

## **Report to Council – 31 January 2023**

### **Report of Cabinet – 16 January 2023**

Present: Mayor Taylor (Chair)  
Councillor Dychton (Deputy Mayor and Portfolio Holder for Community)  
Councillor Pattinson (Portfolio Holder for Housing and Wellbeing)  
Councillor G Saffery (Portfolio Holder for Planning)  
Councillor Stotesbury (Portfolio Holder for Transport and Sustainability)  
Councillor Watkin (Portfolio Holder for Property and Resources) (for minute numbers 42 to 44)  
Councillor Williams (Portfolio Holder for Neighbourhood Services)

Also present: Councillor Bell, Leader of the Labour Group

Officers: Chief Executive  
Director of Finance  
Director of Partnerships  
Director of Performance  
Group Head of Democracy and Governance  
Senior Project Manager  
Democratic Services Manager

#### **44. Financial Planning**

Cabinet received a report of the Head of Finance which asked members to consider the service level expenditure, funding and council tax levels for the medium term 2023/24 to 2025/26, including the use of reserves. It was noted the minutes from Finance Scrutiny Committee had been circulated to Cabinet and were available on the council's website.

The Mayor introduced the report. He set out the current financial context for local authorities and how many were struggling to balance their budgets. In the last 10 years the government funding received by Watford Borough Council had decreased by over 50% in real terms. Despite that the council still aimed to deliver high quality services for its residents. He referred to the current inflation and cost of living crisis. The proposed increases in council tax (3%) and fees and charges (6%) were a real terms cut. The council also faced rising costs for material and labour.

The Mayor advised that the budget underpinned the council's commitment to supporting its residents through the cost of living emergency. It supported important services including Housing and local organisations who were helping residents through this crisis, for example the Citizens Advice. The council would ensure it protected front line services. An important aspect included in the budget was the ambitious green agenda which included the work to support the environment.

The Mayor invited Councillor Watkin to provide further context.

Councillor Watkin said that at last year's budget meeting he had reflected on how inflation had begun to rise and had reached 5.4%. The RPI was now over 11%, although it was predicted to fall in the next year. The New Homes Bonus had been increased but it was necessary to envisage this as a one off. However there had been reductions elsewhere which had meant the council had an overall increase of government funding of £258,000. This would be added to the contingency fund to reduce the use of reserves. He advised that the government was committed to reviewing the funding to lower tier authorities, which included Watford. He referred to the financial impact of borrowing for the capital programme.

Councillor Watkin explained the make-up of the council's predicted funding income for the following year and its expenditure as set out in the Medium Term Financial Strategy. The council would consider more commercial opportunities to offset costs and more shared services with neighbouring authorities to ensure sustainable services for residents and enhanced career opportunities for staff. The property portfolio was the largest source of income. Croxley Park remained a popular location. He informed members that with regard to fees and charges, some had increased by 6% whereas others had not increased, some were set by the government or other organisations, for example SLM. The estimated overall increase for fees and charges was £252,000. The Economic Impact Reserve would drop slightly. The Capital Programme set out the council's investment including in its parks and green infrastructure, the Town Hall, Colosseum, Watford Business Park, Riverwell and Hart Homes.

Finally, Councillor Watkin referred to Finance Scrutiny Committee. He advised that the scrutiny members had asked searching questions but there had been no formal recommendations for Cabinet or Council to consider. The scrutiny committee's comments were appreciated.

Councillor Bell acknowledged that this was a difficult time for all councils. He clarified the proposed costs for the Colosseum and Town Hall. It was

confirmed the funding for the Colosseum was £6 million and the Town Hall was £7.7 million.

The Mayor responded that the proposals for the Town Hall would result in an annual saving of £300,000 and would improve the building's efficiency. Councillor Stotesbury added that there would be a significant improvement to workspace for the council's staff, improving the building's green credentials and leveraging government funds. The Mayor said that it was hoped the council would hear about the government funds by the end of January. He also agreed that the Town Hall scheme would support community facilities, the Museum and local businesses. Councillor Watkin stated that the Town Hall would also become a centre for the community, transforming this part of the town.

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

**Those in favour**

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

The recommendations, as set out in the report, were CARRIED by 7 votes to 0.

RESOLVED –

That Cabinet:

1. Delegates to the Director of Finance in consultation with the Portfolio Holder for Resources the ability to amend the budget figures in accordance with decisions taken at the Cabinet meeting on 16 January 2023 and any minor variations that may occur before the Council meeting on 31 January 2023.

Recommends to Council that:

2. 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 2023/24 is 35,532.1 as outlined in the report.
3. Approves the continuation of the Local Council Tax Reduction Scheme for 2023/24.

4. Approves the budget (Attachment 1) as laid out in the report, including:
  - the budget for 2023/24
  - the Capital Investment Programme 2022/23 to 2025/26
5. Approves the income charging policy and schedule of fees and charges effective from 1 April 2023 with the exception of charges for building control which are effective from 1 February 2023 (Attachment 2a and Attachment 2b).
6. Approves the Capital Strategy for 2023/24, and delegates to the Director of Finance in consultation with the Portfolio Holder Resources responsibility for agreeing and maintaining the Treasury Management Strategy Statement. (Attachment 3)
7. Agrees to increase the annual Council Tax for a Band D property 2023/24 by 2.99%. This will apply to all other bands.
8. Notes the key risks identified and approves their proposed mitigations.
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 2024/25 and 2025/26.