

WELWYN HATFIELD BROROUGH COUNCIL
SPECIAL CABINET – 23 JANUARY 2018

Comments from the Resources Overview and Scrutiny Committee on 18 January 2018:-

2018/19 BUDGET REPORT:

The Committee received a report of Executive Director (Resources, Environment and Cultural Services) which advised that the Cabinet at its meeting held on 9 January 2018 had considered the details for the proposed General Fund Budget, Capital Programme, Housing Revenue Account Budget, Medium Term Financial Strategy and Treasury Management Strategy for financial year 2018/19.

In accordance with the Council's budget and policy framework rules, the Resources and Overview Scrutiny Committee was formally invited to consider the proposals as part of the budget setting process and make comments to the Special Cabinet meeting on 23 January 2018.

During discussion the following points were raised and addressed:-

- Council Tax calculation and Universal Credit – members asked what would happen if the council tax collection rate drops by a substantial level and that it may not have sufficient income to pass on the money to major preceptors. Officers clarified that there are monitoring mechanisms in place to ensure that the Council does not find itself in such a position, also a dialogue would be opened up with other principal authorities in the event of a drop in Council Tax.
- The effects of universal credit on claimants and concerns raised included rent arrears and waiting time. Officers have already factored in potential rent arrears into the budget. Officers advised that there was a lot of work being undertaken by the Housing department in terms of housing stock and financial matters.
- Autumn Statement – new homes and the income being awarded. The proposed changes in the government consultation had not taken effect for the New Homes Bonus Grant in 2018/19 and still remained a risk for the Council.
- Why the Council had agreed to increase the Council Tax by £5 and not the full 3%. It was viewed that with the way that the 18/19 budget is delivered, a £5 increase in council tax would enable the budget to be balanced.
- Business Rates pooling arrangements – Officers advised that the Council had been accepted for 2018/19.
- Members sought clarification on the reserves (£10m) and how the Council had maintained such a reserve. This was noted as being due to excellent financial management and funds earmarked for potential projects. Further consideration was given to utilising some funds on much needed services within the Council and the Executive Member for Resources simplified why and how the reserves had been maintained and the need for future

investments and that being in a stronger position to deliver services during any impending periods of uncertainty. Putting reserves to work increased income for the Council.

- IT – Windows 10; why has the Council paid when there was an opportunity of having software for free? It was noted that unfortunately it was not free for businesses only for personal use.
- Campus West savings of £200k; Officers clarified that the savings would mainly come from staffing changes, review of marketing budget and changes in prices. The Campus West Cabinet Panel meeting have reported on the new menu and Roller City's programme and unanimously agreed with the proposed 2018/19 fees and charges for Campus West.
- Sponsorship of roundabouts – Members asked about how much income has been generated and it was agreed that a written response be provided to Committee Members.
- VAT error to be corrected – P66 of the report.
- Funds for replacing the play area at KGV – officers advised that this project had not been included in the 18/19 capital programme, but can be put forward for consideration for budget setting in future years.
- Repayment of loans – Officers advised that the Council may be taking out a further loan for the HRA to support the continuation of the Affordable Housing Programme and to refinance some its current debt. The borrowing requirement will be kept under close review and in line with the Borrowing Strategy set out in section 11 of its Treasury Management Strategy within Appendix M.
- Members enquired about the trend of right to buy and the assumption of 70 properties each year until 2021/22. It was noted that the housing stock was in the region of 9000 and it was projected that this number would be maintained. Private houses had been purchased to maintain levels and there may be additional investment in new stock in order to fully utilise the retained right to buy.

RESOLVED:

That the Committee's comments on the Council's budget proposals for 2018/19 be submitted to the Special Cabinet meeting on 23 January 2018 for consideration following which the budget would be presented to Council meeting 5 February 2018.