

Part A

Report to: Council Functions Committee
Date of meeting: 26 February 2018
Report of: Head of Finance
Title: Setting the Council Tax for financial year 2018/19

1.0 Summary

1.1 This report consolidates the decisions of this Council and the two precepting bodies to give the overall Council Tax for residents of Watford for 2018/19.

2.0 Risks

2.1 All risks around the Council budget are listed below and were contained in the Financial Planning report taken to Council on 30 January 2018. There are no direct risks arising from the recommendation of this report as it is a legal requirement that it is agreed.

The potential budget risks are shown below; (based on a calculation of severity of impact (1 – 4) and likelihood of risk materialising (1 - 4); 1= very low risk, 16 = a very high risk)

Nature of Risk	Consequence	Suggested Control Measures	Response (Treat, tolerate, terminate, transfer)	Risk Rating (combination of severity and likelihood)
That Functions does not agree the council tax before the statutory date	The Council tax charge is not set	Revert to prior year's tax base	Treat	1
That Cabinet does not recommend revenue and capital estimates for 2018/19 to Council	The Council does not legally set a budget	Revert to previous MTFS	Treat	1
That the Council will exceed its borrowing parameters	Breach of Treasury Management Strategy (TMS)	Revision of TMS Prudential indicators	Treat	1

That the Council will be unable to service its annual borrowing costs	Budget Pressure	Provision in MTFS for anticipated borrowing	Tolerate	1
Investment with a counterparty that subsequently defaults	Recovery of principal will take longer	Invest in accordance with TMS	Tolerate	2
That the estimates used in the preparation of the report will not be sufficiently accurate.	Budget not correct	Mitigate through in year budget monitoring. Reset Budget at period 8	Treat	3
That the Council will not have adequate reserves to manage emerging risks.	Reserves diminish	Increase general fund balance to £2M	Treat	3

3.0 Recommendation

- 3.1 That the Committee formally sets the total Council Tax for Watford Borough Council, which includes the precepts for Hertfordshire County Council and the Police and Crime Commissioner for Hertfordshire, as set out in the report.

Contact Officer:

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Report approved by: Joanne Wagstaffe, Director of Finance (Shared Services)

4.0 Detailed Proposal

- 4.1 Council approved its budget and Council Tax (a 2.99% increase for a Band D property) for 2018/19 at its meeting on 22 January 2018. The Police & Crime Commissioner for Hertfordshire and Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown in paragraph 3.2 below for 2018/19 and the Committee is now required to set the total Council Tax for 2018/19.
- 4.2 The figures for all Council Tax bands for each body are set out in the table below. Having calculated the aggregate in each case, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings as outlined below.

2018/19			Watford BC	Herts CC	Herts CC Social Care	Police & Crime Commissioner	Total
				<i>Precepting Authorities</i>			
Valuation Band	Ratio		£	£	£	£	£
A	6	9	174.97	816.46	63.85	109.33	1,164.61
B	7	9	204.14	952.51	74.51	127.56	1,358.72
C	8	9	233.30	1,088.60	85.14	145.78	1,552.82
D	9	9	262.46	1,224.67	95.79	164.00	1,746.92
E	11	9	320.78	1,496.83	117.07	200.44	2,135.12
F	13	9	379.11	1,768.96	138.37	236.89	2,523.33
G	15	9	437.43	2,041.13	159.64	273.33	2,911.53
H	18	9	524.92	2,449.34	191.58	328.00	3,493.84

- 4.3 The Police and Crime Commissioner for Hertfordshire agreed a £12 increase (Band D property) in his precept requirement for 2018/19. Hertfordshire County Council agreed a 2.99% increase on its relevant basic amount of council tax and a 3% increase relating to the social care fund for 2018/19.

5.0 Implications

5.1 Financial

- 5.1.2 The financial implications that apply to this Council were set out in the budget report to Council on 30 January 2018.

5.2 Legal Issues

5.2.1 The Head of Democracy and Governance comments that this is the final part in the process of setting the Council Tax prior to billing. It is a legal requirement that this is agreed.

5.3 Equalities / Human rights

5.3.1 Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010 it is important to demonstrate how policies, practices, and decisions impact on people with different protected characteristics. It is also important that the Council is not discriminating unlawfully when carrying out any of its functions.

5.3.2 There are no direct equality issues from the recommendation in this report.

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

Report to Council 30 January 2018

File Reference

None