

## **FINANCE SCRUTINY COMMITTEE**

**13 September 2021**

Present: Councillor M Turmaine (Chair)  
Councillor P Kloss (Vice-Chair)  
Councillors K Clarke-Taylor, R Martins, G Saffery, B Stanton and  
D Walford

Also present: Councillor Mark Watkin

Officers: Head of Finance  
Senior Democratic Services Officer (JK)  
Democratic Services Officer (OE)

### **8 Apologies for absence**

Apologies for absence had been received from Councillors Khan and Parker.

The new Head of Finance was welcomed to her post.

### **9 Disclosure of interests**

There were no disclosures of interest.

### **10 Minutes**

The minutes of the meeting of Finance Scrutiny Committee held on 28 June 2021 were signed.

### **11 Finance Digest - Quarter 1**

The committee received a report of the Section Head – Financial Planning and Analysis. The Head of Finance introduced the report. This was the first monitoring report of 2021/22 covering the period up to the end of June. The key areas highlighted were:

- The latest budget was £13.957 million including the carry forwards which had now been added.
- The forecast outturn was £14.444 million which gave an unfavourable variance of £0.487 million.

- The additional support to the leisure operator and the loss of the management fee remained consistent with the update in June.
- It was expected that the council would be able to recover some lost income from the government's income guarantee scheme, but guidance on this had not yet been issued. The claim for 2020/21 had been paid at a higher level than the amount accrued.
- There was an underspend of £23 million in the capital programme due to rephasing of projects.
- The reserves were in a strong position but were currently overinflated by the £19.38 million collection fund. This amount would be repaid to the government and would be recovered through the collection fund.
- The spend to date was at 43%, rather than the expected level of around 25%, this could be explained by the timing differences between paying out grants and receiving the income from government.
- Commercial income, business rates and council tax income were all performing well.
- Data on debtors remained promising as a substantial amount of the outstanding debt had been received just outside the reporting period.

Responding to a question about the capital projects, the committee was reassured that capital programmes often saw slippage with the investments happening at a later stage than originally anticipated.

The committee noted the significant variance under community and environment, this was substantially due to the loss of income and additional support for the leisure operator. It was hoped that the funding could be recovered over the life of the contract or through the income guarantee scheme.

The Portfolio Holder observed the large proportion of the council's income which came from commercial rent which was holding up well despite the circumstances.

RESOLVED –

that the committee notes the 2021/22 Finance Digest including the revenue and capital forecast outturn positions.

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### **Financial Planning - budget setting process**

The committee received the report of the Section Head – Financial Planning and Analysis setting out the process to determine the medium-term financial strategy (MTFS) for 2022-2025, the related service plans, and the allocation of financial resources to achieve them.

The Head of Finance introduced the report. The budget framework started with the council plan which was supported by the delivery plan with detail provided in all the service plans over the course of the MTFs. This was all underpinned by the revenue strategy.

There were a number of assumptions built in to the strategy including annual council tax increases of 1.99%, fees and charges increases of 3% and pay increases of 3%. The recent changes to national insurance had not yet been factored in, the cost was estimated to be £0.117 million which was likely to be funded by the government.

Regarding the capital investment programme, the committee was advised that officers would carry out detailed options appraisals with opportunities for invest to save and new income streams being regarded more favourably.

The Portfolio Holder noted that whilst officers needed to make assumptions around council tax levels it remained a political matter with the decision being made by the Mayor and Cabinet. The report did not predict the executive's view in the future. He also explained that references to 'balanced budgets' allowed for reserves to be used to cover shortfalls in income.

RESOLVED –

that the Finance Scrutiny Committee notes the 2022/23 financial planning - budget setting process as shown in Appendix 1 to the report.

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### **Budget proposals**

The committee received a report of the Chair of the committee outlining a number of budget proposals. The Chair introduced the report explaining that the idea was to bring suggestions to the committee that the administration might like to include in the forthcoming budget. The proposals were all in operation in other parts of the country.

The Vice Chair advised that the proposals had been discussed with the Mayor and Cabinet. Some proposals could be taken forward, for others the agenda was being addressed in other ways and others were the responsibility of the county council. There was one suggestion which could be picked up by ward councillors in their locality budgets.

The proposals which could be taken forward were:

- Happy to chat benches. These would not be particularly expensive if existing benches were used.

- Fly-tipping. Although this issue had reduced between 2016 and 2019 it had increased by 27% in the last year. Some officers had been redeployed as part of the response to Covid and these resources would be reallocated back to fly-tipping.
- Age-friendly town. There were already plans in place to develop a formal programme.

As Mental Health Champion for the town, Councillor Martins welcomed the 'happy to chat benches' and commented they would work well with other mental health programmes in the town.

Referring to the dog waste disposal bags, there was a view that owners needed to take responsibility for their pets

Others welcomed the provision of support for Afghan refugees but also highlighted the needs of veterans.

RESOLVED –

that the Finance Scrutiny Committee support the three proposals to be recommended to Cabinet for implementation.

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#### **Vote of thanks**

The committee and the Portfolio Holder put on record their thanks to Nigel Pollard, Section Head – Financial Planning and Analysis, who would be retiring shortly. He had been an officer at Three Rivers District Council for over 30 years and he was a dedicated officer who had served both councils with skill and dedication. His support to this committee and its predecessors had been invaluable to their success.

Chair

The Meeting started at 7.05 pm  
and finished at 7.40 pm