

Part A

Report to: Cabinet

Date of meeting: Monday, 15 January 2024

Report author: Chief Finance Officer

Title: Financial Planning 2024/25 to 2026/27

1.0 Summary

1.1 This report sets out the draft Budget for 2024/25 and Medium Term Financial Strategy to 2026/27 for consideration and onward recommendation to Council on 31 January 2024.

1.2 It includes:

- the draft revenue budgets for the period 2024/25 to 2026/27
- the draft capital programme for the period 2023/24 to 2026/27
- the draft Capital Strategy 2024/25 including the Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Policy

1.3 The report also includes advice from the Chief Finance Officer and Section 151 Officer on the adequacy of general reserves and balances in the context of the three-year planning horizon 2024/25 to 2026/27.

2.0 Risks

2.1 The Finance and Budgetary Risk Register is included within Attachment 1 – Budget Planning Report at appendix 11.

3.0 Recommendations

Cabinet is recommended to:

3.1 Approve an allocation of £1.500m Strategic CIL to pump prime operation and maintenance costs of the Colosseum between 2024/25 and 2029/30

3.2 Delegate to the Chief Finance Officer in consultation with the Portfolio Holder for Property, Resources and Customer Services the ability to amend the budget figures in accordance with decisions taken at the Cabinet meeting on 15 January 2024 and any minor variations that may occur before the Council meeting on 30 January 2024.

Cabinet recommended to recommend to Council that:

- 3.3 Council 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 2024/25 is 35,532.1 as outlined in the report.
- 3.4 Council approves the budget (Attachment 1) as laid out in the report, including:
- the revenue budget for 2024/25
 - the Capital Investment Programme 2023/24 to 2026/27
- 3.5 Council approves the Capital Strategy for 2024/25, and delegates to the Chief Finance Officer in consultation with the Portfolio Holder for Property, Resources and Customer Services responsibility for agreeing and maintaining the Treasury Management Strategy Statement. (Attachment 2)
- 3.6 Council agrees to increase the annual Council Tax for a Band D property 2024/25 by 2.99%. This will apply to all other bands.
- 3.7 Council agrees to the creation of a Redundancy Reserve and to rename the Riverwell Project Reserve to Commercial Risk Reserve.
- 3.8 Council notes the key risks identified and approves their proposed mitigations as set out in Appendix 11 to Attachment 1 – Budget Setting Report.
- 3.9 Council notes the advice provided by the Chief Finance Officer on the robustness of estimates and the adequacy of reserves as set out in Appendix 10 to Attachment 1 – Budget Setting Report.
- 3.10 Council notes the indicative budgets for 2025/26 and 2026/27 as set out in Attachment 1 and Attachment 3.

Further information:

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Report approved by:

Hannah Doney, Chief Finance Officer and Section 151 Officer

4.0 Detailed proposal

- 4.1 The detailed proposal is set out in Attachment 1 – Budget Setting Report, Attachment 2 – Capital Investment Strategy, and Attachment 3 – Directorate Budget Book 2024/25 to 2026/27.

5.0 Implications

5.1 Financial

5.1.1 The Chief Finance Officer comments that the financial implications are set out in Attachment 1 - Budget Setting Report, Attachment 2 - Capital Investment Strategy and Attachment 3 – Directorate Budget Book 2024/25 to 2026/27.

5.2 Legal Issues (Monitoring Officer)

5.2.1 The Group Head of Democracy and Governance comments that the council's budget must be approved by full Council and all decisions taken regarding the budget must be by a named recorded vote.

5.2.2 The Local Government Act 1992 requires billing authorities to complete and approve their budgets and set a council tax before 11 March each year, prior to the start of the financial year on 1 April. The budget and Council Tax Requirement for 2024/25 must therefore be agreed by Council by 11 March 2023.

5.2.3 It is a statutory requirement that the Capital Strategy is reviewed annually. The report meets the requirement of CIPFA's Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and complies with the Local Government Act 2003.

5.2.4 It is a statutory requirement that the Chief Financial Officers provides a report under Section 25 of the Local Government Act 2003 on the robustness of estimates used in the budget and the sufficiency of the Council's reserves. This is included as Appendix 10 in Attachment 1 – Budget Setting Report.

5.3 Equalities, Human Rights and Data Protection

5.3.1 Under s149 (1) of the Equality Act the council must have due regard, in the exercise of its functions, to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act
- advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them
- foster good relations between persons who share relevant protected characteristics and persons who do not share them.

5.3.2 This report provides an overview of Budget proposals and equalities issues will be specifically considered for all changes to services as a result of the budget proposals.

5.3.3 Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

5.4 **Staffing**

5.4.1 Where budget proposals impact on teams or individuals there will be appropriate engagement or consultation in line with best practice. During 2023/24 there have been a series of staff briefings to ensure that staff are aware of the council's budget position.

5.5 **Accommodation**

5.5.1 There are no accommodation implications arising from this report.

5.6 **Community Safety/Crime and Disorder**

5.6.1 Section 17 of the Crime and Disorder Act 1998 requires the council to give due regard to the likely effect of the exercise of its functions on crime and disorder in its area and to do all it reasonably can to prevent these. There are no implications arising from this report.

5.7 **Sustainability**

5.7.1 Sustainability implications are considered within the individual business cases for capital schemes and service changes.

Appendices

- Attachment 1 – Budget Setting Report
- Attachment 2 – Capital Investment Strategy
- Attachment 3 – Directorate Budget Book 2024/25 to 2026/27

Background papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Budget Report 2023/24 to 2025/26 to Council 31 January 2023
- Treasury Management Mid Term Review to Audit Committee 23 November 2023
- Financial Monitoring Report – Period 8 to Finance Scrutiny Committee 10 January 2024