

BUDGET PANEL

6 September 2016

Present: Councillor Asif Khan (Chair)
Councillor M Hofman (Vice-Chair)
Councillors D Barks, N Bell, P Kent, Ahsan Khan, R Laird and
G Saffery

Also present: Councillor Mark Watkin

Officers: Shared Director of Finance
Head of Finance (Shared Services)
Committee and Scrutiny Support Officer

8 Apologies for absence/committee membership

Apologies had been received from Councillor Martins.

9 Disclosure of interests (if any)

There were no disclosures of interest.

10 Minutes

The minutes of the meeting held on 28 June 2016 were submitted and signed.

11 Budget Setting: 2017/18 and beyond

The Head of Finance provided the panel with a broad overview of the budget setting process for 2017-18 and beyond, including the role of Budget Panel.

Questioned about the likely changes to the budget, the Director of Finance explained the current uncertainties facing the council, particularly the four year financial settlement between central and local government and future arrangements for the retention of local business rate revenues.

The panel acknowledged the changing political climate in the UK following the EU referendum result in June, and the potential impacts this would have on the council's financial planning.

RESOLVED –

that Budget Panel note the budget setting process 2017/18 and beyond.

12 **Commercial opportunities for the Council**

The Panel received the report of the Head of Finance, who explained that commercial opportunities for the council had been discussed previously by Budget Panel on 27 October 2015.

Setting out progress to date, the Head of Finance outlined the commercial focus which was being brought to council decision making to increase income and the return on capital resources. This included the establishment of a new commercialisation group, which drew together a variety of expertise from around the council.

Panel members raised a number of questions about the Property Investment Board, which had been established to enable the council to rationalise and enhance the council's investment property portfolio, and on the formal arrangements for the Watford Community Housing Trust joint venture company. Panel members requested a short report on the council's current property investments.

There followed a wide-ranging discussion about other commercial opportunities the council might pursue, including examples from other local authorities. The Director of Finance advised that it was important for the council to balance risks against opportunities.

RESOLVED –

that Budget Panel note the contents of the report.

ACTION –

Director of Finance

- circulate a short report on the council's current property investments.

13 **Analysis of previous budgets and outturns 2014/15 to 2016/17**

The Panel received the report of the Director of Finance. This showed the revenue variances for each service for the financial years 2014/15 to 2016/17. He advised that meaningful comparisons prior to this period were not possible because the council had not set a revised budget.

RESOLVED –

that Budget Panel note the report.

14 **Finance Digest 2016/17 quarter 1**

The Head of Finance introduced the Finance Digest Q1 for 2016/17. This used a new format, which was intended to make the information more accessible and understandable.

Welcoming the new format, the Panel noted the expected outturn for 2016/17, which currently showed an unfavourable variance of £367,000 when compared to the latest budget. The Head of Finance advised that this was largely due to pressures for housing and temporary accommodation in the borough.

Panel members raised a number of questions regarding the council's income and expenditure, including its debt recovery policies for businesses, before exploring different approaches that might be considered for the Treasury Management Strategy.

RESOLVED –

that Budget Panel note the Finance Digest 2016/17 Quarter 1.

15 **Dates of next meetings**

- 29 November 2016
- 10 January 2017
- 21 February 2017

Chair

The Meeting started at 7.00 pm
and finished at 8.25 pm