

FINANCE SCRUTINY COMMITTEE

25 June 2019

Present: Councillor M Turmaine (Chair)
Councillor P Kloss (Vice-Chair)
Councillors D Allen-Williamson, N Bell, J Johnson, A Khan,
R Martins, J Pattinson and G Saffery

Also present: Councillor Mark Watkin and Councillor Bilqees Mauthoor

Officers: Head of Finance
Democratic Services Officer

1 Training: the role of the Finance Scrutiny Committee

The Head of Finance provided an overview of the role of the Finance Scrutiny Committee.

During and following the presentation, the Head of Finance responded to questions from members.

It was noted and agreed that the name change better reflected the function of the committee but that the overall scope and remit were the same.

2 Apologies for absence

No apologies had been received.

3 Disclosure of interests

There were no disclosures of interest.

4 Minutes

The minutes of the Budget Panel meeting held on 12 March 2019 were submitted and signed.

The Chair expressed his thanks to Councillor Bashir for his work in chairing the Budget Panel.

Financial Outturn 2018/19

The Panel received the report of the Director of Finance. The report informed Finance Scrutiny and Cabinet of the revenue and capital outturns for the financial year 2018/19. The committee was asked to review the recommendations for Cabinet and consider any recommendations it wished to make in respect of these to Cabinet.

The Head of Finance introduced the report and highlighted the key areas, in particular:

- £800,000 variance which was to be returned to the capital funding pot
- £330,000 underspend on Watford 2020
- £118,000 unbudgeted income from the market
- Staff vacancy savings of £343,000
- Local plan underspend of £300,000
- £204,000 savings on costs of property advisors

She also explained the large reserves held by the council, for example for the major Riverwell project.

In response to a question from the Chair about risks around staff vacancy savings, the Head of Finance explained that whilst vacancies offered savings, there was the possibility of adverse effect upon service delivery. It was also noted that recruitment to some vacancies was being held pending the outcome of Watford 2020 reviews.

The Chair commented on the large variance shown on the transfer to reserves. The Head of Finance explained that this was due to the Riverwell project, the economic impact reserve, the housing benefit subsidy and the car parking zones where there was a legal requirement that this money could only be used for parking matters.

In response to questions from the committee the Head of Finance explained that some of the budget variances that were highlighted were due to slippage and delays in complex projects.

There was a question from Councillor Bell concerning an overspend for Woodside sports village. The Head of Finance and the Portfolio Holder jointly responded that the expenditure was ahead of schedule and the £11,000 had been spent to ensure that the project could progress in a timely fashion.

Councillor Khan asked about the significant spending on Riverwell. The Head of Finance replied that this represented the equity invested in the joint venture, including land values, and that the reporting had been updated so that where equity from earlier phases was reinvested the gross figure was reflected within the capital programme.

There followed a short discussion about where home improvement loans were administered and funded from. The Head of Finance confirmed that this was done through the Hertfordshire Home Improvement Agency.

At the request of the Chair the Head of Finance explained to the committee about the council's reserves.

RESOLVED –

- that the Finance Scrutiny Committee supports the recommendations to Cabinet as set out in the report.

6 **2019/20 Work Programme**

The committee received the draft 2019/20 work programme. It was explained that this had been agreed with the Head of Finance and the Chair, but any suggestions for the programme were welcomed.

The following amendments were agreed:

11 September 2019 - training on the council's internal borrowing activities would be replaced by reports on-

- a) Service and Budget Planning Framework
- b) Funding and Resource Forecast

14 January 2010 - training on local authority treasury management, would take place at 6.30pm before the meeting, for councillors to attend if they wished.

It was agreed that the work programme for the March 2020 meeting would be returned to the agenda at the November meeting for a decision on additional work.

RESOLVED –

that the Finance Scrutiny Committee approves the work programme for 2019/20.

Chair

The Meeting started at 7.00 pm
and finished at 8.05 pm