

## **CABINET**

**15 January 2024**

Present: Mayor Taylor (Chair)  
Councillors J Pattinson, G Saffery, I Stotesbury and M Watkin

Officers: Chief Executive  
Executive Director of Place  
Chief Finance Officer  
Director of Partnerships  
Head of Legal Shared Services  
Associate Director of Planning, Infrastructure and Economy  
Mayor's Political Assistant  
Democratic Services Manager

### **52 Apologies for absence**

Apologies for absence had been received from Councillors Dychton, Rodrigues and Williams.

Following the meeting Councillor Bell, opposition group leader, also forwarded apologies.

### **53 Disclosure of interests (if any)**

There were no disclosures of interest.

### **54 Minutes of previous meeting**

The minutes of the meeting held on 27 November 2023 were submitted and signed.

### **55 Conduct of meeting**

The Mayor stated that the Hertfordshire Development Quality Charter item would be moved to the end of the agenda as Councillor Saffery had been delayed.

### **56 Hertfordshire Development Quality Charter**

Cabinet received a report of the Associate Director of Planning, Infrastructure and Economy, which provided background and a copy of the Charter.

The Mayor invited Councillor Saffery to introduce the report.

Councillor Saffery informed members that the Hertfordshire Development Quality Charter had been developed by the Hertfordshire Growth Board to promote better development across the county. He emphasised that Watford already had an up-to-date award winning Local Plan, which committed the council to high standards of design. He added that signing up to the Charter re-confirmed the council's commitment. It showed developers and residents that the council would not accept anything but the best quality. He was aware the Charter had been signed by St Albans and Dacorum. He recommended the report to Cabinet.

The Mayor invited the Associate Director of Planning, Infrastructure and Economy to provide any further information.

The Associate Director added that the Charter had been developed in consultation with officers from neighbouring authorities and stakeholders. It was beneficial to those authorities who had not yet had their Local Plan approved. For Watford it showed a re-commitment to the high standards within the council's Local Plan.

The Mayor said that he had chaired the last Hertfordshire Infrastructure and Development Forum and had encouraged all councils to sign up to the Charter.

Councillor Stotesbury noted that retro-fitting was mentioned only briefly. He asked whether there was any further information about the proposal to explore funding for it. He had thought the Charter was more about new build properties.

The Executive Director of Place responded that the Growth Board had wider visions regarding housing, one of which was about retro-fitting. He agreed to keep Councillor Stotesbury informed.

RESOLVED –

that Watford Borough Council becomes a signatory to the Hertfordshire Development Quality Charter.

57

**Local Government Association - Corporate Peer Challenge Feedback report and action plan**

Cabinet received a report of the Chief Executive which included the Corporate Peer Challenge feedback report and the council's action plan.

The Mayor thanked all those who had been involved in the Peer Challenge review, those within the council, those from outside and the LGA Peer Challenge team. He was pleased how the Peer Challenge review had proceeded. It had highlighted many of the council's strengths. He referred members to paragraph 1.4 of the report which included an extract from the Peer Challenge report. The Peer Challenge team had submitted seven recommendations within their report which the council fully accepted. He added that work had already been started to implement the recommendations. He invited the Chief Executive to add any further comments.

The Chief Executive commented how proud everyone was of the outcome and the positives identified within the report. A lot had been achieved together which had been identified by the Peer Challenge team. They had recognised the council's transformation since the last Peer Challenge review in 2017, which had been driven by a strong leadership and 'can do' attitude. There was a strong focus on place, not just locally, but also regionally and nationally. There was a strong record of financial stewardship which was important in the current financial context. There was a clear understanding of the council's financial position and clear plans in place to address some of the challenges.

The Chief Executive informed members that the Peer Challenge report and action plan would be placed on the council's website. It would also be available on the LGA's website to enable others in the local government community to learn from the council's example. She added that the council was already progressing the actions set out in the action plan. The Peer Challenge team would return in the autumn to review the council's progress with the recommendations.

Councillor Stotesbury noted the Peer Challenge team's comments about the council's relationships with groups and stakeholders across the town. He thanked the staff and also those from outside the council who had supported the peer review. The feedback had been welcomed.

Councillor Watkin remarked that the report referred to the council having strong controls over its finances but had identified that there were a few things that could be changed. He referred to the appointment of an Independent Person to the Audit Committee, which was in progress. Another recommendation had been the inclusion of the Finance Monitoring report at Cabinet, which was on the agenda for this meeting. Although, he noted that Portfolio Holders did have regular meetings with the council's leadership team to monitor the budget; by bringing it to Cabinet provided a formal review.

The Mayor thanked everyone for their comments.

RESOLVED –

1. that Cabinet notes Watford Borough Council's LGA Corporate Peer Challenge final report (Appendix A) and that this is now published on the council's website.
2. that the Corporate Peer Challenge team's findings and the seven recommendations be noted.
3. that Watford Borough Council's Corporate Peer Challenge action plan that addresses the team's recommendations be approved and that this will also be published on the council's website.
4. that Cabinet notes the Corporate Peer Challenge team (lead member, Chief Executive and LGA lead) will undertake a return visit to Watford to assess progress. This is currently planned for autumn 2024.

58

#### **Financial Monitoring Report 2023/24 - Period 8**

Cabinet received a report of the Chief Finance Officer which set out the financial monitoring position for 2023/24 as at Period 8, 1 April to 30 November 2023.

The Mayor invited Councillor Watkin to introduce the report.

Councillor Watkin explained that the report provided details of the original budget that had been agreed at Council on 31 January 2023 and the changes agreed by Council on 17 October 2023. It included information on the pressures on the council, which were clearly explained in the report by the Chief Finance Office. He highlighted the main variation due to the cost of temporary accommodation due to an increase in demand. He noted other changes included the re-profiling of some projects, including the Town Hall Quarter and the reduced forecast for Woodside Sports Village. Helpful notes were included in the officer's report. He referred to changes in reserves but these would be kept at a prudent level.

The Chief Finance Officer was invited to add further comments. She advised members that there had been a slight improvement in the general fund balance since the last report up to the end of period 6. This showed the budget was moving in the right direction. She hoped that this would be further improved by the year end.

The Mayor was disappointed that the Chair of Finance Scrutiny Committee was not present as it would have been his opportunity to feed back any comments

from scrutiny members. He asked the Chief Finance Officer if any points had been raised at the meeting.

The Chief Finance Officer responded that the scrutiny committee had mainly focused on the budget report, which followed.

RESOLVED –

1. that the Financial Monitoring Report 2023/24 – Period 8 and both the revenue and capital forecasts for 2023/24 be noted.
2. that the virement requests to Council as set out in Appendix 7 be noted.
3. that Cabinet notes Finance Scrutiny Committee received the monitoring report for period 8 and that there were no recommendations.

## 59 **Financial Planning 2024/25 to 2026/27**

Cabinet received a report of the Chief Finance Officer which set out the draft budget for 2024/25 and the Medium Term Financial Strategy to 2026/27. The report was for Cabinet's consideration and then forward recommendation to Council.

The Mayor invited Councillor Watkin to introduce the report.

Councillor Watkin explained the report provided a huge amount of detail, including breakdown of expenditure for each department. He would provide a snapshot, but it would be explained in much more detail at Council.

Councillor Watkin said it had been a tough year for local authorities, with a predicted four out of 10 councils potentially facing bankruptcy. He stressed this was not the situation for Watford. Referring to the revenue budget gap he advised that there had been an increase in the Medium Term Financial Strategy. In the short term the gap had been plugged by using the reserves. It was not an option to do nothing and therefore the council had mitigation measures in place. He provided some of the details. He noted that there were some growth items which had been set out in the report.

Councillor Watkin stated that the overall capital expenditure for 2024/25 would be £33 million. A further £6 million would be taken from the reserves. However, this would still leave adequate reserves of £25 million.

Councillor Watkin informed members that due to the pressures on the council's finances the maximum permitted Council Tax increase of 2.99% would be

recommended to Council. He acknowledged that the council was facing great financial pressures and that there would be loyal members of staff leaving.

The Chief Finance Officer had no further comments to add at this stage.

The Mayor reiterated his earlier comment that he was disappointed that no opposition councillors were present for the discussion on the budget. He referred to the impact on the council from various directions, including high interest rates, the increased pressures on services, for example housing, inflation and the real terms cut in funding. He noted Grant Thornton's report that four out of 10 councils were likely to be bankrupt within the next five years. He asked the Chief Finance Officer if she was aware of the position of the other local authorities within Hertfordshire and if there were any concerns. The Chief Finance Officer advised that she had no specific information.

In response to a question about annual spending reviews and whether a more sustained funding agreement would be helpful, the Chief Finance Officer said that the Section 25 statement had partly covered this. It was recognised the current funding method was very out of date and did not reflect the different needs or resources of local authorities. It did not provide councils with the ability to fully plan for the future. However, it was likely that next year would also be a one-year settlement due to the timing of the general election.

Councillor Stotesbury commented that the country was seeing the worst cost of living crisis which was having an impact on local government. Local councils continued to deliver services whilst the government failed to respond to the scale of the problem. In his view the government should step in more rapidly. He was proud that the council had been able to step in and support the community with much needed services. He thanked the officer for her comments, but he felt the government was not doing enough to support local government.

The Mayor added that councils should be given more freedom to raise their own funds rather than keep having to go to central government for funding support.

Councillor Watkin stated he wished to thank the Chief Finance Officer and her team for the detailed report, which ensured members were well-informed.

The Chief Finance Officer thanked the councillor for his comments about the report. She said it was useful to get feedback as the report was there for members and the public. It needed to be useful with the right level of detail. It was a difficult balance to ensure the level of information was right.

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

**Those in favour**

Mayor Taylor, Councillors Pattinson, G Saffery, Stotesbury and Watkin.

The recommendations, as set out in the report, were CARRIED by 5 votes to 0.

RESOLVED –

1. that Cabinet approves an allocation of £1.500m Strategic CIL to pump prime operation and maintenance costs of the Colosseum between 2024/25 and 2029/30.
2. that the Chief Finance Officer in consultation with the Portfolio Holder for Property, Resources and Customer Services be delegated 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.

That Cabinet recommends to Council that:

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.
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
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)
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.
7. Council agrees to the creation of a Redundancy Reserve and to rename the Riverwell Project Reserve to Commercial Risk Reserve.

8. Council notes the key risks identified and approves their proposed mitigations as set out in Appendix 11 to Attachment 1 – Budget Setting Report.
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.
10. Council notes the indicative budgets for 2025/26 and 2026/27 as set out in Attachment 1 and Attachment 3.

Mayor

The Meeting started at 7.00 pm  
and finished at 7.30 pm