

Agenda Item 13

REPORT TO COUNCIL – 29 JANUARY 2014

REPORT OF CABINET 20 JANUARY 2014

Cabinet met on 20 January 2014. The minutes are published on the Council's website.

Present:

Mayor Dorothy Thornhill	(Strategic partnerships/external relationships and community safety)
Cllr D Scudder	(Deputy Mayor and Portfolio Holder for Strategy & Client Services.
Cllr Crout	(Community & Customer Services Portfolio Holder)
Cllr Sharpe	(Regeneration & Development Portfolio Holder)
Cllr Watkin	(Democracy & Governance Portfolio Holder)

Also present: Councillor Bell (Labour)

The following includes a recommendation to Council:

57 FINANCIAL PLANNING - DRAFT REVENUE AND CAPITAL ESTIMATES 2014-2018 AND THE TREASURY MANAGEMENT STRATEGY 2014-17

Cabinet received a report on service level expenditure, funding and council tax levels for the medium term 2014/15 to 2017/18 including consideration of the use of reserves and balances. This budget was a component part of the 2014/15 Council Tax calculations and Cabinet was recommended to agree the Council Tax Base to apply for 2014/15. The report included advice from the Director of Finance on the adequacy of general reserves and balances in the context of the four year planning horizon 2014-2018 and set out:

- the draft revenue estimates for the period 2014-18
- the draft capital programme for the period 2014-18
- the Treasury Management Strategy 2014-17

The report had also been considered by Budget Panel at its meeting on 15th January and the minutes were circulated at the meeting.

The Mayor advised that the budget proposals would be going to Council the following week. She commented that she was extremely pleased with Watford's financial position; services and staff were not being cut and this was due to the excellent staff who had managed to maintain a firm hand and take some tough decisions in the past. She added that the Council

was in “steadier waters” now. She then asked the Portfolio Holder to introduce the report.

Councillor Watkin affirmed the Mayor’s comments and advised that the only slight blip related to NDR where the income to the Council had dropped to the Government determined safety net level. The business rates retention scheme was very volatile but it was anticipated that the situation would improve soon.

He referred to the situation in respect of the New Homes Bonus which had been reduced nationally but would be offset by the RSG. Expenditure was up slightly but not by much and the £750k contribution to the pension fund was noted. The position with regard to capital expenditure was healthier than the previous year with a schedule of spending in place. The Council remained debt free and the local Council Tax Scheme could continue to be funded. Cabinet would be recommending to Council that its Council Tax be frozen for another year.

In response to a question from Councillor Bell about reserves of £36m, the Director of Finance advised that there were £12 -14m in reserves, although she added that the levels were not usually monitored at this time of the year. There was £36m in cash investment but this was not all available to spend.

The Mayor thanked staff for the work done on the budget.

RESOLVED

That Cabinet:

1. 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 2014/2015 is 30,112.10 as outlined in paragraph 7.5 and summarised at Appendix 7 of the report.
2. approves the estimate of surplus and deficit position on the Collection Fund.
3. approves the 2014/15 savings of £754,970 as detailed at Appendix 1.
4. approves the 2014/15 growth of £139,280 and as detailed at Appendix 2.
5. approves the proposed increases in fees and charges as detailed at Appendix 4
6. approves all the assumptions made within the Medium Term Financial Strategy at Appendix 5 which includes a council tax freeze for 2014/2015.

That Council be recommended to approve:

7. the General Fund Budget Requirement for 2014/2015 of £14,313,080 (before use of grants and reserves) and as outlined at paragraph 7.1
8. the Capital Programme as set out at Appendix 10.
9. the financial risks and the level of reserves and balances (Appendices 8 & 9 refer).
10. the existing Local Council Tax Reduction Scheme to continue from 1 April 2014 (paragraph 7.6.4 refers)
11. the Treasury Management Strategy for 2014-2017 as set out in Appendix 11.
12. to delegate to the Director of Finance and Portfolio Holder the ability to amend the budget figures in accordance with decisions taken at the Cabinet meeting and any minor variations that may occur before the Council meeting on 29th January 2014.

Appendices

- Report to Cabinet 20 January 2014 (previously circulated)
- Report of the Director of Finance on the Council Tax Resolution 2014/15 (***to follow***)