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OVERVIEW & SCRUTINY COMMITTEE BUDGET MEETING - 18.1.2018

MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE BUDGET MEETING HELD ON THURSDAY, 18 JANUARY 2018

COUNCILLORS

PRESENT

OSC Committee Members:

Derek Levy (Chair), Abdul Abdullahi, Nneka Keazor, Michael Rye OBE, Edward Smith

Cabinet Members: Doug Taylor (Leader of the Council), Achilleas Georgiou, Alev Cazimoglu, Alan Sitkin, Ayfer Orhan, Yasemin Brett, Krystle Fonyonga, Daniel Anderson, Dino Lemonides and Ahmet Oykenner

ABSENT

OFFICERS:

Ian Davis and Stacey Gilmour (Governance & Scrutiny Secretary)

Also Attending: 12 members of the public

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WELCOME & APOLOGIES

Attendees and residents were welcomed to the meeting and the Chair outlined how the meeting was to proceed.

Apologies for lateness were received from Councillor Nneka Keazor.

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DECLARATIONS OF INTEREST

No declarations of interest were received.

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LONDON BOROUGH OF ENFIELD BUDGET CONSULTATION 2018/19

The Chair outlined the structure and process for the update and budget consultation.

Introduction / Presentation

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James Rolfe, Executive Director of Finance, Resources and Customer Services gave a presentation, the key points of which were as follows:

- Key issues in 2018/19 were the overspend of £4.0m for 2017/18 as of November 2017 with particular pressures in Adult Social Care and Children's Social Care; limited resources for 2018/19 through to 2021/22 due to Government deficit reduction policies – meaning a lack of funding for essential services.
- Since 2010, the Council had achieved savings of £161m.
- Further savings of £35m are required by 2019/20 in order to balance the budget.
- As part of the budget setting process for 2018/19 Thematic work streams were set up to achieve savings for 2018/19 and future years.
- Savings had been identified in two tranches; Tranche 1 savings totalling £4.5m were agreed by Cabinet in July 2017. Tranche 2 savings totalling £4.1m were agreed by Cabinet in December 2017.
- The Local Government Finance Settlement in December 2017 confirmed the significant funding cuts announced in 2016/17.
- Following a recent Government announcement, Local Authorities have now been given the power to raise Council Tax charges by up to 5.99% without a referendum (this includes the Social Care Precept of 3%).
- The Adult Social Care Precept – 3% was levied in 2017/18. If 3% is also charged in 2018/19 that would exhaust this funding stream for Enfield based on the latest regulations.
- Enfield has signed up to the 4 year settlement running until 2019/20. After this there is no clarity over funding levels.
- There is a move towards greater Business Rates Retention to replace Central Government Grants. Enfield is signed up to the pilot London-wide Business Rates Pool for 2018/19 with 100% retention.
- The Fair Funding Review being implemented in 2020 is currently out for consultation. Enfield Council will take all opportunities to lobby Central Government regarding a fair funding deal.
- Capital receipts flexibility has been extended to March 2022. Proceeds from asset sales can be used to fund transformation projects aimed at generating ongoing revenue savings.
- Figures on Government Funding Reductions to 2019/20 showed a significant reduction of approximately £120m.
- The final budget position will be submitted to Cabinet and Council in February 2018.

Ilhan Basharan, Consultation and Resident Engagement Services Team Manager, gave a presentation on the results and methodology of the budget consultation for 2018/19, including:

- He confirmed that the consultation period had run from 23 October 2017 to 8 January 2018, a total of 11 weeks and had been widely advertised.
- Communication and publicity promotion involved a range of voluntary and community sector organisations, magazines, posters, social media,

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local press and an online survey (which was also available as an easy read document and in hard copy).

- There had been four questions for residents to provide a response to and 614 responses were received. The top priorities were similar – to protect adult social care and children’s services; improving the street scene, including the maintenance of roads, pavements, street lighting, street trees, verges and bushes; dealing with Anti-Social Behaviour (ASB), working with the Police, Enforcement and Licensing. Items suggested for savings were Energy efficiency and reducing carbon emissions, libraries, museums, theatres and galleries, regeneration and economic development and leisure centres and sports activities.
- Services that residents felt were not currently provided online included Information and Advice- Mental Health Services and Planning, ways to report cyclists and businesses who break road traffic laws, voting online and online acknowledgment forms.
- Suggestions for raising income included: small increase in Council tax, increase fines and penalties for fly tipping, littering, dog fouling, spitting and parking. Introduce/increase charges for parking permits, parking, admissions to events and leisure centres. Use volunteers for council staff jobs outside the Civic Centre, e.g. clearing fly tipping.

James Rolfe clarified the new pressures in the medium term financial plan, including pay award, London living wage and inflation, which were on top of pressures already built into the budget. More details were set out in the report, including savings by department, noted in Appendix 1. The 2018/19 to 2021/22 medium term financial plan aimed to balance the budget over this four year period, and savings proposals have been developed to achieve this. New service savings totalling £8.4 million for 2018/19 and £8.6 million over the four years to 2021/22 will be recommended to Cabinet on 14th February 2018 (Noted in paragraph 3.5 of the report to O&SC and detailed in Appendix 1).

James Rolfe concluded by advising that there would be continued austerity in the short to medium term and there will also be considerable ongoing pressures in social care and children’s services. Further work is in hand to close the remaining budget gap in 2018/19. Further savings are needed in years 2, 3 and 4 of the medium term financial plans. There is also recognition in the budget of the ongoing importance of commercialism and income generation opportunities to mitigate the impact of funding cuts.

- Questions and comments made at this meeting would be minuted and would be included in the budget papers presented to Cabinet and Council.

Questions and Comments Raised During the Budget Consultation

Q Councillor Levy asked whether any of the points raised as part of the public consultation had been picked up and addressed in the budget papers presented to the committee.

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A James Rolfe clarified that a number of the points raised as part of the public consultation had been addressed and presented in the budget papers including the priorities around Adult and Children's Social Care as well as the lower end priorities.

Q Councillor Rye commented on the inadequacy of the budget papers presented to the committee due to the lack of information provided. He praised Ilhan Basharan for his informative presentation but said it would have been preferable for Members to have received a copy of the presentation prior to the meeting. The Chair, Councillor Levy and the rest of the committee members agreed with this comment, therefore arrangements would be made for a copy of the PowerPoint presentation to be circulated to members as soon as possible.

Action: Stacey Gilmour/Claire Johnson

Q Councillor Smith sought clarification on some of the savings proposals detailed in Appendix 1 of the report and commented that some of the script was somewhat confusing. He particularly asked for an explanation of the Further Review of Capital Financing Requirements, which indicated in the report a proposed saving of £2m.

A James Rolfe advised that £2m had previously been put aside for repayment of the Council's debt which has proved to be more than was needed. This is based on advice from our Treasury Advisors. He confirmed that the debt is still being repaid at the same time.

Q Councillor Rye sought clarification on the Procurement and Contracts savings proposals and asked for further information on the Procurement Forward Plan saving.

A James Rolfe confirmed that this referred to the Council's review of all its contracts using its partnership arrangements. This would involve looking at various issues around contracts to identify better and more cost effective ways of working.

Q Councillor Rye also sought further clarity on the proposed savings for Commercialisation of the Procurement and Contracts Hub.

A James Rolfe explained that this saving is based on a portfolio of ideas for frameworks that have the potential to generate income through charging a fee to other public sector parties who access the framework. This is a modern version of what has been used in the past and the Council are confident that the proposed savings can be achieved.

Q Councillor Dogan asked how confident the Council is of achieving the proposed saving of £200k by reducing the claims of single person's council tax discount.

A James Rolfe said that the current process is relatively open to fraud and error. However with the introduction of Universal Credit and improved data cross checking the Council is confident that the number of fraudulent and incorrect claims will reduce therefore resulting in a significant saving for the Council.

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Q Councillor Abdullahi raised concerns regarding the savings proposal for adult social care/public health and welcomed views and comments on this.

A Bindi Nagra advised that year on year the Council has seen a net reduction to the adult social care budget. The 2018/19 budget does however reflect the demographic pressures in this area. This is probably the first time in five years that Enfield Council will not see a net reduction in its adult social care budget, which the service is grateful for. Councillor Cazimoglu added that it should be remembered that there has been a £6 billion cut in adult social care funding nationally since 2010.

Q A member of the public asked whether the Council had given any consideration to reducing business rates in an attempt to attract businesses into the borough.

A It was answered that business rates are set by Central Government and Local Authorities are responsible for collecting them. It was added that Enfield Council is currently undertaking a lot of work locally to try and attract businesses into the borough.

Q Another member of the public asked how much work goes into looking at the consequences of reducing funding in one service area and the impact this may have on another area. For example, by cutting leisure services, does this result in an increase in Anti-social behaviour?

A Councillor Cazimoglu referred to the cuts in social care budgets when responding to this question. Due to the cut in funding people nationally are not getting the help they need. These pressures do not disappear; they just pop up elsewhere and prove more costly. The cuts in adult social care are impacting hugely on our National Health Service. James Rolfe added that the approach that the Council has taken this year is to try and take into account these problems and address them where possible.

Q A member of the public asked for a figure on how many people in the borough did not pay council tax and the reasons for this?

A Councillor Georgiou responded that he did not have these figures to hand. However he said that people needed to understand that with the reduction in funding from Central Government there is now very little that the Council can do apart from provide statutory services. The Council has cut everything back in the past eight years that it possibly could and unfortunately there is very little fat left to cut. Even providing statutory services is proving more and more difficult and that is the dire situation that the Council is in.

Q Interest rates are currently at very low levels therefore there only has to be a very small increase in rates to affect the Council's medium term financial plan. Is this a concern?

A James Rolfe advised that all economists have been forecasting that interest rates will go up in the medium term. This is uncertain but the Council does have to use some sort of figure when setting the budget. We always take the worst case scenario around interest rates, but are still looking at very low rates, around 2/3%. Every quarter, the previous assumptions about current assumptions are reviewed. Presently interest

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rates are being pushed to the right and have not gone up as quickly as previously predicted. As a result of this the Council currently has some savings to take.

Q Councillor Smith commented that a big portion of the overall saving for next year of £8.4m is achieved through cuts to adult social care/public health. Will these reductions impact significantly to bed blocking in hospitals? Can we have reassurance that the reductions to adult social care in this budget will not affect discharges from hospital?

A Bindi Nagra responded that in terms of delayed discharges Enfield is a top performer. Over the winter period no deferred delays have been reported for Enfield Council. Our Discharge to Assess Programme allows patients to be discharged back home with support rather than to care homes. This programme was implemented in Enfield a year ago and is proven to be working well.

Q Councillor Keazor asked whether the Adult Social Care Team was looking at using the Dynamic Purchasing System (DPS) to procure home care contracts and will it also be used to procure SEN transport contracts.

A Bindi Nagra advised that the majority of services provided to adult social care clients are paid for directly by the customer. However the DPS has been introduced and it is being used when procuring home care contracts. Gary Barnes added that regarding SEN transport, when current contracts were up, if the DPS can be used to procure future contracts it will.

Councillor Taylor concluded the meeting with the following comments:

- With regards to the Fair Funding Review this is a once in a lifetime opportunity to try and influence Central Government on this issue. Whatever the needs formula delivers this is the amount that should be paid. It will not be an easy task to influence Central Government on this issue but it is our joint role as a Council and a community to put as much pressure on Central Government as possible to come up with a fair allocation of funds for Enfield.
- It is for the Council to decide in February whether to increase council tax or not. It should however be remembered that council tax is not a progressive tax like income tax.
- Council services benefit and assist the most vulnerable of people. The extra 1% increase to council tax that the Council can implement can generate approximately £1m in additional funds.
- We need to think long and hard about whether a 1% increase in council tax is the right thing to do and at this moment in time it is a difficult decision for elected Members to make. Public consultation did however demonstrate that the public would entertain a council tax increase.

The Chair, Councillor Levy added the following comments:

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- It was regretted that Ilhan's presentation had not been made available prior to the meeting. Arrangements would be made for this to be circulated as soon as possible.
- To reconsider some of the linguistics and phraseology for future reports.
- If any further savings are identified prior to the Cabinet meeting in February the committee would like to be made aware of these.
- Finally, whatever the Council administration is in future it should be agreed that the budget is there and has to be legally set.

Consideration of Overall Scrutiny Response to the Budget Consultation

It was **NOTED** that the Minutes of the Overview and Scrutiny Committee Budget Meeting would form the Scrutiny response to the Budget Consultation 2018/19 and would be included in the budget papers presented to Cabinet on 14 February.

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DATES OF FUTURE MEETINGS

NOTED the date of the next business meeting is 22 February 2018.

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