

FINANCE SCRUTINY COMMITTEE

21 November 2022

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

Also present: Councillor Mark Watkin
Sean Brew (Lambert Smith Hampton)

Officers: Head of Finance
Associate Director of Property and Asset Management
Democratic Services Manager

14 Apologies for absence

There was a change of membership for this meeting: Councillor Rodrigues replaced Councillor Nembhard.

Apologies for absence were received from Councillor Khan. No apologies were received from Councillor Martins.

15 Disclosure of interests

There were no disclosures of interest.

16 Minutes

The minutes of the meeting held on 14 September 2022 were submitted and signed.

17 Financial Monitoring Report - Quarter 2

The committee received a report of the Head of Finance which set out the financial position for the second quarter of 2022/23.

The Head of Finance introduced the report and provided a summary of its content. She highlighted elements of the revenue and capital summaries. The recent employee pay award for 2022/23 had been built into the budget forecast.

The forecast overspends set out within the report had been partially offset by forecast underspends from across the council. The capital programme had been reviewed and any request for re-phasing would be presented to Cabinet later in the financial year. The report also included the latest forecasts for the General Fund and Earmarked Reserves.

The Chair thanked the Head of Finance for her report. He noted that uncertainty, due to risks in relation to the current economic situation, were detailed within the report.

The Chair invited the committee to ask questions or comment on the report.

The Head of Finance responded to members' questions. These included reference to the Public Works Loan Board, which was still considered to be the long term lender for councils; increased costs for the parking service; housing service costs and the impact of Covid-19 on demand; Capital Investment Programme and re-profiling.

The Portfolio Holder commented on the detailed explanations given by the Head of Finance on the current situation. He considered there to be less uncertainty than there had been a few weeks ago. He felt the position was slightly more stable. He hoped that the following year would provide more certainty.

The Associate Director of Property and Asset Management explained about the drop in revenue related to Atria and intu falling into administration.

RESOLVED –

1. that the Financial Monitoring Report 2022/23 – Quarter 3 has been considered and both the revenue and capital forecasts for 2022/23 are noted.
2. that the scrutiny committee has no recommendations for Cabinet or Council.

18

Property Investment Board and Croxley Park Updates

The scrutiny committee received a presentation from Sean Brew, Managing Director of Lambert Smith Hampton Investment Management, which set out a brief summary of the council's core portfolio and Croxley Park update.

Due to the commercially sensitive information contained in the remainder of the presentation the Chair moved the 'Exclusion of Press and Public' recommendation as set out below.

19 **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 items of business as it was 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 items there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated below in terms of Schedule 12A.

20 **Property Investment Board update**

The presentation and discussion were exempt from publication in accordance with paragraph 3, Schedule 12A as they contained commercially sensitive information.

Sean Brew and the Associate Director of Property and Asset Management continued their presentation and responded to members' questions.

RESOLVED –

that the update be noted.

21 **Croxley Park update**

The presentation and discussion were exempt from publication in accordance with paragraph 3, Schedule 12A as they contained commercially sensitive information.

Sean Brew and the Associate Director of Property and Asset Management continued their presentation and responded to members' questions.

RESOLVED –

that the update be noted.

Chair

The Meeting started at 7.00 pm
and finished at 7.55 pm

LSHIM
INVESTMENT MANAGEMENT



WATFORD
BOROUGH
COUNCIL

Finance Scrutiny Committee

Sean Brew MBA MRICS
Managing Director, LSHIM

November 2022

Part A – Core Portfolio & Croxley Park General Update

- The Core Portfolio now comprises of 69 assets located across South West Hertfordshire, Birmingham, Wallington, Wakefield, Rushden and Newcastle Under Lyme. The Core Portfolio has a total contracted rent of £7.59m per annum as at November 2022 (compared to £7.53m in November 2021).
- LSH Investment Management and Columbia Threadneedle Investment (CTI) are appointed to support the Council as Asset and Investment Managers at Croxley Park. It is noted that CTI's appointment as asset advisors terminates in December 2022 and this role is being picked up by LSHIM.
- Croxley Park currently has 62 tenancies in place, the business park has a total contracted rent of £13.13m per annum as at November 2022 (compared to £11.53m in November 2021.)
- Occupancy on the Croxley Business Park has increased since Covid-19 restrictions relaxed. Total residents on the Park is now circa 1,500 Monday to Thursday, falling off at the end of the week to around 700. In Q3 2021 residents on the Park was circa 1,200, a significant increase on Q2 2021 which saw levels fall to 850. The levels are still down on a pre-Covid occupation rate of around 2,400 per day.

LSHIM

INVESTMENT MANAGEMENT

LSH Investment Management Limited is an appointed representative of Langham Hall Fund Management LLP, an entity which is regulated and authorised by the Financial Conduct Authority of the UK.

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