

Report to: Council
Date of meeting: 29th January 2014
Report of: Director of Finance
Title: Council Tax Resolution 2014/2015

1.0 SUMMARY

- 1.1 The purpose of this report is to enable the Council to set the 2014/2015 budget and pass the statutory Council Tax Resolutions for 2014/15 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 27th February 2014 to set the overall Council Tax, which will include these precepts.

Copies of the Budget Report to the Cabinet meeting on 20th January 2014 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 20th January 2014:

- a) That the Council's net General Fund expenditure for 2014/15 shall be £14,592,960.
- b) That the Capital Programme shall be as set out in the Cabinet report.

And in approving these recommendations

- c) 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 2014/15 has been calculated at 30,112 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 2014/15 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)* **£67,367,020**
- (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)* **£59,843,840**
- (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* **£7,523,180**
- (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)* **£249.84**

(E)

Council Tax Valuation Bands	Conversion Factor to Band D	Watford's Share (£)
A	6 / 9	166.56
B	7 / 9	194.32
C	8 / 9	222.08
D	1	249.84
E	11 / 9	305.36
F	13 / 9	360.88
G	15 / 9	416.40
H	2	499.68

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 2014/15 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 27th February 2014 to set the total Council Tax.

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3.0 BUDGET PROCESS

- 3.1 At its meeting on the 20th January 2014, the Cabinet approved the budget proposals for 2014/15. 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 20th January 2014 Cabinet report and concludes that the level of balances should be adequate.
- 3.4 Budget Panel considered Cabinet's proposals at its meeting on 15th January 2014 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 27th February 2014 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 2014/15 is forecast to be £14,592,960 which is then reduced by the application of central government support of £7,107,780 and the transfer to the Council's Reserves of £38,000. The residual balance of £7,523,180 is the statutory Council Tax Requirement which is then divided by the council tax base for 2014/15 of 30,112 Band D equivalents.
- 3.7 This results in a council tax for Band D of £249.84 and the Watford Borough Council's Council Tax therefore remains unchanged from 2013/14.

4.0 IMPLICATIONS

- 4.1 The implications contained in the report to Cabinet on 20th January 2014 are equally applicable to this report and Members are invited to refer to them to avoid unnecessary duplication.

Background Papers

Report to Cabinet of 20th January 2014