

Watford Borough Council - Budget Process 2015/16 to 2018/19 Medium Term Financial Strategy

Background

By 2015/16 the Government will have reduced Revenue Support Grant (RSG) to Local Authorities (LAs) by 24.2% from 2011/12. Provisional figures for 2015/16, published in November 2013, are included in the current Medium Term Financial Strategy (MTFS). The Government is expected to announce further provisional grant figures at the beginning of December 2014.

To help compensate the loss of RSG, the Government is encouraging LAs to increase Business Rates income. Under the funding rules, Councils can keep part of any additional growth in Business Rates generated if it exceeds the agreed baseline.

Road Map Efficiency (RME) Savings

The RME savings of £2.0m commencing in 2013/14 for a 3 year period are being met through various initiatives including outsourcing and service reviews. At the end of 2013/14, £778k has been achieved. Budget Holders will be requested to confirm the 2014/15 and 2015/16 targets will be met. In addition, a target of £400k has been set in the MTFS for 2015/16 and this will need to be aligned to services as part of the budget process.

Capital Programme

The Council currently has sufficient funding in place to fund the capital programme up to the end of 2017/18. The Council currently has no plans to borrow to fund the capital programme.

Growth & Savings and New Capital Bids

Heads of service will need to complete forms for Growth/savings and capital bids for consideration by both Leadership team and Members for inclusion in the MTFS. Savings proposals need to identify if they are part of RME savings or new items to avoid double counting. Capital bids will also be considered by the Asset Management Group.

Timetable – Key dates

8 th September	Heads of Service to confirm to Finance Road Map savings
16 th September	Leadership considers road map progress.
30 th September	Leadership considers policy on fees and charges and proposals for Growth/Savings/ new Capital Projects.
9 th December	Leadership consider detailed revenue/capital estimates and fees & charges
Prior to Christmas	Portfolio Holders to agree revenue & capital estimates: fees & charges; growth & savings and use of reserves for sustainable budget.
15th January	Budget Panel consider detailed revenue and capital estimates including growth/savings; fees & charges; Government funding, available reserves & inviting Budget Panel's recommendation on Council Tax
19 th January	Cabinet consider/approve the detailed revenue/capital estimates and fees & charges
28th January	Council consider/approve Budgets and Council Tax
26 th February	Functions Committee sets 2015/16 Council Tax