

COUNCIL – 20 FEBRUARY 2018

5. COUNCIL TAX – DISTRICT ELEMENT (DF)

1. Summary

1.1 This report allows the Council to set the district element of the Council Tax for 2018/2019. 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 12 December 2017, the Council approved the Council Tax Base for 2018/19 as follows;

Abbots Langley	8,492.5
Batchworth	6,250.6
Chorleywood	6,189.8
Croxley Green	5,504.1
Sarratt	1,082.3
Watford Rural	6,996.1
Unparished Area	3,728.3
Total	38,243.7

3.2 *Calculation of Council Tax Requirement*

The Council must calculate:-

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

Council Tax Requirement	£
Aggregate Expenditure (a)	49,163,805
Aggregate Income (b)	40,783,211
Council Tax Requirement (c)	8,380,594

3.3 *Basic Amount of Tax*

Calculated as follows:-

$$\frac{\text{Council Tax Requirement}}{\text{Council Tax Base}} = \text{Basic Amount of Tax}$$
$$\frac{£8,380,594}{38,243.7} = £219.14$$

This is the charge that, were there are 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	686,743	2,200	688,943
Batchworth	108,725	406,580	515,305
Chorleywood	468,705	99,160	567,865
Croxley Green	302,160	130,510	432,670
Sarratt	94,031	0	94,031
Watford Rural	260,869	266,650	527,519
Unparished	0	239,330	239,330
Total	1,921,233	1,144,430	3,065,663

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:-

$$\begin{array}{r}
 \text{Basic Amount of Tax} \\
 \text{£219.14}
 \end{array}
 - \frac{\text{Aggregate of Special Items}}{\text{Council's Total Tax Base}}
 = \text{£138.98}$$

$$\frac{3,065,663}{38,243.7}$$

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	686,743	108,725	468,705	302,160	94,031	260,869	0	1,921,233
Special Expenses	2,200	406,580	99,160	130,510	0	266,650	239,330	1,144,430
Total	688,943	515,305	567,865	432,670	94,031	527,519	239,330	3,065,663
Divided by Tax Base	8492.5	6250.6	6189.8	5504.1	1082.3	6996.1	3728.3	38243.7
Sub Total	81.12	82.44	91.74	78.61	86.88	75.40	64.19	
Add Council Tax if no Special Items existed	138.98	138.98	138.98	138.98	138.98	138.98	138.98	
Total	220.10	221.42	230.72	217.59	225.86	214.38	203.17	

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 2018/19 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 2018/19.

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 2018/19 will require a referendum if it is either:

- 3%; or more than 3% above its 2017/18 level; and

- more than £5 above its 2017/18 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 2018/19 for a Band D property is £5 (3.05%). Therefore there is no need for a referendum on the 2018/19 district element of the council tax charge.

9. Recommendations

9.1 That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

- (a) £49,163,805 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) £40,783,211 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £8,380,594 being the amount by which the aggregate (a) above exceeds the aggregate at (b) above.
- (d) £219.14 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) £3,065,663 being the aggregate amount of all special items (parish precepts and special expenses)
- (f) £138.98 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.

Parts of the Council's Area	£
Abbots Langley	220.10
Batchworth	221.42
Chorleywood	230.72
Croxley Green	217.59
Sarratt	225.86
Watford Rural	214.38
Unparished	203.17

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.

Parts of the Council's Area	Valuation Band							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbots Langley	146.73	171.19	195.64	220.10	269.01	317.92	366.83	440.20
Batchworth	147.61	172.22	196.82	221.42	270.62	319.83	369.03	442.84
Chorleywood	153.81	179.45	205.08	230.72	281.99	333.26	384.53	461.44
Croxley Green	145.06	169.24	193.41	217.59	265.94	314.30	362.65	435.18
Sarratt	150.57	175.67	200.76	225.86	276.05	326.24	376.43	451.72
Watford Rural	142.92	166.74	190.56	214.38	262.02	309.66	357.30	428.76
Unparished	135.45	158.02	180.60	203.17	248.32	293.47	338.62	406.34

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

Report Prepared by:

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Background Papers:

Local Government Finance Act 1992, as amended and Regulations made thereunder.

The Administration approved budget for 2018/19

Council 12 December 2017 - The Council Tax Base report

Appendix 1 - Special Items

APPENDIX 1

Council Tax Special Items 2018/19	Abbots Langley	Batchworth	Chorleywood	Croxley Green	Sarratt	Watford Rural	Unparished	Total
	£	£	£	£	£	£	£	£
Special Expenses								
Aquadrome	0	93,190	0	0	0	0	0	93,190
Playing Fields and Open Spaces	0	198,630	57,540	114,670	0	173,920	167,660	712,420
Trees & Landscapes	2,200	50,590	41,620	15,840	0	95,730	2,900	208,880
Watersmeet	0	64,170	0	0	0	0	68,770	132,940
Community Halls	0	0	0	0	0	(3,000)	0	(3,000)
Total Special Expenses	2,200	406,580	99,160	130,510	0	266,650	239,330	1,144,430
Parish Council Precepts	686,743	108,725	468,705	302,160	94,031	260,869	0	1,921,233
Total Special Items	688,943	515,305	567,865	432,670	94,031	527,519	239,330	3,065,663
Council Tax Base	8492.5	6250.6	6189.8	5504.1	1082.3	6996.1	3728.3	38243.7
Band D Charge for Special Items	81.12	82.44	91.74	78.61	86.88	75.40	64.19	80.16