

MINUTES OF THE MEETING OF THE FINANCE & PERFORMANCE SCRUTINY PANEL HELD ON WEDNESDAY, 11TH JANUARY, 2023

MEMBERS: Councillors (Chair) Nawshad Ali, Sabri Ozaydin (Chief Whip), Mahym Bedekova, Alessandro Georgiou (Leader of the Opposition and the Conservative Group), Paul Pratt and Julian Sampson

Officers: Fay Hammond (Executive Director Resources), Tony Theodoulou (Executive Director People), Joanne Drew (Director of Housing and Regeneration), Tinu Olowe (Director of HR and OD), Julie Mimmagh (Head of HR Operations), Adrian Smallwood (Head of Strategic Property Services), Justin Caslake (Head of Property Asset Management), Claire Eldred (Finance Manager) and Jane Creer (Secretary)

Also Attending: Councillor George Savva (Cabinet Member for Social Housing), Councillor Gina Needs (Cabinet Member for Community Safety & Cohesion), local press representative

1. WELCOME & APOLOGIES

Cllr Nawshad Ali (Chair) welcomed everyone to the meeting and invited Panel Members and Officers to introduce themselves.

Apologies for absence were received from Cllr Tim Leaver (Cabinet Member for Finance and Procurement), and Peter George (Director of Development).

2. DECLARATIONS OF INTEREST

There were no declarations of interest registered in respect of any items on the agenda.

3. MINUTES OF THE PREVIOUS MEETING

With an amendment to record apologies for absence received from Cllr George Savva, the minutes of the meeting held on 19 October 2022 were agreed.

4. PERFORMANCE MONITORING - AVERAGE SICKNESS DAYS

RECEIVED the report of Julie Mimmagh, Head of HR Operations.

NOTED

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1. The report provided an update on actions taken to address sickness absence and interventions to support staff back to work or to remain at work. The update was provided at the request of the Panel further to the quarterly performance monitoring report presented at the last meeting.
2. Officers highlighted recent increases in the Council's workforce, including as a result of insourcing of services and transfer of adult social care services back to the Council. Those services contained high numbers of manual staff, and sickness absence was typically higher for that category of workers.
3. More recently, sickness levels had started to decline, but this was not yet reflected in the data.
4. Informal benchmarking against other London Councils put Enfield's staff sickness rates into context; similar to neighbouring boroughs with in-house services.
5. Paragraph 26 of the report set out the actions and interventions put in place.
6. In response to Members' queries, officers described management actions around long-term sickness cases. There had been a conscious effort by the HR team to tackle long term absence first, and that cases were managed in a more timely manner. Intervention and training had led to improvement.
7. Officers confirmed the effects of the Covid-19 pandemic on sickness absence.
8. Officers clarified Council policies, and that on the eighth day of continuous sickness absence, staff were required to produce a fitness for work certificate. There was the same consistent approach for all types of sickness. Medical evidence was still required for pregnancy-related illness; appropriate actions were taken and reasonable adjustments and support given if needed.
9. Members welcomed the bespoke training for managers to manage sickness absence for areas where absence levels were typically higher. It was confirmed that the HR team were looking at ongoing improvement, intervention and training. Managers were given the knowledge and skills to manage staff sickness absence.
10. Officers were optimistic that a trend of reducing sickness absence would continue to be seen.
11. The Chair thanked officers for the update and for their attendance this evening.

5. COMMERCIAL PROPERTY ASSETS AND INVESTMENT PERFORMANCE

RECEIVED the presentation from Strategic Property Services.

NOTED

1. Adrian Smallwood (Head of Strategic Property Services) highlighted the high number (around 1200 assets) of operational and investment properties in the Council's property portfolio. Approximately 30% of the borough was owned ultimately by the Council. The attached map showed the current position.

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2. Direction was provided by the Strategic Asset Management plan. The top priorities were set out on the presentation.
3. Justin Caslake (Head of Property Asset Management) highlighted performance in investment yields.
4. In response to Members' queries, it was confirmed that the Council charged market rent for all assets, as set out in the strategy, and that the levels varied from location to location. The measurement of investment strength was clarified. Officers would continue to maximise opportunities across the portfolio, review that properties were fit for purpose, and seek to generate revenue. The target was for a 5% p.a. increase in returns.
5. In response to queries about greenbelt land, it was advised that the £800m of capital value was a maximum estimated value if there was a change in planning status of land to permit it to be unlocked, in line with sites currently allocated within the Local Plan. The site list had been agreed by the previous Finance and Procurement portfolio holder. There was not a predetermination for selling greenbelt land. The assumptions were not part of the current budgetary process or medium term financial plan. The Local Plan would be just the first step and there would be many steps that would need to be gone through to cash in on any value.
6. Members queried data set out in the Investment Estate Benchmarking table. It was likely the table had been recycled from a previous presentation. It provided a guideline of how local authorities performed and to show the relative performance of Enfield, though it may not be like-for-like comparison.
7. Officers confirmed that a number of leases were known to be expired and there was work taking place to move to all being regularised and brought up to date. The data was being assembled. Officers agreed that written clarification would be provided to Cllr Georgiou as requested.
ACTION: Adrian Smallwood
8. In response to Members' queries regarding revitalising industrial estates, it was advised that a joint venture was being led from the Director of Development. Only day-to-day management of Claverings was under the Director of Development as the other estates were on long leases.
9. Fay Hammond responded to a query in respect of business rates. The way the rateable value was calculated was based on the rental value. She would be able to share information on business rateable value by type of business, and that an appropriate colleague would be able to attend a future meeting of the Panel to answer Members' questions.
ACTION: Fay Hammond
10. In response to Members' queries regarding processes between the Council's departments, it was confirmed that the local authority was treated as any other applicant into the process. In respect of officer satisfaction that all potential sites has been reviewed, officers would provide that information to Cllr Georgiou.
ACTION: Adrian Smallwood

6. HOUSING REVENUE ACCOUNT BUDGET OVERVIEW

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RECEIVED the presentation on 30 Year Housing Revenue Account (HRA) Business Plan 2022/23 to 2052/53.

NOTED

1. The introduction by Councillor George Savva (Cabinet Member for Social Housing) highlighting the pressures experienced particularly as a result of rising prices and interest rates. The HRA business planning assumptions were reviewed each year to ensure they remained viable and sustainable. Lobbying for improved funding would continue.
2. The Director of Housing and Regeneration confirmed the strategy which framed how the HRA ring-fenced account was used. The business plan review in December 2022 and the current priorities were highlighted. Borrowing costs had been hit, and strategic ways to mitigate risks were sought.
3. In response to Members' queries regarding negative Net Present Value (NPV) in the Financial Assumptions 2022/23, officers highlighted the importance of creating affordable housing, that new stock was less expensive to maintain, and that growth provided revenue.
4. The criteria for decency were clarified by officers, and that new requirements for building safety were separate to decency standards.
5. It was confirmed that good quality value for money new homes were created. Scope to bring existing stock to required standards often involved high costs and was challenging: the Department for Levelling Up, Housing and Communities were due to discuss these issues with Council officers in the next week.
6. The repayment period of 50 years referenced was valid due to the confidence in the housing stock being created.
7. In respect of energy efficiency / sustainability, around 250 new homes were connected to energetik's network; and in existing homes insulation of roofs and external walls, particularly for properties with low EPC ratings, was an area of focus and priority.
8. Investment should reduce the revenue used on reactive repairs by replacing rather than repeated visits for patch repairs.
9. The Council also aimed to work supportively with private landlords.

7. QUARTERLY MONITORING REPORTS

RECEIVED for information the quarterly monitoring reports (revenue and capital Q2 reports).

NOTED

1. Fay Hammond, Executive Director Resources, responded to Members' queries regarding the capital overspend in respect of Meridian Water.
2. The finite Covid-19 earmarked reserve was clarified, and that the longer term impacts in the future would be built into the Council's budgeting.
3. Key cost pressures in the Place Department were confirmed as Temporary Accommodation and SEN Transport. There had also been reduction in income.

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4. Councillor Georgiou raised the General Fund key issues within Place Department and would like a breakdown of numbers for comparison with previous years in respect of homeless residents. He noted that landlords were leaving the market in Enfield. Temporary accommodation pressures and the rental market and regulation were suggested as a good topic for discussion by this Panel.

ACTION: Fay Hammond / Joanne Drew

5. In response to a question regarding the under-recovery of Parking income, it was advised this was not expected to be a cost pressure in the next medium term financial plan.
6. It was queried if mitigating actions were being taken in respect of the additional pressure resulting from the award of appeal costs incurred relating to rejected / overturned planning appeals. A response would be sought in writing.

ACTION: Fay Hammond / Brett Leahy

7. In response to queries regarding the Finance function £450k residual forecast overspend, it was confirmed that there would be a report to the next meeting of the General Purposes Committee. Agency staffing had been reduced, but there would be recruitment to the corporate team.
8. In respect of work backlog in Place Department, it was advised that the Director had a timeline in place and was confident this would be resolved. Impacts from recovery from the pandemic were expected to taper off.
9. In respect of pressures relating to Digital Services, it was advised that a report was being presented to Cabinet on 18/1/23.
10. In respect of Meridian Water, it was advised that a report would be submitted to Cabinet in March regarding review of the model.
11. A response would be sought in respect of the Q2 approved capital programme entry in respect of 'Genotin Road (Metaswitch)'.

ACTION: Fay Hammond

8. WORK PROGRAMME 2022/23

1. Fay Hammond would check with counter fraud team on the appropriate time to provide an update report on P-card payment monitoring to the Panel.

ACTION: Fay Hammond

2. Fay Hammond advised that Fair Funding impact was not a live issue at the present time and suggested that it be deferred on the work plan. Members agreed that there were more immediate topics for discussion at the next meeting, and that an item in respect of Temporary Accommodation should be added to the work programme instead.

ACTION: Fay Hammond / Joanne Drew

3. Cllr Georgiou expressed disappointment that the Cabinet Member for Finance and Procurement had not been in attendance at this meeting, and hoped he would be able to attend the next meeting of the Panel.

9. DATE OF NEXT MEETING

The next meeting of the Panel was scheduled for Wednesday 29 March 2023.

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The meeting ended at 9.27 pm.