

# MINUTES OF THE MEETING OF THE FINANCE & PERFORMANCE SCRUTINY PANEL HELD ON THURSDAY, 5TH NOVEMBER, 2020

## MEMBERS:

### Present

Councillors: Birsen Demirel (Chair), Tim Leaver (Vice Chair), Mahym Bedekova, Christine Hamilton, James Hockney and Lee David-Sanders

### Absent

Councillors: Yasemin Brett and Anne Brown

### Officers Present:

Fay Hammond (Executive Director Resources), Sarah Cary (Executive Director Place), Tony Theodoulou (Executive Director People), Matt Bowmer (Interim Director of Finance), Sue Nelson (Director of Customer Experience, Customer Services & Information), Ade Aderemi (Head of Customer Operations), Lee Shelsher (Head of Customer Experience and Libraries), Sam Buckley (Head of Knowledge and Insights), Neil Goddard (Head of Finance – Budget Challenge), Jacqui Hurst (Governance and Scrutiny Team)

**Also Attending:** Councillor Mary Maguire (Cabinet Member for Finance and Procurement)

## 1. WELCOME AND APOLOGIES FOR ABSENCE

Councillor Birsen Demirel (Chair) welcomed everyone to the meeting and invited Panel Members to introduce themselves.

Apologies for absence were received from Councillor Ian Barnes (Deputy Leader), Councillor Yasemin Brett and Councillor Anne Brown.

## 2. DECLARATIONS OF INTEREST

NOTED, that there were no declarations of interest in respect of any item listed on the agenda.

## 3. MINUTES OF MEETING HELD ON 8 SEPTEMBER 2020

**AGREED**, that the minutes of the previous Scrutiny Panel meeting held on 8 September 2020 be confirmed as a correct record.

## 4. BUDGET 2021/22 AND MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2025/26

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Councillor Birsen Demirel (Chair) invited Councillor Mary Maguire (Cabinet Member for Finance and Procurement) to briefly introduce to the Panel the information provided to Members on the Budget Review 2021/22 – 2025/26 for the Panel's consideration.

Councillor Maguire set the context of the budget setting process and the difficulties faced by the Council as a result of the Covid-19 pandemic. It was further noted that had the pandemic not happened, the Council's budget forecasts would have been accurate and achievable. Members were advised of the funding which had been received from the Government to date but that more was still required to meet the costs incurred by the Council as a result of the pandemic.

Councillor Maguire highlighted the detailed work currently being undertaken and the issues to be considered including the need to challenge the budget assumptions being made regarding forecast expenditure, potential loss of income, risks and, whether the proposed savings were realistic and achievable. A detailed review of savings and income generation had been considered at the October 2020 Cabinet meeting.

Councillor Maguire highlighted the impact of the pandemic on the Borough, in relation to local businesses, and individual residents, with a significant proportion of the working age population in the Borough having been furloughed. This would have a negative impact on the Council's income through Council Tax and Business rates and, would also result in further expenditure through the Council Tax Support Scheme.

Councillor Demirel thanked Councillor Maguire for her introduction and invited Panel Members to raise any questions.

### **NOTED**

1. The detailed information that had been circulated to Panel Members in advance of the meeting outlining the budget review 2021/22 – 2025/26. Executive Directors were present at the meeting to answer any questions that Members had.
2. Members were given an opportunity to raise questions which are summarised below together with the responses provided by the Executive Directors of Resources, Place and People:
3. In relation to the current budget gap and funding requirements, Enfield's position in comparison to other neighbouring Councils was questioned. In response it was noted that benchmarking with other London Councils was undertaken. Differences were highlighted, for example some Central London Councils were being impacted by a significant loss of car parking income; Enfield was not affected so severely by this. Other Councils had set savings targets previously for Adult Social Care provision which they could no longer meet; this was not the case in Enfield. However, Enfield had the highest number of

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cases in London of Council Tax Support applications, although Enfield's scheme was not the most expensive, the number of cases arising was an additional pressure for the Borough. The Council would continue to lobby the Government for adequate funding support to meet the growing demand.

4. Members questioned whether the proposed savings were realistic and deliverable. It was noted that whilst the savings were challenging, they had been fully assessed through the budget processes and only those savings felt to be possible were presented for consideration. It was noted however, that continual assessment and monitoring would take place and adjustments made as necessary as the budget review process continued.
5. In considering the savings being put forward, Members asked Executive Directors to outline what areas had been protected and to highlight any distinctions in statutory and discretionary services. The responses are summarised below:
  - **Resources** – the proposals had protected the service areas of income collection for Council Tax and Business Rates and those teams providing support to residents who need to claim benefits. These were key services for both residents and the Council. The Finance team was also protected in view of the importance of maintaining and supporting a solid budget position for the Council. All other services would be subject to a savings review whilst trying to minimise any impact on front line services as far as possible.
  - **People** – the Council had been subject to budget reductions over several years and many non-statutory services had been taken away previously. The majority of services provided were now statutory and sought to protect the most vulnerable people in the Borough including both adults and children. It was noted that Enfield's expenditure was lower than a number of other comparable local authorities, and that the Public Health grant received by Enfield was also historically lower than other authorities.

The proposed areas of savings focused on increasing efficiency, improving commissioning of services, and, integrating staffing areas and so reducing management costs. Front line services would be protected as far as possible and so the impact on residents and service users would be minimised. It was further noted that these were demand-led services so whilst it was currently felt that the proposed savings were achievable, there were a number of uncertainties that would continue to be closely monitored and reviewed as necessary.

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- **Place** – the wide-ranging services provided by the Place Department had been highlighted in the information circulated to the Panel in advance. Officers would continue to seek to increase income through the provision of Council services including for example through planning and environmental services. Areas of increased efficiency would be sought; including the consolidation of the Council's property portfolio, and in so doing, reduce the running costs incurred.

A range of services had been protected from the current savings proposals including core street scene services and the Council's Homelessness and Housing Advisory Services; including the current prevention work that was being developed. These areas would continue to be closely monitored. Whilst the provision of parks was not a statutory service, there were no significant savings proposed in this area.

Members noted the range of savings proposals and the intention to protect front-line services as far as possible.

6. Members questioned the level of staff redundancies proposed and expressed concern over the potential impact on staff members and their families; and, questioned the redeployment opportunities and support to be provided. In response it was explained that redundancies would be kept to a minimum, current vacancies were being held and staffing reductions would initially impact on agency staff.
7. It was further noted that the funding levels for 2021/22 were still awaited from the Government, it was anticipated that this would be made known at the end of November. The Council had to continue to seek savings to ensure that a balanced budget was achievable. Members were advised that the Council Tax deficit for this year would be spread over 3 years, resulting in an approximate budget pressure of £6m per year. The economic impact of the pandemic was significant and the Council would continue to lobby for resources to meet the cost and support the Borough's recovery. The uncertainty of the current position was noted.
8. Members questioned the support that was being provided to local businesses and the grants that had been made available to them. In response it was explained that the Government had announced a range of differing grants which required careful management. The Council was working closely with local businesses to ensure that the support available was implemented effectively and efficiently as appropriate. In addition, the Council would continue to seek to support young people into employment and encourage new businesses to the Borough. Members requested that a briefing be provided to them on the financial grant support available, to enable them to respond to individual enquiries that they were receiving from both residents and local businesses.

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9. Members noted the Government funding which had been received by the Council to date. Whilst funding had been received it was not currently sufficient to meet the budget gap arising from the pandemic; and, the ongoing budget uncertainties of going into a second lockdown, and the resulting impact on businesses and residents. It was noted that approximately 52,000 working age residents had been furloughed, representing approximately a third of the working population in the Borough. This had a significant pressure on council tax collection rates and budget pressures through the council tax support scheme. The detailed financial impact was outlined to Members. The Government's furlough scheme in comparison to other countries was noted.
10. Members were informed of the detailed budget assumptions and continuing economic impact of the pandemic on the Borough over a range of issues including increasing unemployment, growing demand for support and services, the economic impact on businesses and the housing market.
11. The Council was working closely with other London Boroughs, the GLA and the private sector. The Council would seek to retain large employers in the Borough and provide support where possible.
12. In considering the budget assumptions, Members questioned whether the assumptions had been based on a single dip recession through the previous lockdown period and what assumptions would now need to change as a result of the anticipated double-dip recession. The significant budget uncertainties were highlighted. The Council would continue to adopt a responsible and prudent approach and would continue to seek to plan for a five-year Medium-Term Financial Plan. The Council would continue to protect services and support residents as far as possible.
13. In seeking to set the budget a range of changing factors had to be taken into consideration including for example, income levels, cost pressures, inflation, changing demographics, and demand for services. The budget was normally broadly based on previous years but the current times were unprecedented. The Council would continue to refresh and review the budget assumptions and manage any risks arising.
14. Members questioned if there were any immediate concerns or risks arising that they should be made aware of at this time. In response, it was explained that the economic impact of the pandemic was under constant review, an area of significant budget pressure currently was on council tax income and an increased demand on the council tax support scheme. It was anticipated that more information on Government funding levels for next year would be known at the end of November.

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15. In response to questions raised, it was noted that the Council's capital expenditure assumptions and forecasts were being reviewed. It was proposed to report to Cabinet in December 2020 with a review of the 10 year capital programme and; an update on the Medium Term financial plan and draft 2021/22 budget.
16. Information was sought as to whether the Council had undertaken a risk assessment on the impact on the Council and how to respond should the Government's furlough scheme end or lessen. In response the work being undertaken was outlined together with the highest areas of perceived risk and the budget assumptions being made. The Council was continuing to lobby Government for funding and would continue to closely monitor and react to the budget pressures arising.
17. In conclusion, thanks were expressed to Councillor Mary Maguire (Cabinet Member for Finance and Procurement), Fay Hammond (Executive Director – Resources), Sarah Cary (Executive Director – Place) and Tony Theodoulou (Executive Director – People) for the information provided to Members and the responses given to questions raised by the Panel. The minutes of the Panel meeting would be submitted to the Overview and Scrutiny Committee as part of their consideration of the budget in December.

### **5. IMPACT OF COVID 19: FINANCE AND PERFORMANCE**

Councillor Birsen Demirel (Chair) invited Fay Hammond (Executive Director – Resources) to introduce the presentation to Members on the “Impact of Covid on Performance” as set out in the presentation slides previously circulated to the Panel.

Members noted that whilst there had been changes in service delivery during the pandemic the Council had remained open for business and had reacted positively and robustly; and, the increased use of technology had been significant. Changes in delivery had included increased customer contact through the telephone and website with the necessary reduction in face to face contact. The excellent work of “Enfield Stands Together” was highlighted which had provided support to vulnerable residents through the delivery of approximately 40,000 food packages, telephone calls, prescription collections and other support services. The Council had performed well and many Council officers had been redeployed to meet the new demands and had worked closely with volunteers.

The behaviour of Council customers had changed, and there had been an increase in online activity and web chat enquiries. The information circulated to Members in advance of the meeting set out the impact on performance and service provision.

Councillor Demirel took this opportunity to praise the Council's excellent response to the pandemic and was proud of the work that had been achieved through “Enfield Stands Together”. Residents had been very appreciative of

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the support provided. These were challenging and unprecedented times. Councillor Demirel expressed her thanks and appreciation to all those who had been involved.

Members were invited to raise any questions on the information provided, as summarised in the minutes below.

### NOTED

1. Members questioned why the Public Health grant received by Enfield was lower than that received by other comparable local authorities and stressed the need for lobbying of Government to continue. In response Members were advised of the historical basis of the funding and transference from the NHS to Local Government and the complex historical basis of the funding levels received. Lobbying was continuing and the needs of the Borough were clearly evident.
2. It was noted that approximately 80% of Council staff were working from home, Members questioned the impact on staff and any pressures created through the current working from home arrangements. Members asked what support was being made available for staff at this time. In response, Members were advised of the steps being taken by the Council's management team to support staff through increased communication and seeking to ensure that they had the required resources available to them. It was further noted that the level of staff sickness due to stress had reduced which may be as a result of a better work/life balance for staff.
3. The impact on staff was discussed and the mental pressures on individuals during the pandemic was recognised including the loss of interpersonal connections with others in the normal working environment. The impact on younger members of staff living in shared accommodation was noted. There were approximately 20% of staff working in Council buildings at any one time. Where circumstances required, staff were given an opportunity to work in a council building on a rota basis. Any members of staff who had difficulty in working from home were asked to raise this with their manager and appropriate action would be taken to support the staff involved. It was noted that staff sickness levels had not increased.
4. The additional pressures arising from the second lockdown and ongoing issues from the pandemic were highlighted and discussed. Additional work being undertaken included support to businesses and the implementation of the Government's grant allocations; increased cleaning regimes; identifying forthcoming vaccination centres; and, continuing to seek to purchase properties in a difficult housing market to reduce the use of temporary accommodation. In addition, pressures had arisen in several areas including an increase in cases of domestic violence and anti-social behaviour. Close monitoring would continue on

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all Council performance indicators with quarterly monitoring reports being produced.

5. Members were pleased to note that the Government had recently allocated £9m to Enfield to help tackle homelessness in the Borough. Members were advised how it was proposed to use the funding received with approximately £6m of capital funding and £3m of revenue funding which would support the purchase of properties and the provision of necessary support services. An update would be presented to Members in due course. The funding was at the level requested to deal with current needs although it was recognised that current pressures could increase.
6. Members sought information on the support that was being provided in relation to mental health issues experienced by vulnerable children and their carers. It was explained that Enfield had recently been voluntarily inspected by the CQC and Ofsted to assess the health and children's services being provided at this time. This assurance visit had been positive on the support that the Council was providing to young people at this time.
7. Members were pleased to note that the Council had not seen an increase in acute mental health referrals during this period. A range of online support services were being provided and the work of "Enfield Thrives Together" was explained, with support being provided by a range of service providers including the Council, health providers and the voluntary sector.
8. In conclusion, Councillor Demirel (Chair) thanked Members and Officers for their contributions and the detailed information that had been provided. The Council had reacted positively during the pandemic and a good foundation had been established on which to continue to support residents in the Borough.

### **6. QUARTERLY MONITORING REPORTS**

Councillor Birsen Demirel (Chair) reminded Members that the Panel's terms of reference included the consideration of the quarterly monitoring reports provided by the Council, which were considered by Cabinet.

NOTED

1. That since the previous meeting of the Panel in September, the following quarterly monitoring reports had been received by the Cabinet:
  - Revenue Monitoring 2020/21: Quarter 1 (June 2020) – Cabinet – 16 September 2020 (KD 5198)
  - Capital Programme Monitoring First Quarter (June 2020) – Cabinet – 16 September 2020 (KD 5199)



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- Quarterly Corporate Performance Report – Cabinet – 14 October 2020 (Non key)
2. That Members had no questions to raise in response to the reports provided and noted the information that had been presented and agreed by Cabinet.

### **7. WORK PROGRAMME 2020/21**

NOTED, for information, the Panel's agreed work programme for 2020/21.

### **8. DATES OF FUTURE MEETINGS**

NOTED, the dates of future scheduled Panel meetings as follows:

Wednesday 6 January 2021 – 7.00pm

Thursday 11 March 2021 – 7.00pm