

BUDGET PANEL

16 January 2018

Present: Councillor Asif Khan (Chair)
Councillor M Hofman (Vice-Chair)
Councillors N Bell, A Dychton, R Martins, M Parker and G Saffery

Also present: Councillor M Watkin

Officers: Deputy Managing Director and Director of Place Shaping and
Corporate Performance
Shared Director of Finance
Head of Finance (Shared Services)
Head of Community and Environmental Services
Head of Housing
Committee and Scrutiny Support Officer (IM)

21 Apologies for Absence/Committee Membership

Apologies were received from Councillors Fahmy and Shah.

22 Disclosure of Interests (if any)

There were no disclosures of interest.

23 Minutes

The minutes of the meeting held on 28 November 2017 were submitted and signed.

24 Finance Digest 2017/18 Period 8

The Head of Finance introduced the Finance Digest for period 8 2017/18. This showed the expected financial position (forecast outturn) for the current financial year, based on the actual performance at the end of period 8 (November 2017) set against the latest budget.

It was reported that the 2017/18 forecast outturn was under £15 million (£14.917 million), which gave a favourable variance of £548,000. The variance was better than previously forecast and was the result of a number of factors

including: reduced temporary accommodation costs and increased income from planning applications and building regulation fees.

The Head of Finance highlighted the capital programme, the forecast outturn for which was expected to be £12.123 million higher than the latest budget. This was mainly the result of a decision by the Property Investment Board to purchase two additional investment properties in Wallington and Wakefield following the disposal of a site in Watford.

Budget Panel members discussed the overall saving on temporary accommodation costs (of £535,000). The Head of Housing advised that the reduction was due to lower than anticipated demand, together with a reduced reliance on more expensive temporary housing provision. Homelessness rates across the country were increasing and Watford's current rates bucked this trend. Efforts continued to secure additional temporary accommodation in the town, particularly for families with children in local schools.

Panel members considered the roll out of universal credit and its likely impact on homelessness locally, particularly in regard to rent arrears problems. The Director of Finance advised that the government had acknowledged the difficulties which recipients had encountered in other parts of the country where this policy had been trialled and, as a consequence, policies had been put into place to alleviate the problem.

RESOLVED –

that Budget Panel notes the content of the Finance Digest 2017/18, period 8.

25

Budget report 2018-21

The Panel received the report of the Head of Finance which would also be presented to Cabinet on 22 January. This report included details of the proposed fees and charges for 2018/19.

Introducing the report, the Director of Finance highlighted some of the key features for Budget Panel to note. She advised that the papers included: the revenue budgets for 2018-21 and revised 2017/18 budget, capital programme for 2018-21, Council's income charging policy (including fees and charges) and the Treasury Management Strategy 2018/19. Changes to the revenue account mirrored the position outlined in the Finance Digest 2017/18, period 8.

The Director of Finance stated that it was currently envisaged to increase council tax by a further 2.99% in 2018/19. This was in line with the government's assumption of the council's spending power requirements. For a Band D

property, payments would increase by £7.62 a year or just over £0.14 a week. Hertfordshire County Council and Hertfordshire Police and Crime Commissioner were expected to seek full rises in their precepts.

Looking at the capital strategy and investment programme for 2017-21, members sought clarification on the timings for the planned redevelopment of the Town Hall. The Deputy Managing Director advised that the planned £2.31 million investment still required some feasibility and design work to be completed before a planning application could be submitted. This was likely to take a further six months.

The Chair questioned proposed fees and charges increases for cemeteries, in particular proposals to increase burial fees at the North Watford Cemetery for both Watford and non-Watford residents in 2018/19. He suggested that the fees for Watford residents should be frozen at current levels with proportionately higher fees for non-Watford residents in order to balance the budget in this area.

In response, the Head of Community & Environmental Services advised that the fees for this service had been increased by around the rate of inflation. He also explained that work was currently being undertaken to look at additional burial provision in the borough.

Additional work could be undertaken by a scrutiny task and finish group to investigate comparable charges in surrounding authorities and to establish a more accurate understanding of usage by Watford and non-Watford residents. Any significant changes to the fees and charges at the cemetery could then be introduced in the budget for 2019/20.

The Chair suggested that the demographic usage of the cemetery should be a further area of investigation. He stated that Muslim people had a religious obligation to be buried, rather than cremated, in the town in which they died and any increase in fees and charges would impact this community disproportionately. Any proposed changes should require an equalities impact assessment.

The Chair proposed a motion to recommend to Cabinet that the proposed increases in fees and charges for burials for Watford residents should be frozen at current levels with proportionately higher fees introduced for non-Watford residents in order to remain budget neutral. On being put to the vote, the motion was carried. Five members of the committee abstained on the grounds that there was insufficient information available on the cost implications of this proposal.

Members of the panel queried the hire rates charged for the use of Cheslyn Gardens. It was noted that the fees were very low and could be increased to bring them more into line with other market rates, whilst still enabling on-going usage by local grass roots groups with limited resources.

The Head of Community & Environmental Services acknowledged the scope for greater commercialisation of the house and gardens, including improved arrangements for booking events and for parking at the site. He advised panel members that this was the subject of a current review to devise a three year business plan which would seek to maximise income to the council.

A question was raised about the validity of the small increase proposed (£0.10) in the hourly parking rates for the pay and display machines within the town's controlled parking zones. Although the Deputy Managing Director responded to this, it was questioned whether the increase was necessary and would raise sufficient revenue to warrant the administrative costs.

There followed a discussion about the need for alternative payment methods for pay and display machines in Watford. The Deputy Managing Director reported that changes were expected to be introduced, with more on-line and contactless options to be explored, when the new parking contract began in April. It was hoped that this would bring improved efficiencies to the council's parking service.

The Chair invited Councillor Martins to propose a motion to freeze the current hourly parking rates for the pay and display machines within the town's controlled parking zones. On being put to the vote this motion was carried.

Budget Panel members considered the proposal for an extended pay band for section head grade (grade 11). In response to a question about whether this was equitable at a time of pay restraint at other officer levels, the Deputy Managing Director advised that the extended pay band was needed to retain key staff in a competitive job market and would apply to only a very small number of staff. It was a real issue and a threat to the organisation; where vacancies had arisen previously, it had taken considerable time to recruit and had been very costly. It was noted that there would be no budgetary impact from the proposal, which would require money to be found within individual departmental budgets to fund any extended pay bands.

RESOLVED –

1. to recommend to Cabinet that the proposed increases in fees and charges for burials for Watford residents should be frozen at current levels with

proportionately higher fees introduced for non-Watford residents in order to remain budget neutral

2. to recommend to Cabinet that the current hourly parking rates for the pay and display machines within the town's controlled parking zones be frozen
3. that Budget Panel's comments be noted and forward to Cabinet for consideration.

26 **Dates of Next Meetings**

It was noted that the next meeting would take place on:

- 14 March 2018.

Chair

The Meeting started at 7.00 pm
and finished at 8.15 pm