

FINANCE & PERFORMANCE SCRUTINY PANEL - 6.1.2021

MINUTES OF THE MEETING OF THE FINANCE & PERFORMANCE SCRUTINY PANEL HELD ON WEDNESDAY, 6TH JANUARY, 2021

MEMBERS: Councillors Birsen Demirel (Chair), Tim Leaver (Vice-Chair), Mahym Bedekova, Christine Hamilton, Anne Brown and James Hockney

Councillor Joanne Laban (as substitute Member for Councillor Lee David-Sanders)

Absent: Councillor Lee David-Sanders and Councillor Yasemin Brett

Officers:

Fay Hammond (Executive Director - Resources), Matt Bowmer (Interim Director of Finance), Sue Nelson (Director of Customer Experience, Customer Services & Information), Joanne Drew (Director of Housing and Regeneration), Claire Eldred (HRA Finance Manager), Geoff Waterton (Head of Collection Services), Sally Sanders (Head of Financial Assessment) and Julie Barker (Head of Exchequer Services), Jacqui Hurst (Governance and Scrutiny Team)

Also Attending: Councillor Nesil Caliskan (Leader of the Council), Councillor Mary Maguire (Cabinet Member for Finance and Procurement)

1. WELCOME AND APOLOGIES FOR ABSENCE

Councillor Birsen Demirel (Chair) welcomed everyone to the meeting and invited Panel Members to introduce themselves.

Apologies for absence were received from Councillor Lee David-Sanders and Councillor Yasemin Brett.

NOTED, that Cllr Joanne Laban was attending the meeting as a substitute for Councillor Lee David-Sanders.

2. DECLARATIONS OF INTEREST

NOTED, that there were no declarations of interest in respect of any item listed on the agenda.

3. MINUTES OF MEETING HELD ON 5 NOVEMBER 2020

AGREED, that the minutes of the previous Scrutiny Panel meeting held on 5 November 2020 be confirmed as a correct record.

NOTED, in response to a question raised, Fay Hammond (Executive Director – Resources) advised Members that the Council had not yet received confirmation of its Public Health Grant for 2021/22.

4. HOUSING REVENUE ACCOUNT - UPDATED BUSINESS PLAN

Councillor Birsen Demirel (Chair) invited Joanne Drew (Director of Housing and Regeneration) to the meeting and invited her to present the information being provided to the Panel on the Housing Revenue Account – Updated Business Plan. Councillor Demirel also welcomed Councillor Nesil Caliskan (Leader of the Council) to the meeting who was present to respond to questions raised and provide any further clarification required.

A detailed presentation followed with questions raised by the Panel Members. A copy of the presentation slides had been provided to the Panel in advance of the meeting. The discussion and presentation in summary included the following points.

NOTED

1. That the presentation outlined the context including the external factors that affected Council housing; an introduction to the Housing Revenue Account (HRA); the HRA ringfence and what it means; a review of year 2020/21; the revised Strategy for 2021/22 and beyond; and, a financial summary.
2. The national policy framework and the forthcoming Social Housing White Paper which would provide increased enforcement powers to the Regulator for Social Housing and the Social Housing Ombudsman. The strong voice of residents; funding mechanisms for new homes; impact of the Building Safety Bill; and, investment in Green Homes were explained in detail to the Panel.
3. The detailed information provided in the presentation explaining the Housing Revenue Account, including the numbers of properties involved and the relevant financial information. An explanation was given on all of the financial aspects of the HRA including the borrowing levels, investment in new housing and how income was generated. The Council had a significant planned development programme over the next 10 years. The requirements for and limitations on both capital and revenue expenditure were outlined.
4. That the HRA was a ring-fenced account within the general fund and was used to support the Council's landlord function. Joanne Drew explained what the HRA could be used for.
5. A review of 2020/21 as outlined in the presentation including delivering a development and regeneration programme; major works programme; health and safety compliance; and, stock disposals of £1m. In addition, the level of reserves; operating efficiencies; de-pooling of service charges; the launching of Enfield Repairs Direct; and support to residents were explained in detail.

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6. In response to questions raised, the service charges in relation to sheltered housing were explained in detail.
7. Councillor Nesil Caliskan (Leader of the Council) outlined the long-term challenges of the HRA and the additional pressures that had resulted from the pandemic including general economic instability and the impact on the Council's finances. The Government had introduced significant funding changes which presented additional challenges to the Council in meeting its estate renewal and housing provision aspirations. There were many factors beyond the Council's control including the impact of Brexit and the volatile housing market.
8. The presentation continued looking at the Strategy for 2021/22 covering the areas of development; investment in Council Homes; and, investment in quality housing services. The financial challenges were set out. The long-term housing aspirations were outlined in detail.
9. The acute housing pressures in Enfield and demand for social housing provision. The Council's role and aspirations going forward were explained.
10. The implications of the proposed Social Housing White Paper which had been considered at the Housing Scrutiny Panel.
11. The governance processes followed in monitoring the HRA revenue and capital budgets as set out in the presentation.
12. The projected detailed financial forecasts for 2021/22.
13. In response to questions raised by Members of the Panel, Councillor Caliskan and Officers clarified and explained a number of issues during discussion including: an update on the proposals relating to the Snells and Joyce regeneration covering the funding implications for the scheme, the timetable for progression and resident engagement proposals.
14. The challenges to be met regarding climate changes objectives were questioned and explained. Officers detailed the pilot schemes that were proposed and the challenging funding sources which the Council had to bid for. The Council would continue to adopt a proactive approach. The long-term aspirations were noted. It was further explained that the costs and technologies available would be kept under constant review and the business plan updated regularly.
15. The key assumptions that were made in the Business Plan and the many factors that were subject to change and were beyond the Council's direct control. Regular monitoring and review would continue to take place. This was a long-term plan that would continue to be subject to adaptation and change as necessary.

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16. That the updated HRA 30-year business plan was due to be considered at the February Cabinet and full Council meetings. The changes to the Plan would also be reflected in the ten-year Capital Strategy and Treasury Management reports. The revenue and capital budget position would continue to be reported to Cabinet on a quarterly basis.
17. In response to questions raised, a discussion took place on the revised planned number of housing units to be delivered and the flexible approach that was required in order to be able to adapt to changing circumstances and funding sources available. The Council's aspiration of maximising the housing supply available to meet the growing needs and pressures being experienced in Enfield was reiterated. Regular reviews of the programme would take place and changes made as necessary.
18. The significant work which had been and would continue to be undertaken in order to fulfil the Council's housing aspirations and plans. All options available to the Council would be fully explored and effective partnership working developed, for example, with registered housing providers in the Borough.
19. The active role that the Council had adopted in housing provision and the clear commitments of the Council's Administration as outlined to Members by Councillor Nesil Caliskan (Leader of the Council).
20. That the HRA Business Plan was in line with the objectives of the Council Plan and was based on robust and resilient financial modelling.
21. In conclusion, Councillor Demirel (Chair) thanked Councillor Nesil Caliskan (Leader of the Council) and Joanne Drew (Director of Housing and Regeneration) for their attendance and informative and detailed presentation to the Panel.

5. INCOME AND DEBT RECOVERY STRATEGY

Councillor Birsen Demirel (Chair) invited Councillor Mary Maguire (Cabinet Member for Finance and Procurement) to introduce the presentation to the Panel on the Council's Income and Debt Recovery Strategy, as set out in the presentation slides previously circulated to Members.

Councillor Maguire briefly outlined the Council's approach to Income and Debt Recovery and the proportionate approach that is taken in dealing with vulnerable residents by assisting those in financial difficulty and differentiating between those who "can't pay" or "won't pay". The ongoing financial impact of the pandemic was highlighted. It was noted that Enfield's debt collection rates were in line with other London boroughs. The Council would seek to maximise its income and debt recovery whilst continuing to support vulnerable residents.

Councillor Maguire drew Members' attention to the progress made to date in the provision of improved welfare and debt advice and the creation of a new welfare advice and debt team to help maximise entitlement to benefits for residents, as detailed on the presentation slides. Examples were given of assistance provided to residents. The Council's proposed Fair Debt and Income Strategy was due to be presented to the March Cabinet meeting for approval.

Sue Nelson (Director of Customer Experience) outlined in further detail the information set out in the presentation slides covering the areas of the national environment and context for the draft Fair Debt and Income Strategy; current performance; principles of the draft Strategy; the work delivered to date; the work to be delivered as part of the new programme; and, the next steps. The following issues arose in discussion.

NOTED

1. The national environment and the impact of the pandemic on income and debt recovery, together with the Council's approach. The anticipated "breathing space" legislation was highlighted and the benefit that this could offer to vulnerable residents.
2. The detailed information that had been provided to Members on the income raised in 2019/20 and the 2020/21 collection performance in relation to Council Tax; Business Rate; Rent and Benefit Overpayment; and, Sundry and Social Care income collection.
3. The aims of the Fair Debt and Income Strategy, due to be presented to the March Cabinet meeting, would be to: modernise council debt recovery; maximise income to the Council; deliver fair and equitable treatment of our customers; and, improve access to benefit advice and debt support and reduce the escalation of charges.
4. The 7 objectives of the Strategy were to: maximise collection; increase income to the Council; minimise the cost of collection; protect vulnerable and low-income households; improve the provision of co-ordinated welfare and debt advice; provide easy, consistent access for customers to transact with the debt and income services, including local business; and, protecting the public purse.
5. The work which had already been undertaken and the developments proposed in fulfilling the objectives including the introduction of e-billing and welfare advice and debt support as detailed in the presentation. Further examples were highlighted including improving online facilities and co-ordination of services. This was an ambitious programme of work.
6. The next steps including action plans for each of the objectives; monthly meetings of the Fair Debt and Income Board to monitor

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implementation; and, quarterly progress reports to the Cabinet Member and Executive Management Team (EMT).

7. The Chair invited Panel Members to raise any questions for further clarification. A discussion took place with Officers present responding to issues raised as summarised below.
8. The detailed financial information in respect of the different areas of Council debt including Business rates and Council Tax and the negative impact of the ongoing pandemic. An explanation followed on the contact that was made to the customers, the approach taken and planned improvements. Members were advised of the plans in place to improve online services to both allow the Council to use customer data holistically and to enable greater customer access to be able to track their transactions and levels of debt. The proposals would lead to an improved facility for more digital transactions.
9. A question on the modelling that had been undertaken prior to changing the Council's approach and, the Council's confidence in meeting its debt recovery targets and making improvements. Customers had at times experienced payment difficulties through the Council's current website and, the planned improvements to the website were noted.
10. In response, Officers explained the proportionate and reasoned approach that was followed by the Council when seeking debt recovery. The experiences of other Councils had been looked at and examples of good practice considered. The impact of the current pandemic was highlighted. Examples were given of the processes followed and the proposals going forward in relation to customer contact which in the long-term should improve collection rates overall. The provision of Council Tax support for financially vulnerable residents was outlined. The methods of payment were outlined including direct debits and the successful introduction of Pay Point. The planned improvements to the Council's website regarding payment facilities were explained to the Panel.
11. The introduction of e billing for Council Tax payments where possible, was explained together with the processes that would be followed for communicating with customers.
12. The on-going impact of the pandemic was recognised and Members sought clarification of where the main pressure points would be for the Council with regard to income and debt recovery and any mitigating actions being taken. In response the impact on both businesses and residents were highlighted. The Council's hardship fund had been used to support those in need where appropriate. Officers across the Council were working closely together, for example, with Economic Development colleagues and, also with voluntary sector partners. A proactive approach was being taken. The importance of appropriate

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- information and data sharing was explained in order to be able to offer proactive assistance. Enfield's position regarding benefit claimants was noted.
13. The financial impact of the pandemic had already resulted in new categories of people requiring support. The value of partnership working and the range of support provided was explained to Members including the Community Hub facilities now available in Libraries at Edmonton Green and Enfield Town; the support offered for job support; the grants available to local businesses; and, the work being done with other agencies.
 14. The holistic approach that was being followed to support residents in need and the advice provided by officers as outlined in the presentation and slides provided. The new Strategy would further bring together all appropriate elements of the Council's approach going forward.
 15. In response to further questions raised, Officers outlined in detail the progress which had been made in recent months and the developments that were continuing including the new Community Hubs and the work of the Council's contact centre to further support residents and seek all the information required in order to assess the needs of the individual concerned. The valuable work being carried out by the new Welfare Advice and Debt team and the networks being developed were outlined; including close working with social services, housing, the voluntary sector and Citizens Advice Bureau (CAB). The Council's relationship with and support to the CAB was explained. Regular meetings were held with all concerned.
 16. Fay Hammond (Executive Director – Resources) praised the work of officers during the pandemic in managing all the challenges arising and continuing to fulfil all the Council's requirements and providing support to vulnerable residents and businesses in the Borough. The staff were committed to continuing to provide a high-quality service and had successfully adapted to all the challenges being faced as a result of the pandemic both as a Council and as individual officers. Members received personal accounts and updates from the Head of Collection Services, the Head of Financial Assessment and Head of Exchequer Services. Members expressed their thanks and appreciation of the valuable work being undertaken and, the positive developments in service provision that had been and continued to be implemented.
 17. Councillor Mary Maguire (Cabinet Member for Finance and Procurement) praised the work of staff across the Council over a difficult period and recognised the efforts being made to support the Borough's most vulnerable residents. Thanks and appreciation were expressed to all officers involved for their hard work and achievements.

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18. In conclusion, Councillor Demirel (Chair) thanked Councillor Maguire and Officers for their attendance and informative presentation to the Panel.

Councillor Demirel (Chair) drew Members' attention the guideline timings on the agenda and noted that the meeting would continue beyond the times stated in order to allow the Panel adequate time for the agenda items to be concluded in a timely and complete manner. Members of the Panel were content with the meeting continuing.

6. QUARTERLY MONITORING REPORTS

Councillor Birsen Demirel (Chair) reminded Members that the Panel's terms of reference included the consideration of the quarterly monitoring reports provided by the Council, which were considered by Cabinet.

NOTED

1. That since the previous meeting of the Panel in November, the following quarterly monitoring reports had been received by the Cabinet:
 - Revenue Monitoring 2020/21: Quarter 2 (September 2020) – Cabinet – 11 November 2020 (KD 5200)
 - Capital Programme Monitor 2020/21: Second Quarter (September 2020) – Cabinet – 11 November 2020 (KD 5201)
2. That Members had also received for background information/noting, the following report:
 - Medium Term Financial Plan 2021/22 to 2025/26 December Update and Savings – Cabinet – 9 December 2020 (KD 5224)
3. The questions and points of clarification that Members raised in relation to the December Cabinet report listed above in respect of the proposed fees and charges. Fay Hammond (Executive Director – Resources) responded to questions raised and outlined the processes which had been followed in reviewing the fees and charges; the on-going impact of the pandemic; and, the regular financial reviews that would continue to be undertaken and detailed in the quarterly monitoring reports to Cabinet. Specific examples were discussed and outlined in response to Members' questions.

7. WORK PROGRAMME 2020/21

NOTED, for information, the Panel's agreed work programme for 2020/21.

8. DATE OF NEXT MEETING

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NOTED, that the next Panel meeting was scheduled to take place on Thursday 11 March 2021 at 7.00pm