

## **BUDGET PANEL**

**1 DECEMBER 2015**

Present: Councillor A Khan (Chair)  
Councillor A Joynes (Vice-Chair)  
Councillors N Bell, S Counter, G Derbyshire, M Hofman,  
R Martins, M Whitman and T Williams

Also present: Councillor Mark Watkin

Officers: Shared Director of Finance  
Committee and Scrutiny Support Officer

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

There were no apologies for absence.

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

There were no disclosures of interest.

### **22 MINUTES**

The minutes of the meeting held on 27 October 2015 were submitted and signed.

### **23 UPDATE ON ACTIONS**

The Committee reviewed the update on actions from the previous meeting.

Committee members particularly welcomed the more detailed information on the outstanding invoices, which had been listed by service area only previously. This provided a much clearer analysis and should be included in future digests.

RESOLVED –

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

ACTION – Director of Finance

to include the more detailed analysis of debtors in future finance digests.

### **24 FINANCE DIGEST 2015/2016: PERIOD 6**

The Panel received the latest Finance Digest, covering the period to the end of September, by the Finance Shared Service. This showed the expected financial

position at the end of the financial year, based on the actual performance at the end of September 2015 (period 6).

Introducing this report, the Director of Finance advised that the Finance Digest showed an overall unfavourable variance of £981,000 for the end of the year, with an unfavourable variance of £589,000 reported for period 06. This included a number of key unfavourable variances over £20,000 including: £360,000 increase in the net cost of bed and breakfast accommodation for the homeless; £100,000 relocation costs for the town hall annexe (to accommodate the NHS) and £51,000 reduction in commercial rents due to disposals and voids.

The Chair then invited comments from the Panel.

Councillor Bell expressed concerns about the large increase in bed and breakfast costs and the impact that this had on the forecast outturn. The Director of Finance advised that the Council had a duty to house homeless people in the Borough. Alternative temporary accommodation options were being investigated. In parallel, the Council was seeking to make savings elsewhere in the budget.

Councillor Derbyshire questioned whether the upturn in bed and breakfast costs was purely about rising numbers, or whether it was also due to higher charging. The Director of Finance stated that there was not a definitive answer at this stage, but the real driver was the large increase in numbers struggling to find accommodation.

Looking at neighbouring local authorities, Councillor Williams commented that rising homelessness was a growing issue in many areas, including Hertsmere, Three Rivers and Broxbourne.

Councillor Hofman sought clarification on the NHS relocation costs. The Director of Finance explained that, whilst it had been known that a floor of the annexe would be let to the NHS, the costs of relocating the Council's housing team currently occupying the space had not been anticipated in the current year. Looking ahead, however, the change represented a further income stream for the Council.

Responding to a query from Councillor Counter, it was agreed to provide further details about the NHS department that would be occupying the space.

In a further question, Councillor Hofman queried the decrease in commercial rents shown in the Finance Digest. The Director of Finance confirmed that this was largely due to the redevelopment work in Charter Place and in some of the business parks owned by the Council.

Commenting on the outstanding debt level, Councillor Martins questioned the apparent discrepancy in the Council's policy towards the non-payment of council tax by residents and the large number of outstanding invoices from 1 April to 30 September 2015 (under item 5 of the Finance Digest). The Director of Finance explained that the Council maintained greater powers in regard to council tax

and business rate collection. Acknowledging Councillors' concerns, however, she agreed to revisit the Council's policies in this area to see if more could be done to reduce outstanding debt levels.

Councillor Martins sought clarification of the Section 106 Contributions included in the Council's capital investment programme. It was agreed that the Director of Finance would provide more information.

In response to a question from Councillor Joynes, the Director of Finance confirmed that the commercial rent figures for the New Market reflected a genuine expectation of income.

The Chair asked the Director of Finance to comment on the outcome of the recent Autumn Statement. She advised that there had been very little reference to local government and further information was awaited. However, there had been confirmation of the Government's intention to allow local government to keep all revenues from business rates by the end of the Parliament.

There followed a brief discussion of the Government's plans for a new social care "precept" in council tax of up to 2% to allow local councils to raise £2bn for social care. At this stage it was unclear how this would be managed between Hertfordshire County Council and Watford Borough Council.

RESOLVED –

that Budget Panel note the content of the Finance Digest.

ACTION – Director of Finance

- to look at Council policy in regard to outstanding debt to see if more could be done to reduce current levels
- to provide more information on the Section 106 Contributions included in the Council's capital investment programme.

ACTION – Committee and Scrutiny Support Officer

to provide further details about the NHS department that would be renting the space in the Town Hall annexe.

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## **DATES OF NEXT MEETINGS**

- 13 January 2016
- 23 February 2016

Chair

The Meeting started at 7.00 pm  
and finished at 7.20 pm

