were returned by the Council (in conjunction with Energetik) and the report was finalised on 12<sup>th</sup> July. The report identified a number of issues requiring attention (i.e. 13 high priority, 12 medium priority and 7 low priority) and the Council is currently working closely with Energetik to resolve the issues raised. The recommendations have been put into an action plan and their implementation is being closely monitored. Immediate attention is being given to those of a high priority which will be closed off before the decision is taken.
- 3.75 The KPMG review looked at three key areas:

#### **Review of the business case**

- 3.75.1 The objective was to assess the overall financial viability of Energetik as this is key to the Council's decision to make further investment in Energetik. This comprised a financial overview, high level SWOT analysis and observations on the business plan addendum document.

#### **Review of the financial model**

- 3.75.2 This comprised basic integrity checks, key input and assumption changes, reconciliation of the consolidation process, reconciliation of the total spend to funding requirement, accuracy review involving tracking of input to outputs and comparison of key project assumptions 2019 vs 2017.

#### **Requirements of the lending proposal**

- 3.75.3 Given the Council's role of shareholder and funder, there is a range of information that is required to support the evaluation of the proposal.

#### **State aid**

- 3.76 See section 6.2 - Legal Implications.

#### **Meridian Water**

- 3.77 Following decisions to stage Meridian Water developments in phases as opposed to appointing a single master developer, Cabinet approved the appointment of Galliford Try as Phase 1 development partner on 24 April 2019. This is projected to deliver 725 homes by 2022. The Council is currently seeking a development partner for phase 2.
- 3.78 The change in structure of development – and any concurrent change in the build profile – will affect Energetik's connection programmes, which may require adjustment of the company's financial projections. This will be addressed within the company's financial model and rolling three-year operating plan projections. The three-year operating plan will be considered and approved by the Shareholder Board.

#### **Governance and risk management**

- 3.79 **Council side** - The company is subject to regular scrutiny from the Council and reports quarterly on progress to the shareholder board as well as reporting regularly through various other channels. The summary below provides an overview of Energetik's governance arrangements. For further information, please refer to Energetik's business plan addendum.
- 3.80 **Interdependency board** - A recommendation of the due diligence undertaken as part of the first approval to fund Energetik, the interdependency board was set up to monitor the Council's key projects to ensure that any proposed changes in one project that may have a material impact on another (material

changes to programme, dwelling numbers etc.) are considered holistically to avoid any potential conflicts/unintended impacts. Energetik attends and contributes to this board, along with Council colleagues responsible for the other Council projects.

**3.81 Corporate Governance** - In 2018 the Council reviewed and decided to change its governance arrangements with each of its trading companies. The changes impacting Energetik were:

- Amendment to company corporate structure, removing the holding company (HoldCo) to ensure no conflicts arose from directorship (cabinet members and senior officers made up the board).
- Replacement of HoldCo with the Council's newly formed shareholder committee to undertake the oversight function of Council companies.
- Appointment of a single councillor director and the two Non-Executive Directors to the Energetik operating board to ensure suitable challenge and oversight
- Adoption of new Articles of Association by Energetik to align with the governance changes requested (new board structure, replacement of references to HoldCo, merging of delegated authority limits)
- The company and Council are currently working to agree a new list of shareholder reserved matters and shareholder agreement, to be finalised once agreed between the parties.

**3.82 Shareholder Board** – previously reporting to the HoldCo, the company now reports to the Shareholder board on a quarterly basis. The Shareholder Board is a sub-committee of Cabinet and is made up of cabinet members.

**3.83 External audit** - although not a legal requirement due to the company's size/turnover, Energetik's is subject to an annual external audit of its finances.

### **Environmental and green credentials**

**3.84 Helps tackle the climate change emergency** – the carbon footprint of heating homes connected to Energetik's heat networks is reduced by up to 80% compared to individual gas boilers. The total CO2 offset by the Council through Energetik's 40-year business plan is forecast to be over 200,000 tonnes – the equivalent of offsetting 100 million trees' worth of carbon. This contributes to the Council's target to be carbon neutral by 2030 in accordance with its recent climate emergency declaration (see Response to Climate Change Emergency PL 19/024 C).

**3.85 Improvements to air quality and health** - residents of North London will benefit from the avoidance of harmful Nitrous Oxides (NOx) being released into the environment which would otherwise be emitted from individual gas boilers. NOx and particulates are harmful to people's health and cause thousands of deaths per year in the capital. By the time the 10,000 new homes are built at Meridian Water, the networks will be saving 2,175 tonnes of NOx from being added to the atmosphere, the equivalent of taking 2000 cars off the road each year, every year.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

### **Funding options explored**

4.1 - 4.3 See part 2 report

### **Delay build out of key infrastructure**

4.4 - 4.8 See part 2 report

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 Energetik has already had a positive impact on the customers living on its heat networks, with fair pricing and a high quality of service. The second investment in Energetik will allow the company to realise the remainder of its business plan, to serve over 10,000 homes and businesses in Enfield and beyond.
- 5.2 The company's aims and objectives are aligned with the Council's key strategic goals, and will contribute significantly to the Council's carbon reduction targets, improve air quality in the area and provide environmentally friendly energy to Enfield residents at a fair price.

## **6. COMMENTS OF OTHER DEPARTMENTS**

### **6.1 Financial Implications**

6.1.1 – 6.1.10 See part 2 report

### **6.2 Legal Implications**

#### **Vires**

6.2.1 The Council has power under Section 1(1) of the Localism Act 2011 to do anything which individuals generally may do provided it is not prohibited by legislation and subject to public law principles (the 'general power of competence'). Further statutory powers exist to establish and invest in Energetik, and Section 1 of the Local Government Act 2003 permits the Council to borrow and lend (subject to complying with the Prudential Code for Finance in Local Authorities). The recommendations detailed in this report are in accordance with legal justifications previously reported to Cabinet (June 2015) for establishing and implementing the business, and the decisions taken.

- 6.2.2 Local authorities are also permitted to sell electricity under the general power of competence under the Localism Act 2011, as well as the Local Government (Miscellaneous Provisions) Act 1976 (as amended) but subject to the limitations under the 1976 Act (restricting sales to electricity generated with heat or from renewables) and under the Electricity Act 1989 (requiring distribution and supply to be under a distribution or supply licence, as applicable, or to fall within a number of exemptions under the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (as amended)). These restrictions will apply to Energetik, and any future arrangements for the supply of electricity will need to have a legally-compliant structure.
- 6.2.3 In relation to any provision of parent company guarantees by the Council, the general power of competence referred to above enables local authorities to explore innovative solutions to deliver more with less, generate income by charging and trading and to provide indemnities and guarantees. The legislation provides that “*a local authority has power to do anything that individuals generally may do.*” This includes giving guarantees. However, other restraints of public law still apply. The most relevant of these is that local authorities have a fiduciary duty to act prudently with public monies entrusted to them and must establish (and maintain a full audit trail to support) that the underlying transaction being guaranteed by the Council is itself ‘*intra vires*’ and that it has been given due and proper consideration in accordance with the normal public law considerations.
- 6.2.4 In taking the decision to approve the next stage of investment, the Council must take into account the risk factors described in this report, so that the Council takes its decisions with proper regard to its fiduciary duties (see section 7 ‘Key Risks’ below).

### **Procurement**

- 6.2.5 The ongoing procurement activity in relation to the business must continue to remain compliant with EU procurement law, and appropriate legal advice taken on an ongoing basis.

### **State Aid**

- 6.2.6 The proposed further funding will be provided on broadly the same basis as the initial tranche of funding which was confirmed to be state aid compliant at the time. The Council’s external financial and legal advisers have confirmed that the proposed further funding can be deployed in compliance with the rules on state aid. None of the arrangements set out in this report, or the recommendations flowing from it, are intended to give rise to unlawful state aid.

### **On-lending**

6.2.7 Providing the additional funding required to deliver the Business Plan requires an additional loan agreement to be put in place for the Council to deploy necessary funding into the business. Such agreement will need to include provisions reflecting conditions attached to the original funding source(s) and/or to help ensure compliance with state aid rules. Provisions will also be required to address draw down profiles, details on eligible expenditure, interest and principal repayment profiles, cover ratios, security provisions and step-in rights. These remain to be developed. It is recommended that these terms are agreed and included in any financial modelling ahead of the Council releasing further investment to Energetik, and the final agreements must be in a form approved by Legal Services on behalf of the Director of Law and Governance. Similarly, any parent company guarantees that the Council may be asked to provide must be in a form approved by Legal Services on behalf of the Director of Law and Governance.

6.2.8 The Council, as lender, is exposed to the potential failure of Energetik, as borrower, and Energetik's inability to repay the money it owes to the Council. Irrespective of the performance of the Council's on-lending to Energetik, the Council will have a requirement to meet its repayment obligations to its own lenders. In addition, the provision of any parent company guarantees by the Council will also entail direct financial exposure.

6.2.9 The above will be mitigated to a large degree by the terms of the on-lending agreements, the oversight the Council has over the running of the business as sole shareholder, and the governance measures implemented through the shareholder reserved matters.

6.2.10 - 6.2.11 See part 2 report

### **6.3 Property Implications**

6.3.1 - 6.3.3 See part 2 report

## **7. KEY RISKS**

### **HNIP funding not successful before March 2020**

7.1 – 7.3 See part 2 report

### **Risks of Delay to Tranche 2 on Regeneration Projects**

7.4 See part 2 report

### **NLWA delivery of heat network supply and/or location of energy centre**

7.5 See part 2 report

### **Customer connections at Meridian Water may increase too slowly**

7.6 - 7.10 See part 2 report

### **Opportunity – expansion beyond Enfield**

- 7.11 Energetik has engaged with potential heat customers outside the borough, in the neighbouring borough of Haringey as well as further afield at the Olympic Park and Stratford scheme. There is interest to take a connection, subject to suitable commitments from both parties around timing and delivery. Energetik requires its tranche 2a drawdown in order to commit to heat connection dates for potential customers so programmes can be designed accordingly.
- 7.12 In addition to neighbouring boroughs, Energetik is in talks with the GLA about their interest in becoming a stakeholder in the company, and how such a deal might help the strategic vision of both Energetik and the GLA to deliver large scale, city-wide district heating networks. Talks are ongoing to establish how the GLA could positively contribute to Energetik from a strategic perspective.

### **Preferred pipe route found to be impractical**

- 7.13 The preferred route for the Meridian Water Heat Network has been surveyed using sophisticated ground penetration radar techniques and potential obstacles have been identified, together with utility searches to mitigate the risk of it being necessary to re-plan the route.
- 7.14 A further risk is associated with any requirement to cross private land. Unlike other utilities, district heating companies lack the statutory rights to require landowners to deal with them on reasonable terms. To minimise the risk, the preferred route avoids private land where possible. Where crossing private land is unavoidable, the company is arranging with planning authorities to include its requirements in Section 106 agreements; this has been achieved already in respect of part of Advent Way.
- 7.15 There is a patchwork of land ownership at Meridian Water. Since 2017, Enfield Council has acquired a significant proportion of the land it requires to deliver Meridian Water and has opted to deliver the infrastructure itself. Energetik is working with the infrastructure team to ensure its pipe route along the proposed line spine of the development is installed at the same time to save on cost/disruption.
- 7.16 Particular issues arise when railway lines or waterways have to be crossed. Network Rail, the Canals and Rivers Trust and the Environment Agency require extended lead times for giving permission to cross their land. Engagement with them has commenced, in order to mitigate any potential delays relating to the route of the Meridian Water Heat Network.
- 7.17 In every instance of potential obstruction or inaccessibility, contingencies have been built into the financial model to support mitigation activities.

### **Costs higher than expected**

- 7.18 Significant construction and operational cost overruns have the potential to undermine the viability of the business and can occur due to unforeseen variations to contract during construction or subsequent operation. Energetik procured its DBO contractor on a fixed term, lump sum contract, using the team's extensive experience in construction projects of this nature to create a suite of contract documents for the design, installation and operation of the Meridian Water Heat Network that reflects a balanced risk and reward for the contractor via bonus and penalty payments tied to key performance indicators.
- 7.19 The cost allowances within the financial model were market tested via the competitive tender process, and the tendered costs from the DBO contractor were used to develop the costs within the financial model. The fixed term, lump sum contract has an expiry date of December 2020, after which prices will be linked to certain specified indices within the contract that will determine price change. The financial model includes an allowance for this indexation.

### **Energy price rises**

- 7.20 In general, a higher gas price benefits the project as it raises the benchmark against which prices to customers are set. But a significantly higher price for electricity poses a risk because the price of heat obtained from the EcoPark depends on the wholesale price of electricity. A substantial rise in the price of electricity, in absolute terms or relative to the price of gas, might make it uneconomic to serve commercial customers unless a cheaper heat source could be identified.
- 7.21 The response to this would be an increase in tariffs to customers, as the pricing is benchmarked against gas. In general, though, the relative price of electricity and gas (termed the "spark spread") moves up and down within a relatively narrow band. This is because gas is used to generate electricity; it is therefore unlikely that Energetik's fuel costs would increase greatly without its being able to increase its charges for heat.

### **Heat losses across the network**

- 7.22 The base case assumes heat losses on the Meridian Water Heat Network start out high but fall below 20% as the volume of heat delivered increases. If heat losses were to be 50% higher than expected (e.g. 30% instead of 20%), then the rate of return would be reduced by around half a percentage point. The Meridian Water Heat Network is not particularly sensitive to heat losses because of the inclusion of large thermal stores and low cost of its energy compared to standalone CHP or biomass boilers. Nonetheless, Energetik has specified stringent standards based on extensive project experience, to which network pipework must be designed and installed by both developers and contractors.

- 7.23 Business development activities targeting a diverse customer base with a more balanced heat demand across the day than pure residential will increase the efficiency of the networks, mitigating this risk and protecting profitability.

### **Bad debt**

- 7.24 The financial model assumes that bad debt will run at 1% of revenues. For most district heating systems, this is usually 10%-15%; however, Energetik has mitigated the risk by inclusion of pay-as-you-go payment systems and smart meters in each property to manage debt as the main form of contract with residential customers.
- 7.25 Keeping bad debt under control requires the formulation and effective implementation of debt management policies, which is the primary responsibility of the customer services contractor, via Key Performance Indicators (KPIs) and financial penalties built into the contract. Further, close monitoring of debt via exception management processes allows Energetik and its customer services contractor to manage and mitigate any bad debt before it becomes significant. In the two years of operation to date, the company has not incurred bad debt across its residential service on its heat networks, other than one property abandonment which amounted to £140 before due process was followed and the supply agreement was terminated and liability transferred back to the Registered Provider.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Good homes in well-connected neighbourhoods / Sustain strong and healthy communities / Build our local economy to create a thriving place**

- 8.1.1 In line with Enfield Council's Vision to make Enfield a better place to live and work, delivering fairness for all, growth, sustainability and strong communities, Energetik provides the Council with the opportunity to reach and exceed its 60% carbon reduction target as businesses and properties connect over time.
- 8.1.2 Energetik follows the same values and principles as the Council: working to improve Enfield for the long term. The company's activities play a key role in creating good homes in well-connected neighbourhoods: Energetik provides an essential service to residents in an innovative way, whilst supporting the borough's ambitious regeneration and housebuilding programme.
- 8.1.3 Its supply of environmentally friendly energy to the 15,000 homes and businesses that will be connected over Energetik's agreed business plan will help to sustain strong and healthy communities by delivering real improvements to the lives and wellbeing of local people; directly as a result of living in warmer, healthier homes and through improvements in air quality.
- 8.1.4 Energetik's futureproofed energy infrastructure forms an attractive secure low-carbon platform for energy-intensive businesses who are considering relocating to this area. With an active focus on investigating connection

opportunities with existing local businesses as well as potential new entrants, Energetik is already working with local partners to build Enfield's local economy and create a thriving place.

- 8.1.5 **Intangible benefits** - In the 2017 approved business plan, PWC were asked to monetise the strategic importance of the Energetik business to the Council. This took into consideration both tangible and intangible benefits being derived from the delivery of Energetik's heat networks. The table below sets out potential monetary value of the sustainability benefits assessed by PWC:

Identified Benefit	Gross monetised benefit up to £x million over 40 years	Net Present Value (£ Million)
Reduction in carbon emissions and public health benefit	£14.1	£6
Reduction in Nitrogen Oxide and public health benefit of better air quality	£2.9	£1.2
Direct GVA impact (from Energetik)	£128.6	£50.1
Potential inward investment impact	£64.6	£33.3
Reduced cost to end users	£15	£4.1
<b>TOTAL</b>	<b>£225.2</b>	<b>£94.7</b>

- 8.1.6 PWC forecast that up to £225 million of benefit may be delivered over a 40-year period, based on the Energetik Business Plan, with a Net Present Value of £94.7 million and cost benefit ratio of 3.4.
- 8.1.7 In addition, there are other non-financial benefits that PWC could not quantify in value terms. These included strategic benefits of delivering a Council-owned heat company to underpin the Council's regeneration ambitions; the ability to provide cleaner air; and the benefits of providing state of the art smart metering to customers. The low carbon energy infrastructure to be delivered by Energetik also underpins the Council's ambitious regeneration agenda and housing aspirations.

## 9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 Due to the subject nature of this Report, there are no Equality Impact Implications. However, an EQIA and EQIA Action Plan have been created for the overall project and is regularly reviewed and updated. An example of a high-level action, its implementation and the outcome for customers is given in 9.2.

- 9.2 A fair and sustainable pricing policy for customers has been implemented which means that Energetik contributes to the alleviation of fuel poverty and has a positive impact on people facing socio-economic disadvantage in the borough. A single tariff for all customers ensures there are no discriminatory penalties.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

- 10.1 The company reports to the Council regularly and interfaces closely through various channels. It reports quarterly to the Shareholder Committee on financial performance and key performance indicators.

## **11. HEALTH AND SAFETY IMPLICATIONS**

- 11.1 Heat networks are inherently safer than traditional gas supplies as there is no risk of fire or explosion associated with gas supplies within residential dwellings as there is no gas entering the properties.
- 11.2 In addition, heat networks are healthier than individual gas alternatives, thanks to reduced nitrous oxides being distributed into the atmosphere from every residential boiler. Efficient, well maintained central plant, utilising a waste product to provide heat, means carbon dioxide emissions are reduced compared to the alternatives.
- 11.3 The majority of Energetik's works are carried out by sub-contractors. Contractors working for Energetik are required under the terms of their agreements to manage health and safety (H&S) in accordance with all applicable law with respect to all works carried out.
- 11.4 The Energetik management team has the responsibility to ensure it takes appropriate advice and carries out the required audits of contractors to ensure they are adhering to all H&S requirements. Energetik's project manager is responsible for the day to day management of this function and reports directly to the Technical Director. Both team members have approximately 30 years' experience delivering large scale construction projects in line with all H&S requirements.

## **12. HR IMPLICATIONS**

- 12.1 Subject to investment, HR advice should be sought when staff resource is considered. At that point, the Council's policies and procedures should be followed.

## **13. PUBLIC HEALTH IMPLICATIONS**

- 13.1 The delivery of Energetik's Business Plan will create substantial carbon savings due to the avoidance of gas being installed in residential dwellings across its heat networks. It is estimated that over the business plan, Energetik will save over 200,000 tonnes of CO<sub>2</sub>. Over the same period, 65 tonnes of harmful NO<sub>x</sub> will be avoided, which is the equivalent of taking 2,000 cars off the road each year. This intervention will improve local air quality, contribute to public health, reduce fuel poverty and help meet the UK's net zero carbon emission target by 2050.
- 13.2 Any reduction or mitigation in exposure to either CO<sub>2</sub> or NO<sub>x</sub> is most welcome. In Enfield, 5.4% of all mortality is attributable to air pollution. The biggest contributors to air pollution in Enfield are domestic CO<sub>2</sub> emissions which this scheme will directly reduce/replace.

### **Background Papers**

None

### **Appendices**

- Appendix A – Heat network update summary
- Appendix B – Policy update
- Appendix C – see part 2 report
- Appendix 1 – see part 2 report
- Appendix 2 – see part 2 report

## Appendix A - Heat network update summary

The information below provides a brief summary on each of Energetik's heat networks, in order of 'go-live' dates:

### Arnos grove Heat Network

The Ladderswood development, an estate renewal project currently being developed by New Ladderswood LLP (the Council, its developer, and its selected registered provider) completed and handed over the first 40 properties to Energetik in October 2017. Completion of phase 2 (135 dwellings and a hotel) is expected in September 2019, with subsequent phases programmed to be handed over annually until 2023. This development has expansion potential with additional connection opportunities to the north, east and west; accordingly, the energy centre has been designed with capacity to allow further plant to be installed to serve more developments in the area as required.

Key assumptions / information:

- *Energetik's first live heat network – October 2017*
- *A 517 home, Enfield Council estate renewal scheme to be completed from 2017 to 2023*
- *On-site hotel connection with heat and power offtake agreement from 2019*
- *Designed with ability to extend in future*

2017 Business Plan assumptions	2019 Business Plan assumptions
Adoption of the heat network and supply of heat is based on the present developer's phasing programme	No change
Energetik supplies properties with heat via the installed gas boilers from 2016 to 2017 with the CHP being operational from 2018	Heat supply commenced from gas boilers in October 2017 due to programme delay. CHP will be operational from 2019 to serve second phase and hotel
All figures are indexed each year by a range of relevant indices, ranging from CPI to DECC predicted gas prices	No change
Electricity generation by CHP is supplied to the hotel under a private wire arrangement	No change – agreement being negotiated for September commencement
There are no capital build costs	No change
The agreed adoption fee for the heat network is payable to the HRA	No change
Operating costs are based on: <ul style="list-style-type: none"> <li>• Customer services contract tendered costs</li> <li>• Quoted costs for operation and maintenance</li> <li>• Predicted overheads for Energetik</li> </ul>	Operating costs are now based on known tendered market rates  O&M costs are known and contracted

<ul style="list-style-type: none"> <li>• Utility prices based on DECC forward looking indices</li> <li>• Business rates being payable in full</li> <li>• Insurance advice received from AON and previous operating schemes</li> </ul>	<p>Business rates have been removed</p> <p>Insurance costs are known and contracted</p>
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## Ponders End Heat Network

### Electric Quarter

Electric Quarter has completed and handed over phase A of the development, consisting of 40 private and 21 social rented properties. Energetik successfully negotiated and agreed connection and supply agreements with the developer and will connect this development to the Alma Road development in 2019/2020 to form the Ponders End heat network. Phase A, consisting of 61 homes, was completed in November 2018, with the remaining properties on the development to be handed over by December 2020. Electric Quarter required heat prior to Alma Road to serve phase 1; Energetik therefore designed, built and supplied a temporary plant solution in December 2017 in line with programme requirements. Enabling works for the future connection to the main Ponders End heat network have been completed; pipework was installed across Ponders End High Street in August 2017.

Key information:

- *A 167 home, private developer led scheme*
- *Energetik's first successfully negotiated connection agreements with private developer*
- *Currently supplied by Energetik's temporary heat source, the development will be connected to Alma Road to form the Ponders End heat network in early-2020*

### Alma Road

Forming the bulk of heat connections on the Ponders End heat network, development on phase 1 is well underway on the estate renewal scheme at Alma Road, which once built will serve over 1000 homes. Low carbon heat will be supplied by gas fired Combined Heat and Power (CHP) engines, which will become operational in phase 2 of the development. Phase 1 is served by temporary plant provided by Energetik in January 2019, and first customers were received in March 2019. The energy centre will be built and delivered in early 2020 and soon after the Electric Quarter development will be connected.

Key information:

- *Over 1000 homes, part of Enfield's estate renewal programme*
- *Will connect to the Electric Quarter development to supply heat from 2020*
- *Will comprise a mixture of private residential and Enfield Council homes*

<b>2017 Business Plan assumptions</b>	<b>2019 Business Plan assumptions</b>
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Adoption of the heat network and supply of heat is based on the developer's phasing programme	No change
Energetik supplies properties with heat via the installed gas boilers from 2018 to 2019 with the CHP being operational from 2020	Heat supply via temporary gas boilers from March 2019 until energy centre completed in April 2020. CHP commences operation from 2021
All figures are indexed each year by a range of relevant indices, ranging from CPI to DECC predicted gas prices	No change
Electricity generation by CHP is sold to the local electricity distribution system at wholesale prices	No change
Capital costs are included to extend the heat network to 167 homes at Electric Quarter	No change
Energetik receives residential connection charges at Electric Quarter, paid by the developer and indexed by CPI	No change
100% of connection receipts are realised within the P&L account in the year that they are received	No change
The agreed adoption fee for the heat network is payable to the HRA	No change
Operating costs are based on: <ul style="list-style-type: none"> <li>• Customer services contract tendered costs</li> <li>• Quoted costs for operation and maintenance</li> <li>• Predicted overheads for Energetik</li> <li>• Utility prices based on DECC forward looking indices</li> <li>• Business rates being payable in full</li> <li>• Insurance advice received from AON and previous operating schemes</li> </ul>	Operating costs are now based on known tendered market rates  O&M costs are known and contracted  Business rates have been removed  Insurance costs are known and contracted

**Table 1 - Alma Road assumptions comparison**

### **Oakwood Heat Network**

The heat network is currently under construction and first properties expected to be handed over to Energetik in early 2019, ahead of the original September 2019 programme. It is expected these will be heated via a gas boiler for one year whilst the energy centre in phase 1 is completed, along with a further 118 properties, expected in September 2020. Later programme information for the remaining properties is not yet available due to amendments to the planning submission.

Key information:

- *Comprising ca. 450 homes in the north west of Enfield*
- *Enfield Council estate renewal scheme*

- *Same developer as at Alma Road*
- *Assumes expansion to identified development in Southgate incorporating 200 homes and 3,500m<sup>2</sup> of commercial, which may facilitate connection to fusion leisure centre*

<b>2017 Business Plan assumption</b>	<b>2019 Business Plan assumption</b>
Adoption of the heat network and supply of heat is based on the present developer's phasing programme	No change
Energetik supplies properties with heat via the installed gas boilers from 2020 to 2021 with the CHP being operational from 2022	Programme has been brought forward to commence supply from mid-2019, with CHP becoming operational in 2021
All figures are indexed each year by a range of relevant indices, ranging from CPI to DECC predicted gas prices	No change
Electricity generation by CHP is sold to the local electricity distribution system at wholesale prices	No change
No capital build costs	No change
The agreed adoption fee for the heat network is payable to the HRA	No change
<p>Operating costs are based on:</p> <ul style="list-style-type: none"> <li>• Customer services contract tendered costs</li> <li>• Quoted costs for operation and maintenance</li> <li>• Predicted overheads for Energetik</li> <li>• Utility prices based on DECC forward looking indices</li> <li>• Business rates being payable in full</li> <li>• Insurance advice received from AON and previous operating schemes</li> </ul>	<p>Operating costs are now generally based on known tendered market rates</p> <p>O&amp;M costs are known and contracted</p> <p>Business rates have been removed</p> <p>Insurance costs are based on known rates from other contracted schemes</p>

**Table 2 - Oakwood assumptions comparison**

### **Meridian Water**

By far the largest of Energetik's heat networks, it will eventually serve over 10,000 customers (residential and commercial) with very low carbon heat from the North London Waste Authority's (NLWA) new Energy Recovery Facility (ERF) when built. The development being undertaken by the Council will transform currently under-utilised land bordering the Lee Valley into a place to live. Energetik intends to expand its network west and north to connect the estate renewal scheme at Joyce and Snells and has held positive early discussions with Haringey regarding a bulk heat supply agreement in the future.

The scale and timing of the Meridian Water development will determine when and how Energetik's infrastructure will be delivered, and this will be largely influenced by the development programme set by the Council and its developers. Construction of Energetik's energy centre and heat network infrastructure is expected to commence in late 2019 following approval of the company's tranche 2 drawdown. CHP will provide low carbon heat in the medium-term until the NLWA's new ERF is completed in 2026.

The Council's tender process received positive submissions (see below summary on the updated Meridian Water delivery strategy), and the Council spent early 2019 evaluating the tenders it received. The Cabinet has recently approved the award of the first phase development to deliver the first phase of Meridian Water (725 homes) to Galliford Try, subject to call in and formal award. Energetik's suite of connection and supply agreements were included within the tender pack so there is not expected to be significant modification to the template forms.

The tender for phase 2 (up to 2,300 homes, hotel primary school) will be released in early summer 2019, with outline planning to be submitted late summer 2019.

Construction is expected to commence on Meridian One and Two in 2020. Meridian 1a - circa 325 homes, and Meridian 2 are programmed to finish in 2023. Meridian 1b will add circa 400 homes - total 725 - and is programmed to finish in 2025. During that time other parts of the site outside of construction will be opened for temporary 'meanwhile' uses and will provide workspace, space for events and festivals etc.

Key information:

- *Energetik's anchor load with a forecast 10,000 homes and significant commercial connection opportunities*
- *Will deliver over 200,000 tonnes of carbon savings and over 60,000kg of Nitrous Oxides over Energetik's 40-year business plan, improving local air quality and contributing to greenhouse gas emissions reduction*
- *Energetik will build, own and operate the energy centre and infrastructure to serve the development*

<b>2017 Business Plan assumption</b>	<b>2019 Business Plan assumption</b>
Meridian Water builds first homes in 2018, completes build of 10,000 homes in 2037	Meridian Water builds first homes commencing in 2020, expected to finish between 2023 and 2025. The remaining homes will be tendered in lots to retain Council control. See connection summaries above for more information.
The Meridian Water developer connects all properties to the heat network	No change
Energetik supplies Meridian Water properties with heat via gas boilers located at Meridian Angel (plantroom provided by Meridian Water) until 2021	Energetik will serve the first Meridian Water properties with temporary gas boilers when needed, until Energetik's own energy centre is completed end-

	2021.
Energetik will expand the heat network from the gas boilers located at Meridian Angel to other developments as required to supply heat	Energetik will serve the first phases with a temporary heat supply until its energy centre is completed. Some of the distribution network will be delivered as part of the infrastructure works being delivered by Meridian Water team.
The energy centre and the heat network to be built in 2019/20, for operation in 2021	The energy centre and heat network will commence build-out in 2020 and be ready for 2022, aligned with developer delivery programme
Energetik installs CHP at the energy centre to supply low carbon heat until the new ERF is built	No change
The new ERF supplies heat to Energetik in 2026	No change
Should the new ERF be delayed, Energetik will continue to install CHP to meet demand	No change
The heat network will be extended west to supply a further 2,000 homes	The heat network will be extended west to supply Joyce and Snells estate renewal scheme. Property estimates are ca. 2850. This project is due to commence in 2021
The heat network will be extended north towards Edmonton Green to supply a further 1,500 homes	This item has been removed from the business plan at this stage to show the prudent case. Should adequate connection loads be identified once Energetik has the ability to connect and supply heat, an extension will be considered
Energetik receives residential connection charges paid by the developer and indexed by CPI	No change
100% of connection receipts are realised within the P&L account in the year that they are received	
All figures are indexed each year by a range of relevant indices, ranging from CPI to DECC predicted gas prices	No change
Development overheads are capitalised up to 2022	Capitalisation policy change due to programme delay. Reduction from 92% to 76%
Electricity generation by CHP is used to power the energy centre; any residual electricity is sold to the local electricity distribution system at wholesale prices	Unlikely to install CHP unless there are delays to ERF delivery, in which case it will be installed to bridge the gap. This is due to reduction in carbon factor for

	operating CHP
Capital build costs are based on the DBO tender returns, quotes from utility companies, plus a 10% contingency CIU's to be purchased by Energetik	No change. Capital costs at known rates until price expiry in December 2020, index linked thereafter.  CIU's are now to be purchased by the contractor and reflects a saving in capital expenditure to Energetik
Operating costs are based on: <ul style="list-style-type: none"> <li>• Customer service contract tendered costs</li> <li>• DBO contract tender returns</li> <li>• Predicted overheads for Energetik</li> <li>• Utility prices based on DECC forward looking indices</li> <li>• Business rates being payable in full</li> <li>• Insurance advice received from AON and previous operating schemes</li> </ul>	Operating costs are based on: <ul style="list-style-type: none"> <li>• Customer service contract known costs</li> <li>• DBO contract known returns</li> <li>• Predicted overheads for Energetik</li> <li>• Utility prices based on DECC forward looking indices</li> <li>• Business rates not payable</li> <li>• Insurance advice received from AON and previous operating schemes</li> </ul>

**Table 3 - Meridian Water assumptions comparison**

## Appendix B - Policy update

There has been significant changes / progress in the heat network industry since 2017, with advances towards market regulation happening faster than expected as more focus is given to emissions and air quality. Energetik is at the forefront of customer protection and sustainable growth and welcomes these changes. The list below outlines the significant events / policy updates since the 2017 business plan was approved:

- **Government's Clean Growth Strategy (CGS): October 2017:**
  - This strategy sets out government's proposals for de-carbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change.
  - Clean growth involves cutting greenhouse emissions "while ensuring an affordable energy supply" for consumers. This is a key pillar of the UK's Industrial Strategy.
  - The CGS is a government-led environmental scheme created to meet the goals set by the 2015 Paris Agreement, with the tagline "leading the way to a low carbon future".
  - Includes the target of 18% of heat in UK homes to come from heat networks by 2050 – compared to just 2% now.
  - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/766109/decarbonising-heating.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766109/decarbonising-heating.pdf)
  
- **Competition & Markets Authority (CMA) Market Study: December 2017:**
  - The CMA carried out a market study into domestic heat networks, to review how well the market works and if consumers are getting a good deal.
  - Energetik participated in the market study, advocating regulation and higher standards across the industry to better protect customers
  - <https://www.gov.uk/cma-cases/heat-networks-market-study>

### **CMA analysis:**

Consistent with other research, the CMA's pricing analysis found that heat networks appear to offer an efficient supply of heat and hot water at prices which are close to or lower than those of other potential sources of supply (such as gas or electricity) and with comparable service standards.

The CMA concluded that the sector should be regulated (naming Ofgem as likely sector regulator) and made a series of recommendations to government.

- **Draft new London Plan: (published for consultation December 2017, now undertaking Examination in Public)**
  - Energetik responded to the consultation

- Drives heat networks at a strategic level, at development level, and via a 'heating hierarchy' for developments to minimise impacts on climate change and air quality - the use of waste heat through heat networks is at the top of the hierarchy, aligned with Energetik's strategy to use heat from the ERF.
- **London Environment Strategy: May 2018**
  - The strategy brings together approaches to every aspect of London's environment, integrating the following areas:
    - air quality
    - green infrastructure
    - climate change mitigation and energy
    - waste
    - adapting to climate change
    - ambient noise
    - low carbon circular economy
  - *"London will be a zero-carbon city by 2050, with energy efficient buildings, clean transport and clean energy."*
  - *"the Mayor wants to change the way London produces and consumes its energy. Old systems of heating, cooling and powering buildings using coal and gas must be replaced by cleaner, local renewable energy...many of these solutions will help tackle fuel poverty"*
  - Heat networks are a key feature of the strategy: *"Energy efficient buildings and local energy generation will reduce carbon dioxide emissions and improve air quality"*
  - Energetik responded to the public consultation in 2017.
  - <https://www.london.gov.uk/what-we-do/environment/london-environment-strategy>
- **BEIS response to CMA: Heat Networks: Ensuring Sustained Investment and Protecting Consumers - July 2018**
  - Sets out response to CMA recommendations (above), outlining need for further consultation on regulation of heat networks and creating a self-sustaining market.
  - Energetik is actively engaging with BEIS in its consultation
  - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/774586/heat-networks-ensuring-sustained-investment-protecting-consumers.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774586/heat-networks-ensuring-sustained-investment-protecting-consumers.pdf)
- **Mayor of London's 'Cleaner Heat Cashback' scheme, launched July 2018**
  - a £10m boiler scrappage scheme for small businesses.
  - Small businesses in London can get 35% cashback when installing a renewable heating system (such as air or ground source heat pumps, solar thermal or hybrid systems) or connecting to a local heat network.
- **Launch of the Heat Network Industry Council (HNIC): October 2018**

- The Council has been established following close consultation with Government, with the objective of supporting Government in achieving its vision of achieving a sustainable industry
- Energetik's Managing Director (Jayne Clare) is one of the 13 senior members of the Council, elected from across the industry
- Council members will develop an offer to Government on what industry can do to create jobs, cut costs, reduce carbon, create more liveable cities, and deliver exceptional customer outcomes if the right policy environment is in place
- <https://www.theade.co.uk/news/press-releases/heat-network-industry-promises-more-jobs-smart-cities-and-a-fix-to-the-deca>
- **GLA 'Delivering District Heating Networks' project**
  - to evaluate the various roles that the Mayor could play in supporting stakeholders and accelerate build-out of district heating projects in London and develop detailed business cases for how these could be implemented.
  - Energetik is participating in the research for this project.
  - <https://www.london.gov.uk/decisions/add2293-delivering-district-heating-networks>
- **Heat Network Technical Compliance Scheme – autumn 2018**
  - Acknowledged as important by CMA, who have identified build standards as crucial for future market (and to be covered in regulation). The scheme will ensure all heat networks are required to be built and operated to the same high standards.
  - Energetik's Technical Director (Ian Guest) is supporting the development of this scheme
- **Heat Network Investment Project (HNIP) – full scheme launched early 2019**
  - A Government Major Project which will invest £320m of capital funding in heat network projects through grants and loans. This is provided as 'gap funding' to leverage around £1bn of private and other investment, paving the way for the continued growth of the UK heat networks market.
  - Energetik submitted an application to HNIP in April 2019
  - <https://www.gov.uk/government/collections/heat-networks-investment-project-hnip-overview-and-how-to-apply>
- **Committee on Climate Change (CCC): Net Zero – The UK's contribution to stopping global warming - May 2019**
  - This report responds to a request from the Governments of the UK, Wales and Scotland, asking the CCC to reassess the UK's long-term emissions targets.
  - It recommends a new emissions target for the UK: net-zero greenhouse gases by 2050.
  - A net-zero GHG target for 2050 will deliver on the commitment that the UK made by signing the Paris Agreement. It is achievable with known technologies, alongside improvements in people's lives, and

within the expected economic cost that Parliament accepted when it legislated the existing 2050 target for an 80% reduction from 1990.

- <https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/>

**Appendix C – See part 2 report**

**Appendix 1 – see part 2 report**

**Appendix 2 – see part 2 report**

## THE CABINET

### Draft list of Items for future Cabinet Meetings (NOTE: The items listed below are subject to change.)

<b>MUNICIPAL YEAR 2019/2020</b>
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<b>OCTOBER 2019</b>
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- 1. Quarterly Corporate Performance Report** Fay Hammond

This will present the quarterly corporate performance report. (Non key)
- 2. Meridian Water Financial Review** Sarah Cary

This will provide an update for Members. **(Key decision – reference number 4469)**
- 3. Meridian Water Business Plan** Sarah Cary

This will seek approval to the creation of a Meridian Water business plan. **(Key decision – reference number 4953)**
- 4. Joyce Avenue and Snells Park Estate Regeneration** Sarah Cary

This will update on progress with potential housing schemes in the Housing Zone Edmonton Futures. **(Key decision – reference number 4590)**
- 5. Cleaning Services Options Appraisal** Sarah Cary

This will set out the future options for the service with effect from January 2020. **(Key decision – reference number 4942)**
- 6. Appropriation and Development of Bury Street West Former Depot Site, N9 9LA** Sarah Cary

This will seek approval of the appropriation of land from the General Fund to the Housing Revenue Account and development of land for housing. **(Key decision – reference number 4971)**
- 7. Meridian Water Compulsory Purchase Order (CPO)** Sarah Cary

This will seek agreement to a compulsory purchase order to enable strategic infrastructure for Meridian Water. **(Key decision – reference number 4832)**
- 8. Tranche One Budget Proposals 2020/21** Fay Hammond

This will present the tranche one budget proposals 2020/21. **(Key decision – reference number 4991)**

9. **Update Strategy and Approach to Delivering Pupil Places** Tony Theodoulou/  
Fay Hammond

This will provide an update on the strategy and approach to delivering pupil places. **(Key decision – reference number 4893)**

10. **Lease of Ashburton and Crediton Rooftop Space** Sarah Cary

This will seek approval to grant a lease of the rooftop space of Ashburton and Crediton on the Exeter Road estate. **(Key decision – reference number 4993)**

<b>NOVEMBER 2019</b>
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1. **Joint Health and Wellbeing Strategy** Tony Theodoulou

This joint strategy will set out how the local system will work together to improve the health and wellbeing of the local community and reduce health inequalities. **(Key decision – reference number 4852)**

2. **Meridian Water Employment Strategy** Sarah Cary

This will seek approval to the employment strategy for Meridian Water. **(Key decision – reference number 4881)**

3. **Compulsory Purchase Order for the Redevelopment of The Montagu Industrial Estate** Sarah Cary

This will seek approval of the Compulsory Purchase Order (CPO) and amended capital budget to cover the estimated CPO cost, demolition, remediation and on-going vacant property management as part of the Montagu Industrial Estate Redevelopment. **(Key decision – reference number 4873)**

4. **Housing Revenue Account 30-Year Business Plan Update** Sarah Cary

This will update Cabinet on the HRA 30 year business plan, capital programme and rents. **(Key decision – reference number 4969)**

5. **Travel Assistance Policy** Tony Theodoulou

This policy will set out how the Council will identify and support those children and young people who need travel assistance to their school or setting and provide it in a consistent, transparent and fair way. **(Key decision – reference number 4851)**

6. **Acquisition of Land Within Meridian Water** Sarah Cary

This will seek approval to the acquisition of land required for the strategic infrastructure works within Meridian Water. **(Key decision – reference number 4984)**

7. **Quarterly Revenue Monitoring (including HRA) 2019/2020 Quarter 2** Fay Hammond

This will present the quarterly revenue monitoring 2019/20 quarter 2. **(Key decision – reference number tbc)**

8. **Quarterly Capital Monitoring 2019/2020 Quarter 2** Fay Hammond

This will present the quarterly capital monitoring 2019/20 quarter 2. **(Key decision – reference number tbc)**

9. **Half Yearly Treasury Position 2019/2020** Fay Hammond

This will present the half yearly treasury position 2019/2020. **(Key decision – reference number 4992)**

10. **Internal Audit Shared Service for Enfield and Waltham Forest Councils** Ian Davis

The London Boroughs of Enfield and Waltham Forest propose to develop a shared service for Internal Audit and Anti-Fraud. This will set out the preferred model for implementation and seek Member approval. **(Key decision – reference number 4824)**

11. **Beck House Site Redevelopment, Upton Road, Edmonton, N18 2LJ** Sarah Cary

This will seek approval of the investment decision, acquisition of land interests, consultation and development to enable the delivery of new Council homes. **(Key decision – reference number 4970)**

12. **Housing Development Delivery Strategy** Sarah Cary

This will set out the Council's Housing Development Strategy and seeks delegated authority from Cabinet to deliver the strategy. **(Key decision – reference number 4998)**

## DECEMBER 2019

1. **Housing Allocations Scheme** Sarah Cary

The allocations scheme will set out who can apply for affordable and social rented housing in Enfield, how applications are assessed and how the

Council sets the priorities for who is housed. It also sets out other housing options, including private rented sector, intermediate rent and shared ownership. **(Key decision – reference number 4682)**

**2. Temporary Accommodation Placement Policy** Sarah Cary

This policy will explain how the Council will assist homeless households in finding accommodation. **(Key decision – reference number 4676)**

**3. Housing and Growth Strategy** Sarah Cary

This strategy will set out how the council will deliver an ambitious new approach to housing and good growth in Enfield. **(Key decision – reference number 4841)**

**4. Preventing Homelessness and Rough Sleeping Strategy** Sarah Cary

This will set out how the council will help to prevent homelessness and rough sleeping. **(Key decision – reference number 4809)**

**5. Tranche Two Budget Proposals 2020/21** Fay Hammond

This will present the tranche two budget proposals 2020/21. **(Key decision – reference number tbc)**

**6. Safeguarding Annual Report (Adults and Children)** Tony Theodoulou

This will present a joint Safeguarding Annual Report for adults and children. (Non key)

**7. Meridian Water – Meridian Two Developer** Sarah Cary

This will seek approval to the procurement to appoint the Meridian Two Developer. **(Key decision – reference number 4952)**

<b>JANUARY 2020</b>
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**1. Quarterly Corporate Performance Report** Fay Hammond

This will present the quarterly corporate performance report. (Non key)

**2. Rural Portfolio – Corporate Landlord Compliance** Sarah Cary

This will request funding for essential repairs and maintenance on the Rural Portfolio in order to meet the Council’s Corporate Landlord and Lease responsibilities. **(Key decision – reference number 4974)**

3. **Council Tax Base 2020/21** Fay Hammond
- This will present the council tax base 2020/21. **(Key decision – reference number tbc)**
4. **Business Rate Base 2020/21** Fay Hammond
- This will present the business rate base 2020/21. **(Key decision – reference number tbc)**
5. **Council Tax Reduction Scheme 2020/21** Fay Hammond
- This will present the council tax reduction scheme 2020/21. **(Key decision – reference number tbc)**

<b>FEBRUARY 2020</b>
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1. **Broomfield House** Sarah Cary
- This will refer to the Broomfield Conservation Management Plan and Options Appraisal and, set out options for the next steps. **(Key decision – reference number 4419)**
2. **Quarterly Revenue Monitoring (including HRA) 2019/2020 Quarter 3** Fay Hammond
- This will present the quarterly revenue monitoring 2019/20 quarter 3. **(Key decision – reference number tbc)**
3. **Quarterly Capital Monitoring 2019/2020 Quarter 3** Fay Hammond
- This will present the quarterly capital monitoring 2019/20 quarter 3. **(Key decision – reference number tbc)**
4. **Budget Report 2020/21 and Medium Term Financial Plan 2020/21 to 2029/30** Fay Hammond
- This will present the budget report 2020/21 and the medium term financial plan 2020/21 to 2029/30. **(Key decision – reference number tbc)**
5. **Capital Strategy and Capital Programme 2020/21 to 2029/30** Fay Hammond
- This will present the capital strategy and capital programme 2020/21 to 2029/30. **(Key decision – reference number tbc)**
6. **HRA Business Plan and Rent Setting Report 2020/21** Fay Hammond

This will present the HRA Business Plan and Rent Setting Report 2020/21.  
**(Key decision – reference number tbc)**

7. **Treasury Management Strategy 2020/21** Fay Hammond

This will present the treasury management strategy 2020/21. **(Key decision – reference number tbc)**

**MARCH 2020**

**APRIL 2020**

1. **Quarterly Corporate Performance Report** Fay Hammond

This will present the quarterly corporate performance report. (Non key)

## CABINET - 8.7.2019

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON MONDAY, 8 JULY 2019****COUNCILLORS****PRESENT**

Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader), Rick Jewell (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety and Cohesion), Mary Maguire (Cabinet Member for Finance and Procurement), Alev Cazimoglu (Cabinet Member for Health and Social Care), George Savva MBE (Cabinet Member for Licensing and Regulatory Services), Gina Needs (Cabinet Member for Social Housing) and Mahtab Uddin (Cabinet Member for Public Health)

**Associate Cabinet Members (Non-Executive and Non-Voting):** Claire Stewart (Enfield West)

**ABSENT**

Guney Dogan (Cabinet Member for Environment and Sustainability), Mustafa Centinkaya (Associate Cabinet Member – Enfield South East), Ahmet Hasan (Associate Cabinet Member – Enfield North)

**OFFICERS:**

Ian Davis (Chief Executive), Sarah Cary (Executive Director Place), Tony Theodoulou (Executive Director People), Matt Bowmer (Interim Director of Finance), Jeremy Chambers (Director of Law and Governance), Jayne Middleton-Albooye (Head of Legal Services) and Andrew Golder (Press and New Media Manager) Jacqui Hurst (Secretary)

**Also Attending:** Councillors Lindsay Rawlings and Lee David-Sanders  
One member of the public

**1****APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mustafa Cetinkaya (Associate Cabinet Member – Enfield South East) and Ahmet Hasan (Associate Cabinet Member – Enfield North).

An apology for lateness was received from Councillor Alev Cazimoglu (Cabinet Member for Health and Social Care).

**2****DECLARATIONS OF INTEREST**

There were no declarations of interest in respect of any items listed on the agenda.

**CABINET - 8.7.2019**

**3**

**RESPONSE TO CLIMATE CHANGE EMERGENCY**

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – Place (No.57) responding to the climate change emergency.

**NOTED**

1. That this was an important item for the Cabinet's consideration and responded to the climate change emergency as set out in detail in the report. Members' noted the recent campaign and activities that had been taking place to highlight the issue.
2. The report set out the Council's proposals for moving forward. It was noted that Enfield had already introduced a number of positive initiatives detailed in the report, but it was recognised that more still needed to be done to address the serious matter of climate change.
3. The recommendation to establish a Climate Emergency Task Force comprising of officers and Members. As part of this it was intended to update the Sustainable Enfield Plan by 2020 and submit it to a future Cabinet meeting for approval. It was proposed to make a commitment to make Enfield council carbon neutral by 2030, or earlier if possible.
4. A detailed discussion followed and Members raised a number of points for clarification and further information including the issues set out below.
5. It was noted that Councillor Nesil Caliskan (Leader of the Council) and Councillor Ian Barnes (Deputy Leader) had recently met with representatives of Extinction Rebellion. The meeting had been constructive and their aims and concerns had been discussed. The proposed Task Force, to be led by Councillor Barnes, would give further detailed consideration to a number of matters that had been discussed; including a proposed Climate Summit to be held in Enfield later in the year. Members recognised the issues that needed to be addressed and the further work required.
6. The Council's role in promoting and facilitating educational programmes for the Borough utilising the Borough's network of Schools and engaging with school children and young people on influencing future behaviours.
7. The criticism that the Council had received previously when implementing a number of issues that would have a positive effect on climate change, such as Cycle Enfield. Other Council initiatives included the introduction of rain gardens and a comprehensive tree

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planting programme, both of which had a number of benefits for the environment.

8. That it was important to have short term goals alongside a number of initiatives that would have long-term effects.
9. That sustainable transport would be a key issue for the Borough including the need to ensure that Enfield had a well-connected public transport system. Such issues would be considered as part of appropriate Borough plans in order to reduce emissions and, promote a healthier environment. The positive results on levels of air pollution as a result of tree planting and “green walls” was highlighted.
10. The national initiatives that were being promoted, for example tree planting on farms, and the need for the Council to explore all funding options available in support of the implementation of the aims and objectives outlined in the report.
11. In response to questions raised, Members were advised of the Council’s planning policies and requirements of new developments regarding sustainable issues.
12. The financial implications of the proposals as set out in section 6.1 of the report. All detailed initiatives would be fully costed and subject to financial due diligence. Members recognised the importance of addressing climate change issues.
13. An action that had been taken world-wide recently by school children. Members highlighted the importance of tackling climate change for the benefit of future generations. The public health issues were recognised. The proposals would also support the Borough’s Health and Well-being Strategy.
14. A discussion took place on future sustainable energy options for the Borough and Members asked that such issues be considered as part of the continuing development of the Borough’s Local Plan. Issues highlighted included wind turbines, water power and solar panels. Members were advised of studies that had taken place previously which could be refreshed in the light of recent developments and changing technology. Members were reminded of the role that Energetik had in the provision of sustainable energy within the Borough. All forms of renewable energy would continue to be considered in moving forward.
15. The role that the Council had in leading Borough-wide initiatives and seeking to influence others for the benefit of Enfield’s residents. The Council had successfully reduced its carbon footprint. It was noted that this in part had been the result of a consolidation of the Council’s property portfolio. Developments in energy efficiency had also had a positive benefit. Members’ attention was drawn to paragraph 3.8 of the

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report. The calculation of the carbon emissions reduction was a Government statistic.

16. That the proposals for the introduction of LED street lighting in the Borough would result in a reduction in the Borough's carbon footprint and achieve financial savings. This was also the case for the proposed changes to the Borough's waste collection services which sought to increase the Borough's recycling rates and so reduce Enfield's carbon footprint further.
17. The significant funding investment programme in the Council's housing stock which would include consideration of improving the energy efficiency of the housing.
18. The proposed Task Force would consider further all related issues as set out in the report and highlighted by Members.
19. The detailed recommendations in the report as reflected in the decisions below. It was noted that there was also a motion on this matter due to be debated at the Council meeting scheduled to take place on 10 July 2019. Members noted that this was not a party political matter and it was hoped that this report and its proposals would be supported across the Council as a whole.
20. An amendment to recommendation 2.4 of the report, to recommend to Council that the Pension, Policy and Investment Committee implement the recommendation as set out in the report and listed in decision 4 below.
21. That the Cabinet would be signing a declaration in support of their commitment to the climate change emergency. It was noted however, that the decisions of Cabinet would be subject to call-in and would not be implemented until the call-in period had passed.

**Alternative Options Considered:** NOTED, the alternative options considered as set out in section 4 of the report.

**DECISION:** The Cabinet agreed to

1. Approve the Council in joining other local authorities to declare a "climate emergency" that required urgent action.
2. Approve, for recommendation to Council, a commitment to make Enfield Council carbon neutral by 2030 – or earlier if possible – and undertaking to move all strategic, budgetary and policy decisions in line with this shift.
3. Establish a Climate Emergency Task Force of officers and members to determine how to achieve this target and to explore what more could

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be done to cut greenhouse gas emissions in the Council's operations and supply chain, as well as across the borough, and to:

- Update the Sustainable Enfield plan by 2020 and submit it to Cabinet for approval.
  - Involve all our partners, but especially the Youth Parliament, in updating the plan.
4. Recommend to Council that the Pension Policy and Investment Committee that they consider revisions to the policy on Environmental, Social and Governance (ESG) within its Investment Strategy Statement. The new policy would require the Fund to review its holdings in companies ensuring they do contribute towards a de-carbonised economy. In particular, the Fund should continue to actively reduce its holdings in fossil fuel companies over a planned period of time.

**Reason:** NOTED, the detailed reasons for the recommendations as set out in section 5 of the report, including, the presence of a collective commitment to tackling climate change would create a Council-wide policy driver to focus projects and speed delivery.

**(Key decision – reference number 4950/U207)**

**4**

**CABINET AGENDA PLANNING - FUTURE ITEMS**

NOTED, for information, the provisional list of items scheduled for future Cabinet meetings.

**5**

**MINUTES**

**AGREED**, that the minutes of the previous meeting of the Cabinet held on 12 June 2019 be confirmed and signed by the Chair as a correct record.

**6**

**DATE OF NEXT MEETING**

NOTED, that the next meeting of the Cabinet was scheduled to take place on Wednesday 17 July 2019 at 7.15pm.

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**CABINET - 17.7.2019**

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON WEDNESDAY, 17 JULY 2019**

**COUNCILLORS**

**PRESENT**

Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader), Guney Dogan (Cabinet Member for Environment and Sustainability), Rick Jewell (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety and Cohesion), Mary Maguire (Cabinet Member for Finance and Procurement), Gina Needs (Cabinet Member for Social Housing), George Savva MBE (Cabinet Member for Licensing and Regulatory Services) and Mahtab Uddin (Cabinet Member for Public Health)

**Associate Cabinet Members (Non-Executive and Non-Voting):** Mustafa Cetinkaya (Enfield South East), Claire Stewart (Enfield West)

**ABSENT**

Alev Cazimoglu (Cabinet Member for Health and Social Care), Ahmet Hasan (Associate Cabinet Member – Enfield North)

**OFFICERS:**

Ian Davis (Chief Executive), Tony Theodoulou (Executive Director - People), Sarah Cary (Executive Director - Place), Fay Hammond (Interim Executive Director - Resources), Jeremy Chambers (Director of Law and Governance), Geoff Waterton (Head of Collection Services), Doug Wilkinson (Director of Environment & Operational Services), Bindi Nagra (Director of Health and Adult Social Services), Joanne Drew (Director of Housing and Regeneration), Doug Wilson (Head of Strategy, Performance and Policy), Garry Knights (Head of Housing Property Services), Julie Mimmagh (Head of Human Resources Operations), Matt Bowmer (Interim Director of Finance), Jade Goodwin (Strategic Waste and Recycling Manager), Caroline Moore (Special Projects Officer - People) and Andrew Golder (Press and New Media Manager) Jacqui Hurst (Secretary) and Administrator (Secretary)

**Also Attending:**

Councillor Lee David-Sanders  
Press representative

**1**

**APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Alev Cazimoglu (Cabinet Member for Health and Social Care).

Apologies for lateness were received from Councillor Nneka Keazor (Cabinet Member for Community Safety and Cohesion) and Councillor Ahmet Hasan (Associate Cabinet Member – Enfield North).

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**2**

**DECLARATION OF INTERESTS**

There were no declarations of interest in respect of any items listed on the agenda.

**3**

**DEPUTATIONS**

NOTED that no requests for deputations had been received for presentation to this Cabinet meeting.

**4**

**REVENUE OUTTURN REPORT 2018/19**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.39) setting out the revenue outturn position for 2018/19.

NOTED

1. That the report set out the outturn position for 2018/19 for the General Fund Revenue Account; Housing Revenue Account (HRA); Dedicated Schools Grant (DSG) funded expenditure; and, the collection fund balance at year end, as set out in the report.
2. That the report also provided information on the Council's current level of useable reserves and balances.
3. The continuing budget pressures being experienced, as outlined in the report, particularly in relation to Adult Social Care and Children's Services.
4. The flexible use of capital receipts set out in section 4.2 and Appendix F of the report.
5. The detailed 2018/19 revenue outturn position outlined in section 4 and the appendices to the report.
6. The Housing Revenue Account Outturn as detailed in section 4.3 and Appendix G of the report.
7. The outturn details in relation to the Dedicated Schools Grant as outlined in section 4.1.8 of the report.

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8. The outturn performance in 2018/19 for the Collection Fund, covering both council tax and business rates as set out in section 4.5 of the report.
9. The need to maintain reserves to meet unexpected expenditure and budget pressures, as outlined in the report. Local authorities faced continuing uncertainties on future funding provision at a time of increasing pressures on Council services. The outturn position demonstrated the Council's prudent financial approach and, provided evidence of sound financial management and efficient use of resources.
10. Enfield's financial position and level of reserves in relation to other comparative local authorities.
11. In response to a question raised regarding the North London Waste Reserve as set out in the report, it was noted that going forward this issue was addressed within Report No.42 – Medium Term Financial Strategy 2010/21 to 2024/25, as detailed in Minute No.7 below.

**Alternative Options Considered:** Not relevant in the context of this report.

**DECISION:** The Cabinet agreed to note the General Fund, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) revenue outturn for 2018/19.

**Reason:** To ensure that Members were aware of the outturn position for the authority including all major variances which had contributed to the outturn position.

**(Key decision – reference number 4925)**

**5**

**CAPITAL OUTTURN REPORT 2018/19**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.40) detailing the outturn position of the Council's 4-year Capital Programme as at the end of 2018/19.

NOTED

1. That the actual outturn position of the Council's 4-year capital programme was £188.7m, as set out in the report.
2. That the capital programme demonstrated the Council's investment in the Borough. The Capital Programme had been approved previously by Council in February 2019. A number of major projects had received capital investment as set out in detail in the report.

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3. A discussion took place on the major projects, including the new train station at Meridian Water which was significant in unlocking the potential of Meridian Water through such investment in infrastructure and the public realm. It was also important in the development of the future phases of Meridian Water.
4. The investment in Durants School, as set out in the report. The current school would close at the end of the term for the works to take place, and pupils relocated to the new site at Minchenden. Once the work had been completed on Durants School there would be provision for 120 SEN pupil places. Members were advised of the grant funding received for this work. There would be no impact on the Council's borrowing requirements. The resulting revenue savings through the provision of additional SEN places in Borough were noted.

**Alternative Options Considered:** Not relevant in the context of this report.

**DECISION:** The Cabinet agreed to note:

1. The Capital outturn, as detailed in table 2 of the report.
2. The project outcomes detailed in section 5 of the report.
3. Additions to the programme since the last monitor in Period-8.
4. The funding of the Council's capital expenditure for 2018/19 detailed in Table 5 of the report.

**Reason:** To ensure that Members were aware of the Capital outturn position for the authority.

**(Key decision – reference number 4923)**

**6**

**ANNUAL TREASURY MANAGEMENT OUTTURN REPORT 2018/19**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.41) reviewing the activities of the Council's Treasury Management function over the year ended 31 March 2019.

NOTED

1. The background to the Annual Treasury Management Outturn report as set out in the report.
2. That as at 31 March 2019 the level of debt outstanding was £844.8m, an increase of £148.0m since 1 April 2018. The average interest rate had fallen as detailed in the report.

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3. That the report outlined the detailed borrowing in 2018/19; the cost of borrowing; debt maturity; and, treasury management activity.
4. The work being undertaken regarding the Minimum Revenue Provision as set out in section 9 of the report and reflected in decision 3 below.
5. The outturn report demonstrated the Council's investment in the Borough.
6. The cost of borrowing detailed in section 6 and table 3 of the report.
7. The Council's investment in Deutsche Bank, outlined in Table 5 of the report. The Council had not been advised, by its professional advisors, of any action necessary regarding this investment as a result of recent announcements by the Bank.

**Alternative Options Considered:** None. This report was required to comply with the Council's Treasury Management Policy statement, agreed by Council.

**DECISION:** The Cabinet agreed to

1. Note and comment on the contents of the report as set out above.
2. Recommend that the Council consider the 2018/19 Treasury Management Outturn report.
3. Recommend to Council to note the review of Minimum Revenue Provision (MRP) for Investment Properties, the outcome of which might give rise to an amendment to the Treasury Management Strategy.

**Reason:** To inform the Council of Treasury Management performance in the financial year 2018/19.

**(Key decision – reference number 4926)**

**7**

**MEDIUM TERM FINANCIAL STRATEGY 2020/21 TO 2024/25**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.42) refreshing the Council's financial position for the medium term which had been set out in the report to Council in February, including an update on the risks and uncertainties facing local government at this time.

NOTED

1. That Local Government continued to experience increasing demand for its services during a period of unparalleled uncertainty, as detailed in section 3 of the report. It was important to ensure that the Council's finances were both resilient and sustainable. The vision was for a 5-

**CABINET - 17.7.2019**

year medium term financial plan; a 10-year capital programme; and, a 10-year treasury management strategy, as set out in the report.

2. The approach being taken to the identification of savings against a framework of nine themes, as detailed in the report. It was planned to bring forward savings proposals in two tranches for 2020/21, in October and December 2019. The proposed timetable was set out in the report.
3. In response to a question raised, the anticipated timetable for the announcement of the Government's funding settlement was outlined to Members.
4. The current assumptions on spend in relation to the NLWA as detailed in table 1 of the report.
5. In conclusion, Members noted the general financial instability faced by local government and the increasing reliance on grant funding to provide core services. Long-term solutions were required. The difficulties being faced were reiterated and acknowledged by Members.

**Alternative Options Considered:** NOTED, that no alternatives had been considered.

**DECISION:** The Cabinet agreed to

1. Note the updated financial position over the medium term.
2. Agree the vision, approach and timetable to develop the 2020/21 to 2024/25 Medium Term Financial Plan.

**Reason:** Given the uncertainty in the overall funding levels for local government and the framework for its distribution it was essential there was a clear strategy in place to manage the Council's finite resources over the medium term and for the planning process to be in place early in the financial year.

**(Key decision – reference number 4924)**

## **8 COUNCIL TAX SUPPORT CONSULTATION**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.43) outlining options to amend the Council Tax Support Scheme for 2020/21, including the preferred option, which would be subject to a public consultation in the summer of 2019.

NOTED

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1. The detailed background to the support provided and the proposals going forward as set out in the report and outlined to Members.
2. The proposals would provide further assistance to the most vulnerable residents in the Borough to pay their Council Tax requirements. The proposals for consultation were as set out in section 5 of the report and reflected in the decisions below. The impact on residents and on the Council budget were detailed in the report and explained to Members.
3. The statutory consultation process as detailed in section 6 of the report and discussed at the meeting. As specified in legal advice, the consultation would include the preferred proposals outlined in the report and the no change option. A further report would be presented to a future Cabinet meeting to enable any changes to be agreed and implemented with effect from 2020/21.
4. That reassurances were provided that the discretionary Council Tax Hardship Scheme would be maintained, section 4 of the report referred.
5. The clear political commitment by the Council's Labour administration to help those residents on the lowest incomes and support the most vulnerable. The proposals had been discussed in detail.
6. In response to questions raised, Members were advised how Enfield compared with other local authorities in the support provided through Council tax support.
7. That any resulting budget implications would be incorporated within the 2020/21 budget proposals.

**Alternative Options Considered:** As set out in the main body of the report.

**DECISION:** The Cabinet agreed the preferred council tax support scheme change for 2020/21 to be the subject of public consultation as:

1. Reducing the maximum council tax support limit for working age claimants from 26.5% to 24.5% and increasing the excess income taper from 20% to 22.5%, and
2. Reduce the earned income threshold for working age council tax support claimants receiving Universal Credit from £1,265 to £1,100 per month.

**Reason:** The recommendations follow an assessment of options, experience of operating the scheme to date and the Equality Impact Assessment. The recommended changes introduced in 2014 for defined protected groups and the further extension of care leavers under the Equality Impact Assessment support the Council's aims to build strong, stable communities and were recommended to be continued next year.

**(Key decision – reference number 4906)**

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**9**

**QUARTERLY CORPORATE PERFORMANCE REPORT**

Councillor Ian Barnes (Deputy Leader) introduced the report of the Executive Director – Resources (No.44) presenting the quarterly report on the new Corporate Performance Scorecard.

**NOTED**

1. Members' thanks and appreciation of the officers involved in compiling the performance data as set out in the report.
2. That many of the performance indicators were on track. There were four specific areas of concern which were currently being addressed through detailed action plans and close working with the officers involved. The areas were in relation to planning applications; temporary accommodation; sickness levels; and, complaints, Members' enquiries and freedom of information requests. The detailed actions were set out in the appendix to the report.
3. In relation to Customer Experience, a significant staffing re-structure had been undertaken, staff training was also being undertaken and, it was anticipated that performance would improve significantly as the new arrangements were implemented. This area of performance would continue to be closely monitored.
4. The indicators in relation to housing, and the significant work currently being undertaken by the Council in the development of a range of Housing Strategies in order to improve housing provision and reduce homelessness and temporary accommodation issues. Reference was also made to the Cabinet's previous decision regarding responsive repairs, Minute No.18 below refers.
5. The indicators in relation to safeguarding were noted together with the Council's investment in this area.
6. The indicator regarding serious youth violence together with the Council's investment to tackle this issue of concern.
7. The significant work which had been undertaken to improve the Council's performance regarding planning applications. Several new staffing appointments had been made. The value of training and retaining staff was noted and encouraged. Good progress was being made and thanks were extended to the officers involved.
8. The significant work being undertaken in relation to housing provision, and the reports that would be presented to future Cabinet meetings for consideration. The Council's priorities were highlighted concerning

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housing growth, tackling homelessness, reducing reliance on temporary accommodation and providing good quality, affordable housing within the Borough. It was noted that poverty was a key driver of homelessness in Enfield. The range of initiatives and work in progress were outlined at the meeting. The Council's priorities were reiterated and discussed.

9. That reducing the reliance on the use of temporary accommodation and the provision of good quality housing would support the development of strong communities in the Borough and support good public health.
10. In response to questions raised, the detailed actions being undertaken in relation to customer service were discussed including the staff restructure and training to drive up performance and raise the long-term resilience of the team.
11. The target in relation to Section 106 agreements closed within six months of the date of the resolution and the improvements required. Members were advised that the legal staffing requirements were currently being addressed in order to improve capacity, and so meet the significant work necessary to complete such agreements within the period specified.

**Alternative Options Considered:** Not to report regularly on the Council's performance. This would make it difficult to assess progress made on achieving the Council's main priorities and to demonstrate the value for money being provided by council services.

**DECISION:** The Cabinet agreed to note, for information only, the progress being made towards achieving the identified key priorities for Enfield.

**Reason:** To update Cabinet on the progress made against all key priority performance indicators for the Council.  
(Non key)

**10**

**REDUCTION AND RECYCLING PLAN**

Councillor Guney Dogan (Cabinet Member for Environment and Sustainability) introduced the report of the Executive Director – Place (No.45) seeking approval for Enfield's Reduction and Recycling Plan as set out in Appendix A of the report.

NOTED

1. That in May 2018, the Mayor of London had published the London Environment Strategy (LES). As part of the LES, the Mayor required

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each London authority to produce a Reduction and Recycling Plan, as outlined in the report.

2. The detailed background to, and objectives of, the Plan as set out in section 3 of the report. The proposals for Enfield were outlined in section 3.2 of the report and highlighted to Members at the meeting. The changes to Enfield's waste and recycling collection service planned for 2019/20, as previously agreed by Members, already supported the objectives of the Plan.
3. The work that would continue to implement and manage the service changes, as previously agreed. The Council was committed to achieving increased recycling rates, as set out in the report. This was a 4-year plan and would be reviewed with the GLA in 2022. This was a dynamic working document that would be subject to an annual internal review.
4. A discussion followed on the importance of effective communications and awareness raising campaigns. Members were reminded of the financial commitment of £100k that had already been agreed by the Cabinet as part of the planned changes to Enfield's waste and recycling collection service. A range of communication methods would be used in order to maximise resident awareness and participation.
5. That the Plan was also an important issue regarding the climate change priorities, as discussed at the previous Cabinet meeting. Members supported the exploration of electric vehicle options for smaller fleet vehicles as set out in paragraph 3.2.5 of the report, together with the proposed trial of alternative fuels.
6. The long-term sustainability targets of the Council and the political commitment to meet the priorities and objectives outlined. The Council's various significant strategy documents would continue to be developed to support the Council's long-term commitments.
7. The financial implications regarding the increasing cost of disposing of waste. A key goal was seeking to reduce the amount of waste produced.
8. That officers would continue to monitor the level of interest received from residents with regular updates and briefings being provided to Members.

**Alternative Options Considered:** NOTED, there were no alternative options, London boroughs were required to produce a Reduction and Recycling Plan to set how each would contribute to the Mayor of London's Environment Strategy targets and demonstrate general conformity with this Strategy.

**DECISION:** The Cabinet agreed to approve Enfield's Reduction and Recycling Plan (RRP), Appendix A of the report. This plan set out objectives,

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targets and policies for the effective management of Enfield's waste in line with the London Environment Strategy.

**Reason:** The Reduction and Recycling Plan has been written setting out the direction of travel that the London Borough of Enfield would take to contribute to the Mayor of London's Environment Strategies priorities, targets and objectives.

**(Key decision – reference number 4887)**

**11**

**2019/20 CORPORATE CAPITAL CONDITION PROGRAMME**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Place (No.46) setting out the 2019/20 Corporate Capital Condition Programme.

NOTED

1. That Report No.63 also referred as detailed in Minute No.23 below.
2. The report sought approval for the annual budget allocation as set out in the report. The Corporate Capital Condition Programme for 2019/20 comprised works which the Council was contractually liable for, as well as works to address health and safety risks. The programme had been prioritised based on condition survey information, reflecting the Strategic Asset Management Plan (SAMP).
3. That as part of the SAMP a core principle was to achieve 100% compliance, alongside other principles to increase income and reduce expenditure, as detailed in the report.
4. That the indicative projects for 2019/20 were set out in the part 2 report, Minute No.23 below referred. Members noted the work required to the Civic Centre air conditioning units.
5. The value of the Council's property portfolio and the need to ensure that the Council's responsibilities and liabilities were addressed effectively.
6. That the detailed projects and expenditure outlined in the programme would be subject as and when appropriate, to further individual portfolio decisions.

**Alternative Options Considered:** Do nothing – not sustainable given the current estimated total backlog for capital condition works on corporate properties was £18m.

**DECISION:** The Cabinet agreed to

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1. Approve £1.5m allocation to 2019/20 Corporate Capital Condition Programme (CCCP), as previously reported in the Capital Strategy 2019/20 and, 4 Year Capital Programme 2019/20 to 2022/23 as a project subject to approval.
2. Delegate authority to the Cabinet Member for Finance and Procurement to approve variations within the Corporate Capital Condition Programme (CCCP) allocation for 2019/20.

**Reason:** NOTED, the detailed reasons for the recommendations as set out in section 4 of the report.

**(Key decision – reference number 4853)**

**12**

**FUTURE COMMISSIONING OF THE 0-19 SERVICES**

Councillor Mahtab Uddin (Cabinet Member for Public Health) introduced the report of the Executive Director – People (No.47) regarding the future commissioning of 0-19 services.

NOTED

1. That Report No.50 also referred as detailed in Minute No.20 below.
2. That the report sought agreement to explore a potential partnership agreement between Enfield Council and North Middlesex University Hospital NHS Trust (NMUH), in accordance with Section 75 of the National Health Service Act (2006). The agreement was designed to facilitate the delivery of the Enfield 0-19 Service consisting of Health Visiting and School Nursing. The reasons for and background to, the proposals were set out in the report.
3. That the development of the agreement would improve health and well-being outcomes for children, young people and their families.
4. The proposed transition arrangements that would seek to minimise any disruption to service delivery.
5. The four key ways planned to create efficiencies and improve service delivery as set out in section 3 of the report. The need to ensure that the service going forward was fit for the future at a time of a growing population and increasing service demands.
6. Members welcomed the potential to work with the NMUH in this agreement. Members reiterated their commitment to working with local hospitals in such ways.
7. In response to questions raised, Members were advised of the detailed service requirements being sought by the Council. It was noted that the

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current service provision did not meet the Council's expectations in going forward. The importance of such services was explained, and their potential impact on a range of issues including safeguarding and health matters noted.

8. That the staffing implications arising from the proposals would be addressed with the part 2 report (Report No.50, Minute No.20 below referred).

**Alternative Options Considered:** NOTED, the detailed alternative options that had been considered as set out in section 4 of the report.

**DECISION:** The Cabinet agreed to approve

1. The proposal to explore and ultimately enter into a Section 75 Partnership Agreement between Enfield Council and a suitable partner, as detailed in the part two report (Minute No.20 below refers) for the delivery of the 0-19 Service (Health Visiting and School Nursing).
2. Delegation of authority to the Director of Health and Adult Social Care, in consultation with the Director of Law and Governance, to finalise and agree the Section 75 Partnership Agreement and to make any variations during the term of the Agreement.

**Reason:** NOTED, the detailed reasons for the recommendations as set out in section 5 of the report.

**(Key decision – reference number 4721)**

**13**

**REARDON COURT EXTRA CARE HOUSING SCHEME**

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – People and Executive Director – Place (No.48) updating on requirements for allocation against the Council's Capital Programme to support the development of this project in line with the Council's GLA bid submission.

NOTED

1. That Report No.51 also referred as detailed in Minute No.21 below.
2. Members were pleased to note the positive news that negotiations with the GLA had resulted in an increased capital contribution – from £60,000 to £103,771 per unit, and following a successful bid in February 2019, £9,443,161 funding had now been secured.
3. That this report provided an update on requirements for allocation against the Council's capital programme to support the development of

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this project in line with the Council's GLA bid submission (Minute No.21 below referred).

4. The scope of the development and range of accommodation proposed as set out in the report.
5. The pre-planning application discussions that were taking place prior to the formal planning application being submitted in September 2019. Proposed site modelling discussions were being undertaken, it might be possible to develop circa 91 self-contained homes on the Reardon Court site subject to consideration of a full planning application.
6. Members were advised of the consultation and briefings that had taken place so far.
7. Members praised the proposals and congratulated officers on the progress to date and the success in securing the improved GLA funding allocation as set out in the report. The timescales for the development were noted.
8. A discussion took place on the extra care housing scheme, the units to be provided and the basis on which they would be allocated. The units would provide a good alternative to residential care and allow residents to retain some independence whilst also having access to care support services. This was a significant and sustainable care provision for the Borough.

**Alternative Options Considered:** NOTED, the detailed options that had been considered as set out in section 4 of the report including doing nothing or proceeding on existing borrowing approvals.

**DECISION:** The Cabinet agreed to

1. Note the content of the report, including the Council's successful bid to the Greater London Authority (GLA) for £9,443,161 capital funding to develop Extra Care Housing at Reardon Court.
2. Delegate authority to the Executive Director – Place in consultation with the Cabinet Member for Finance and Procurement, the Director of Health and Adult Social Care and the Cabinet Member for Health and Social Care:
  - a. The award of construction work contracts for the demolition and redevelopment of the site.
  - b. Project management and procurement arrangements including operational resourcing, appointments for all pre and post contract construction services and submission of a planning application.
3. Approve the application of funds (circa £2.5m – as detailed in section 3.5.7 of the report) from the Kingsdowne Society Trust to this project –

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subject to administrators releasing the funds and the Charity Commission approval – to reduce the Council's borrowing requirement for the scheme.

4. Approve the allocation of capital funding for this development from the Council's Capital Programme based on the improved business case (Report No. 51 also referred as detailed in Minute No.21 below).

**Reason:** NOTED, the detailed reasons for the recommendations as set out in section 5 of the report covering the financial rationale, strategic rationale and community and public value rationale.

**(Key decision – reference number 4898)**

**14**

**BUSINESS PLANS OF THE COUNCIL'S TRADING COMPANIES - ENFIELD INNOVATIONS LTD. (EIL) AND HOUSING GATEWAY LTD. (HGL)**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Commercial Director (No.49) summarising the content of the Business Plans put forward by two of the Council's trading companies, Housing Gateway Ltd. and Enfield Innovations Ltd.

NOTED

1. That Report No.49 also referred as detailed in Minute No.21 below. The reports had already been subject to consideration by the Shareholder Board. Further reports would be presented to the Shareholder Board when required.

**Alternative Options Considered:** NOTED, the alternative options considered as set out in section 4 of the report.

**DECISION:** The Cabinet agreed to

1. Approve the presented business plans for Housing Gateway Ltd. and Enfield Innovations Ltd. in line with the recommendations made by the Shareholder Board, as detailed within paragraphs 2.1 to 2.4 of Appendix 1 to the report, and paragraphs 2.1 to 2.3 of Appendix 2 to the report.
2. Delegate to the Shareholder Board authority to approve as shareholder representative the final proposed financial structure for Housing Gateway Ltd. based on the presentation of a full options appraisal by the company, and within the remit of the Shareholder Board's Terms of Reference.
3. Delegate authority, as recommended by the Shareholder Board, to the Council's Commercial Director to act as representative of the Council's

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shareholder function and make decisions on shareholder reserve matters relating to the delivery of the approved business and operating plans of the Council's wholly owned trading companies, where such decisions would not require Member approval if applied to a Council department under the Council's scheme of delegation.

**Reason:** NOTED, that the detailed reasons for the recommendations were set out in section 5 of the report.

**(Key decision – reference number 4928)**

**15**

**CABINET AGENDA PLANNING - FUTURE ITEMS**

NOTED, for information, the provisional list of items scheduled for future Cabinet meetings.

**16**

**MINUTES OF CABINET SUB-COMMITTEES**

NOTED, for information, the minutes of the following meetings:

1. Shareholder Board – 25 June 2019
2. Local Plan Cabinet Sub-Committee – 27 June 2019

**17**

**DATE OF NEXT MEETING**

NOTED, that the next meeting of the Cabinet was scheduled to take place on Wednesday 11 September 2019 at 7.15pm

At this point of the meeting, Councillor Caliskan (Leader of the Council) asked the Cabinet to consider the supplementary part one agenda as detailed in Minute No.18 below.

**18**

**MATTER REFERRED FROM THE OVERVIEW AND SCRUTINY COMMITTEE - FUTURE OF THE RESPONSIVE REPAIRS SERVICE**

Councillor Nesil Caliskan (Leader of the Council) introduced the matter referred from the Overview and Scrutiny Committee in respect of the Future of the Responsive Repairs Service.

NOTED that at its meeting on 9 July 2019, the Overview and Scrutiny Committee had agreed to refer this matter back to the Cabinet for re-consideration following the call-in of the previous Cabinet decision taken on 12 June 2019.

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**AGREED**, that this matter be considered as an urgent item in order to meet the requirements of the call-in process for the re-consideration of this item at the next scheduled Cabinet meeting. Cabinet Members confirmed that they had all had an opportunity to read and consider the papers being presented to them for consideration and, agreed to proceed with the item as set out below.

**NOTED**

1. The report of the Executive Director – Place (No.64) responding to the issues raised during the call-in process, together with the Cabinet report of 12 June 2019 (No.8) and an extract of the minutes of the Overview and Scrutiny Committee held on 9 July 2019.
2. That the report had previously been considered by the Overview and Scrutiny Committee as part of the pre-decision scrutiny process. The comments made at that time had been taken into consideration when preparing the report for Cabinet consideration in June. Following the Cabinet decision, the decision had been called-in and subject to Overview and Scrutiny consideration, as outlined in the report.
3. Members reiterated the commitment of the Council's administration to insourcing services. This was a major service area and an area of work which currently resulted in resident complaints and significant casework for Ward Councillors.
4. The Cabinet reiterated their support of the original Cabinet decision whilst noting the issues that had been raised for re-consideration.
5. In response to questions raised, the Director of Law and Governance explained in detail the Council's scrutiny and call-in processes.
6. Whilst acknowledging the concerns raised by Members over the delay in implementing the Cabinet decision, Councillor Caliskan (Leader of the Council) reiterated that the Council had a clear and radical agenda with politically led decisions that would be subject to challenge from individuals who had different politics. Councillor Caliskan noted that those Councillors who voted against the report at Overview and Scrutiny simply do not share the political belief that Councils should look to insource services. The scrutiny process had resulted in detailed discussion and improvements to the report considered by the Cabinet. The report addressed the points that had been raised by the Overview and Scrutiny Committee.
7. Members extended their thanks and appreciation to the officers involved for the significant work that had been undertaken.

**DECISION:** The Cabinet agreed to re-confirm their original decision as set out in the recommendations of Report No.8 – Cabinet – 12 June 2019 and detailed below:

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1. Agreed a phased approach to in-sourcing the day to day repairs service as detailed in section 3 of the report and noted the creation of a multi-disciplinary Operational Board which would report on progress to the Repairs Task Force.
2. Approve a mobilisation budget of £1.2 million, allocated over 2 years, funded from HRA repairs reserve.
3. Note that a 5-year business plan would come forward as part of the annual HRA budget cycle for 2020/21.
4. Delegate authority to the Director of Housing and Regeneration to commence procurement and tendering exercises to mobilise 5-year contracts, for compliance works including gas servicing, electrical checks and lift services along with back up responsive repairs services.

**(Key decision – reference number 4868)**

Councillor Dogan left at this point of the meeting.

**19**

**EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**, in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the items of business listed on part two of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

**20**

**FUTURE COMMISSIONING OF THE 0-19 SERVICES**

Councillor Mahtab Uddin (Cabinet Member for Public Health) introduced the report of the Director of Public Health (No.50).

**NOTED**

1. That Report No.47 also referred as detailed in Minute No.12 above.
2. The additional information provided to Members within the report. In response to questions raised, a discussion took place on the staffing implications and the proposals for future provision together with the potential opportunities in going forward.

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3. The clear priorities and objectives of both the Council and NMUH.

**Alternative Options Considered:** As detailed in Minute No.12 above.

**DECISION:** As detailed in Minute No.12 above.

**Reason:** As detailed in Minute No.12 above and section 5 of the report.  
**(Key decision – reference number 4721)**

**21**

**REARDON COURT EXTRA CARE HOUSING SCHEME**

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – People and Executive Director – Place (No.51).

NOTED

1. That Report No.48 also referred as detailed in Minute No.13 above.
2. The detailed capital programme requirements and financial implications as set out in the report. The capital programme allocation would be subject to the agreement of full Council.
3. The implications of the timing of the proposals in relation to the planning process and contract tendering processes.

**Alternative Options Considered:** NOTED, the alternative options considered as set out in section 4 of the report and in Minute No.13 above.

**DECISION:** The Cabinet agreed the decisions as set out in Minute No.13 above and recommended to Council to approve the allocation of the sum set out in recommendation 2.4 of the report, capital funding for this development from the Council's Capital Programme based on the improved business case.

**Reason:** The reasons for the recommendations were set out in Minute No.13 above and section 5 of the report.

**(Key decision – reference number 4898)**

**22**

**BUSINESS PLANS OF THE COUNCIL'S TRADING COMPANIES - ENFIELD INNOVATIONS LTD. (EIL) AND HOUSING GATEWAY LTD. (HGL)**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Commercial Director (No.52).

NOTED

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1. That Report No.49 also referred as detailed in Minute No.14 above.
2. That in addition to consideration by the Shareholder Board, future reports would be presented, as and when necessary, to Cabinet and Council for their agreement.

**Alternative Options Considered:** NOTED, the alternative options that had been considered as set out in Report No.49 and Minute No.14 above.

**DECISION:** The Cabinet agreed the recommendations as set out in Report No.49 and Minute No.14 above.

**Reason:** NOTED, the reasons for the recommendations as set out in Report No.49 and Minute No.14 above.

**(Key decision – reference number 4928)**

**23**

**2019/20 CORPORATE CAPITAL CONDITION PROGRAMME**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Place (No.63).

NOTED

1. That Report No.46 also referred as detailed in Minute No.11 above.
2. The detailed 2019/20 Corporate Capital Condition Programme as set out in Appendix A of the report.

**Alternative Options Considered:** NOTED, the alternative options that had been considered as detailed in Report No.46, Minute No.11 above.

**DECISION:** The Cabinet agreed to approve delegated authority for the scheme of delegation to manage delivery of the 2019/20 Corporate Capital Condition Programme (CCCP) as set out in Appendix A of the report.

**Reason:** As detailed in Report No.46, Minute No.11 above referred.

**(Key decision – reference number 4853)**