

Finance Scrutiny Committee

12 January 2021

Present: Councillor Turmaine (Chair)
Councillor Kloss (Vice Chair)
Councillors Allen-Williamson, Bell, Khan, Pattinson, Saffery (minute numbers 23 and 24), Stanton and Walford

Also present: Councillor Watkin (Portfolio Holder for Resources and Customer Services)

Officers: Director of Finance
Interim Head of Finance
Democratic Services Officer (JK)

24. Financial Planning

The committee received a report of the Director of Finance with details of service level expenditure, funding and council tax levels for the medium term 2021/22 to 2023/24, including the use of reserves and the 2021/22 Council Tax calculations.

The Director of Finance introduced the report and noted that the updated version of the papers were on the website. The key points to note, beyond those highlighted in the Finance Digest, were that overall there was a budget gap of £0.477 million, there had been savings in borrowing costs and the Demand Responsive Transport underspend was carried forward. There were also minor changes including to business rates, staff costs, changes in savings from the Watford 2020 programme and realignment of budgets.

The £0.471 million grant from the government would be incorporated into the renewal fund for Covid support or recovery, as appropriate. Covid-19 had also had a significant impact on the council tax base which had seen a reduction for the first time due to the number of council tax support payments and an increase in single person discounts. While there would be some government support in 21/22, and potentially beyond, to reflect this, it was anticipated that levels would take some time to normalise, in part due to delays experienced in some forthcoming developments.

The reserves were in a sustainable position with a lower use of reserves than planned. The budget gap to be funded from reserves was £0.477 million over three years.

While there was not a significant change in expenditure in the coming year, it was noted that there was further investment planned in the capital programme for Market Street, Queens Road and St Albans Road.

Responding to a question about car park charges, officers advised that further losses were anticipated in quarter 1 of 21/22 to be covered by the income guarantee scheme which was considered the most reliable basis for the budget in this regard. Additionally the extension to CPZ vouchers and the suspension of other parking fees had been accounted for in next year's income.

It was noted that the Labour group intended to provide a fuller response to budget proposals at the meeting of Full Council.

RESOLVED –

1. that the budget (Attachment 1) as laid out in the report, including:
 - the base budget for 2021/22
 - the Capital Investment Programme 2020-24were considered.
2. that the schedule of fees and charges and the income charging policy (Attachment 2) were considered.
3. that the capital strategy for 2021/22, including the Treasury Management policy (Attachment 3) were considered.
4. that the advice provided by the Director of Finance on the robustness of estimates and the adequacy of reserves was noted.
5. that the indicative budgets for 2022/23 and 2023/24 were noted.
6. That the comments of Finance Scrutiny Committee be forwarded to Cabinet.

Chair
Finance Scrutiny Committee

The meeting started at 7.05 pm
and finished at 7.40 pm