

Part A

Report to: Council
Date of meeting: 30 January 2018
Report of: Director of Finance
Title: Council Tax Resolution 2018/19

1.0 Summary

1.1 The purpose of this report is to enable the Council to set the 2018/19 budget and pass the statutory Council Tax Resolutions for 2018/19 for Watford Borough Council's own tax requirements.

1.2 At the time of writing this report, the precept demand from both Hertfordshire County Council and the Police and Crime Commissioner for Hertfordshire have not been set. A report will be submitted to the Functions Committee on 26 February 2018 to set the overall Council Tax, which will include these precepts.

Copies of the Budget Report to the Cabinet meeting on 22 January 2018 were circulated separately to all councillors as they contain information relevant to the recommendations.

2.0 Recommendations

2.1 To agree proposals recommended by Cabinet on 22 January 2018:

- a) That the Council's net General Fund expenditure for 2018/19 shall be £13.520 million.
- b) That the Capital Programme shall be as set out in the Cabinet report.
- d) That the 2018/19 band D precept is set at £262.46 and other bands and amounts are set in accordance with the table at paragraph 2.3 (E)

And in approving these recommendations

- e) To have regard to the Director of Finance's assessment of financial risks and the

level of balances and provisions required, as set out in the Cabinet report.

2.2 Setting the amount of Council Tax for Watford Borough Council

That Watford Borough Council's Council Tax Base for 2018/19 has been calculated at **32,393.9** in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 made under Section 31B (1) of the Local Government Finance Act 1992, as amended.

2.3 That the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:

(A) *Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act. (Effectively the gross expenditure and transfers to reserves)* **£71,626,746**

(B) *Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (Effectively the gross income and transfers from reserves)* **£63,124,643**

(C) *Being the amount by which the aggregate at 2.3 (A) above exceeds the aggregate at 2.3 (B) above calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax Requirement for the year* **£8,502,103**

(D) *Being the amount at paragraph 2.3 (C) divided by amount at 2.2 above, calculated by the Council, in accordance with Section 33 (1) of the Act as the basic amount of its Council Tax for the year (at Band D)* **£262.46**

(E)

Council Tax Valuation Bands	Conversion Factor to Band D	Watford's Share (£)
A	6 / 9	174.97
B	7 / 9	204.14
C	8 / 9	233.30
D	1	262.46
E	11 / 9	320.78
F	13 / 9	379.11
G	15 / 9	437.43
H	2	524.92

Being the amounts given by multiplying the amount at paragraph 2.3 (D) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year 2018/19 in respect of categories of dwellings listed in different valuation bands

- 2.4 That a report including precepts of both the Police Authority be presented to the Functions Committee on 26 February 2018 to set the total Council Tax.

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3.0 Budget process

- 3.1 At its meeting on the 22 January 2018 the Cabinet approved the budget proposals for 2018/19. The decisions made by Cabinet are reflected in the formal resolutions set out above.
- 3.2 The Council is recommended to approve Cabinet's budget proposals and to make the necessary formal resolutions to set the level of Council Tax.
- 3.3 Members are required to have regard to the Director of Finance's assessment of risks and the adequacy of balances. This is set out in the 22 January 2018 Cabinet report and concludes that the level of balances should be adequate.
- 3.4 Budget Panel considered Cabinet's proposals at its meeting on 16 January 2018 and its minutes were circulated to Cabinet prior to any decisions being taken.
- 3.5 The precepts for Hertfordshire County Council and The Police and Crime Commissioner for Hertfordshire have not yet been notified to the Council. A report will be submitted to the Functions Committee on 26 February 2018 detailing the tax requirement for Watford Borough Council's own purposes with those of the preceptors, to formally set the overall level of Council Tax.
- 3.6 Watford's net revenue expenditure for 2018/19 is forecast to be £13.520 million. Council tax is estimated to be the band D charge multiplied by the tax base (adjusted for the collection rate) which gives an estimated Council tax precept of £8.502 million. Central government support and other funding is £4.642 million and the balance will be met from the Council's reserves. The council tax base for 2018/19 is **32,393.9** (Band D equivalents).
- 3.7 This results in a council tax for Band D of £262.46 and the Watford Borough Council's Council Tax has increased by £7.62 from the precept set in 2017/18.

4.0 Implications

- 4.1 The implications contained in the report to Cabinet on 22 January 2018 are equally applicable to this report and Members are invited to refer to them to avoid unnecessary duplication.

Background Papers

Report to Cabinet of 22 January 2018