



Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Council Tax Setting Committee
Date:	14 January 2024
Report on behalf of:	Councillor William Allen, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	None
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	SLT – Strategic Leadership Team

Report Author / Responsible Officer

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Corporate Priorities	<ul style="list-style-type: none">• Community engagement• Service improvement and delivery• Vibrant communities• Sustainable future
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	<ul style="list-style-type: none"> • Clean, safe and green • Homes to be proud of • Proud and thriving borough
Wards affected	All
Purpose of the report:	1. To seek approval to agree to the creation of a new Council Tax Setting Committee.
Recommendation (s) to the decision maker (s):	<p>1. That Committee notes and agrees the following recommendation be presented to Cabinet for approval:</p> <p>Cabinet recommends Council approves the creation of a Council Tax Setting Committee.</p> <p>That Cabinet recommends Council agrees to the terms of reference for the Committee as set out in section 2 of the report and delegates authority to the Monitoring Officer to make the required changes to the Constitution to incorporate the Committee</p>
Period for post policy/project review:	The Constitution is kept under continuous review by the Monitoring Officer and updates are proposed to Cabinet/Council when required.

1 Introduction

- 1.1 The Monitoring Officer is under a continuous duty to review the Constitution to ensure that it is up to date and provides an appropriate governance framework for all Council decision making.
- 1.2 Proposals for change may be prompted not only by formal internal reviews, but also by the Monitoring Officer, the Cabinet, other Members or officers and by public opinion.
- 1.3 The changes proposed in this report result primarily as a result of the change in Hertfordshire County Council's (HCC) formal Council Tax precept approval timeline. The 2025/26 HCC formal council tax precept is expected to be approved on the 25th February 2025, circa 2 weeks later than previous years.

- 1.4 Dacorum Borough Council is the Tax billing authority for Dacorum Council tax payers and as part of this statutory responsibility the Council must approve the annual Council Tax Declaration form on behalf of Dacorum and its Precepting authorities, as set out in the Local Government Finance Act 1992. The declaration cannot be formally approved by Dacorum Borough Council until all preceptors have formally issued their precept levels.

The Dacorum 2025/26 budget and Council Tax requirement is expected to be approved by members at full council on the 19th February. At this point historically the Council Tax Declaration would also be approved by full Council, but due to the change in HCC timelines this is not an option in 2025/26.

- 1.5 The proposed change to the constitution is to set up a Council Tax Setting Committee which will have two specific powers to;
1. Set the Council Tax Base in accordance with the Local Authority (Calculation of Council Tax Base) Regulations 2012
 2. Set the Council Tax in accordance with chapter III & iv of the Local Government Finance Act 1992.

2 Council Tax Setting Committee Proposals

2.1 Terms of Reference

The Council will appoint one Council Tax Setting Committee for the purpose of setting the Council Tax Base and the Council Tax unless the decision can be taken by a meeting of Full Council. The Committee will have the responsibilities as set below, where required:

- (a) Set the Council Tax Base in accordance with the Local Authority (Calculation of Council Tax Base) Regulations 2012;
- (b) Set the Council Tax in accordance with Chapter III & IV of the Local Government Finance Act 1992;

The functions of the Council Tax Setting Committee are to set the Council Tax Base and to set the overall level of Council Tax for the following financial year taking into account the precepts of all Major and Local Precepting Authorities.

2.2 Membership

The Committee shall consist of five members to be appointed by full Council to the Council Tax Setting Committee and shall be politically balanced in accordance with section 15 of the Local Government and Housing Act 1989. The Chair shall be the Leader of the Council.

2.3 Quorum

The Quorum for a meeting of the Council Tax Setting Committee shall be three voting members of that Committee.

2.4 Proceedings of the Council Tax Setting Committee.

There shall usually be two meetings per annum of the Committee in each year, in December to approve the statutory Council Tax Base report, in February to approve the Council Tax Declaration report. In addition, extraordinary meetings may be called from time to time, as and when appropriate. An extraordinary meeting may be called by the Chair of the Committee or by the Monitoring Officer if they consider it is necessary or appropriate.

2.5 Meetings of the Council Tax Setting Committee shall consider the following business:

- (a) minutes of the last meeting;

(b) declarations of interest);

(d) any other business set out on the agenda for the meeting.

3 Options and alternatives considered

Dacorum uses the budget setting approval timeline as the approval of the annual housing rents as well and hence this needs to take place in the first half of February to ensure the housing annual rent bills can be issued in line with statutory requirements. The future HCC budget meetings are likely to take place at the end of February as they will be set to avoid future half term periods.

This is therefore expected to be an ongoing issue and hence the only other alternative option explored was for the council to set an annual extraordinary Council meeting at the end of February each year, in line with preceptor Council tax setting timelines, to approve the Council Tax Declaration submission. This would be a one agenda item meeting and it was considered an inefficient use of member time.

4 Consultation

There has been consultation with the Council's Strategic Leadership Team as well as senior Cabinet Members, and opposition members to ensure that this approach is considered appropriate to enable the Council to operate effectively.

5 Financial and value for money implications:

There is no financial impact as a result of this approach..

6 Legal Implications

The scheme of delegation in Part 3 of the Constitution will need to be amended to include reference to this new Committee. Council will need to nominate members to the Committee in accordance with the political balance rules. At the time of writing this report that would require nominations from 2 Liberal Democrat, 2 Conservative and 1 Independent Councillor.

7 Risk implications:

Failure to have an effective process for setting the annual Council Tax declaration would contravene the Local Government Finance Act 1992, and could have a significant financial and reputational impact on the council if Council tax bills are challenged or unable to be issued appropriately.

10 Equalities, Community Impact and Human Rights:

There are no Equalities, Community Impact or Human Rights implications arising from this report.

11 Sustainability implications.

There are no sustainability implications arising from this report.

12 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no implications arising from this report.

13 Statutory Comments

This is a joint report of the Monitoring Officer and Chief Finance Officer and comments have been incorporated in the report

14 Conclusions:

The changes proposed in this report are required to ensure that the Council has an appropriate approval process for setting the Council Tax Declaration in line with the Local Government Finance Act 1992.