

MINUTES OF THE MEETING OF THE FINANCE & PERFORMANCE SCRUTINY PANEL HELD ON WEDNESDAY, 23RD JUNE, 2021

MEMBERS: Councillors Mahym Bedekova, Lee David-Sanders (Deputy Leader of the Opposition), Birsen Demirel, Christine Hamilton (Deputy Mayor) and Tim Leaver. Councillor Ayfer Orhan substituted for Cllr Dino Lemonides and Councillor Edward Smith substituted for Cllr James Hockney

Officers: Fay Hammond (Executive Director Resources), Koulla Panaretou (Governance and Scrutiny Officer)

Also Attending: Councillor Mary Maguire (Cabinet Member for Finance and Procurement)

1. WELCOME & APOLOGIES

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

Apologies for absence were received from Councillor Dino Lemonides who sent Cllr Ayfer Orhan to substitute on his behalf.

Apologies for absence were also received from Councillor James Hockney who sent Cllr Edward Smith to substitute on his behalf.

Cllr Yasemin Brett was absent from the meeting.

2. DECLARATIONS OF INTEREST

Initially no declarations of interest were noted but as the meeting progressed it was evident that Cllr Tim Leaver disclosed a non-pecuniary interest in respect of an item on the work programme which involved Housing Gateway Limited of whom he is a Director. Further clarity will be sought to his involvement in the work planning item in this respect.

3. MINUTES OF THE PREVIOUS MEETING

AGREED, that the minutes of the previous Scrutiny Panel meeting held on the 11th March 2021 be confirmed as a correct record.

4. INTRODUCTION - PURPOSE OF THE MEETING

Councillor Demirel (Chair) introduced the purpose of the meeting which was to agree the Scrutiny Panel's work programme for 2021/22, in the light of the

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following presentation (detailed in Minute No.4 below) on the priorities and areas of challenge for the Council in relation to the Scrutiny Panel's remit.

5. LOCAL PRIORITIES FOR 2021-22

Councillor Demirel (Chair) invited Councillor Mary Maguire (Cabinet Member for Finance and Procurement) and Fay Hammond (Executive Director - Resources) to present to the Panel the local priorities for 2021-22.

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) took this opportunity to outline to the Panel the challenges being currently faced by the local authority:

1. The Council is currently operating with 50% less funding going forward than was available ten years ago. With this reduction and the need to balance the books accordingly, the challenge has been to reduce risks and ensure that Adult & Children's Social Care and Social Services are supported.
2. Rigorous control of our spending has been required to reach our priorities. The Council's financial resilience has strengthened. However there are ongoing future risks arising from Covid 19, such as uncertainty in job security in the borough, which will have a huge impact on income from Council Tax and Business Rates collections. The likelihood is that the collection fund will be significantly lower this year.
3. It will be difficult to plan with only one-year settlements to work with, especially as the Fair Funding revenue is still awaited. The Council have done a good job although there are still challenges ahead. If comparisons are made to other Councils, Enfield is in a good resilient position.

Fay Hammond (Executive Director - Resources) followed with a detailed presentation to the Panel providing an update on the following:

- Covid 19 - ongoing impact; key area is impact on income, namely Council Tax and Business Rates: There is a need to examine how the Council is performing and steps to address any issues arising from this financial uncertainty and the pressure faced by our residents and businesses.
- External audit pressures on the external audit industry, including the recommendations from the Redmond Review: The need to identify a clear strategic reason where this can be resolved
- Fair Funding: it is not certain when the government will progress the Fair Funding of Local Government, it is envisaged that this is to be considered by next April but may not materialise. The damping arrangement equivalent to £11m estimated loss in funding each year. There is an option to bring in an independent specialist to brief the Panel on the history of damping, and the latest information on

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government funding and what this could mean for Enfield. CIPFA Financial Management Code: Finance Department undertaking a self-assessment on this code; in the autumn CIPFA have been asked to assess Enfield. It is suggested that this assessment and the improvement plan are reported here.

- Consultation on Prudential Code - Treasury: the Treasury Strategy is reviewed by the General Purposes Committee, however, it was suggested that the Finance Scrutiny Panel may wish to look at this as well.
- Company Business Plans – the Panel may wish to undertake a closer review of these.
- Public Interest reports - financial resilience, governance and leadership: There have been a number of Public Interest reports published, the Panel may seem to gain assurances that Enfield have reviewed these and are acting on any lessons learnt.
- Financial Risk and Governance: **although the financial** foundations are more resilient, however, in the context of the current pandemic, the Council continues to review our resilience, governance and risks continues to be a priority
- Customer Performance: the new website will be operational in the summer 2021, and the Panel may wish to receive an update on the impact of this on customer experience.

Councillor Demirel (Chair) thanked Councillor Mary Maguire and Fay Hammond for their comprehensive and informative presentation to the Panel. They left the meeting at this point to enable the Panel to consider the work programme.

6. PLANNING THE WORK PROGRAMME 2021/22

A detailed discussion took place on planning the Panel's work programme 2021-2022 in the light of the presentation detailed in Minute No. 4 above. Councillor Demirel (Chair) reminded Members that they had three scheduled meetings for the remainder of the Municipal year, and it was suggested that the Panel focus on two main areas of scrutiny at each of those meetings. The potential priorities outlined in the presentation were highlighted for the Panel's consideration.

Councillor Demirel (Chair) invited members to raise any specific areas of interest to them. The following issues were raised in discussion:

1. Councillor Demirel (Chair) advised that fair funding and MTFP overview is to be discussed for awareness but not for scrutiny. She also advised that a short update on the Council Companies business plans is to be received.
2. On behalf of Councillor Dino Lemonides, Councillor Orhan asked for the panel to look at the number of agency staff and the cost to the Council.
3. Cllr Demirel asked for comparisons with other councils on how much the agency staffing costs have affected the Council's budget, especially pre and

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post Covid. Many permanent staff have been self-isolating and agency staff have been an essential tool during these unprecedented times.

Members had a detailed discussion on the suggestions that had been raised together with the priorities noted in the presentation, and the Panel's terms of reference. In conclusion, the following areas were priorities for the current year, some of which are for information only by way of an update.

AGREED the following items for inclusion on the Panel's work programme for 2021-2022:

1. Fair Funding presentation on impact for Enfield
2. MTFP Overview including focus on Covid 19 impact and review of our risks and overall financial resilience. To include Council debt recovery and our approach to recover and monitoring of Council Tax and Business Rate income and performance levels.
3. Update on commercial, property and income generation.
4. CIPFA FM Assessment outcome.
5. Focus on Council company's business plan; HGL; Montague and Energetik.
6. Review of impact of Covid 19 in 2021-2022
7. Cost of agency staff to the Council during the Covid period and beyond.
8. Public Interest Report.
9. Budget update to include departmental restructures and the ramifications to the Council.
10. Focus on financial governance arrangements.
11. Focus on performance - customer experience - measuring the impact of the website and performance in customer.

In conclusion, Councillor Demirel (Chair) advised the Panel that the work programme would go forward for consideration by Overview and Scrutiny Committee by the 13th July, Cabinet by 15th September and Council by 22nd September.

7. TERMS OF REFERENCE

The Panel Members noted and agreed the content of the Terms of Reference for the Finance and Performance Scrutiny Panel as detailed in the Council's Constitution.

8. DATE OF NEXT MEETING

NOTED that the scheduled dates for future Panel meetings for the current municipal year are as follows:

Tuesday 14th September 2021

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Wednesday 15th December 2021

Thursday 10th March 2022

It was agreed that an additional meeting is required and availability sought from Panel Members for the 5th or 6th January, to be confirmed.