

## **Opposition Priority Business – 21 March 2018**

The purpose of this Opposition Priority Business report is to set out the Labour Council's record over the past 8 years and highlight the substantial discrepancy between its promises and rhetoric and its actual delivery on the ground. We look at the main areas of failure because these are the areas that need to be addressed going forward.

The Council like other local authorities has been put under severe strain by the phasing out of the Revenue Support Grant and its replacement by locally retained business rates. Nevertheless, the Administration needs to stop making excuses and recognise that its current level of overall spending has been maintained and is now over a billion pounds a year. Spending was £34m more in 2017/18 than it was in 2014/15 rising to £60m more in 2018/19 following the recent increases in retained business rates and council tax.

### **Capital Programme**

The capital programme approved at the last meeting of the full Council showed a drastic reduction in proposed spending on the Borough's non-housing infrastructure. The general fund capital programme in 2017/18 was 17 % less than the previous year decreasing to zero at the end of the 5 year period. This is reasonable because new schemes will be introduced as old schemes complete.

The position this year on the approved general fund capital programme shows an estimated investment of £262m in 2017/18 reducing to £72m in 2018/19, a dramatic reduction of 60%, decreasing to zero in 3 years time! The supplementary Indicative GF capital programme for 2018/19 amounts to a mere £12m.

The main areas that will be hit are Schools and Children's services and Environmental Services, where a constant level of expenditure is vital if our Borough's infrastructure is to be maintained. Nevertheless, the Council is still planning to spend a whopping £76m in 2018/19 on companies such as Housing Gateway and investment in commercial property. This is simply a bizarre set of priorities.

### **External Borrowing**

In its 8 year term between 2002 and 2010, the Conservative Administration increased the local authority's debt from £186m to £220m (18.4%). Between 2010 and 2017, this Labour Administration increased debt from £220m to £578m, a staggering £358m or 162%!

According to the 2018/19 budget report, almost 70% of the General fund Approved capital programme will be funded by borrowing. External debt is expected to reach £696m in 2018/19. Our external borrowing has increased significantly over the past few years and is on a rapidly ascending trajectory in future years. We are still below the various authorised limits, but as government grant is reined back the Council finds itself with decreasing head room to finance its capital spending. This was foreseeable, but ignored by an Administration determined over the past few years to borrow up to the hilt.

Clearly this level of borrowing has to be paid for. In 2018/19, the Council is expected to have to pay interest on its borrowings of approx. £14m compared with £4.4m in 2009/10. This is money that has to be diverted from front line services.

## **Housing**

### ***Overall***

Since Labour took control of the Council 8 years ago, the only significant schemes that have been completed are the Highmead Estate in Upper Edmonton and Dujardin Mews in Ponders End. The Ladderswood Estate in Southgate Green is under construction, but progress on the Small Sites Programme and the various large-scale estate renewal projects has been very slow. Of the schemes that have been constructed or are near completion, only Dujardin Mews was started by the current administration. The Highmead and Ladderswood schemes were both initiated by the previous Conservative administration. This is a sorry record for a Labour Council that congratulates itself on helping the poor and disadvantaged parts of the Borough.

### ***Meridian Water***

After over a year of negotiation following Barratts successful bid for the Council's flagship scheme Meridian Water, Barratts withdrew. Obviously, there were reasons for this, but this was still a failure by the Council to achieve its stated objective of entering a partnership with Barratts. The Council is now in on the point of concluding a second negotiation with PCPD, a Hong Kong based developer.

We on the Conservative side hope that a satisfactory deal can be done with PCPD or another developer. We have always supported the Meridian Water project and want it to succeed and provide the new housing and jobs that Enfield needs. However, there are major risks associated with this process that need to be satisfactorily addressed if the Council is to avoid financial loss and a completed scheme that fails to meet its original laudable objectives.

In terms of the financial position, we know that the Council has spent several hundred million pounds purchasing various sites at Meridian Water together with the legal, consultant and remediation costs ancillary to the project. In order to recoup its costs and hopefully make a surplus, it had expected to obtain a minimum figure per unit from the lead developer per phase when the sites were transferred over.

The current position is now however markedly different from when Barratts won the tender. In the first place, we on our side have brought to the Council's attention that one third of the developable land at Meridian Water is designated as strategic industrial land (SIL). The Mayor of London is concerned about the loss of industrial land to housing and therefore the GLA has stipulated that any loss of SIL at Meridian Water must be compensated by industrial land elsewhere in the Borough. This requirement has been known for some months, but we are still no wiser as to how much industrial land elsewhere can be identified. If the SIL at MW cannot be released for housing, the amount of developable land at Meridian Water will be significantly less than originally envisaged and there will be major consequences for the project.

In short, the Council's management of the Meridian Water project to date has been disastrous. Some remediation works have taken place but not a single new home has been started. We have no idea whether the negotiations with PCPD will ever be completed. Also, we don't know whether PCPD will be prepared to meet the financial terms originally offered by Barratts and hence whether the Council will be able to recoup the huge expense of acquiring sites at Meridian Water. Finally, we do not know what steps the Council will take to ameliorate the impact of the cost of these risks on the character of the scheme in terms of height of the blocks, tenure, density, green space, the number of jobs created, etc.

### ***Small sites***

A report on the Small Sites Programme was taken to Cabinet last summer 18 months after the main sub-contractor, Climate Energy, went into liquidation. The Chamber will also recall that the small sites programme was the subject of Opposition Priority Business in November 2014. Our complaint at that time was that it had taken three years from cabinet approval to proceed before a single brick had been laid. The position then got worse not better

The present position is that fewer than 35 of the 94 units in the programme have been completed. Building works on the sites at Jasper Close, Holtwhites Hill, Forty Hill and Lavender Hill have either not yet started or little progress has been made.

The Council has so far spent or committed more than was originally agreed on the small housing sites programme and faces a large increase in the estimated final total cost. The Administration will argue that these costs will be largely recouped by selling the 57 properties on the open market and increasing grant towards the remaining units. We would remind them that originally the council intended to let these 57 properties at market rents and hence generate a substantial ongoing income. This is incompetence of a high order and given where we are now, the Council would have been wiser to have sold off the 7 sites to a private developer in the first place. They would at least have obtained 37 completed affordable units, which by now would be occupied.

### ***Jasper Close***

As mentioned above, Enfield Council has had to demolish this eighteen unit block of flats because the site was left inadequately protected from the weather. The minutes of the Housing Board state confirm this. The problem was that the Council took far too long between the date when the sub-contractor went into liquidation and doing anything to protect the site from the elements. It is an absolute scandal and waste of public money that these homes had to be demolished.

## **Customer Services**

### ***Call Centre***

Residents and other stakeholders contacting the call centre can still wait long periods of time before getting the information or advice they need. After eventually getting through to the call centre, customers have little chance of speaking to an officer in the department required when transferred. On some occasions people who have been lucky enough to get through have been transferred to staff that are either

on long term sick, maternity leave or have moved on creating huge levels of frustration in the residents concerned and additional unnecessary pressure on the Council's systems. The Council has not properly addressed these customer access issues.

### ***Website***

Since the launch of the new website, the Council has conducted a big drive to get residents and other customers to contact the organisation via the website rather than by telephone. We accept this concept as it is part of the transformational programme, but difficulties continue to occur with the website. It is frequently down, either for maintenance reasons or because of high demand. However, if the aim of the transformation programme is to get more people to use the website then it has to be able to cope with high level demand otherwise we are failing our customers.

### ***Members Enquiries***

Prior to the Members Enquiries Teams in individual departments being placed into the Gateway Services hub, the Service Level Agreement for most departments was an 8 day turnaround of enquiries. However, many MEQs are not dealt within 8 days anymore, with Councillors waiting up to 3 weeks for an issue to be resolved. This poor level of service for elected members is simply unacceptable

### ***Freedom of Information Requests***

Freedom of Information requests now take longer than the required 20 working days by the Information Commission. We know of one FOI that was logged last September 2017 only to be responded to in February. FOIs can go on for weeks or months yet Enfield Council does not tell the person who has logged an FOI that it is taking longer than expected. It just fails to respond.

### ***Front desk***

The Civic Centre front desk has a large amount of customers each day. There are frequently long queues out of the door as there are not enough members of staff manning the front desks. We understand that staff members are now not allowed to walk through Reception during working hours in order to make the area appear less packed. The reception area is the public face of the Council and it is important that we make turn-around times faster and the whole process more efficient.

### ***Education***

Enfield Council was slow in planning for increased demand for Primary School places and adopted a strategy of expanding existing primary schools by borrowing money (many millions) at a significant cost to the Council tax-payer rather than embrace the government's Free School and Academy programme, where the Government pays for new school buildings.

In addition the administration failed to listen to the opposition who consistently pointed out that they needed to expand secondary places to match this primary expansion. They delayed in taking action and in contrast to their strategy on Primary places, decided to rely on the Government supporting new academies in Enfield where suitable land availability is limited. As a consequence

the Wren Academy that the Council were relying on to deliver new places in 2018 will not be available until 2019 and existing secondary schools have been approached to provide additional places funded by Council again increasing borrowing to cope with expected increase in secondary Year 7 numbers from 2018 onwards.

## **Adult Social Care**

Fortunately, there have been few if any examples of safeguarding or caring failures by the Council and for this it should be congratulated. Nevertheless, some of the same patterns referred to in this paper appear also in this vital service area.

In 2008, Elizabeth House, a former sheltered scheme on the Hertford Road was closed down. The then Conservative Administration was in the process of drawing up plans to use the site for a large extra care/nursing home. Following the local elections, nothing occurred until 2011 when the vacant site was subject to an arson attack. The Council then belatedly took action to demolish the building. Plans were drawn up and the scheme went ahead. Bridgewood House, the new 70 bed unit, was finally opened in May 2017 although it is still not fully occupied. This is a fine scheme and the Council is rightly proud of it, but how can a delay of 8 years be possibly justified when a scheme of this sort should take no longer than 4 years from inception to completion. We know it is vitally needed and that efficient discharge from hospitals is a crucial consideration, but this didn't translate into any form of urgent action by the Council.

## **Libraries**

### ***Enfield Highway Library***

Councillors Orhan and Fonyonga decided to significantly reduce library provision in the old Carnegie library in Enfield Highway in October 2016. The space released was intended to accommodate an NHS integrated sexual health clinic. Property Services stripped bare the library not many months afterwards.

Some seven months later a further report on this issue was approved by Councillor Orhan on 9 June 2017. This report explained that the proposed refurbishment of Enfield Highway Library to include a sexual Health Clinic and a drug treatment centre would not proceed, although no reasons for this were given. Instead the report recommended that a new community library should be provided on the first floor of 201 Hertford Road, a 1950s office building on the opposite side of the road to the present Carnegie Library.

The estimated capital cost of delivering this project was estimated to be in excess of £250,000 as detailed in the part 2 report on key decision KD4512. The part 1 report recommended that the former library should be formally declared surplus to requirements and disposed of to create a capital receipt. The only reason the site is still in council hands is due to campaign to save the library led by the Conservative Group and the community.

The total cost to the Council of the delivery of the library in the Enfield Business Centre was likely to be in the region of £320,000 plus if the cost of providing the interim library for a year at £67,000 is included. But if the Carnegie library had been left open, it would have only cost the Council in the region of £165,000. A perfectly

adequate and historically important building locally has been closed and replaced by a much smaller and inadequate substitute.

### ***Southgate Library***

Southgate Library was closed in 2016 and cleared of books and materials almost immediately by the Council. It was a popular, purpose-built library conveniently located near the main shopping area in Southgate. When residents and members objected, we were told that this was an unfortunate casualty of the purchase of the old Minchenden School premises on the opposite side of the road that the Council wanted to refurbish as a new school for autistic children. The Conservative side supported that particular project, which hopefully will complete and open shortly.

Members were informed at Overview and Scrutiny that financial information about the purchase of the Minchenden site and the land swap of the library site with Barnet Southgate College were matters of commercial in confidence. The Council has revealed recently that the legal transfer of the library site to the College has not yet taken place. The upshot of this particular saga is that a fully functioning library has been shut down prematurely and left vacant for several years due to inaction by the Council. Its replacement in Southgate College is a fraction of the size, difficult to access and wholly inadequate.

### **Outside consultants**

The Council has spent £29,193,000 on outside consultants since 2010. This amount cannot be justified in the current climate. There are always times when the Council needs a certain level of specialised expertise for a limited amount of time. However, the costs suggest that we have been employing consultants as replacements for permanent staff for longer than a short period of time. This means that in many cases it would have been cheaper to have recruited these staff permanently. The money saved by employing staff permanently rather on a consultancy basis could have been put into vital council services.

### **Legal Advice**

We have a medium-sized Legal Services team. However, as of last year we spent over £8million on outside legal advice. There will always be cases where Legal require specialised advice from counsel and elsewhere, but to spend £8million shows an Administration has not got a proper grip on costs in this area and has allowed them to swell to unacceptable levels. The council Administration regularly tells us that extra revenue is urgently needed for services and repairs and maintenance. If they had borne down on outside legal costs we could have used that money to invest on these vital areas.

### **Conclusions**

We have only space to refer to a few examples of gross mismanagement by the Council in recent years. A further report could have been written about the Housing Repairs Service, Major Works Programmes, Property Services and the budget overspend etc. We could have also drafted a paper on consultations whether it be on the increase in CPZ permit charges or the Cycle Enfield scheme where the Council steam-rolled both through in the face of widespread objections by residents and retailers. The change of the scrutiny system, reduction of the number of questions

allowed at Full Council meetings and the cherry picking of panel members whether it be for the Housing Board or the Public Transport Consultative Committee and the shortened speaking time could have also been subjects for an Opposition Business Paper separately but have been entered here so they can at least be highlighted.

The examples above demonstrate that this Labour Administration has a knee jerk response to any criticism of its performance. It blames the Government for lack of funding. This explains why the Council finds it so difficult to make any improvements in many areas most of which are not political in any meaningful sense. It also explains its reluctance to listen to the Opposition or to residents' complaints about its actions.

This report has only one recommendation and that is that the Administration admits that a culture change is essential. It needs to recognise that that all forms of scrutiny and the results of consultation are welcome as a guide to improvement. Most importantly, a greater sense of urgency needs to be instilled in the Council as a whole. We aim to deliver this if elected in May.