

## COUNCIL – 25 FEBRUARY 2020

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

#### 1 Summary

- 1.1 This report allows the Council to set the district element of the Council Tax for 2020/21. 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 extraordinary meeting on 21 January 2020, the Council approved the Council Tax Base for 2020/21 as follows:

Abbots Langley	8773.4
Batchworth	6456.9
Chorleywood	6312.9
Croxley Green	5642.6
Sarratt	1102.8
Watford Rural	7220.8
Unparished Area	3703.3
Total	39212.7

##### 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)	51,150,710
Aggregate Income (b)	(42,071,764)
Council Tax Requirement (c)	9,078,946

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

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

$$\frac{£9,078,946}{39212.7} = £231.53$$

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	763,000	2,260	765,260
Batchworth	118,500	418,130	536,630
Chorleywood	515,000	102,630	617,630
Croxley Green	318,990	134,280	453,270
Sarratt	96,557	0	96,557
Watford Rural	251,765	279,610	531,375
Unparished	0	257,560	257,560
<b>Total</b>	<b>2,063,812</b>	<b>1,194,470</b>	<b>3,258,282</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:-

$$\begin{array}{r}
 \text{Basic Amount of Tax} \\
 \text{£231.53}
 \end{array}
 - \frac{\text{Aggregate of Special Items}}{\text{Council's Total Tax Base}}
 = \text{£148.44}$$

$$\text{£231.53} - \frac{3,258,282}{39212.7} = \text{£148.44}$$

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	763,000	118,500	515,000	318,990	96,557	251,765	0	2,063,812
Special Expenses	2,260	418,130	102,630	134,280	0	279,610	257,560	1,194,470
<b>Total</b>	<b>765,260</b>	<b>536,630</b>	<b>617,630</b>	<b>453,270</b>	<b>96,557</b>	<b>531,375</b>	<b>257,560</b>	<b>3,258,282</b>
Divided by Tax Base	8773.4	6456.9	6312.9	5642.6	1102.8	7220.8	3703.3	39212.7
<b>Sub Total</b>	<b>87.23</b>	<b>83.11</b>	<b>97.84</b>	<b>80.33</b>	<b>87.56</b>	<b>73.59</b>	<b>69.55</b>	
Add Council Tax if no Special Items existed	148.44	148.44	148.44	148.44	148.44	148.44	148.44	
<b>Total</b>	<b>235.67</b>	<b>231.55</b>	<b>246.28</b>	<b>228.77</b>	<b>236.00</b>	<b>222.03</b>	<b>217.99</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 2020/21 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 2020/21.

### 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 2020/21 will require a referendum if it is either:

- 2%; or more than 2% above its 2019/20 level; and
- more than £5 above its 2019/20 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 2020/21 for a Band D property is £5 (2.88%). Therefore there is no need for a referendum on the 2020/21 district element of the council tax charge.

### 9 **Recommendations**

That the following amounts be calculated for the year 2020/21, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

- (a) £51,150,710 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) £42,071,764 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £9,078,946 being the amount by which the aggregate (a) above exceeds the aggregate at (b) above.
- (d) £231.53 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) 3,258,282 being the aggregate amount of all special items (parish precepts and special expenses)
- (f) £148.44 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	235.67
Batchworth	231.55
Chorleywood	246.28
Croxley Green	228.77
Sarratt	236.00
Watford Rural	222.03
Unparished	217.99

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	157.11	183.30	209.48	235.67	288.04	340.41	392.78	471.34
Batchworth	154.37	180.09	205.82	231.55	283.01	334.46	385.92	463.10
Chorleywood	164.19	191.55	218.92	246.28	301.01	355.74	410.47	492.56
Croxley Green	152.51	177.93	203.35	228.77	279.61	330.45	381.28	457.54
Sarratt	157.33	183.56	209.78	236.00	288.44	340.89	393.33	472.00
Watford Rural	148.02	172.69	197.36	222.03	271.37	320.71	370.05	444.06
Unparished	145.33	169.55	193.77	217.99	266.43	314.87	363.32	435.98

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

The Administration approved budget for 2020/21

Preceptor's notifications (HCC & P&CC)  
Extraordinary Council 21 January 2020 - The Council Tax Base report  
Appendix 1 – special items

Special Items

APPENDIX 1

Council Tax Special Items 2020/21	Abbots Langley	Batchworth	Chorleywood	Croxley Green	Sarratt	Watford Rural	Unparished	Total
	£	£	£	£	£	£	£	£
<b>Special Expenses</b>								
Aquadrome	0	92,320	0	0	0	0	0	92,320
Playing Fields and Open Spaces	0	199,930	59,910	118,020	0	184,350	174,130	736,340
Trees & Landscapes	2,260	51,930	42,720	16,260	0	98,260	2,980	214,410
Watersmeet	0	73,950	0	0	0	0	80,450	154,400
Community Halls	0	0	0	0	0	(3,000)	0	(3,000)
<b>Total Special Expenses</b>	<b>2,260</b>	<b>418,130</b>	<b>102,630</b>	<b>134,280</b>	<b>0</b>	<b>279,610</b>	<b>257,560</b>	<b>1,194,470</b>
Parish Council Precepts	763,000	118,500	515,000	318,990	96,557	251,765	0	<b>2,063,812</b>
<b>Total Special Items</b>	<b>765,260</b>	<b>536,630</b>	<b>617,630</b>	<b>453,270</b>	<b>96,557</b>	<b>531,375</b>	<b>257,560</b>	<b>3,258,282</b>
Council Tax Base	8773.4	6456.9	6312.9	5642.6	1102.8	7220.8	3703.3	<b>39212.7</b>
<b>Band D Charge for Special Items</b>	<b>87.23</b>	<b>83.11</b>	<b>97.84</b>	<b>80.33</b>	<b>87.56</b>	<b>73.59</b>	<b>69.55</b>	<b>83.09</b>