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OVERVIEW & SCRUTINY COMMITTEE BUDGET MEETING - 31.1.2019

MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE BUDGET MEETING HELD ON THURSDAY, 31 JANUARY 2019

COUNCILLORS: OSC Committee Members:

PRESENT Derek Levy (Chair), Gina Needs (Vice-Chair), Tolga Aramaz, Susan Erbil, Edward Smith, Anne Brown, Lee David-Sanders

Cabinet Members: Nesil Caliskan (Leader of the Council), Daniel Anderson, Alev Cazimoglu, Guney Dogan, Dino Lemonides, Mary Maguire, Ahmet Oykener.

OFFICERS: Ian Davis (Chief Executive), Sarah Cary (Executive Director Place), Tony Theodoulou (Executive Director People), Fay Hammond (Director of Finance), Jeremy Chambers (Director of Law & Governance), Matt Bowmer (Interim Director of Finance), Doug Wilkinson (Director of Environment & Operational Services), Bindi Nagra (Director of Adult Social Care), Nicky Fiedler (Commercial Director), Stuart Lines (Public Health Director), Jon Sharkey (Head of Service Waste, Recycling, Fleet), Ilhan Basharan (Consultation & Resident Services Team Manager), Debbie Campbell (Waste Services) Susan O'Connell (Scrutiny Officer), Elaine Huckell (Scrutiny Secretary).

Also Attending: Councillors Joanne Laban (Leader of the Opposition), Hass Yusuf, Lindsay Rawlings, Dinah Barry and Rick Jewell.

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WELCOME & APOLOGIES

Councillor Levy welcomed all attendees to the meeting.

Apologies for absence had been received from Councillors Huseyin Akpinar, Yasemin Brett and Nneka Keazor, also from Co-optees Simon Goulden and Tony Murphy. It was noted that Councillor Anne Brown was substituting for Councillor Akpinar.

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DECLARATIONS OF INTEREST

Councillor Erbil checked her position with the monitoring officer and declared a non-pecuniary interest as she is a cousin of Councillor Dogan, Cabinet Member for Environment.

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LONDON BOROUGH OF ENFIELD BUDGET CONSULTATION 2019/20

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

Councillor Maguire introduced this item and spoke of the need to set a realistic, sustainable and achievable budget in the context of the need for continuing savings to be made. She said savings for this year had been identified in four tranches and this was the final tranche. Member sessions had been introduced which were designed to challenge and interrogate the savings predicted.

She confirmed that Enfield was not alone in the country in finding further cuts challenging and stressed the need to be careful to protect the most vulnerable.

Fay Hammond, Director of Finance, gave a presentation.

She spoke of the reasons why it was necessary to have a resilient budget-

- to ensure we set a realistic budget and learn reduce the risks which have led to S114 notices being issued in other councils such as Northamptonshire CC. It is therefore important that we do not have an over reliance on capital receipts.
- that council's ambitious savings and income generation budget proposals have not always been fully realised
- the 2020/21 funding review of all local authority funding is uncertain, and the quantum of funding will not be known until late in 2019.
- under the CIPFA Financial Resilience Index, it is important that we ensure that Enfield reputation for good financial is upheld.
- If we were to take no action, we would have no reserves by March 2020.

The other key points of the presentation were as follows:

- The Budget as at December 2018 shows a reduction in grant and baseline rates of over £6m.
- An additional £1m has been invested in Children's Services.
- For the past 3 to 4 years there has been an overspend on transport for children with SEN (Special Educational Needs), this is an example of where we are now recognising this cost pressure in the budget.
- Additional funding received for social care and Better Care Fund of approx. £6.6m.
- The proposals to balance the budget gap include efficiency savings, income generation, prevention of cost pressures and technical/recharging savings.
- There was a budget gap at December 2018 of £6m.

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- A summary of 2019/20 savings and income generation was given. ‘Place’ department have been a key contributor to the savings proposals for 2019-20.
- Draft settlement was announced 14 December 2018. The budget consultation and waste consultation ended 7 January 2019. Final settlement and London Council Business Rate Pool update is expected which would give more certainty over Business Rates.
- At December 2018 there appears to be a £10.2m gap for 2020-21 this assumes no Adult Social Care precept and 1.99% council tax. However, there is uncertainty regarding funding review. Themes are already under consideration for 2020-21 for future budget savings.
- The Medium- Term Financial Plan (MTFP) covers planned council expenditure over the next four years and is to be agreed by Cabinet and Council during February 2019. There is a need to have a ten- year MTFP to look at our long- term cost pressures. Also, a ten- year capital programme to include Meridian Water model.
- Reserves summary shows Enfield has unallocated reserves balances of 6.3% of net budget requirement (London average is 8.7%) Enfield is in a ‘median’ position compared to other Local Authorities for this year. The General Fund reserves include sums allocated for various funds.

Councillor Maguire spoke of the necessity to keep adequate reserves for reasons of security and to mitigate against risks and uncertainties for the future, for example around Brexit.

Questions and comments raised

Q. Is the reason why all efforts had been made to build resilience into this budget because of the number of unknowns?

A. Yes, we are in a particular period of uncertainty with the imminent funding review and therefore ensuring a resilient budget including maintaining adequate reserves is imperative.

Councillor Caliskan said financial resilience was essential. Other Councils who had in recent times experienced financial difficulties were those that had made poor decisions over a period of time. In contrast, Enfield council’s use of reserves were appropriate and sensible. Our investment in Children’s services for 2018 -19 and beyond was key.

Budget Consultation

Ilhan Basharan (Consultation & Resident Services Team Manager) gave a presentation on the Budget Consultation and the following was highlighted:

- The Consultation period was from 26 October 2018 to 8 January 2019. It was available on line and included easy read questionnaires.
- It asked people to consider their priorities for the protection or reduction of services. It also asked if they had any suggestions for increasing income and gave an on-line budget simulator. The budget simulator demonstrates the impact of changes to budgets.

- Extensive communication was carried out with adverts in the press and posters/ leaflets.
- There were 388 responses given. Of those that answered 148 were male - and 183 female, 210 were white and 94- BME with 21 given as other. From West Enfield -263 and Eastern Enfield -84
- Findings for the protection of resources given-
Street cleansing, waste services and regulatory services (total-47%) - 46% = Western Enfield and 49% = Eastern Enfield
Leisure, culture, libraries, parks and open spaces (total-47%) – 45% = Western Enfield and 38% = Eastern Enfield
Highways, Street Lighting, Traffic and Transport (total- 40%) – 39% = Western Enfield and 43% = Eastern Enfield
- Findings for reduction of resources – Customer Services (37%), Leisure Culture etc (25%), Grants to Voluntary and Community Sector, and payments to Carers (25%) and Independence and wellbeing (24%).
- Suggestions for increasing income included – increase council tax for wealthy (28), increase fines for fly-tipping/ making bulky collections free (18), stop spending money on cycle lanes (17) reduce Enfield council top management salaries and Councillors (15) and increase parking charges and fines (15)

Questions and comments raised

Councillor Levy thought findings from the consultation was surprising in that people's priorities appear to show more concern about street cleaning and waste services for the borough than for Adult and Children's services.

Councillor Maguire thought the consultation response was disappointing, she thought some of the responses given appear to be contradictory for example around independence and wellbeing. She thought people may not be fully aware of what 'Customer services' cover and wondered if the questionnaire needed to be more explicit. She said it is clear, that people want clean streets and spoke of the need to consider carefully the money available and our manifesto promises to deliver this.

Councillor Caliskan wondered if the service users, for example those that use John Wilkes House, would have responded to the consultation.

Councillor Levy was disappointed that there were no members of the public at the meeting. He mentioned that the consultation on 'Potential Waste Services Changes' (Item 5 on the agenda) had received a much larger response, he wondered if we could learn from this.

Q. Councillor Aramaz referred to cuts in funding and asked if we could withstand further cutbacks next year should this be necessary.

A. We are currently anticipating a budget gap in the region of £10m in 2020 onwards. We will need to look at long term reductions in the budget such as how we can reduce our underlying budget pressures in areas such as temporary accommodation.

Q. Councillor David Sanders referred to Appendix 1 of the report regarding previous years overspends and asked how confidence can be given that this would not be a problem next year. Also looking at Savings and Income Generation proposals how have these been modelled.

A. Fay Hammond said officers have looked at the top key 10 areas of overspend with an aim to reduce risk for 2019/20 she said we would continue to work with officers around this to reduce pressures. Councillor Maguire referred to work carried out by officers in scrutinizing and interrogating figures to see if savings can be achieved to ensure a rigorous budget.

Q. Councillor Smith said it would appear that this is a 'steady as you go' budget' the only growth is in respect of Children's Services?

A This is to ensure the budget is robust. Children's services funding is for 18 front line social workers.

Councillor Smith referred to the Meridian Water project and Fay Hammond said details on this would be going to Cabinet in the summer. Details re capitalising this project and figures re interest charges on it would be sent to Cllr Smith for information. **Action** Fay Hammond.

In response to Councillor Smiths remark that this was a 'steady as you go' budget, Councillor Caliskan said the council was being forced to save £18m. She thought it was right that money had been used to support Children's Services, and that we are investing HRA money to support housing for those in most need.

Councillor Aramaz said that the report did not show assumptions or analysis. It would be helpful if impact assessment both positive and negative had been included in the report. He suggested that this could be included in future years reports. Fay Hammond explained the impact of financial risks around children's and adults services for the wider council, for example a 5% overspend in People Services equates to 10% of Place. if, for example, there was a sudden change in this demographic.

Councillor Cazimoglu said we needed to be mindful of the moral obligation we have, to look after those that are vulnerable.

Councillor Maguire referred to the sessions held looking at impact assessments for each service. She said we shall look to see if figures/ tables can be provided as suggested by Councillor Aramaz.

Savings and Income Generation Proposals for 2019/20 were included in Appendix 1 of the report and rigour and due diligence had been put into this, looking at how we can meet our needs and make use of our companies to enable this to happen.

Councillor Caliskan referred to this being the 10th year of cutbacks for local authorities and spoke of the impact this is having on people. She said we can see an increase in homelessness in the country however the cumulative effects are harder to measure.

Q. Councillor Anne Brown asked if there was the potential for us to borrow at preferential rates to cover for shortfalls.

A: Fay Hammond said it was not legal for us to borrow money to fund our day to day operational budgets. We can only borrow for capital purposes such as to build assets. We can use capital assets to generate income, but we must ensure that there is a business case for this. Fay Hammond will forward details of the legal directive on this to Cllr Brown. **Action:** Fay Hammond

Q; Councillor Smith questioned the figure of £150k given for energy saving initiatives.

A: Fay Hammond thought this referred to a one-off use of grant which was unallocated related to the re-fit programme. We purchase our energy from Kent County Council who procure on behalf of most local authorities to keep prices as low as possible.

With reference to the consultation exercise it was commented that many people do not realise that a large proportion of the council's funding goes on Adult social services. It was suggested that this might be more clearly shown in any future consultation. A suggestion was also made that it might be useful for the consultation to be presented at Ward Forums in future.

Ilhan Basharan said he agreed that the response rate to the consultation was low and we needed to look at how to stimulate engagement with people. However, he said in the past when more extensive engagement was carried out there were still low participation rates.

Councillor Laban referred to the participation of the Enfield Youth Parliament (EYP) members and wondered if they had been involved in the consultation exercise. She also referred to an item under the 'Savings and Income Generation Proposals' for the additional income from sales of mausolea and vaulted graves and said money for this project needed to be delivered. Doug Wilkinson gave assurances that building works would be rigorously project managed.

Councillor Rawlings commented on the Parking strategy which refers to a review of the parking strategy to be undertaken across the borough and council owned car parks. She asked what the parking figures were for this year, Doug Wilkinson said he would provide this information separately.
Action: Doug Wilkinson

Councillor Barry mentioned that a member of the public had commented that residents should not be asked to comment about savings because councillors are elected to make these decisions.

Councillor Maguire confirmed that briefing notes had been prepared for Councillors to use at their ward forums. She informed the committee that, along with the Leader, she had presented a briefing of the budget, followed by Q&A sessions, to both the Youth Parliament and the Over 50s Forum. The finance team had attended the Voluntary Sector Strategy Group, Health and

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Well-being Board and Deaf Projects. However, it was felt that there were too many ward forums to expect officers to attend each one. Councillor Maguire confirmed that we borrow money only to invest in capital or transformation projects. In terms of the consultation questions, she thought we might need to give some extra explanation in the future.

Councillor Levy referred to some Local Authorities using the OSC function for scrutinizing the budget and engagement with the public throughout the year. He said some councils specifically Merton, base their entire OSC function around finances, budgeting and public accounts because finance underpins all activities in the Council. He had previously stated that Enfield might want to entertain a standing financial scrutiny panel to enable more regular analysis of the budget and budget process, and potentially to seek more engagement with the public, throughout the year. . It was confirmed that the budget details had been done in tranches this year, and details included in Cabinet reports.

Councillor Anderson said budget consultations in the past had higher response rates. He noted that there were no press here, at the meeting and no members of the public, he thought we needed to reflect on why there were so few responses to the consultation.

Councillor Lee Sanders referred to the property strategy for next year which he thought might impact on this year's budget.

Councillor Oykener referred to income regeneration and the Property Strategy & Asset Management Strategy and spoke of the creation of companies which has helped to reduce costs. We are looking at some buildings where leases are now coming to an end, to make possible savings. We need to continue to be innovative as a way of making income.

In answer to a question from Cllr Smith it was confirmed that any possible savings from the Asset Strategy has not been incorporated in these budget savings.

It was **NOTED** that the Minutes of the Overview and Scrutiny Committee Budget Meeting would form the Scrutiny response to the Budget Consultation 2019/20 and would be included in the budget papers presented to Cabinet on 13 February 2019.

Many Members left at this point. OSC Members and Councillor Dogan remained to discuss the other items on the agenda.

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MINUTES OF MEETINGS HELD ON 7TH, 14TH AND 19TH NOVEMBER 2018

The minutes of the meetings held on the 7 November 2018, 14 November 2018 and 19 November 2018 were **AGREED**.

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POTENTIAL CHANGES TO WASTE SERVICES

Councillor Levy introduced this item and mentioned that a report will be presented to Cabinet on 13 February 2019, on Potential Changes to Waste and Recycling Collections.

Doug Wilkinson, Director of Environment & Operational Services gave a presentation on the results of the feedback from the Consultation on the Waste Collection and Recycling service.

He said the Overview and Scrutiny Committee on 23 October 2018 had put forward suggestions/ comments in response to the Call-in on this consultation. Doug said they had taken on board feedback from the OSC meeting and spoke of the drivers for change to the service including:

- The target for council-wide savings and income generation for 2019/20 was £18m with a further £12m for 2020/21.
- Futureproofing – planning to meet the Mayor's London Environment Strategy for local authorities which includes the need to recycle 50% by 2025, and a requirement for separate food waste collection.
- Waste disposal and recycling treatment costs to increase
- Making the service better by the introduction of additional weekly collections for separate food waste, to increase recycling rates, possible potential to reinvest into street cleansing and fly tipping service
- The funding from DCLG to retain weekly collections has now ceased.

Councillor Levy referred to one of the suggestions put forward by OSC in October that the document should reflect pros and cons of options from a user's point of view. Doug Wilkinson stated that in the consultation we had provided the public with information that was known at the time.

The following points were highlighted:

- The DCLG funding ends this year, so the incentive for weekly collections has gone
- The consultation ran for 10 weeks from 29 October 2018 to 6 January 2019. A total of 5,602 responses received which represents 5.5% of kerbside properties. The feedback from residents is to help inform any changes and to help in the design of any new service.
- The consultation was available on-line and hard copies were also available at libraries. Assistance was made available to complete details at all libraries, Civic Centre and John Wilkes House. Background information was provided and there was proactive monitoring of responses to ensure it was available to all.
- There was face to face engagement and the local press was used including ethnic press. Posters went out and a digital campaign ensured different mediums were changed for social media to maintain

interest. Also, street surveys/ targeted digital campaign, to increase responses in hard to reach areas.

- A negative response was expected to any of the proposals as people tend to be resistant to change, however the negative comments were useful as these provided an opportunity to address these issues.

Findings from the consultation including:

- Highest responses were from EN1 and EN2 postcode areas.
- Highest responses from British group (63%), higher than borough profile of 42%
- Lowest responses from age group of 18-29 years old, highest responses from 60 years plus.
- 89% of responses were those living in houses, 6% of responses were from those living in flats.
- 97% of residents thought recycling was important and 63.5% recycled all or most of their food waste.
- 25% thought it was reasonable to charge for garden waste collection or were not sure. Noted that garden waste collection is not a statutory service.
- 66% of residents thought weekly food collections would have a positive impact or no impact on their household.
- 42% of residents thought fortnightly dry recycling collections would have a positive or no impact on their household.
- 28% of residents thought charging for fortnightly garden collections would have a positive or no impact on their household.
- The highest response to proposals was to keep the current system (46%). Followed by response rates for Proposal 1 and Proposal 2.
Proposal 1 (31%) – for weekly collections for refuse, dry recycling and food and included a charge for fortnightly garden collection service.
Proposal 2 (31.5%) – for weekly refuse, fortnightly dry recycling and free fortnightly mixed food and garden waste.

The next step will be to analyse data, prepare a draft report and put forward recommendations to Cabinet on 13 February 2019.

The following comments and questions were raised:

- Q: Councillor Smith said findings from the consultation showed that 46% of responses would prefer to keep the current system, will any notice be taken of this or will savings be steamrolled through?
A: Responses to the consultation would be considered as part of the decisions to be made but from the beginning it had been noted that budget savings needed to be made.
- Q: Councillor Smith asked about the Mayor's London Environment Strategy (regarding the need for a separate food waste). Is this mandatory?

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A: Jeremy Chambers answered that during the time of the consultation the Mayor's Strategy is a final strategy and is not mandatory i.e it is not legally binding.

- Confirmed that street surveys were undertaken in N9, N18 and EN3 areas.
- Future decision would be made at Cabinet on 13 February 2019. It would be important to look carefully at the roll-out programme for changes to the service.
- Communication is key and costs for these are to be included in options.
- Councillor Needs was pleased that comments made by OSC had been considered, including the insertion of a box for residents to include their views and that communications for the east side of the borough had been pursued.
- Councillor Aramaz noted that there appeared to be a lack of involvement of Turkish speakers in the community. He offered his services to help with this in future, if necessary.
- Councillor Laban mentioned that if the Cabinet were to make a decision that was not attuned to the Mayor's London Environment Strategy then there would be a potential conflict, for the future.

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DATES OF FUTURE MEETINGS

Provisional Call-Ins -12 March 2019, 26 March 2019, 11 April 2019

Business meetings – 12 February 2019 and 3 April 2019

Councillor Levy thanked everyone for attending the meeting.