

Report to Council – 29 January 2019

Report of Cabinet – 21 January 2019

Cabinet met on 21 January 2019. The minutes are published on the Council's website.

The following Members were present at the meeting:

Present: Mayor Taylor (Chair)
Councillor Collett (Deputy Mayor and Portfolio Holder for Community)
Councillor Williams (Portfolio Holder for Client Services)
Councillor S Johnson (Portfolio Holder for Property and Housing)
Councillor Watkin (Portfolio Holder for Resources and Customer Service)
Councillor Bolton (Cabinet member without Portfolio)

Officers: Managing Director
Deputy Managing Director and Director of Place Shaping and Corporate Performance
Director of Finance
Head of Finance
Head of Democracy and Governance
Head of Corporate Strategy and Communications
Head of Community and Environmental Services
Regeneration and Property Section Head
Leisure and Community Contract Monitoring Officer
Mayor's Political Assistant
Democratic Services Manager

Also present: Councillor Nigel Bell, Labour (for minute no. 57-59)
Councillor Asif Khan, Labour (for minute no. 57-59)
Councillor Jagtar Singh Dhindsa, Labour (for minute no. 57-59)
Councillor Sohail Bashir, Labour (for minute no. 57-59)
Chris Hornung – Lambert Smith Hampton Investment Management (for minute no. 57-59)
Robert Stokely – Lambert Smith Hampton Investment Management (for minute no. 57-59)
Patrick Morris – Trowers and Hamlin LLP (for minute no. 57-59)

Paul McDermott – Trowers and Hamlin LLP (for minute no. 57-59)
Ian Tasker – Grant Thornton (for minute no. 57-59)
David Longbottom – Grant Thornton (for minute no. 57-59)

The following was a recommendation to Council:

56. **Financial Planning**

The report was introduced by Councillor Watkin who drew members attention to a document circulated at the meeting which explained the revised budget gap if the council approved the Croxley Park item at its Extraordinary Council meeting on 23 January.

Councillor Watkin continued that within the budget there would be funding for the Mayor's priorities for on-demand transport and cycle schemes. The council would borrow £50m to fund the transformational Hart Homes building projects which would then generate significant revenue for the council. It was proposed to increase council tax by 2.2%, which would mean £5.76pa increase for a Band D council tax payer in 2019/20. Officers had worked on the principal that only the increase in the upcoming financial year is included in the MTFS in order not to fetter the discretion of council in future years. The council continued to review its fees and charges and these would have an overall increase in line with inflation. In 2019 the council would conduct an in depth review on the basis of all fees and charges.

Councillor Watkin explained that in an era of political and financial uncertainty the council must be prudent and yet bold in addressing the needs of the community. If the Croxley Business Park report was approved by Extraordinary Council then the net overspend would be just under £2m and there was over £2m in the economic impact reserve which could be used to fund any overspend in that period. Should the council not agree the Croxley Business Park proposal then there would be plans to implement a different strategy. With regards to the capital budget over the next four years, there would be planned expenditure of around £154m on capital projects including £53m on housing, £33m on the Riverwell development project and other large schemes including improvements to Clarendon Road, the Town Hall and Watford Business Park. The council could afford these schemes through prudential borrowing and the use of capital reserves.

The Mayor noted the extract of minutes which had been received from Budget Panel. The Mayor also queried the figures regarding charges for filming and asked that these be updated as necessary. (See appendix 1 of the minutes for

updated fees and charges extract).

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 the votes were recorded as follows –

Those in favour

Mayor Taylor, Councillors Collett, Bolton, Johnson, Williams and Watkin

The resolutions as set out in the report were CARRIED by 6 votes to 0.

RESOLVED

That Cabinet:

1. Delegates to the Director of Finance and Portfolio Holder the ability to amend the budget figures in accordance with decisions taken at the Cabinet meeting, Council on 23 January 2019 and any minor variations that may occur before the Council meeting.

That Cabinet recommends

That Council:

2. Resolves in accordance with the *Local Authorities (Calculation of Tax Base) Regulations 1992*, the amount calculated by Watford Borough Council as its Council Tax Base for the year 2019/20 is **32,840.6** as outlined in the report.
3. Approves the continuation of the Local Council Tax Reduction Scheme for 2019/20.
4. Approves the budget (**Attachment 1**) as laid out in the report, including:
 - the base budget for 2019/20
 - the growth and savings
 - the Capital Investment Programme 2018-22
5. Approves the schedule of fees and charges & income charging policy (**Attachment 2**)
6. Approves the Capital Strategy for 2019/20, amended as necessary for the decisions of Council on 23 January 2019, and delegates to the Director of Finance and Portfolio Holder Resources responsibility for agreeing and maintaining the Treasury Management policy. (**Attachment 3**)
7. Agrees to increase the annual Council Tax for a Band D property in 2019/20 by 2.2%. This will apply to all other bands.

8. Notes the key risks identified and approves their proposed mitigations.
9. Notes the advice provided by the Director of Finance on the robustness of estimates and the adequacy of reserves.
10. Notes the indicative budgets for 2020/21 and 2021/22 and the need for further work to close the budget gap.