

Report to: Council
Date of meeting: 28th January 2015
Report of: Director of Finance
Title: Council Tax Resolution 2015/2016

1.0 SUMMARY

- 1.1 The purpose of this report is to enable the Council to set the 2015/2016 budget and pass the statutory Council Tax Resolutions for 2015/16 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 26th February 2015 to set the overall Council Tax, which will include these precepts.

Copies of the Budget Report to the Cabinet meeting on 19th January 2015 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 19th January 2015:

- a) That the Council's net General Fund expenditure for 2015/16 shall be £15,174,850.
- 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 2015/16 has been calculated at 30,805 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 2015/16 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)* **£65,148,370**
- (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)* **£57,452,150**
- (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* **£7,696,220**
- (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 County Council and the Police and Crime Commissioner be presented to the Functions Committee on 26th February 2015 to set the total Council Tax.

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3.0 BUDGET PROCESS

- 3.1 At its meeting on the 19th January 2015, the Cabinet approved the budget proposals for 2015/16. 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 19th January 2015 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 2015 and its minutes were circulated to Cabinet prior to any decisions being taken.
- 3.5 Members agreed a Members Remuneration Scheme at the Council meeting on 29th January 2014 which covered the period 2014-2018. As such there are no recommended changes to that agreed last year.
- 3.6 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 26th February 2015 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.
- 3.7 Watford's net revenue expenditure for 2015/16 is forecast to be £15,174,850 which is then reduced by the application of central government support of £7,459,450 and the transfer from the Council's Reserves of £19,180. The residual balance of £7,696,220 is the statutory Council Tax Requirement which is then divided by the council tax base for 2015/16 of 30,805 Band D equivalents.
- 3.8 This results in a council tax for Band D of £249.84 and the Watford Borough Council's Council Tax therefore remains unchanged from 2014/15.

4.0 IMPLICATIONS

- 4.1 The implications contained in the report to Cabinet on 19th January 2015 are equally applicable to this report and Members are invited to refer to them to avoid unnecessary duplication.

Background Papers

Report to Cabinet of 19th January 2015