

**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 21 FEBRUARY 2024**

COUNCILLORS

PRESENT Ergin Erbil (Deputy Leader of the Council), Abdul Abdullahi (Cabinet Member for Children's Services), Alev Cazimoglu (Cabinet Member for Health and Social Care), Susan Erbil (Cabinet Member for Licensing, Planning and Regulatory Services), Rick Jewell (Cabinet Member for Environment), Tim Leaver (Cabinet Member for Finance and Procurement) and George Savva MBE (Cabinet Member for Social Housing)

ABSENT Nesil Caliskan (Leader of the Council), Chinelo Anyanwu (Cabinet Member for Public Spaces, Culture and Local Economy), Gina Needs (Cabinet Member for Community Safety and Cohesion), Ayten Guzel (Associate Cabinet Member (Non-geographical)) and Chris James (Associate Cabinet Member (Enfield West))

OFFICERS: Tony Theodoulou (Executive Director – People), Fay Hammond (Executive Director - Resources), Joanne Drew (Strategic Director of Housing and Regeneration), Penny Halliday (Director of Meridian Water), Olga Bennet (Director of Finance: Capital & Commercial), Neil Best (Head of Education Strategic Resourcing & Partnerships), Terry Osborne (Director of Law and Governance), and Jane Creer (Secretary)

Also Attending: Associate Cabinet Members (Invitees): Councillor Mustafa Cetinkaya (Enfield South East), Councillor Ahmet Hasan (Enfield North)
Members and officers observing

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Nesil Caliskan, Gina Needs, Ayten Guzel and Chris James. Apologies for lateness were received from Councillor Chinelo Anyanwu.

2 DECLARATIONS OF INTEREST

Members received advice from the Monitoring Officer in respect of declaring interests, particularly in respect of Council Tax, Council Tax Support and Rent Setting.

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 17 January 2024 be confirmed as a correct record.

5 BUDGET REPORT 2024/25 AND MEDIUM TERM FINANCIAL PLAN

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, in respect of setting the Revenue Budget for 2024/25 and the Council’s Medium Term Financial Plan (MTFP) 2024/25 to 2028/29, and also setting the Council Tax levels for the 2024/25 financial year including the Greater London Authority (GLA) precept. The budget pressures being faced and the background to the proposed decisions were highlighted, and officers were thanked for all their hard work.

In response to Members’ queries, it was advised from early data that around 95% of councils were expecting to increase Council Tax by the maximum level of 4.99%.

DECISION: The Cabinet :

I. Agreed to recommend to Council:

- i. To agree to the budget set for 2024/25 and to agree the Medium Term Financial Plan, including:
 - a. A net revenue budget of £318.530m for 2024/25, an 11.01% increase when compared with 2023/24.
 - b. The pressures set out in Appendix 6 totalling £48.6m in 2024/25, which include:
 - £11.4m for Demographic pressures within Adults and Children’s Social Care and SEN Transport to reflect growing demand in these areas.
 - £17.2m of Inflation and pay award funding
 - £7.7m for Homelessness pressures
 - £2.4m increase in Capital Financing included within the pressures figure, with £11.9m is set aside for Capital Financing over the lifetime of the current MTFP.
 - c. full year effects of prior year savings and income totalling a positive value of £1.322m (due to reversal of one-off savings and reassessment of deliverability of savings previously agreed) set out in Appendix 7.
 - d. the new savings of £10.690m and income proposals of £5.878m in 2024/25 set out in Appendix 8.
 - e. increased Government funding of a net increase of £6.6m (£8.4m for social care in 2024/25, a £1.4m increase in Revenue Support Grant; less £3.2m reduction in other core Government grant funding (excluding business rates).

CABINET - 21.2.2024

f. total business rates income for 2024/25 at £98.5m, an increase of £9.2m on 2023/24 and £164.1m for Council Tax, an increase of £17.2m.

g. the use of one-off funding sources, comprising of:

- £3.0m benefit from continuing to be a member of the 8 authority Business Rate pool, and

- £1.0m Collection Fund surplus. h. to note the gap remaining in the MTFP for 2025/26 of £30.267m; and of £85.995m for the period 2025/26 to 2028/29 and the actions being taken to address this challenging position.

II. Agreed to:

ii. With regard to the Revenue Budget for 2024/25 to recommend to Council to set the Council Tax Requirement for Enfield at £164.118m in 2024/25; and

iii. Recommend to Council to set the Council Tax at Band D for Enfield's services for 2024/25 at £1,594.08, being a 2.99% general Council Tax increase (£1,360.37) and a 2.00% Adult Social Care Precept (£233.71). The total Enfield element represents an increase of £1.45 per week for a Band D property.

iv. Note, the Council will levy a Council Tax of £471.40 at Band D on behalf of the Greater London Authority which is an 8.58% increase; equivalent to an increase of £0.72 per week for a Band D property.

v. Note, in total the impact of these proposals will be total Council Tax of £2,065.48 at Band D, a 5.79% increase on the 2023/24 level, equivalent to an increase of £2.17 per week for a Band D property.

vi. Approve, in accordance with the Levelling Up and Regeneration Act 2023, the revised discretionary power to levy a Council Tax premium of 100% in respect of second homes from the 1st April 2025. (paragraphs 62 to 63).

III. Agreed to recommend to Council that it agrees the planned flexible use of capital receipts in 2023/24 being £2.184m and approves the planned flexible use of capital receipts in 2024/25, being £1.0m (paragraphs 139 to 145 and Appendix 18).

IV. Agreed to approve that any in year changes required to the Flexible Use of Capital Receipts strategy is delegated to the Executive Director of Resources in consultation with the Cabinet Member for Finance and Procurement and reported to Cabinet in the quarterly Revenue Monitoring reports.

V. Agreed to recommend to Council that it agrees the changes in Fees and Charges for 2024/25 as set out in paragraph 137 and 138 and Appendices 12 to 17 and to note the MTFP Update report to Cabinet in January recommended to Council to delegate authority to Executive Directors and Directors to negotiate discounts and make in year amendments where appropriate.

VI. Agreed to note the feedback from the Budget Consultation at Appendix 19a.

VII. Agreed to note the minutes of the Overview and Scrutiny Committee Meeting on 15 January 2024 which are set out in Appendix 19b of the report.

VIII. Agreed with regard to the robustness of the 2024/25 budget and the adequacy of the Council's earmarked reserves and balances to:

- i. note the risks and uncertainties inherent in the 2024/25 budget and the MTFP (paragraphs 157 to 161) and agree the actions in hand to mitigate them;
- ii. note the advice of the Executive Director of Resources regarding the recommended levels of contingencies, balances and earmarked reserves (paragraphs 36 to 39 and Appendix 1a) when making final decisions on the 2024/25 budget;
- iii. agree the recommended levels of central contingency and general balances (paragraphs 128 to 136);
- iv. Note the use of reserves in 2024/25 to meet welfare costs set out in paragraphs 110 to 116, to support households in financial crisis; and
- v. Note the overall forecast level of reserves over the medium term, ensuring the Council's financial sustainability set out in paragraphs 128 to 136.

IX. Agreed to recommend to Council that it agrees the Schools Budget for 2024/25 (paragraphs 169 to 179 and Appendix 22).

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

6 COUNCIL TAX SUPPORT SCHEME 2024/25

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, seeking approval of changes to the Council Tax Support Scheme for the financial year 2024/25 and other related matters. The context to the proposed decisions was highlighted. An extensive consultation process had been run, details and results of which were set out in the report. Attention was also drawn to the Equality Impact Assessment carried out and attached to the report.

Further information was provided in respect of the recommended proposal to increase the Discretionary Hardship fund by £1m. In mid-November the Council placed a bid to the Greater London Authority (GLA) for a contribution towards the implementation of the CTS changes, given that the GLA will also receive additional income. This potential contribution was recognised in the budget report, although the level of funding was not known – a saving of £500k for income from combination of GLA and HSF was assumed. The GLA have now confirmed £550k, however, this funding is for the Council Tax Hardship Scheme, which will now be jointly funded by the GLA and the Council in this first year. The hardship scheme will remain at £1.5m. Given the budget includes an assumption around Household Support Grant (that no longer seems to be forthcoming) and the GLA funding - the Council will work out how it can substitute savings within the overall funding envelope. This will be reported as part of budget monitoring during the year.

In response to Members' queries, it was confirmed that around 36,000 households in the borough would be supported by the scheme.

DECISION: The Cabinet agreed

I. To recommend to Full Council the revised Local Council Tax Support Scheme for 2024/25 at Appendix A incorporating the following changes:

- i. Restricting council tax support to a maximum Band C council tax liability.
- ii. Introducing a minimum non-dependant deduction for most households with other adults living in the property and increasing the current deductions by 20% as set out in the report.
- iii. Standardising the minimum payment for most working age claimants at 50% (excluding war widows and single people under 25 including care leavers).

II. To recommend to Full Council to increase the Discretionary Hardship fund by £1m.

III. To recommend to Full Council the Council Tax Support Hardship Policy attached as Appendix E in the report.

IV. To recommend to Full Council that authority be delegated to the Executive Director, Resources, to make consequential changes to the Support Scheme and the Hardship Policy in order to effectively implement the decisions of the Council in respect of the Support Scheme and the Hardship Policy.

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

7 CAPITAL STRATEGY & CAPITAL PROGRAMME 2024/25

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, providing an update on the development of the ten-year capital programme, in line with the Council's capital strategy, and seeking approval of the 2024/25 capital budget.

Detail was provided on the 2024/25 capital programme, and proposed spending on the Council's priorities, and the evolution of the ten-year programme.

DECISION: The Cabinet agreed

I. To recommend that Council approves the:

- a. General Fund 2024/25 capital programme budget of £213.1m and notes the 2024/25-2033/34 ten year capital programme (as detailed in Appendix A)
- b. 2023/24 £36.5m budget carry forwards requested at Period 8 (November) (as detailed in Appendix B)
- c. Delegation of authority, to the Executive Director of Resources, to transfer unspent borrowing of up to £500k between projects in the capital programme, in consultation with the Cabinet member for Finance and Procurement.

- d. Delegation of authority to the Cabinet Member for Social Housing in consultation with the Cabinet Member for Finance and Procurement to agree capital investment into temporary accommodation solutions up to £30m (moving budget from Pipeline to the main capital programme). This is to enable the council to move quickly in bringing solutions to fruition. Any investment approved under this delegation must be self-financing i.e. capable of servicing interest and repaying debt over the useful economic life of the asset.
- e. Delegation to Cabinet approval of projects up to £10m from the Pipeline Programme, provided the programme continues to fit within the affordability metrics.

II. To note:

- a. The Pipeline projects (as detailed in Appendix E). These are indicative project budget estimates that are subject to a full business case review (where relevant) and separate approval, prior to being added to the approved programme.

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

8 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING 2024-25

Cllr George Savva (Cabinet Member for Social Housing) introduced the report of the Executive Director – Resources and Strategic Director of Housing and Regeneration, setting out the proposed HRA 30-Year Business Plan, the detailed HRA Revenue Budget for 2024/25 and the ten-year Capital Programme for investment in current stock and development and regeneration. In this context the annual rent increase for Council tenants and service charges for tenants and leaseholders was proposed. Officers were thanked for their hard work and providing a sound and balanced HRA budget.

In response to Members' queries it was confirmed that proposals for making sure services were efficiently run, and for generating savings were included in the business plan, and that income generated would be invested back into services. Rent rises had been discussed with residents via Customer Voice and consultation, and the need for the raise was understood.

DECISION: The Cabinet agreed

To recommend to Council to approve:

- I. The detailed HRA Revenue Budget of £81.1m for 2024/25 as shown in paragraph 53 of the report.
- II. The 10-year HRA Capital Programme of £900m and borrowing requirements to deliver 3,500 council led homes.

III. A rent increase of 7.7% in line with Government guidelines noting the social, affordable and shared ownership rent levels for the HRA properties in 2024/25.

IV. The level of service charges for 2024/25 for those tenants and leaseholders receiving eligible services at an average increase of 11%. These include enhanced services in response to resident feedback that will be implemented from April 2024 and new services that will be subject to resident consultation, as set out from paragraph 24 of the report.

V. The charges for garages, parking bay and community halls rents as set out from paragraph 41 of the report.

To Note:

VI. The heating charges for 2024/25 for those properties on communal heating systems (both electric and gas) as set out in paragraph 36 of the report.

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

9 HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN - ANNUAL REVIEW

Cllr George Savva (Cabinet Member for Social Housing) introduced the report of the Executive Director – Resources and Strategic Director of Housing and Regeneration, reviewing the Business Plan assumptions for the Housing Revenue Account (HRA) in the light of the external environment, the progress of the strategy for Council Housing and the forward plan for the period. The business plan had been independently reviewed in 2022, and recommendations followed. Investment in new affordable homes was continuing.

In response to Members' queries, the effect on income of the government imposed rent cap was clarified.

DECISION: The Cabinet agreed

To Approve:

I. The revised 10-year Development Programme of £615m, delivering c. 2,500 new properties and hurdle rates to assess viability for schemes as set out from paragraph 52 of the report.

II. The next five years RTB programme expenditure of £102.1m as set out from paragraph 70 of the report.

III. The updated HRA borrowing requirement of £357m over the next 10 years as set out in table 2.

IV. A capital fund of £10m to maximise take up of Government/ GLA funding to purchase accommodation to progress decanting and use for temporary

accommodation, this will be funded from the existing approved capital programme.

V. The revised 10-year HRA Investment in Stock Programme of £285m for existing council homes and new financial indicators for decision making on investing in future major works to blocks (shown in table 4).

VI. The HRA formalising a voluntary annual repayment of loans to facilitate the repayment of borrowing over a fifty-year loan period as set out in graph 5.

VII. The increase in the Reardon Court development budget from £30.1m to £34m (£3.9m increase), delivering 70 new affordable units, which will be funded from additional GLA grant or substituted schemes within the approved development programme.

VIII. The increase in budget requirement for Dendridge development project from £6.9m to £9.9m (£3m increase) to deliver 22 new affordable units.

IX. Subject to obtaining funding and viability, to progress the retention and refurbishment of Walbrook House, funded from the GLA AHP grant and future Social Housing Decarbonisation fund.

X. Flip up to six 4 bed properties at Bury Street West from Private Sale to Affordable rented properties as set out in paragraph 64 of the report.

XI. To delegate to the Strategic Director of Housing & Regeneration in consultation with the Executive Director of Finance to approve and accept to enter into a grant agreement for SHDF grant funding.

To Note:

XII. Rents, subject to approval by Council in February, will increase by 7.7% (September CPI 6.7% +1%) in 2024-25 for social and affordable rents, approval will come forward as part of the HRA rent setting report recommended to Council on 22nd February 2024.

XIII. The updated debt position in respect of the appropriation of Meridian Water units to the HRA as set out in paragraph 47 of the report.

XIV. Flexibility to use borrowing to fund the regulatory requirement works within the Investment Programme if cashflow is impacted by changes in receipts and revenue budget position.

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

10 2024/25 TREASURY MANAGEMENT STRATEGY

Cllr Tim Leaver (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources, setting out the Council's proposed Treasury Management Strategy Statement (TMSS) for the period 2024/25 to 2033/34. The Council's strategy maintained prudence.

In response to Members' queries, more details on interest rates across the Council's borrowing were clarified.

DECISION: The Cabinet agreed

I. To review and note the Treasury Management Strategy 2024/25 (Appendix 1 of the report).

II. To recommend the Council to approve the Treasury Management Strategy 2024/25.

III. To recommend to Council that Quarterly Treasury monitoring, from 2024/25, of the Council's Treasury position including Prudential Indicators is delegated to Cabinet as part of the quarterly monitoring cycle with the exception of the Mid-year update and Outturn positions which will be submitted to Council.

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

11 QUARTER 3 2023/24 REVENUE FORECAST UPDATE

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 compared to the budget for 2023/24, based on the position at the end of December 2023. A summary of the 2023/24 forecast variances by department was highlighted in Table 1.

In response to Members' queries, the pressures around homelessness, and the actions introduced to address accommodation demands, were confirmed.

DECISION: The Cabinet agreed

I. To note:

- a. An adverse variance of £29.993m is reported in respect of financial year 2023/24, after additional in-year savings and mitigations have been found of £7.733m. This is stated excluding further potential risks of up to £4.316m and £0.600m 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 £3.509m.
- c. The impact of the forecast on the reserves balances as set out in paragraphs 126-132/Table 5 and the consequences this has for longer-term financial resilience.
- d. The forecast in-year overspend on the Dedicated Schools Grant of £2.660m, leading to a projected cumulative deficit of £17.896m.
- e. The final outturn use of capital receipts in 2022/23 as set out in Appendix E.

II. To approve the revised schedule of projects for flexible use of capital receipts in 2023/24 as set out in Appendix G of the report.

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

12 SCHOOLS CAPITAL PROGRAMME STRATEGIC DELIVERY PLAN 2023/24 - 2024/25 - UPDATE ON PROGRESS

Cllr Abdul Abdullahi (Cabinet Member for Children's Services) introduced the report of the Executive Director – People, providing a progress update on strategic objectives and details of the Schools Capital Programme. Ambitions for projects and work on the four strategic objectives were confirmed, and officers were thanked for their hard work and making sure Enfield's schools were enhanced.

Members welcomed the assurance from the outcome of the review of Reinforced Autoclaved Aerated Concrete (RAAC) across the school estate.

DECISION: The Cabinet agreed

I. To recommend that Council approves:

- i. Growth of £1.25m in the 2023/24 schools' capital programme (funded from capital receipts and capital grants) to increase the schools capital budget to £15.1m
- ii. The use of £5.9m unused schools' capital grant to repay historic schools related borrowing, (paragraph 44 in the report).

II. To provide approval to spend for the 2024/25 programme (further to Council approval of the overall 2024/25 capital budget envelope KD5502) (Appendix A).

IV. To note the further earmarking of £12.9m of capital grant as funding for SEN projects currently held in pipeline (see Appendix A of the report).

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

13 DATE OF NEXT MEETING

NOTED the next meeting of the Cabinet was scheduled to take place on Wednesday 13 March 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 SCHOOLS CAPITAL PROGRAMME STRATEGIC DELIVERY PLAN 2023/24 - 2024/25 - UPDATE ON PROGRESS

The Cabinet noted the information set out in the confidential appendix to the report considered earlier in the agenda.

16 MERIDIAN WATER OPTIMISATION BUSINESS CASE

Cllr Ergin Erbil (Deputy Leader of the Council) introduced the confidential report of the Director of Meridian Water.

DECISION: The Cabinet agreed the recommendations set out in the confidential report.

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

The meeting ended at 7.50 pm.