

**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 15 NOVEMBER 2023**

COUNCILLORS

PRESENT Nesil Caliskan (Leader of the Council), Ergin Erbil (Deputy Leader of the Council), Abdul Abdullahi (Cabinet Member for Children's Services), Chinelo Anyanwu (Cabinet Member for Public Spaces, Culture and Local Economy), Susan Erbil (Cabinet Member for Licensing, Planning and Regulatory Services), Rick Jewell (Cabinet Member for Environment), Tim Leaver (Cabinet Member for Finance and Procurement)

ABSENT Alev Cazimoglu (Cabinet Member for Health and Social Care), Gina Needs (Cabinet Member for Community Safety and Cohesion) and George Savva MBE (Cabinet Member for Social Housing)

OFFICERS: Ian Davis (Chief Executive), Fay Hammond (Executive Director Resources), Tony Theodoulou (Executive Director People), Joanne Drew (Strategic Director of Housing and Regeneration), Simon Pollock (Interim Executive Director of Environment and Communities), Doug Wilson (Director of Adult Social Care), Olga Bennet (Director of Finance), Penny Halliday (Director of Meridian Water), Terry Osborne (Director of Law and Governance), and Jane Creer (Secretary)

Also Attending: Associate Cabinet Members (Invitees): Councillor Mustafa Cetinkaya (Enfield South East), Councillor Ayten Guzel (Non-geographical), Councillor Ahmet Hasan (Enfield North) and Councillor Chris James (Enfield West)
Local press representative
Members and officers observing

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Alev Cazimoglu, Gina Needs, and George Savva.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 DEPUTATIONS

NOTED that no requests for deputations had been received for presentation to this Cabinet meeting.

4 MINUTES

AGREED that the minutes of the previous meeting of the Cabinet held on 18 October 2023 be confirmed as a correct record.

5 REARDON COURT EXTRA CARE TENDER

Cllr Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – People, seeking approval of the award of the contract for Care and Support services at Reardon Court. The successful service provider offered high quality, value for money, and had significant experience and a good track record in existing extra care services.

The advantages of extra care support were detailed in response to Members' questions. The construction of Reardon Court was noted to be underway.

Members confirmed they had taken into account the exempt information set out in the Part 2 (confidential) report included in the agenda.

DECISION: The Cabinet agreed to:

I. Approve the award of the contract for Care & support services at Reardon Court Extra Care Housing Scheme to the successful service Provider outlined in the corresponding Part 2 Appendix to the report for a contract period of five (5) years with an option to extend, at the sole discretion of the Council, for a further period or further periods of up to two years.

II. Delegate authority to the Director of Health and Social Care to enter into the contract for Care and Support services at Reardon Court with the successful service provider outlined in the Part 2 Appendix to the report.

III. Delegate the formal approval of the 2-year extensions period of the contract, subject to satisfactory performance, to the statutory Director of Health & Adult Social Care in consultation with the Cabinet member for Health and Adult Social Care.

IV. Note that the construction of Reardon Court is scheduled to be completed in May 2024 and the recommendation is to award and enter into the contract prior to the completion of the building works to allow for up to 3-month mobilisation.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Key decision – reference number 5617)

6 ORDER OF THE AGENDA

AGREED that the order of the agenda be amended to consider the remaining items in the most appropriate order. The minutes reflect the order of the meeting.

7 LBE COMPANIES PERIOD 6 PERFORMANCE MONITORING REPORT 2023/24

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, providing an update on the performance of all four Enfield Council Companies: Energetik, Housing Gateway Limited (HGL), Montagu 406 Regeneration LLP, and Meridian Water Estate Management Company.

In response to Members' queries, it was advised that Energetik had been successful in receiving all loans and grants applied for. Energetik continued to be profitable. HGL was important for the savings to the Council in temporary accommodation costs.

Members confirmed they had taken into account the exempt information set out in the Part 2 (confidential) report included in the agenda.

DECISION: The Cabinet agreed to note:

- a. The 2023/24 forecast loan drawdown for each company;
- b. The 2023/24 performance of each company at Quarter 2;
- c. The current financial position of each company;
- d. HGL is exploring the option of changing current rents to reflect market rent levels.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Non Key)

8 QUARTERLY REVENUE MONITORING 2023/24 QUARTER 2

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, setting out the Council's revenue forecast position. The background and context to the current challenging financial position was emphasized. The forecast variances and budget funding shortfall were summarised in Table 1 in the report.

In response to Members' questions, it was advised that the starting position for the following year would be impacted by any overspend. Officers were putting forward in-year savings and looking at existing cost pressures when considering the 2024/25 budget. Similar challenges and overspending were being experienced across London, in the same key areas.

DECISION: The Cabinet agreed to note:

- a. The forecast adverse variance of £27.452m reported in respect of financial year 2023/24, after additional in-year savings and mitigations have been found of £8.461m. This is stated excluding further potential risks of up to £5.512m and £0.650m in opportunities.
- b. Progress on savings set in the original 2023/24 budget as laid out in Appendices B and C of the report, with a projected shortfall in delivery in-year of £2.871m.
- c. The impact of the forecast on the reserves balances as set out in paragraphs 123-129/Table 5 and the consequences this has for longer-term financial resilience.
- d. The forecast in-year overspend on the Dedicated Schools Grant of £2.623m, leading to a projected cumulative deficit of £17.859m.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Non Key)

9 2023/24 PERIOD 5 CAPITAL BUDGET MONITORING

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, providing an update on the 2023/24 capital programme. The forecast variances to budget by department was set out in Table 1 in the report. The capital programme was assessed to ensure best value for Enfield residents.

In respect of Environment & Communities' capital spend, Cllr Jewell recorded congratulations on behalf of the Administration to the Watercourses Team for winning the global Ashden Award for the previous evening, for the work in creating nature based solutions to address flood risk and improve water quality in Enfield.

Cllr Anyanwu advised on the expressions of interest received in respect of parks' cafes and toilets, and officers were progressing these.

DECISION: The Cabinet agreed to:

I. Recommend that Council approves

- a. The removal of £71.1m budget from the 2023/24 programme, (of which £34.6m was due to be funded by borrowing) (as detailed in Appendix C of the report). This includes projects moved to pipeline.

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b. The reprofiling of £71.3m budget (including £13.1m for the HRA) from 2023/24 to 2024/25 (as detailed in Appendix B of the report).

c. The addition of £17.4m budget as detailed in Appendix D of the report.

II. Note:

a. Full year capital spend of £283.1m is forecast for 2023/24, including £129.9m for the Housing Revenue Account (HRA).

b. A £33.7m reduction in the general fund borrowing requirement (and an increase of £10m in HRA borrowing).

c. Capital expenditure to Period 5 (31 August) is £42.6m, which is 15.0% of full year forecast.

d. The largest variances in spend to forecast relate to Meridian Water and Companies loan drawdowns.

e. Borrowing funded underspends at year end will not be automatically carried forward into 2024/25.

f. A separate Companies report will be presented to November Cabinet.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Non Key)

10 2023/24 TREASURY MANAGEMENT MID YEAR REPORT

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, seeking recommendation to Council for noting the reported activities of the Council's Treasury Management function over the five months to 31 August 2023. The treasury management situation was set out in Table 3 of the report. Paragraph 69 onwards of the report set out the Treasury Management indicators and that the Council was in a good position and borrowing was well managed.

DECISION: The Cabinet agreed to note the report prior to submission to Council to approve on 22nd November 2023.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Non Key)

11 2024/25 - 2033/34 TEN YEAR CAPITAL STRATEGY

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, seeking recommendation to Council of the Ten Year Capital Strategy. The CIPFA requirements were for an annual capital strategy. The Council's ten year plan by department was set out in Appendix A of the report. Of the total capital investment planned, the majority was funding by grants (non borrowing). A new Prudential indicator was proposed in response to new borrowing affordability measures.

The Leader of the Council re-iterated the Council's commitment to borrowing to invest, and that a lot of match funding or grant was dependent on this commitment too.

DECISION: The Cabinet agreed to:

I. Recommend that Council approves:

a. The 2024/25 – 2033/34 Capital Strategy

b. The delegation to Cabinet approval of projects up to £10m from the Pipeline Programme, provided the programme continues to fit within the affordability metrics

c. The use of the Prudential indicator "Ratio of Financing Cost to Net Revenue Budget" as the primary indicator for affordability of the Capital Programme with the target set at 10% to 12% for the first five years.

II. Note:

a. The final ten-year capital programme will be developed over the coming months and presented for approval in February 2024.

b. The resulting ratio of financing costs to net revenue budget indicator will be calculated as part of the development of the final ten-year capital programme and incorporated within the Medium-term financial plan and Treasury Management Strategy Statement for Council approval in February 2024.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Key decision – reference number 5666)

12 MEDIUM TERM FINANCIAL PLAN (2024/25 TO 2028/29)

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, setting out new savings and income proposals and budget gap details. The financial plan summary 2023/24 to 2026/27 was set out in Appendix A of the report. New departmental savings and income proposals were highlighted, and proposed Council Tax increase and Council Tax support scheme changes.

It was recognised that the budget gap at this point in the cycle was larger than in previous years, but there was confidence that the gap would be closed by the time of the final budget in February. A further update would be brought to Cabinet in January.

In response to Members' questions regarding under-funding of Enfield, it was advised that there had been lobbying by officers, councillors and by London Councils to the government. A report of the Institute of Fiscal Studies showed that Enfield was the seventh most under-funded authority and the funding deficit was 25%.

DECISION: The Cabinet agreed to:

I. Note the progress towards balancing the budget for 2024/25:

- As of September 2023, the estimated gap was £39.4m in 2024/25, prior to any increase in Council Tax, revision to the Council Tax Support scheme, savings and any additional Government funding. The gap across the medium term to 2028/29 was £118.6m, primarily driven by high inflation, demography, an unprecedented increase in Temporary Accommodation costs, arising from a lack of available property, and increasing capital financing costs as interest rates continue to rise.

II. Agree in principle the proposed savings and income of £9.2m in 2024/25 put forward by departments as shown in Table 3 of the report. Further details of the indicative proposals are set out in Appendix C of the report:

- £6.1m from service redesign, efficiencies and demand management
- £3.1m from income generation.

III. Note that these savings and income proposals, or suitable alternatives, should be delivered as soon as practically possible and, if appropriate, in the current financial year.

IV. Note the estimated potential reduction in the budget gap of £14.6m if Council Tax (including ASC precept) is increased by 4.99% and the proposed Council Tax Support scheme changes are implemented.

V. Note that the budget gap would, therefore, reduce from £39.4m to £15.6m. Ongoing review of the cost pressures and growth and further savings and income generation remains in progress to be updated in January 2024 Cabinet. These forecasts are subject to a significant number of variables and estimates and are highly likely to change, but nevertheless represent officers' best estimates at this time.

VI. Note that in addition to the 2024/25 budget gap, there is a forecast £28m overspend in 2023/24 and Executive Directors and officers are attempting to implement mitigating actions to reduce the in-year overspend.

VII. Note that Enfield has expressed its interest to DLUHC to continue with the smaller Business Rate Pool of eight London boroughs for a further year into 2024/25.

VIII. Note that this report is written prior to the government's Autumn statement due on the 22nd November 2023 and the Local Government Finance settlement due in December 2023.

IX. Agree the proposed changes to Green Waste charging for 2024 as set out in paragraph 44 of the report.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Key decision – reference no. 5681)

13 DATE OF NEXT MEETING

NOTED the next meeting of the Cabinet was scheduled to take place on Wednesday 13 December 2023 at 7:00pm.

***Post Meeting Note:** Items listed for December Cabinet have been deferred to January. The next meeting of the Cabinet is now scheduled to take place on Wednesday 17 January 2024 at 7:00pm.*

14 EXCLUSION OF THE PRESS AND PUBLIC

A resolution was passed 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).

15 MERIDIAN WATER PARCEL 10

Cllr Nesil Caliskan (Leader of the Council) introduced the report of the Director – Meridian Water, seeking approval of the recommendations set out in the Part 2 (confidential) report.

The options for the Council were highlighted, and the Director of Law and Governance clarified legal advice.

DECISION: The Cabinet agreed to approve the recommendations set out in the Part 2 (confidential) report.

The report sets out the options considered, if any, and the reasons for the recommendations and the decision.

(Key decision – reference number 5627)

The meeting ended at 8.17 pm.

