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Overview and Scrutiny Committee
16 January 2024

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the OVERVIEW AND SCRUTINY COMMITTEE held on Tuesday 16 January 2024 at 7.30 pm in the Council Chamber

PRESENT: Councillors L.Musk (Chair)
T.Rowse (Vice-Chairman) and A.Hellyer (Vice-Chairman)
G.Michaelides, L.Crofton, M.Siewniak, C.Stanbury,
S.Thusu, R.Trigg, T.Mitchinson, A.Nix, D.Panter,
B.Sarson and K.Thorpe

OFFICIALS: Sheila Saunders, Legal Services Manager
PRESENT: Sue McDaid, Service Director (Resident and Neighbourhoods)
Richard Baker, Executive Director (Finance and Transformation)
Clare Cade, Governance Services Manager

87. SUBSTITUTION OF MEMBERS

There were no substitutions of members.

88. APOLOGIES

There were no apologies for absence.

89. MINUTES

To confirm as a correct record the Minutes of the meeting held on 14th December 2023 (previously circulated).

90. NOTIFICATION OF URGENT BUSINESS TO BE CONSIDERED UNDER ITEM 7

There were no notifications of urgent business.

91. DECLARATIONS OF INTERESTS BY MEMBERS

Councillor Thusu declared an interest as a County Councillor.

92. BUDGET AND MEDIUM TERM FINANCIAL FORECAST 2024/25

The Chair informed the Committee that OSC had been asked to make recommendations to Special Cabinet to consider at its meeting on the 23rd January 2024, before putting the budget to Full Council on the 5th February 2024.

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The Chair of the Budget Task and Finish Group provide the Committee with the following update:

“The Budget Task and Finish Group met in October and December following the approval of the medium term forecasts by Cabinet. At the first session, we were given an overview of the forecasts and the anticipated budget gap for the next three years. We discussed some of the newer pressures facing the Council, including reductions in planning income and an ongoing increase in demand for temporary accommodation.

At the meeting in December, we discussed most of the proposals that have been included in the proposed budget, along with an overview of the community's views on the budget principles, particularly around fees and charges.

We met again last night to receive an update on the provisional local government finance settlement which was more positive than previously expected, although it was only provided with a one year settlement. We were also given an overview of the approach to fees and charges. A standard approach of increases in fees and charges by 10% has been adopted in the budget, and any exceptions to this approach were explained in the meeting. Members asked a number of questions around these exceptions to obtain clarity and detail around the proposals. Members of our Group expressed their concern at the assumed reduction in the planning fees and the reduction in the staffing costs at Campus West.

Officers explained the proposal to reduce the borrowing requirement through the transfer of land to the HRA for new housing developments, or potentially its sale on the open market. The Group discussed this; recognising the positive financial impact this has on the budget but also noting that assets can only be disposed of once which needs to be considered carefully. Taking these updates into account, it was explained to the Group that the proposals provided a balanced budget with a small use of reserves of £10,000s.

The Panel received an update on the new financial forecasts which includes a reserve strategy. This strategy will utilise some of the Council reserves to reduce a savings target in the areas in the earlier years of the Medium Term Strategy and smooth the impact of any service changes or fees and charges increases over this period. Similar to the proposal around assets Members highlighted that reserves can only be used once and we discussed the risks around these proposals. Officers explained how the use of reserves went in response to specific risks and could not be used if those risks do not occur.

They also explain how the Council would still be above the minimum assessed reserve levels at the end of the medium term period if the smooth savings targets are delivered.

The forecast were explored in more detail and it was noted that the council tax increase assumed for the last year of the medium term forecast may be on the low side. Officers explained that the lower percentage was used in the last year for prudence as it was unclear what referendum limits may be by that time and if

they are set higher it could potentially generate the fact that £50,000 to £100,000 in the final year of the forecast.

Planning income was also discussed, it was recognised by the Group that, with the market improving and the Local Plan being agreed, planning income may start to increase again.

Officers explained, this has been considered and there is a section included in the medium term financial strategy highlighting this as a key income stream that may have a positive impact on the medium term forecast, and would be monitored closely in 24/25.

In conclusion, the Panel acknowledge the challenges with financial forecasts due to a single year settlement and the large savings requirements over the next three years, and had no specific recommendations due to the Overview and Scrutiny Committee in relation to the budget. Finally, I would like to thank the officers, especially Richard and Helen, for the work that hard work in producing this budget and the support the generous support they've given to the task and finish group, thank you."

During the discussion members raised the following points:

- A member queried the increase in charges of 10% reflecting inflation, given inflation now being lower than that. It was clarified that these increases reflect the inflated costs that Council had experienced during the past 12 months, and was also a way to ensure a balanced budget was delivered there are many fees and charges and council tax where increases are capped.
- It was highlighted that the results of the community feedback had highlighted the community would rather see increases to charges than services reducing or being stopped.
- Blue badge holders and carers are exempt from some parking charges in council car parks. It was queried whether the council would be subsidising private carer companies by removing parking charges. It was anticipated that the removal of charges for blue badge holders would cost approximately £9,000. Unpaid carers could contact the Parking Team to discuss options.
- A member asked what steps are being taken to ensure the best value for the disposal of assets, and had it been considered it would be better to sell these at a later date once the market had improved. Officers clarified that there was a target of £3.2million A third has been delivered through a capital receipt this year, associated with the release of a covenant. The remainder would be generated from the Council's garage stock with appropriations to the HRA for the delivery of new social housing as the preferred route, although if unviable open market sales would also be a potential disposal route.
- There would be an increase in the cost of general public parking costs and there were a number of considerations for these decisions such as the category of user (commuter, social use), availability of other car parks, and other policy decisions. It was highlighted that car parking charges have been increased at a lower percentage at the weekend to encourage more social use.
- Officers confirmed fees related to Licensing are currently at the maximum, those that had increased were being brought to the maximum amount allowed in statute for licensing. For gambling in particular there are minimum and maximum

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charges which are allowed under legislation, for those which had not increased they are already at the maximum amount.

- It was asked whether increasing taxi licensing by 10% would discourage people from applying. It was felt that this would be a risk with any increases to fees and charges but fees are comparable when benchmarked with other Hertfordshire borough/district councils and it appears the determining factor as to where drivers decide to licence is proximity to their home address rather than perhaps the fee.
- Officers clarified that the budget proposals had been reviewed in detail, and the impacts had been considered and that the current position was achievable.
- Planning fees had been flagged as a potential opportunity and would be monitored throughout the new financial year.

RESOLVED

That the Committee note the work of the Panel in scrutinising the budget proposals and to note that the Panel found the budget proposals to be financially sound, and that these observations should be shared with the Cabinet

93. SUCH OTHER BUSINESS AS, IN THE OPINION OF THE CHAIRMAN, IS OF SUFFICIENT URGENCY TO WARRANT IMMEDIATE CONSIDERATION

There were no items of urgent business.

94. EXCLUSION OF PRESS AND PUBLIC

95. ANY OTHER BUSINESS OF A CONFIDENTIAL OR EXEMPT NATURE AT THE DISCRETION OF THE CHAIRMAN

Meeting ended at 20.02