

Part A

Report to: Finance Scrutiny Committee

Date of meeting: Tuesday, 14 January 2020

Report author: Head of Finance

Title: Financial Planning

1.0 Summary

1.1 The purpose of this report is to enable the Finance Scrutiny Committee to consider service level expenditure, funding and council tax levels for the medium term 2020/21 to 2022/23, including the use of reserves and the 2020/21 Council Tax calculations.

1.2 The report sets out:

- the revenue budgets for the period 2020-23 and a revised budget for 2019/20
- the capital programme for the period 2019-23
- the Council's income charging policy (including the individual Service fees and charges)
- the Capital Strategy 2020/21 all of which are subject to Council approval

1.3 The report includes advice from the Director of Finance on the adequacy of general reserves and balances in the context of the three year planning horizon 2020-23.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
The estimates used in the preparation of the report will not be sufficiently accurate	Creates either in-year budget pressures, underspends or additional borrowing costs	Mitigate through in year budget monitoring – Reset at 2020 budget setting	Treat	6
That the Council will not have adequate reserves to manage emerging risks	Reserves diminish	General Fund balance is £2M	Treat	3

3.0 Recommendations

That the Finance Scrutiny Committee:

- 3.1 Considers the budget (**Attachment 1**) as laid out in the report, including:
 - the base budget for 2020/21
 - the growth and savings
 - the Capital Investment Programme 2019-23
- 3.2 Considers the schedule of fees and charges & income charging policy (see Attachment 2).
- 3.3 Considers the capital strategy for 2020/21, including the Treasury Management policy (see Attachment 3).
- 3.4 Notes the advice provided by the Director of Finance on the robustness of estimates and the adequacy of reserves.
- 3.5 Notes the indicative budgets for 2021/22 and 2022/23.
- 3.6 Makes any recommendations to Cabinet.

Further information:

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Report approved by:

Alison Scott – Head of Finance

4.0 Detailed proposal

- 4.1 The detailed report is attached at Attachment 1.

5.0 Implications

5.1 Financial

- 5.1.1 Contained in the report.

5.2 Legal Issues

- 5.2.1 The Council must set its 2020/21 budget by 11 March 2020.
- 5.2.2 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.

5.2.3 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 in the 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 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 There are no staffing implications arising from this report.

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 There are no community safety/crime and disorder implications arising from this report.

5.7 **Sustainability**

5.7.1 There are no sustainability implications arising from this report.

Attachments:

1. Budget Setting report.
- 2 & 2a. Income Charging Policy (including the fees & charges schedule).
3. Capital Strategy (including the Treasury Management policy).

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.

Financial Planning (MTFS 2018/19-2021/22) Council 29 January 2019

Financial Outturn 2018/19 (June 2019)

Finance Digest (Q1, Q2 & Period 8)