

FINANCE SCRUTINY COMMITTEE

4 March 2021

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

Also present: Councillor M Watkin (Portfolio Holder for Resources and
Customer Service)
Councillor S Johnson (Portfolio Holder for Housing and
Property)

Officers: Interim Head of Property
Section Head - Financial Planning
Democratic Services Officer (AG)

25 Apologies for absence

No apologies for absence had been received.

26 Disclosure of interests

There were no disclosures of interests.

27 Minutes

The minutes of the meeting of Finance Scrutiny Committee held on 12 January 2021 were approved. They would be signed at the Town Hall at a later date.

28 Finance Digest Period 10

The committee received the report of the Section Head – Financial Planning and Analysis. The report informed the committee of the Council’s 2020/21 financial position at the end of January 2021 (Period 10). The Section Head – Financial Planning and Analysis introduced the report and advised that it would not be expected that there would be many variances at this stage as the last budget was approved by Council on 26 January 2021.

The Section Head – Financial Planning and Analysis highlighted the key areas, in particular he explained that:

- Half of the unfavourable variance in the revenue budget forecast outturn was attributable to health and safety prosecution costs and with the potential of recovering some or all of the monies. £45k of the variance related to additional resources in the Environmental Health section that were required due to an increase in workload as a result of Covid-19, and with a further £44k relating to the town hall project which would be met by the programme management board.
- 89% of the council budget had been spent to the end of January 2021; which would be expected at this time of the financial year.
- The council had received £1.3m from local government's emergency funding as a result of the Covid-19 pandemic. The Council could be entitled to £1.2m under the government's income guarantee package with a sum of £0.573 received to date. However, the receipt of further monies in this regard was not guaranteed.
- The Chancellor had extended the grants to small businesses until June 2021 and further monies may be received.
- Services were now forecasting an outturn position of £49.472m in the capital budget resulting in a favourable variance of £0.642m. He advised on a number of the schemes that had resulted in this outturn position.
- With regard to staff vacancies, some of these were filled by interim staff resulting in an actual vacancy rate of 5%.
- In relation to key risks, there was no guarantee that normality would return in June 2021; and with any further lockdowns impacting on costs. The council had set up a Covid-19 recovery fund of £1m from reserves to help deal with the effects of the pandemic.
- Commercial income was sustainable locally. However, the government was looking at the efficacy of councils investing outside of their local area and the matter was under consultation. There were concerns around high risk investments.

The Section Head – Financial Planning and Analysis also discussed matters in relation to the Croxley Business Park, the Colosseum, business rates and council tax, the Town Hall Quarter, aged debtors and Treasury Management; as outlined in the report. He advised that council reserves were healthy.

He concluded by informing the committee of a number of the key elements arising from the Chancellor's recent budget, including advising that 100% business rate relief was continuing until the end of June 2021, £425m would be available for discretionary business grants, furlough would end in September 2021, business rate re-modelling had been delayed for another year and would commence at the earliest in 2022/23, and re-start grants for non-essential retail

would amount to £6k and grants for hospitality and leisure would amount to £18k.

In response to questions from members, the Section Head – Financial Planning and Analysis:

- Undertook to provide a written response to the committee on the number business rate relief applications received that year and the number of businesses that may be entitled to the relief in the Borough.
- Advised that in relation to the Colosseum, the £190k saving in the management fee and the £150k income from the BBC for their ongoing use of the venue would be sufficient to fund the management of the premises. Furthermore, it was likely that there may be a surge in spending in June if all went to plan in the easing of lockdown; with people wanting to go out for leisure activities. The Colosseum would play a major part in this regard.
- Explained that in relation to staff vacancies the most important positions had been filled and with senior roles having interim staff in post. He was not aware of vacancies having caused issues with regard to the provision of services in the customer services centre.

Members discussed the importance of commercial rents as these represented 33% of the council's income. The council had invested wisely and with the investments outperforming the market. However, there may not be the same flexibility in the future.

With regard to customer services, members felt that the team was performing very well and meeting targets. There had been a significant shift in the use of on-line resources to obtain information that had been accelerated by the Covid-19 pandemic. Members concluded by discussing matters in relation to the future of the Colosseum including works to renovate the building going forward.

RESOLVED –

1. to consider the 2020/21 Period 10 Finance Digest as shown in Annex A, and note both the revenue and capital forecast outturn positions.
2. make any recommendations to Cabinet/Council.

29

Exclusion of press and public

RESOLVED –

that, under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is

likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated on the agenda in terms of Schedule 12A.

30

Croxley Business Park

The committee received a presentation from the Interim Head of Property on the Croxley Business Park.

Members discussed the presentation, and the Interim Head of Property responded to questions and comments.

RESOLVED –

that the presentation and the committee's comments be noted.

Chair
Finance Scrutiny Committee

The meeting started at 7.05 p.m.
And ended at 8.25 p.m.

