

## **COUNCIL, 21 February 2018**

### **REPORT OF CABINET**

#### **SUBJECT: THE COUNCIL'S BUDGET 2018/19**

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2018/19.

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 ("the Act"), and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.

The Council has to formally resolve that it calculates certain figures, which broadly are:

- its gross expenditure, including contingency and levies (but not precepts)
- its gross income from fees & charges and other sources, specific grants, external finance from the Government, and any surplus/deficit on the collection fund
- the difference between the two, being the amount which the Council needs for its own services to be paid from the collection fund, defined as the Council Tax requirement
- the basic amount of Council Tax for the net position of all these figures, including precepts, and
- the amount of Council Tax for each other category of dwelling.

The Council is also required to formally approve the management of the Council's treasury management functions, including the Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement; the proposed revenue budget for both the General Fund and Schools' Delegated Budgets; the Capital Programme and the Housing Revenue Account.

**Members are asked to bring their copy of the Cabinet reports including the appendices and any supplementary paper with them to the meeting, as the recommendations before Council make specific reference to these reports.**

Attached to this report are:

- **Annex A** which are the draft minutes of the Cabinet meeting.
- **Annex B** to this report which provides supporting information to the resolutions.
- a revised Council Tax statement, originally provided in the Cabinet report marked as **Appendix D**, amended following the latest notification of the levies and the final Local Government Finance Settlement
- a revised Appendix C for Levies, originally provided in the Cabinet report marked as **Appendix C**, amended following the final and provisional notification of the levies.

The Treasury Management Strategy Statement and related documents were reported to Cabinet separately. The Capital Programme was originally provided in the Cabinet report marked as **Appendix I**. A separate report also covers the proposed Members Allowances scheme for 2018/19.

The HRA Major Works Capital Programme and Revenue Budget for 2018/19 were also reported separately to Cabinet and approved at the meeting on 7 February 2018. It includes a detailed HRA Major Works Capital Programme for 2018/19 - 2022/23.

In the light of the above **Cabinet recommends the Council to adopt the following resolutions as set out below.**

The effect of adopting these resolutions would be to set the Council Tax for a Band D property at £1,658.06
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### **RECOMMENDATIONS**

1. That the following as submitted in the report to Cabinet of 7 February 2018 be approved:
  - The General Fund budget for 2018/19
  - The Council Tax for Band D properties and for other Bands of properties, all as set out in **Appendix D** of the Cabinet report.
  - The Delegated Schools' Budget for 2018/19, as set out in section 4 of the Cabinet report.
  - The Capital Programme for 2018/19 as set out in section 9 and supported by Annexes 1, 2 and 3 of **Appendix G** of the Cabinet report.
  - That it pass a resolution as set out in section 11.3 of the Cabinet report to enable Council Tax discounts to be given at the 2017/18 level.
2. The Council delegate authority to the Chief Financial Officer to adjust the Corporate Risk Budget to account for any further variations that may arise from the final settlement.
3. That, in accepting recommendation 1, Council is mindful of the advice of the Chief Finance Officer as set out in **Appendix F** of the report to Cabinet.
4. That it be noted that under delegated powers the Chief Finance Officer has calculated the amount of 87,346 (called T in the Act and Regulations) as its Council Tax base for the year 2018/19 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) made under Section 31B of the Local Government Finance Act 1992 as amended.
5. That the amount of £119,125,095 be now calculated as the Council Tax requirement for the Council's own purposes for 2018/19, with £6,645,284 of that amount being ringfenced for Adult Social Care.

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

(a)	£505,518,040	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	(£386,392,945)	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£119,125,095	being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
(d)	£1,363.83	being the amount at 5(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

7. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in the table below as the amounts of Council Tax for 2018/19 for each of the categories of dwellings.

<b>Valuation Bands London Borough of Havering</b>			
	<b>Havering</b>	<b>Adult Social Care</b>	<b>Total</b>
	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
A	858.50	50.72	909.22
B	1,001.58	59.17	1,060.75
C	1,144.67	67.63	1,212.30
D	1,287.75	76.08	1,363.83
E	1,573.92	92.99	1,666.91
F	1,860.08	109.89	1,969.97
G	2,146.25	126.80	2,273.05
H	2,575.50	152.16	2,727.66

- 8 That it be noted for the year 2018/19 the major precepting authority (the GLA) has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below as proposed by the Mayor.

<b>Valuation Bands Greater London Authority</b>	
	<b>£ p</b>
A	£196.15
B	£228.85
C	£261.54
D	£294.23
E	£359.61
F	£425.00
G	£490.38
H	£588.46

9. That, having calculated the aggregate in each case of the amounts at 6 and 7 above, the Council, in accordance with Sections 30 and 36 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 shown below:

<b>Valuation Bands</b>	<b>£ p</b>
A	1,105.37
B	1,289.60
C	1,473.84
D	1,658.06
E	2,026.52
F	2,394.97
G	2,763.43
H	3,316.12

**The effect of adopting this resolution would be to set the Council Tax for a Band D property at £1,658.06**

10. That Council having considered the principles approved under the Local Government Finance Act 1992 by the Secretary of State for Communities and Local Government concludes that the Council's basic relevant amount of Council Tax for 2018/19 is not excessive.
11. That any Council Tax payer who is liable to pay an amount of Council Tax to the Authority in respect to the year ending on 31 March 2019, who is served with a demand notice under Regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 as amended and who makes payment to the Authority of the full balance of the estimated amount shown on that demand by 1 April 2018, may deduct a sum equivalent to 1.5% of and from the estimated amount and such reduced amount shall be accepted in full settlement of that estimated amount.

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12. That Council approves the Housing Revenue Account (HRA) Major Works Capital Programme, detailed in **Appendix 2a** of the HRA Budget for 2018/2019 and HRA Major Works Capital Programme 2018/19 – 2022/23 report to Cabinet of 7 February 2018.
13. That Council approves the HRA Capital expenditure and financing for the 12 Sites Joint Venture, detailed in paragraphs 3.19.1 to 3.19.8 and **Appendix 2a** of the of the HRA Budget for 2018/2019 and HRA Major Works Capital Programme 2018/19 – 2022/23 report to Cabinet of 7 February 2018.
14. That Council approves the HRA Capital expenditure and financing to acquire up to 375 affordable dwellings from the Bridge Close JVLLP, detailed in paragraphs 3.20.1 to 3.20.5 and **Appendix 2a** of the HRA Budget for 2018/19 and HRA Major Works Capital Programme 2018/19 – 2022/23 report to Cabinet of 7 February 2018.
15. That Council approves the Treasury Management Strategy Statement, Prudential Indicators, and the Minimum Revenue Provision Statement for 2018/19 as shown in the separate report to Cabinet of 7 February 2018.

**REPORT DETAIL**

As set out in the reports to Cabinet of 7 February 2018 and the attached Annexes.

