

## **BUDGET PANEL**

**27 OCTOBER 2015**

Present: Councillor A Khan (Chair)  
Councillors N Bell, S Counter, G Derbyshire, M Hofman, A Rindl  
and T Williams

Also present: Councillor Mark Watkin (Portfolio Holder)

Officers: Shared Director of Finance  
Finance Manager  
Committee and Scrutiny Support Officer

### **13 APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP**

Apologies had been received from Councillors Joynes and Whitman. In addition, there was one change of membership for this meeting: Councillor Rindl replaced Councillor Martins.

### **14 DISCLOSURE OF INTERESTS (IF ANY)**

There were no disclosures of interest.

### **15 MINUTES**

The minutes of the meeting held on 2 September 2015 were submitted and signed.

### **16 UPDATE ON ACTIONS**

The Committee reviewed the update on actions from the previous meeting. During discussions, the Panel focussed mainly on the list of properties for disposal.

Councillor Watkin clarified that the Council was seeking to rebalance its property portfolio, which had become biased towards retail. The existing portfolio had been categorised into three broad groups: social/community assets, including the theatres and community centres; business parks and shopping centres, including Intu; high cost/low return properties, the contracts on which were proving too costly to maintain.

Panel members asked a number of specific questions:

- the Chair queried whether it was intended that the Callowland Surgery 141A would be sold to the practice. Councillor Watkin confirmed that this was the intention;

- Councillor Bell sought clarification on the sale of 73 to 83b Tolpits Lane, specifically if this included both the retail units and the accommodation above. Councillor Watkin suggested that further information should be sought from the Programme Manager responsible.

RESOLVED –

that the Budget Panel note the update on actions and sign off those which were completed.

ACTION – Programme Manager (MJ)

to provide further information on the sale of 73 to 83b Tolpits Lane, specifically to clarify if this included both the retail units and the accommodation above.

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## **FINANCE DIGEST: PERIOD 5**

The Panel received a report on the latest Finance Digest, covering the period to the end of August, by the Finance Manager. This showed the expected financial position at the end of the financial year, based on the actual performance at the end of August 2015.

In a short oral presentation, the Finance Manager, confirmed that the report covered revenue and not capital, which would be included in the Finance Digest for period 6. The Finance Digest currently showed a favourable variance of £172,000.

Councillor Derbyshire welcomed the report, particularly the rise in income from Intu which reflected a more positive business and retail climate.

Reviewing the list of unfavourable variances in appendix 2, Councillor Hofman questioned the rising costs of bed and breakfast accommodation (an increase of £100,000), scanning documents for the planning portal (an increase of £92,000) and legal costs for land charges (an increase of £75,000).

The Director of Finance confirmed that it had been necessary to make additional provision for temporary accommodation as this issue became more pressing. In response to a supplementary question from Councillor Bell, she confirmed that further increases could not be ruled out.

Income accrued from planning applications varied from year to year and it was anticipated that more would come through as the year progressed. However the total number of applications was expected to be lower than in the previous year. The Chair commented that the description heading “scanning documents for planning portal” should be changed in future digests to aid clarity – the cost represented the time taken to scan documents, rather than the activity itself, which should be more efficient.

The increase in legal costs for land charges had been raised previously. It related to the searches carried out by local authorities when purchasing a property. The legitimacy of the charge for environmental information had been challenged in the courts and judged illegal. Watford Borough Council was now liable to pay litigation charges. The Council had set aside money, but it represented a future loss of income to the Council through the removal of this part of the search fees.

In a further question, Councillor Hofman asked whether there had been an impact on planning income from the Community Infrastructure Levy (CIL). The Director of Finance responded that the accounts were less likely to be affected by its introduction on 1 April 2015 due to the higher number of brown field developments in the Borough.

Councillor Bell commented on the timetable slippage in the redevelopment of Charter Place. The Finance Manager confirmed that the budget figures kept track of progress on the redevelopment and were adjusted as tenancy income reduced.

There followed a discussion about the poor rate of return on the Council's healthy reserves following a question from Councillor Hofman. The Director of Finance advised that Watford Borough Council, in line with the vast majority of councils, pursued a risk averse Treasury Management Policy. This had been agreed in response to losses incurred (not by Watford Borough Council) following the collapse of the Icelandic banks. Members suggested that this might be an area of entrepreneurship that could be investigated by the finance team.

Councillor Rindl asked for further information on the outstanding debtors listed under item 5. The Finance Manager confirmed that work was being undertaken to provide Panel members with more clarity and this would be sent out shortly.

RESOLVED –

that Budget Panel note the content of the Finance Digest.

ACTION – Director of Finance

to change the description heading “scanning documents for planning portal” in future digests to aid clarity

to provide more information on the outstanding debtors listed under item 5 of the Finance Digest.

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## **ENTREPRENEURSHIP**

The Chair introduced this item explaining that at its July meeting the Budget Panel had been keen to respond positively and creatively to the reduction in central government funding. The agenda report was intended to stimulate discussion.

Panel members acknowledged that Watford Borough Council had been far-sighted and innovative in recent years and had pursued policies to address actual – and anticipated – funding reductions. These included efficiency savings, outsourcing, shared Council services, property reviews and changes to fees and charges, which had placed the Council in a much more favourable position. However in the current political climate it was vital that the Council continued to explore new ideas.

There followed a wide-ranging discussion, which concluded the need for a flexible and varied approach by the Council. Examples of innovative policies pursued by other Councils were cited by members and it was recommended that more detailed research into best practice, particularly in regard to property initiatives, be undertaken by finance officers.

The Chair thanked officers for their report and responding to Members' questions and suggestions.

RESOLVED –

that Budget Panel note the entrepreneurship report and be consulted on future proposals in this area.

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#### **DATES OF NEXT MEETINGS**

- 1 December 2015
- 13 January 2016
- 23 February 2016

Chair

The Meeting started at 7.00 pm  
and finished at 8.00 pm