

## COUNCIL – 26 FEBRUARY 2019

### 10. COUNCIL TAX – DISTRICT ELEMENT (DoF)

#### 1 Summary

- 1.1 This report allows the Council to set the district element of the Council Tax for 2019/2020. This includes the parish precepts.

#### 2 Background

- 2.1 The calculations below comply with the Local Government Finance Act 1992 (“The Act”), as amended by the Localism Act 2011.
- 2.2 The details below show the calculations made in arriving at the recommendations and are cross referenced accordingly.

#### 3 Details

##### 3.1 *The Council Tax Base*

At its meeting on 11 December 2018, the Council approved the Council Tax Base for 2019/20 as follows:

Abbots Langley	8571.9
Batchworth	6351.9
Chorleywood	6211.2
Croxley Green	5543.6
Sarratt	1080.5
Watford Rural	7637.3
Unparished Area	3695.6
Total	39092.0

##### 3.2 *Calculation of Council Tax Requirement*

The Council must calculate its aggregate expenditure (a), its aggregate income (b) and the difference between the two, being termed the Council Tax Requirement (c).

<b>Council Tax Requirement</b>	<b>£</b>
Aggregate Expenditure (a)	50,018,124
Aggregate Income (b)	41,257,710
Council Tax Requirement (c)	8,760,414

##### 3.3 *Basic Amount of Tax*

This is calculated by dividing the Council Tax Requirement by the Council Tax Base.

$$\frac{£8,760,414}{39092.0} = £224.10$$

This is the charge that, were there to be no special items in a part of the area, would be levied on a Band D property to meet District and Parish expenditure.

### 3.4 **Aggregate Amount of Special Items**

Special items include both Parish Precepts and Special Expenses:-

Special items	£	£	£
Area	Precepts	Special Expenses	Total
Abbots Langley	720,500	2,230	722,730
Batchworth	115,350	413,150	528,500
Chorleywood	482,766	99,810	582,576
Croxley Green	304,663	131,690	436,353
Sarratt	95,135	0	95,135
Watford Rural	243,900	276,460	520,360
Unparished	0	248,070	248,070
<b>Total</b>	<b>1,962,314</b>	<b>1,171,410</b>	<b>3,133,724</b>

### 3.5 **Basic Amount of Council Tax for Dwellings in a Part of the District Were No Special Items to Apply.**

This calculation gives a basic amount of tax for a dwelling in a part of the area to which no special item relates. In fact there is no dwelling in the District to which this applies but the figure is calculated to enable special items in each part of the District to be subsequently added back:-

$$\begin{array}{r}
 \text{Basic Amount of Tax} \\
 \text{£224.10}
 \end{array}
 - \frac{\text{Aggregate of Special Items}}{\text{Council's Total Tax Base}}
 = \text{£143.94}$$

$$\text{£224.10} - \frac{3,133,724}{39092.0} = \text{£143.94}$$

This figure equates to the District Council's charge for "General Expenses".

### 3.6 **Council Tax for Part of the Council's Area**

This calculation adds back to the calculation at paragraph 3.5 above, the Special items that relate to each part of the District with regard to the tax base in each part:-

Special Items	Abbots Langley	Batchworth	Chorleywood	Croxley Green	Sarratt	Watford Rural	Unparished	Total
	£	£	£	£	£	£	£	£
Precepts	720,500	115,350	482,766	304,663	95,135	243,900	0	1,962,314
Special Expenses	2,230	413,150	99,810	131,690	0	276,460	248,070	1,171,410
<b>Total</b>	<b>722,730</b>	<b>528,500</b>	<b>582,576</b>	<b>436,353</b>	<b>95,135</b>	<b>520,360</b>	<b>248,070</b>	<b>3,133,724</b>
Divided by Tax Base	8571.9	6351.9	6211.2	5543.6	1080.5	7637.3	3695.6	39092.0
<b>Sub Total</b>	<b>84.31</b>	<b>83.20</b>	<b>93.79</b>	<b>78.71</b>	<b>88.05</b>	<b>68.13</b>	<b>67.13</b>	
Add Council Tax if no Special Items existed	143.94	143.94	143.94	143.94	143.94	143.94	143.94	
<b>Total</b>	<b>228.25</b>	<b>227.14</b>	<b>237.73</b>	<b>222.65</b>	<b>231.99</b>	<b>212.07</b>	<b>211.07</b>	

### 3.7 **Charges for Each Band**

The figures for each band of property are arrived at by taking the charge for a band D property and applying the following proportions:-

Band	
A	6:9
B	7:9
C	8:9
D	9:9
E	11:9
F	13:9
G	15:9
H	18:9

### 3.8 **Major Precepting Authorities**

The Police and Crime Commissioner for Hertfordshire and Hertfordshire County Council have agreed their 2019/20 precepts issued to the Council, in accordance with Section 40 of the Act. Precepts for these authorities are added to this Council's charges to arrive at a total council tax charge.

## 4 **Options/Reasons for Recommendation**

4.1 The report is made to set this Council's element of the Council Tax for 2019/20.

## 5 **Policy/Budget**

5.1 The recommendations in this report are within the Council's agreed policy and budgets.

## 6 **Equal Opportunities, Staffing, Environmental, Community Safety, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

6.1 None specific.

## 7 **Financial Implications**

7.1 Applying the charges will generate the income required to meet District and Parish Councils' expenditure after discounts and non-payment, allowance for which has been included in the Council Tax Base.

## 8 **Legal Implications**

8.1 This report and its recommendations comply with the requirements of the Local Government Finance Act 1992 as amended.

8.2 The Government announced that for district councils, their relevant basic amount of council tax in 2019/20 will require a referendum if it is either:

- 3%; or more than 3% above its 2018/19 level; and
- more than £5 above its 2018/19 level

This means the authority would need to exceed **both** referendum principles in order to be subject to a referendum; exceeding one principle but not the other would not require a referendum. The average increase in the district for 2019/20 for a Band D property is £5 (2.96%). Therefore there is no need for a referendum on the 2019/20 district element of the council tax charge.

## 9 Recommendations

9.1 That the following amounts be calculated for the year 2019/20, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

- (a) £50,018,124 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils.
- (b) £41,257,710 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £8,760,414 being the amount by which the aggregate (a) above exceeds the aggregate at (b) above.
- (d) £224.10 being the amount at (c) above divided by the council tax base, as the basic amount of its Council Tax for the year (including parish precepts).
- (e) £3,133,724 being the aggregate amount of all special items (parish precepts and special expenses)
- (f) £143.94 being the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates.

(g)

Parts of the Council's Area	£
Abbots Langley	228.25
Batchworth	227.14
Chorleywood	237.73
Croxley Green	222.65
Sarratt	231.99
Watford Rural	212.07
Unparished	211.07

being the amounts given by adding to the amount at (f) above the amounts of the special item or items relating to the dwellings in those parts of the Council's area listed above divided by the council tax base, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h)

Parts of the Council's Area	Valuation Band							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbots Langley	152.17	177.53	202.89	228.25	278.97	329.69	380.42	456.50
Batchworth	151.43	176.66	201.90	227.14	277.62	328.09	378.57	454.28
Chorleywood	158.49	184.90	211.32	237.73	290.56	343.39	396.22	475.46
Croxley Green	148.43	173.17	197.91	222.65	272.13	321.61	371.08	445.30
Sarratt	154.66	180.44	206.21	231.99	283.54	335.10	386.65	463.98
Watford Rural	141.38	164.94	188.51	212.07	259.20	306.32	353.45	424.14
Unparished	140.71	164.17	187.62	211.07	257.97	304.88	351.78	422.14

being the amounts given by multiplying the amounts at (g) above by the proportion in paragraph 3.7.

**Report Prepared by:**

Nigel Pollard – Section Head Accountancy (Finance Shared Services)

**Background Papers:**

Local Government Finance Act 1992

The Administration approved budget for 2019/20

Council 11 December 2018 - The Council Tax Base report

**Appendix 1 - Special Items**

## APPENDIX 1

Council Tax Special Items 2019/20	Abbots Langley	Batchworth	Chorleywood	Croxley Green	Sarratt	Watford Rural	Unparished	Total
	£	£	£	£	£	£	£	£
<b>Special Expenses</b>								
Aquadrome	0	93,940	0	0	0	0	0	93,940
Playing Fields and Open Spaces	0	199,310	57,530	115,600	0	182,200	170,570	725,210
Trees & Landscapes	2,230	51,400	42,280	16,090	0	97,260	2,950	212,210
Watersmeet	0	68,500	0	0	0	0	74,550	143,050
Community Halls	0	0	0	0	0	(3,000)	0	(3,000)
<b>Total Special Expenses</b>	<b>2,230</b>	<b>413,150</b>	<b>99,810</b>	<b>131,690</b>	<b>0</b>	<b>276,460</b>	<b>248,070</b>	<b>1,171,410</b>
Parish Council Precepts	720,500	115,350	482,766	304,663	95,135	243,900	0	1,962,314
<b>Total Special Items</b>	<b>722,730</b>	<b>528,500</b>	<b>582,576</b>	<b>436,353</b>	<b>95,135</b>	<b>520,360</b>	<b>248,070</b>	<b>3,133,724</b>
Council Tax Base	8571.9	6351.9	6211.2	5543.6	1080.5	7637.3	3695.6	39092.0
<b>Band D Charge for Special Items</b>	<b>84.31</b>	<b>83.20</b>	<b>93.79</b>	<b>78.71</b>	<b>88.05</b>	<b>68.13</b>	<b>67.13</b>	<b>80.16</b>