

Report to Council – 28 January 2020

Report of Cabinet – 20 January 2020

Cabinet met on 20 January 2020. The minutes are published on the Council's website.

The following Members were present at the meeting:

Present: Mayor Taylor (Chair)
Councillor Collett (Deputy Mayor and Portfolio Holder for Community)
Councillor S Johnson (Portfolio Holder for Property and Housing)
Councillor Sharpe (Portfolio Holder for Regeneration and Development)
Councillor Watkin (Portfolio Holder for Resources and Customer Service)
Councillor Williams (Portfolio Holder for Client Services)

Also present: Councillor Bell, Labour Group Leader
Councillor Turmaine, Chair of Finance Scrutiny Committee

Officers: Managing Director
Director of Finance
Group Head of Corporate Strategy and Communications
Head of Legal
Mayor's Political Assistant
Democratic Services Manager

The following was a recommendation to Council:

56. Financial Planning

Cabinet received a report of the Section Head - Financial Planning and Analysis which enabled members to consider service level expenditure, funding and council tax levels for the medium term 2020/21 to 2022/23, including use of reserves.

Councillor Watkin, at the invitation of the Mayor, provided Cabinet with the headlines contained in the report. He advised that the budget was prudent, cautious but still allowed for innovative schemes, for example the new transport schemes. He explained about the expected budget gap and its prospective growth to £2 million. He referred to additional funding for the council announced by the Government in December and an increase in the New Homes Bonus. He stated that the net result would mean a 2% increase in council tax. The increase was below inflation.

The Chair invited Councillor Turmaine, the Chair of Finance Scrutiny Committee, to provide a summary of the scrutiny committee's comments.

Councillor Turmaine highlighted the scrutiny committee's discussions and had sought assurances from officers, which had been given. It was noted that an extract of the scrutiny committee's minutes had been circulated prior to the meeting.

The Mayor informed Cabinet that following discussions about the proposed charges for non-resident children's burials; it had been agreed that these charges should be removed from the proposed 2020/21 fees and charges schedule, attachment 2 to the report.

Cabinet noted Councillor Johnson and the Managing Director's comments about the shortfall in property investment income. The long term strategy was to generate greater revenue in the future. A key objective was to increase industrial space for businesses at Watford Business Park. This would have a huge advantage for businesses and the council.

Following a question from Councillor Bell about the car park at Riverwell, the Mayor commented that the new car park would double current provision. Officers had worked hard on the scheme and it was envisaged the build would be completed by the end of 2021.

The Managing Director added that alternative options for the car park had been considered however the level of risk had not been fair to the council or Kier. The car park development was an important factor for the hospital's future. Work was being carried out on the final agreement with Kier; funding needed to be secured and a contractor would be appointed later this year.

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

Those in favour

Mayor Taylor, Councillors Collett, Johnson, Sharpe, Watkin and Williams

The resolutions as set out in the report and amended at the meeting were **CARRIED** by 6 votes to 0.

RESOLVED –

1. That Cabinet delegates to the Director of Finance and Portfolio Holder the ability to amend the budget figures in accordance with decisions taken at the Cabinet meeting, Council on 28 January 2020 and any minor variations that may occur before the Council meeting.

Cabinet recommends to Council that it:

2. 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 2020/21 is **33,480.7** as outlined in the report.
3. approves the continuation of the Local Council Tax Reduction Scheme for 2020/21.
4. approves 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
5. approves the schedule of fees and charges and income charging policy (attachment 2), subject to resolution 11 below.
6. approves the Capital Strategy for 2020/21, amended as necessary for the decisions of Cabinet on 20 January 2020, and delegates to the Director of Finance and Portfolio Holder Resources responsibility for agreeing and maintaining the Treasury Management Policy. (Attachment 3)
7. agrees to increase the annual Council Tax for a Band D property 2020/21 by 2.0%. This will apply to all other bands.
8. notes the key risks identified and approves their proposed mitigation.
9. notes the advice provided by the Director of Finance on the robustness of estimates and the adequacy of reserves.
10. notes the indicative budgets for 2021/22 and 2022/23 and the need for further work to close the budget gap.
11. removes the proposed child burial fees for non-residents which have been set out in the fees and charges schedule (attachment 2).