

**MINUTES OF THE MEETING OF THE SCRUTINY BUDGET COMMISSION  
HELD ON TUESDAY, 16 JANUARY 2007**

**COUNCILLORS**

**PRESENT** Edward Smith (Chairman), Pamela Adams, Achilleas Georgiou, Del Goddard, Robert Hayward and Anne-Marie Pearce

**ABSENT** None

**OFFICERS:** Mike Ahuja (Head of Corporate Scrutiny Services), John Austin (Borough Secretary), Mark McLaughlin (Director of Finance and Corporate Resources), Sheila Dawson (Assistant Director of Finance and Corporate Resources (Borough Finance)), John Pryor (Director of Environment, Street Scene and Parks), Martin Keay (Assistant Director of Environment, Street Scene and Parks (Strategy and Support)), Ann Pennell (Director of Performance, Partnership & Policy), Stuart Dennison (Assistant Director Performance, Partnership & Policy (Revenues and Benefits)), Kate Robertson (Interim Assistant Director Performance, Partnership & Policy), Peter Lewis (Director of Education, Children's Services and Leisure), Jennifer Hill (Assistant Director of Education, Children Services and Leisure (Strategy and Resources)), Ray James (Director of Health and Adult Social Care) and James Kinsella (Democratic Services).

**Also Attending:** Councillor Michael Rye (Leader of the Council), Councillor Michael Lavender (Deputy Leader of the Council & Cabinet member for Finance & Corporate Resources), 33 members of the public/representatives from local stakeholder groups, 6 representatives from Enfield Youth Services & Youth Assembly and the following members – Councillors Chris Andrew, Kate Anolue, Kris Brown, John Boast, Yasemin Brett, Lee Chamberlain, Bambous Charalambous, Anwar Chowdrey, Chris Cole, Don Delman, Annette Dreblow, Christianna During, Jonas Hall, Elaine Hayward, Chris Joannides, Jon Kaye, Paul McCannah & George Savva.

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**APOLOGIES FOR ABSENCE (IF ANY)**

None received.

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**DECLARATIONS OF INTEREST**

No members of the Committee had any personal or prejudicial interests to declare in respect of items on the agenda.

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## **CONSULTATION ON LONDON BOROUGH OF ENFIELD 2007/08 BUDGET PROPOSALS**

### **1.1 Welcome & Introduction**

Councillor Edward Smith (Commission Chairman) welcomed everyone to the meeting and explained that the Commission was a new approach being piloted by the Council's scrutiny function in considering the Council's 2007/08 budget consultation proposals. The aim behind the approach was to:

- a. provide a more structured and holistic way of looking at the budget consultation proposals; and then
- b. prepare a response to the proposals, on behalf of the Council's scrutiny function, taking account of any views expressed during the meeting.

The Chairman welcomed Councillor Rye (Leader of the Council) & Councillor Lavender (Deputy Leader of the Council and Cabinet member for Finance & Corporate Resources) along with Mark McLaughlin (Director of Finance & Corporate Resources), who had been invited to attend the meeting in order to provide an overview of the budget proposals and respond to any questions raised during the meeting. In addition he welcomed the Directors, or representatives, attending the meeting from each of the Council's other main service Departments.

The Commission was advised that their response on the budget proposals would be forwarded onto Cabinet (7 February 2007) for consideration as part of the overall response to the budget consultation process. The comments made during the consultation process would be considered by Cabinet as part of the process in formulating the final budget to be recommended to Council (21 February 2007) for approval.

Before moving on the Chairman outlined the programme for the evening and thanked all members of the public present for attending and supporting the scrutiny consultation process.

### **1.2 Introduction to the Council's 2007/08 Budget Consultation proposals**

Councillor Rye (Leader of Council) thanked the Commission for inviting him & the Deputy Leader to attend and advised that the Executive had welcomed the new approach towards the budget consultation process being piloted by scrutiny. As background to the Council's 2007/08 budget proposals he highlighted:

- a. that Enfield's Council Tax was currently below the average for outer London and the Administration remained committed to maintaining this whilst keeping any increase in Council Tax in line with the rate of inflation.

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- b. the complexities and impact of recent changes to the Government's formula for the allocation of grant funding to local authorities. As a result Enfield's grant allocation for 2007/08 had been "damped" (reduced) by £4.4m (based on an assessment of the additional grant available under the new formula to meet community needs). This meant the Council would only receive an additional £4.1m of government funding for 2007/08 (an increase of 4.1%).
- c. whilst the increase in government funding of 4.1% was marginally higher than the rate of inflation there was also a need to recognise the unavoidable cost increases and spending pressures faced by the Council for 2007/08, which were substantially higher than the level of general inflation. These included the cost of pay and price inflation; growing demand for services particularly in relation to Adult Social Care and the costs associated with increasingly complex care packages; increasing demands from external bodies e.g. North London Waste Authority.

These comments were supported by Councillor Lavender (Deputy Leader) who in addition highlighted:

- a. that the Council remained conscious of the need to recognise the impact that any Council Tax increase would have on residents, such as pensioners, on fixed incomes.
- b. the Council's aim therefore remained to keep Council Tax increases broadly in line with inflation (however measured) and below the outer London average whilst ensuring that services would continue to meet the needs identified within the Borough.
- c. the development of the Council's Medium Term Financial Strategy to assist in this process.

The Commission then received a more detailed budget presentation from Mark McLaughlin (Director of Finance & Corporate Resources) outlining the following areas:

- The background to the Council's 2007/08 budget setting process – including the political brief from the Administration; level of inflation; spending pressures within Enfield and use of reserves.
- The main headlines within Enfield's proposed 2007/08 budget – including unavoidable cost increases & proposed budget investment and reductions; efficiency savings; comparison with outer London Borough's and Adult Social Care
- Developing issues in relation to Local Government Finance & 2008 onwards.

The following issues were raised in relation to the introduction:

- a. whilst noting the advice provided by the Director of Finance & Corporate Resources (during his presentation) regarding the use of Council "reserves", Councillors Georgiou & Goddard felt that further consideration should be given to the potential use of the Council's £60m "reserves" & £10.5m balances as a means of offsetting any proposed increase in Council Tax.

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In response Councillors Rye & Lavender highlighted the need to recognise:

- that “reserves” were provisions used to match long-term liabilities, capital spending plans, insurance, VAT, PFI commitments etc and would only be released to fund “one-off” items rather than base budget.
- Enfield’s reserves had been maintained at a prudent but modest level and its balances (£10.5m) were also held at the prudent minimum required by District Audit;
- As an additional strategy these funds had also been invested in short term deposits rather than used to cover the Council’s debt provision as they were able to earn a greater rate of interest. This in turn, had provided a substantial revenue stream for the Council, which (as part of a balanced and planned approach) was assisting to subsidise the overall level of Council Tax. Any reduction in income would lead to increase pressure on the level of Council Tax.

- b. In view of the need to address the issues raised the Commission felt there was a need for the final budget proposals to be clearer about the earmarked use of Council “reserves” to cover the Council’s future financial liabilities.

### **1.3 Issues raised in relation to individual Service areas within the Council’s Budget Consultation Paper**

The Commission then moved on to consider the service issues and consultation proposals identified within the Council’s 2007/08 Budget Consultation Paper. The following comments/issues were raised in relation to each area:

#### **Adult Social Services**

The Commission:

- a. noted, as context to the budget proposals, that the overall spend on Adult Social Services in 2006/07 amounted to £72.6m out of the total spend on Council services (excluding the ringfenced spending on schools) of £206.3m.
- b. the level of ongoing investment in Adult Social Services which had meant Enfield was not in the position of being able to provide “critical care only” and continued to contain spending within the overall budget allocated.
- c. expressed support for:
- the proposed increase in the budget for Adult Social Services in 2007/08 (as detailed in the budget consultation paper), in order to address the unavoidable budget pressures identified;
  - the setting aside of an additional £500k in order to manage the “risk” arising from the additional demand for adult social care across all groups as a priority for growth under the proposals for additional spending within the consultation paper. At the same time

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concern was expressed that this sum may not be sufficient to cover the “risk” associated with the increase in demand and cost of individual care packages currently being experienced both locally and nationally. The Commission was therefore concerned to ensure that the management of this “risk” and funding was carefully monitored.

- d. In response to concerns raised at the meeting regarding the planned efficiency savings for Adult Social Services outlined in the consultation paper, the Commission felt it would be necessary to ensure that the following proposals would not lead to any deterioration in the overall standards of care being provided:
- the renegotiation of costs for independent sector care packages for people with Learning Difficulties; and
  - the improvements in commissioning and procurement for services to older people.

Councillor Rye, whilst recognising the concern, did not feel this would be an issue given the requirements placed on the Council under the external inspection process for Adult Social Care.

- e. noted, as a general issue relating to Adult Social Care, the complex funding & charging arrangements for Adult Social Care packages, which involved costs, where applicable, also being covered by income from clients and the NHS. As part of an ongoing process of annual review the Commission was advised that the Adult Social Services Scrutiny Fairer Charging Working Group would be meeting on 29 January 2007 in order to consider the Fairer Charging proposals for 2007/08.

**AGREED** that as a result of their direct link to the budget any recommendations made by the Fairer Charging Working Group be included as part of the Commission’s final budget response.

In addition to the above issues the Commission also noted the proposed consultation due to be undertaken on the future of in-house residential care homes within the borough under the Modernising Care agenda, which the Adult Social Services Scrutiny Panel was also planning to keep under review.

### **Environment, Streetscene & Parks**

The Commission:

- a. noted, as context to the scale of budget proposals, that the overall spend on Environment, Streetscene & Parks in 2006/07 had amounted to £35.9m out of the total spend on Council services (excluding the ringfenced spending on schools) of £206.3m.
- b. expressed support for:
- the continuation of the programme of investment to improve the condition of roads & pavements across the borough as a priority for growth under the proposals within the budget consultation paper for additional spending.
  - the additional proposal (announced by Councillor Rye at the meeting) to prioritise additional Capital expenditure of £500k for work on trees and the streetscene within Town Centres across the borough and also along the Hertford Road.

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- c. raised no comments or objections in respect of the proposal within the consultation paper to introduce charges to developers for planning advice provided prior to the submission of planning applications.
- d. noted the concern expressed by Councillor Georgiou at the level of planned efficiency savings (£1.2m) within Environment, Streetscene & Parks. This was estimated to represent approx 2.5 – 3% of the net budget for the service and an assurance was sought that the level of savings would not impact on the provision of front line services. In response John Pryor (Director of Environment, Streetscene & Parks) outlined the proposed savings and income generation measures and assured the Commission he was satisfied these would not result in any reduction in front line services.

The following additional issues were also raised at the meeting:

- a. the measures being taken to secure and maximise the use of additional funding sources in relation to parks and open spaces and proposals to retain Green Flag status for parks within the Borough. In response John Pryor advised that the use of additional funding streams was something the Council was already working on and keen to maximise. As an example he highlighted:
  - the award of lottery funding to secure improvements at Pymmes Park & Forty Hall;
  - the work being undertaken with the Friends of Parks Association to establish a fund that could be used to support match funding as a means of accessing external funding streams not open to the Council;
  - the use of s106 funding to provide local facilities such as multi use games areas in parks.

In terms of retaining Green Flag Status Councillor Rye advised that this remained a focus for the Executive.

- b. The need to review the use of PFI schemes such as those used for street lighting or considered for road improvements, on an individual basis, given the ongoing financial liabilities associated with delivering each scheme.
- c. the liaison with Utility Companies regarding their programme of works across the borough and impact on the Council's highways investment and repair programme. In response John Pryor advised that the Council regularly met with the Utility Companies and Statutory Bodies who were required to inform the Council about their programme of works. It was more difficult to deal with emergency works, but the Council's aim was to achieve a balance between each of the separate work programmes allowing for the smooth flow of traffic within the borough.
- d. The need, identified by members of Enfield Youth Assembly, for additional resources to be made available in order to introduce and enforce traffic calming measures in areas adjacent to schools, particularly along Worlds End Lane. In response John Pryor advised

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that Worlds End Lane had recently been resurfaced in an effort to improve road safety along with the introduction of a 20mph zone. In addition the Council had funded the purchase of radar speed enforcement equipment for use by the police and he undertook to request its use (at the next SAFE meeting) on speed enforcement in this area. Councillor Pearce also highlighted the work undertaken by the local Residents Association in conjunction with the local schools and Council to improve road safety along Worlds End Lane and invited the Youth Assembly representatives to attend their meetings.

- e. the delay in provision of public toilets at Albany Park and Turkey Street. John Pryor advised that the programme for the provision of 6 public toilets in parks and other locations across the borough had been subject to delay, however 3 had now been installed. Albany Park had been included in the second phase of the programme and was scheduled to be available from summer 2007. Unfortunately technical difficulties had been experienced at the location in Turkey Street, which Environmental Services were working closely with Property to resolve. If it was not possible to overcome the problem then an alternative location in the area may need to be found.

### **Education (other than schools) & Children's Services**

The Commission:

- a. welcomed representatives from the Enfield Youth Assembly to the meeting.
- b. noted that the consultation paper did not cover funding for schools which, since April 2006, had been provided to Local Authorities by the Government through the Dedicated Schools Grant. During 2006/07 this totalled £186.4m and was ring-fenced to schools and related services.
- c. noted the success, highlighted by Councillor Rye, being achieved through the school improvement service, issues to be address in terms of further increasing school achievement particularly with regard to pupil mobility and changes being introduced to the curriculum for pupils aged 14-19.
- d. expressed support for:
  - the proposed increase in funding to cover the unavoidable costs identified within the budget consultation paper relating to school attainment; Adoption Services and loss of Government grants;
  - the investment of £350k identified for the Youth & Youth Offending Services as a priority for growth under the proposals for additional spending. At the same time as supporting this proposal the Commission felt (based on comments made at the meeting) that there was a need to focus the use of any additional funding around the provision of youth outreach services & "diversionary activities" aimed at deterring youth offending. The Commission noted that this proposal was also supported by representatives from the Enfield Youth Assembly.

Peter Lewis (Director of Education, Children's Services & Leisure) advised the Commission, in response to specific issues raised on the

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proposed additional investment in the youth and youth offending services:

- that the proposal involved the provision of £240k in order to sustain and develop the current youth offending service and £110k to fund development of a wider and more varied programme of out reach activities by the youth service and in partnership with other organisations e.g. Oasis Trust
- that the cost associated with relocation of the youth offending service would be funded under the Council's Capital Programme
- that the transfer of funding from the Connexions service to Council would also be expected to enable a more efficient and effective co-ordination of resources in this area.

e. noted the concerns raised by the Schools Forum (7 December 2006), which were highlighted and supported by Councillor Goddard, regarding the following planned efficiency savings identified within the budget consultation paper:

- ceasing the provision of grants for school uniforms; and
- review of staffing costs within the educational psychology service.

In response to specific issues raised in relation to the proposal to cease provision of school uniform grants Councillor Rye & Peter Lewis advised the Commission:

- that Enfield was one of only 9 outer London Boroughs still to provide some form of uniform grant;
- that the administrative cost of providing the grant was significant (approx £30k) compared to the amount of grant paid (approx £200k). The need was also highlighted to recognise the reduction in cost of school uniforms over recent years;
- the Council currently awarded 3700 grants for school uniforms.

In addition to the above issues the Commission's attention was drawn, by Councillor Goddard (as Chairman of the Children's Services Scrutiny Panel) to a review undertaken by his Panel highlighting the strains placed upon young carers and the limited level of resources available to support them, particularly when compared to the support available for adult carers. As an outcome of its review the Panel had agreed to recommend that Cabinet's attention should be drawn to the limited level of resource available with a request for further consideration to be given to the ways in which the level of funding and support could be enhanced in a sustainable manner both within the Council and in the Community Sector.

**AGREED** that whilst noting the support arrangements in place for young carers (provided by the Council in partnership with the voluntary sector DAZU) the Commission agreed to endorse the above recommendation from the Children's Services Scrutiny Panel (November 2006) relating to the provision of financial support for services to Young Carers, as part of its final response on the budget proposals.

The following additional issues raised during the meeting:

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- a. the provision of Life Long Learning opportunities for the elderly within the Borough. Peter Lewis advised the Commission that a substantial learning programme for the elderly was available within the borough, run mainly through the Adult Learning Group and focussed not only in leisure centres but also libraries. He undertook to provide the individual who had raised the query (Stan Carter – Enfield Pensioners Group) with a copy of the full programme.

### **Leisure & Culture**

The Commission noted:

- a. The proposed increase in funding to cover the unavoidable costs identified within the budget consultation paper relating to Leisure Centres & Thomas Hardy House. In noting these issues, concerns were raised relating to the establishment and subsequent liquidation of Enfield Leisure Centres Ltd and its potential impact on the provision and future management of leisure facilities within the borough. Specific concerns were also raised in relation to the closure of Bramley Squash Centre, early closure of the existing Edmonton Green Leisure Centre and costs associated with the engagement of the Trust liquidators.

In response to the issues raised Councillors Rye & Lavender advised the Commission:

- of the background to the creation of the Leisure Trust which had been established by the Council (under its previous Administration) in 1999 and subsequent reasons for its liquidation;
  - that the Trust had been responsible for managing the Council's leisure centres and facilities (on behalf of the Council), but since its liquidation these were now being run by liquidators on the Council's behalf. In winding up the Trust the liquidators were required to act for the benefit of its creditors but once completed it was anticipated that a new management contract would be let taking account of customer demand for ongoing leisure provision;
  - in terms of the liquidators costs they had been identified as a preferential creditor under the liquidation arrangements.
- b. The comments made by members from Enfield Youth Assembly at the meeting relating to the distribution of leisure centres and facilities across the borough and need for the range of facilities provided to more closely reflect customer demand

The following additional issues were also raised by members of the public:

- a. the temperature of the water at Albany Swimming pool for elderly and disabled users. The Commission noted that as this was an operational issue it would be referred onto the management of the pool via the Leisure Trust liquidators for action.
- b. concern was expressed regarding the impact of reductions in the availability of chiropractors across the borough on the elderly and disabled. The Commission noted that this service was funded by the

NHS but Ray James (Director of Health & Adult Social Care) undertook to feed the concerns raised back to Enfield Primary Care Trust for response.

### **Community & Housing**

The Commission noted:

- a. that the proposals within the budget consultation paper did not cover the level and use of funding provided through the Housing Revenue Account as this was subject to a separate consultation process specifically undertaken with Council tenants & leaseholders.
- b. the following proposals identified within the budget consultation paper aimed at increasing income, within Community & Housing Services:
  - increase in temporary accommodation rents to recover full costs; and
  - increase in charges for Community Alarm

Councillor Georgiou (as Chairman of Housing Scrutiny Panel) advised that he would not support these proposals due to their potential impact on vulnerable people and those on low or fixed incomes and the effect they would have (in terms of rents) at exacerbating the “poverty trap” for those on Housing Benefit.

In terms of the concerns raised in relation to the proposed increase temporary accommodation rents Councillor Rye advised:

- that Enfield was one of only a few London Boroughs not to fully recover the cost of homelessness through rent income;
- that any proposal to offset these costs would be designed to still leave temporary accommodation rents below the subsidy “cap” which meant that Housing Benefit payments could still be fully recovered through Government subsidy;

These comments were supported by Councillor Lavender who advised that the concerns raised in respect of the “poverty trap” had been recognised and given careful consideration as part of the budget planning process.

In terms of the concerns raised in relation to the proposed increase in charges for Community Alarm Councillor Rye advised that this has recommended as part of an ongoing and gradual increase designed to ensure the charges covered the cost of providing the service.

- c. the planned efficiency savings identified within the budget consultation paper, which Ann Pennell (Director of Performance, Partnership & Policy) confirmed were not related to establishment of the Arms Length Management Organisation (Enfield Homes).

### **Central Departments & Corporate Costs**

The Commission noted:

- a. the proposed increase in the budget for central departments and corporate costs in 2007/08, in order to address the unavoidable budget pressures identified within the budget consultation paper.

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- b. the planned efficiency savings and proposals identified within the budget consultation paper to generate additional income (totalling £2.9m) relating to the central departments and corporate costs.
- c. the ongoing review within central departments of the scope to achieve efficiency savings and maximise use of Council assets (both in terms of property and cash) to increase the overall level of resources available for investment in frontline community services.
- d. in response to specific issues raised on the proposed efficiency savings:
  - that the Director of Finance & Corporate Resources would provide Councillor Goddard with details on the total income generated through commercial rents on Council property outside of the meeting;
  - that the reduction in staffing within Democratic Services would have no impact on the level of support currently provided for the scrutiny function.

The following additional issues were also raised during the meeting:

- a. The Commission noted the concerns raised by a member of the public in relation to the costs associated with the increase in Members Allowances and how this was funded.
- b. The need to recognise the impact of any increase in Council Tax on pensioners and any other people on fixed or low incomes and, in view of these concerns, ensure that:
  - the maximum level of efficiency savings and budget reductions was achieved within each Department; and
  - any proposed increase was kept to a minimum.
- c. The lack of reference in the consultation paper relating to funding proposals for:
  - the Voluntary & Community Sector, although the Commission noted that this had not been included as it was subject to a 3-year funding programme and would be reviewed at the end of the current 3-year programme; and
  - the Translation & Interpretation Service. Councillor Rye advised that a review of the provision of translation services was currently being driven nationally as a means of encouraging greater integration.

### **Capital Programme**

The Commission, whilst making no specific comments in relation to priorities for capital investment within the borough, noted:

- a. That the Council had agreed a 5 year capital programme totalling £241.7m for 2006/07 – 2010/11.
- b. The draft proposals relating to the provision for additional borrowing costs associated with the areas identified in the budget consultation paper.
- c. the concerns expressed at the meeting, which were supported by Councillors Georgiou & Goddard, at the limited level of detail and options

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provided within the consultation paper on the Capital Programme. It was also felt that the results from the area reviews currently underway across the borough needed to be provided before any meaningful comments could be submitted, as these may lead to the identification of further potential capital receipts.

In response to the issues raised Councillor Lavender highlighted that the consultation being undertaken on the Capital Programme had only been designed to seek general views on the overall mix of priorities and level of capital investment in the borough. Councillor Rye also pointed out that regular monitoring updates on the Capital Programme were provided for Cabinet, which all members of the Council had access to and were able to comment upon.

The following additional issues were also raised during the meeting:

- a. the perceived lack of investment on facilities and infrastructure within the east of the borough, particularly in respect of roads. In response Councillors Rye & Lavender advised that they did not agree with this view and highlighted:
  - that when analysed a majority of Capital expenditure in both the current and previous years Capital Programme had been focussed on the east of the borough;
  - in terms of highways investment the aim of the programme had been to ensure the borough was covered at the same rate although there was still significant work to be undertaken to ensure that all roads were at the standard required, which it was felt applied across the borough.

As no further issues were raised and the Commission had completed its consideration of the service issues within the budget consultation paper the Chairman thanked everyone for attending and participating in the consultation process with scrutiny.

Those people attending the meeting were also advised that copies of the "Your Views" section from the budget consultation paper were also available for anyone wishing to submit an individual response or comments on the consultation proposals.

**Post meeting update: 15 individual responses on the budget consultation proposals were submitted by people attending the Commission meeting. These responses were passed onto the Director of Finance & Corporate Resources for consideration as part of the overall response to the budget consultation process.**

### **1.3 Scrutiny response on 2007/08 budget consultation proposals**

Councillor Smith (Chairman) advised that the next stage in the consultation process would be for the issues and comments raised during the Commission

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meeting to be pulled together and summarised as a final response from scrutiny on the budget consultation proposals.

The final response, once approved by the Commission, would then be submitted to Cabinet (7 February 2007) & Council (21 February 2007) for consideration as part of the overall results of the budget consultation process.

**AGREED** that

- (1) the Commission Support Officers produce a draft final response to the Council's 2007/08 budget consultation proposals, on behalf of the Commission, based on a summary of the main comments and issues raised during the meeting (as set out in section 1.2 and 1.3 of the minutes above).
- (2) the following additional comments on the budget consultation process be included as part of the draft response being prepared under (1) above:
  - (a) The Scrutiny Commission had welcomed the opportunity for scrutiny to once again take part in the Council's budget consultation process.
  - (b) The introduction of a Scrutiny Commission to consider the budget consultation proposals was felt to have enabled scrutiny to take a more co-ordinated and holistic view of the budget proposals.
  - (c) The Commission found the format of this year's budget consultation document to be more user friendly than in previous years.
  - (d) In addition to scrutiny's involvement in the annual budget consultation process the Commission were keen to highlight the ongoing involvement of Overview & Scrutiny Committee in monitoring the Council's Medium Term Financial Plan. This had been introduced in recognition of the changing nature of the Council's budget planning process and in order to provide a more effective means for scrutiny to monitor budget issues and trends.
- (3) the final draft of the scrutiny budget response be circulated to all members of Budget Commission for comment, prior to final approval by the Commission Chairman.

NB: A copy of the approved final Commission response on the 2007/08 budget consultation proposals has been attached as Appendix A to the minutes.

- (4) once approved, the final response from the Scrutiny Budget Commission be referred onto Cabinet (7 February 2007) for consideration as part of the overall response to the budget consultation process and 2007/08 budget setting process.

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- (5)** Overview & Scrutiny Committee undertake an evaluation of the arrangements and effectiveness of the Scrutiny Budget Commission's involvement in the budget consultation process, including a review of any feedback received from attendees at the meeting. The results of this evaluation to be used in assisting to plan and develop scrutiny's future involvement in the Council's budget consultation process.

**APPENDIX A**

**SCRUTINY BUDGET COMMISSION**

**Final response from Scrutiny on the 2007/08 budget  
consultation proposals**

The following comments have been approved by the Scrutiny Budget Commission (16 January 2007) as the final response from scrutiny on the Council's 2007/08 budget consultation proposals.

**1.1 General – budget consultation process**

- (a) The Scrutiny Commission has welcomed the opportunity for scrutiny to take part in the budget consultation process.
- (b) The introduction of a Scrutiny Commission to consider the budget consultation proposals was felt to have enabled scrutiny to take a more co-ordinated and holistic view of the budget proposals.
- (c) The involvement of the Leader/Deputy Leader & Directors in the consultation process with scrutiny has again been welcomed this year.
- (d) The Commission found the format of this year's budget consultation document to be more user friendly than in previous years.
- (e) In addition to their involvement in the annual budget consultation process the Commission are keen to highlight the ongoing involvement of Overview & Scrutiny Committee in monitoring the Council's Medium Term Financial Plan. This has been introduced in recognition of the changing nature of the Council's budget planning process and in order to provide a more effective means for scrutiny to monitor budget issues and trends.
- (f) Overview & Scrutiny Committee will be undertaking a more detailed evaluation of scrutiny's involvement in this year's budget consultation process, including consideration of the feedback received from attendees following the Commission meeting, in order to review the overall effectiveness and plan their involvement in next year's process.

**1.2 Specific issues raised by the Scrutiny Commission on  
the budget consultation proposals**

- (a) The Commission wishes to thank everyone who participated in the consultation process with scrutiny. Set out below is a summary of the main issues raised in respect of each service area within the budget consultation paper:

**Adult Social Services**

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- (i) Support was expressed for:
- the proposed increase in the budget for Adult Social Services in 2007/08, in order to address the unavoidable budget pressures identified.
  - the setting aside of an additional £500k in order to manage the “risk” arising from the additional demand for adult social care across all groups as a priority for growth under the proposals for additional spending. At the same time concern was expressed that this sum may not be sufficient to cover the “risk” associated with the increase in demand and cost of individual care packages currently being experienced both locally and nationally. The Commission was therefore concerned to ensure that the management of this funding was carefully monitored.
- (ii) In terms of the planned efficiency savings the Commission wished to ensure that the renegotiation of costs for independent sector care packages for people with Learning Difficulties and the improvements in commissioning and procurement for services to older people would not lead to any deterioration in the overall standard of care being provided.
- (iii) The Commission also noted the complex funding & charging arrangements for Adult Social Care packages, which involved costs, where applicable, also being covered by income from clients and the NHS. The Commission was made aware that the Adult Social Services Scrutiny Fairer Charging Working Group would be meeting on 29 January 2007 to consider the Fairer Charging proposals for 2007/08 and agreed to include any recommendations from the Working Group as part of their final response. The outcome of this review has been set out below:
- In April 2005 it was agreed by the Social Services Scrutiny Panel that the Assistant Director for Adult Services should produce an annual report as part of the budget consultation, to address issue of fair charging for non-residential services.
  - The Working Group has reviewed the latest report, entitled ‘Charging for Non-Residential Services 2007/08’, which details current charging policies and their financial effects. The meeting brought together Members of the Adult Social Services Panel, relevant officers and representatives from key voluntary sector organisations.
  - The Working Group’s recommendations (which draw on information received about the current charges for individuals, financial implications of policy proposals and an analysis of comparator boroughs’ charging principles) have been set out below and the Budget Commission has agreed that these should form part of their final budget response:
    - (a) A maximum charge of £300 per week be implemented for service users’ complete care package. (If implemented, eight current services users would be affected and the Council would lose an annual income of £86,000, based on 2006/07 costs);
    - (b) Users are charged for only one carer in cases where two or more are required simultaneously. (Currently there

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are six service users who have two carers and who pay full cost. If they were to be charged as though they only had one carer, income would fall by £63,000 per annum, based on 2006/07 costs. Four of these service users are among the people who pay more than £300 per week);

- (c) Any increase in charges for non-residential care should not be above the agreed rate of inflation.

Recommendation (a) and (b) were previously suggested in the 2005/06 Budget Consultation. It should also be noted that, currently, 40% of users are assessed to pay nil for their care packages, 44% pay an assessed charge and 16% pay full cost. The people affected by recommendations (a) and (b) will be full cost payers.

In addition the Commission has noted the proposed consultation due to be undertaken on the future of in-house residential care homes within the borough under the Modernising Care agenda, which the Adult Social Services Scrutiny Panel is planning to keep under review.

### **Environment, Streetscene & Parks**

- (i) Support was expressed for:
- the continuation of the programme of investment to improve the condition of roads & pavements across the borough as a priority for growth under the proposals for additional spending.
  - the proposal (announced at the meeting) to prioritise additional Capital expenditure of £500k for work on trees and the streetscene within Town Centres across the borough and also along the Hertford Road.
- (ii) No comments or objections were raised in respect of the proposal to introduce charges to developers for planning advice provided prior to the submission of planning applications.
- (iii) Concern was expressed by members of the Opposition Group on the Commission at the level of planned efficiency savings (£1.2m) within Environment, Streetscene & Parks. This was estimated to represent approx 2.5 – 3% of the net budget for the service and members wanted to ensure that the level of savings did not impact on the provision of front line services.

### **Education (other than schools) & Children's Services**

- (i) The Commission welcomed representatives from the Enfield Youth Assembly to the meeting.
- (ii) The Commission noted that the consultation paper did not cover funding for schools, which since April 2006, had been provided to Local Authorities by the Government through the Dedicated Schools Grant. During 2006/07 this totalled £186.6m and was ring-fenced to schools and related services.
- (iii) Support was expressed for:

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- the investment of £350k identified for the Youth & Youth Offending Services as a priority for growth under the proposals for additional spending. At the same time as supporting this proposal the Commission felt that there was a need to focus the use of any additional funding around the provision of youth outreach services & “diversionary activities” aimed at deterring youth offending. The Commission noted that this proposal was also supported by representatives from the Enfield Youth Assembly.
  - the proposed increase in funding to cover the unavoidable costs identified within the budget consultation paper relating to school attainment; Adoption Services and loss of Government grants.
- (iv) In addition to the areas in (iii) above the Commission also endorsed a recommendation from the Children’s Services Scrutiny Panel (November 2006) relating to the provision of financial support for services to Young Carers. The review undertaken by the Panel had highlighted the strains placed upon young carers and the limited level of resources available to support them, particularly when compared to the support available for adult carers. Accordingly the Panel had recommended that Cabinet’s attention should be drawn to the limited level of resource available with a request for further consideration to be given to the ways in which the level of funding and support could be enhanced in a sustainable manner both within the Council and in the Community Sector.
- (v) The concerns raised by the Schools Forum (7 December 2006) were highlighted and supported by members of the Opposition Group on the Commission regarding the following planned efficiency savings identified within the Education & Children’s Services budget proposals:
- ceasing the provision of grants for school uniforms; and
  - review of staffing costs within the educational psychology service.

### **Leisure & Culture**

- (i) The Commission noted:
- The proposed increase in funding to cover the unavoidable costs identified within the budget consultation paper relating to Leisure Centres & Thomas Hardy House. In noting these issues concerns were raised relating to the establishment and subsequent liquidation of Enfield Leisure Centres Ltd and its potential impact on the provision and future management of leisure facilities within the borough.
  - The comments made by members from Enfield Youth Assembly at the meeting relating to the distribution of leisure centres and facilities across the borough and need for the range of facilities provided to more closely reflect customer demand.

### **Community & Housing Services**

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- (i) The Commission noted that the proposals within the budget consultation paper did not cover the level and use of funding provided through the Housing Revenue Account as there was a separate consultation process specifically for Council tenants & leaseholders.
- (ii) In addition the Commission noted the following proposals aimed at increasing income, within Community & Housing Services:
  - increase in temporary accommodation rents to recover full costs; and
  - increase in charges for Community AlarmThese proposals were not supported by the Opposition Group members on the Commission due to their potential impact on vulnerable people and those on low or fixed incomes and the effect they would have (in terms of rents) at exacerbating the “poverty trap” for those on Housing Benefit.

### **Central Departments & Corporate Costs**

- (i) The Commission noted:
  - the proposed increase in the budget for central departments and corporate costs in 2007/08, in order to address the unavoidable budget pressures identified.
  - The planned efficiency savings and proposals to generate additional income (totalling £2.9m) relating to the central departments and corporate costs;
  - The ongoing review within central departments of the scope to achieve efficiency savings and maximise use of Council assets (both in terms of property and cash) to increase the overall level of resources available for investment in frontline community services
- (b) Whilst making no specific comments in relation to priorities for capital investment within the borough the Commission noted:
  - That the Council had agreed a 5 year capital programme totalling £241.7m for 2006/07 – 2010/11;
  - The draft proposals relating to the provision for additional borrowing costs associated with the areas identified in the consultation paper;
  - The concerns expressed by the Opposition Group members on the Commission at the limited level of detail and options provided within the consultation paper on the Capital Programme.

### **1.3 General issues raised in relation to the Council’s budget**

The following additional issues were raised during the Commission meeting in relation to the Council’s budget proposals:

- (a) Whilst noting the advice provided by the Director of Finance & Corporate Resources regarding the use of Council “reserves” the Opposition members on the Commission felt that further consideration should be

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given to the potential use of the £60m "reserves" & £10.5m balances as a means of offsetting any proposed increase in Council Tax.

Given the issues raised the Commission, as a whole, feel there is a need for the final budget proposals to be clear about the earmarked use of Council "reserves" to cover the Council's future financial liabilities.

- (b) The need to recognise the impact of any increase in Council Tax on pensioners and any other people on fixed or low incomes and, in view of these concerns, ensure that any proposed increase was kept to a minimum.
- (c) The need to review the use of PFI schemes, on an individual basis, given the ongoing financial liabilities associated with delivering each scheme.
- (d) The Commission noted the concerns raised by a member of the public in relation to the costs associated with the increase in Members Allowances.
- (e) The lack of reference relating to funding for the Voluntary & Community Sector, although the Commission noted that this had not been included as it was subject to a 3-year funding programme and would be reviewed at the end of the current 3-year programme.
- (f) The need, identified by members of Enfield Youth Assembly, for additional resources to be made available in order to introduce and enforce traffic calming measures in areas adjacent to schools, particularly along Worlds End Lane.

In addition to the above comments, 15 individual responses on the budget consultation proposals were also submitted by people attending the Commission meeting. These responses have been passed onto the Director of Finance & Corporate Resources for consideration as part of the overall response to the budget consultation process.