

Watford Borough Council

Budget Principles

July 2023

Our budget context

When considering and making decisions on our budget, we will take into account:

- Our budget challenges have been driven by high inflation and weak growth, as well as the failure by central government to implement a multi-year settlement that puts local government funding on a long-term sustainable footing.
- Our Council Plan and associated Delivery Plan are focused on delivering the commitments we have made the Watford community; this will drive our decision making and our priorities for the Medium-Term Financial Strategy.
- Our communities are being impacted by increases in housing costs (mortgage rates and rent), energy and food bills and tax rises.
- Our long-term financial sustainability is best ensured by taking a view over the next few years.

Our budget principles

In managing our budget, we will:

- Prioritise delivering the commitments set out in our Council Plan when making financial and budget decisions
- Balance the needs of the Watford council taxpayer against the need to provide the services our communities value the most.
- Put in place rigorous internal cost controls and prioritise all initiatives to increase revenue, reduce expenditure, and increase resilience.
- Negotiate with all our contractors to drive contract efficiencies which minimise impact on the quality of service provision.
- Explore new opportunities for outsourcing or alternative delivery models if that would result in efficiencies or savings.
- Where possible ensure, where we charge for services, these charges keep pace with the increase in cost of providing them and give priority to Watford residents.
- Engage with our members and staff to seek their ideas and proposals for ways to generate savings, raise income or deliver services differently
- Ensure that if we need to reduce service levels to make savings our continuous improvement programme will seek to mitigate any impact on our community.

- Seek feedback from our community in the next Community Survey to understand the services they value the most, and we will engage our People Panel before making budget decisions.
- Be transparent with our members, staff and union when making decisions that will have an impact on our people and our community.
- Anticipate and plan for the need to make further and future savings.
- Continue to be bold and ambitious in all we do.