

Annual Scrutiny Report 2013/14

Copied below is Budget Panel's contribution to the Annual Scrutiny Report for 2012/13.

3. Budget Panel

Membership

Councillor Jagtar Singh Dhindsa (Chair)
Councillor Steve Rackett (Vice Chair)
Councillors Jeanette Aron, George Derbyshire, Sue Greenslade, Peter Jeffree, Asif Khan, Rabi Martins and Peter Taylor

The following Councillors also participated in Budget Panel during the year:
Councillors Nigel Bell (observer), Mark Hofman (as a substitute), Stephen Johnson (observer) and Malcolm Meerabux (observer)

The following Portfolio Holder attended Budget Panel meetings during the year:
Councillor Mark Watkin (Portfolio Holder for Finance and Shared Services)

3.1 The Panel's Work Programme for 2012/13:

The Panel met on six occasions during the year and considered the following:

- **Business Rates Retention** update was reported to the Panel, following on from its earlier discussion in October 2011. Neil Benn from CIPFA attended the meeting and gave a presentation to Members which explained the collection procedures at that time and the new scheme from April 2013. Members had several concerns which they voiced at the meeting. The Council's Economic Development Officer had provided information about the potential for Business Rate growth in Watford. Members had considered 'pooling' resources and did not rule it out completely, but it was felt more information was needed.
- **Localisation of Support for Council Tax** was discussed at three meetings, June, September and October. The Panel was kept informed of the Council's progress in devising a local scheme to support Council Tax payers. Members' views were sought on the consultation proposals. The Panel had favoured maximising the options to changes to Council Tax exemptions and discounts. Members were concerned about any changes which would have an impact on those people in receipt of Council Tax Benefit and that the responsibility for achieving the required savings should be placed on empty properties.

The Panel was kept informed of the progress of the consultation and received an interim report. Following the consultation Members were provided with details of the findings prior to a final scheme being developed and presented to Cabinet, which accepted Budget Panel's recommendation that current benefits claimants should not suffer.

- **Income Policy Review** was discussed in September. The Panel looked at the current income charging policy and other options that might be taken into account, for example commercial sponsorship. It had been felt that this had

been a good starting point and that more detailed work could be undertaken at a future meeting.

- **The Final Outturn for 2011/2012** was considered by Budget Panel prior to it being presented to Cabinet. Members discussed the Reserves statement and whether it was possible to use reserves to reduce Council Tax. Members had been informed that a reduction would only be effective for one year and that the next year an increase would be required.
- **The Finance Digest Budget Monitor** was regularly considered by the Budget Panel. Members monitored the expenditure, income and pressures on services. The Panel also discussed overspend within certain services.
- **The Medium Term Financial Strategy** was considered at the meeting on 23rd October, which provided an overview of the financial issues affecting the Council over the next five years. The Panel was interested in the Council's Reserves and whether they might help to offset any overspend.
- **Review of Controlled Parking Zone Reserve** was carried out by the Panel. Members noted the current levels of income received by the parking service and the potential draw on the Parking Reserve for proposed traffic related schemes. The Panel discussed the levels of increase for parking permits set out in the report and its related papers. After a lively discussion Members considered that an increase of 10% for the first permit and 30% for a second permit would be reasonable. This recommendation was forwarded to Cabinet within the Fees and Charges section of the budget report in January and was ultimately agreed by Council.
- **Budget update** provided a progress report on revenue estimate preparation for the 2013/14 budget. The report highlighted known information about Central Government funding and the Collection Fund. Members were advised that Cabinet had agreed to adopt the national Local Council Tax Support Scheme for 2013/14. This meant that it was not necessary to make reductions in benefit entitlement.
- **Shared Services Review** was presented to Budget Panel following the report's consideration at the Three Rivers and Watford Shared Services Joint Committee. Budget Panel broadly supported the strategy for achieving the residual £2.6 million of saving.
- **Update on Property** was provided at the last meeting of the Municipal Year. The Panel was informed about the projects the Property Team were involved in, including work with other Council departments. Members discussed the projects and the Council's property portfolio. The Head of Legal and Property Services and Property Section Head responded to Members' questions.
- **Draft Revenue and Capital Estimates 2013/2016** was discussed at the January meeting prior to its consideration by Cabinet and Council. Members considered the various components of the report including fees and charges, reserves and the Capital Programme. The Panel's comments were forwarded to Cabinet.

3.2 Training

Two training sessions were organised and took place at the beginning of the meetings held in September and November.

The first related to the Corporate Recharge System. This session explained the background and current system for recharging support costs to individual services. Members were shown examples of how support costs were calculated. They were also informed how changes to service provision, for example outsourcing, had an impact and recharge support costs would have to be shared between the remaining council-run services unless the required level of support services was reviewed.

The second training session involved a presentation on local government budgets. The financial procedures and legal requirements were explained.

The reports and minutes for Budget Panel are available on the Council's website – www.watford.gov.uk/budgetscrutiny

3.3 Chair/ Vice Chair's Commentary

This year has been another busy year for the Budget Panel with further cuts having been made by the Government.

I am pleased to say I thoroughly enjoyed Chairing the Budget Panel. The work carried out by the Panel is listed above.

The training sessions were organised for the benefit of new members on the Budget Panel and the feedback has been very positive.

All meetings attracted a very good attendance both from Panel members and interested member colleagues.

I feel that the Panel worked well with there being lively discussion on a number of occasions. It was generally felt that the political dimension had not intruded upon the ultimate decisions taken by the Panel.

Finally I would like to thank the Portfolio Holder for Finance and Shared Services, Councillor Mark Watkin for attending each meeting and answering questions. We would like to thank Bernard Clarke for all his hard work and providing experience and wisdom for the Budget Panel. I would like to wish Bernard Clarke all the best for his retirement and a very personal thank you for all his help to me as Chair. Thanks to all other officers who attended the meeting to present their reports and answer questions and my personal thanks to Sandra Hancock for her hard work/help.

Councillor Jagtar Singh Dhindsa
Chair of Budget Panel 2012/13