

Council Tax 2021/22

What your Council Tax funds

Your council tax bill is made up of four elements. Your council tax, which is collected by North Hertfordshire District Council, pays for the services you receive from:

- North Hertfordshire District Council
- Hertfordshire County Council (including Social Care precepts)
- Police and Crime Commissioner
- Parish, Community or Town Council (where relevant)

North Hertfordshire District Council (NHDC)

The funding for NHDC makes up about 13% of your Council Tax bill. This element of your total Council Tax has gone up by 2.13%, or £5 for a Band D property, compared with 2020/21.

The increase for the Hertfordshire County Council element is 3.99% (£56.43 for a Band D) and 7.6% (£15.00 for a Band D) for the Police and Crime Commissioner.

The NHDC element of the Council Tax bill provides funding towards a range of services, including:

- Improving our environment and combating climate change
- Collecting refuse and recycling from all households in the District.
- Providing information and advice about housing to everyone, including people who are homeless or at risk of becoming homeless.
- Providing three key leisure facilities, North Hertfordshire Leisure Centre, Hitchin Swim Centre and Royston Leisure Centre. In addition, we run the Letchworth outdoor pool and manage the sports hall at Fearnhill School, Letchworth.
- Providing parks and open spaces for all to enjoy.
- Managing elections not only for the District and County Council but also for the Police and Crime Commissioner and General Elections.
- Supporting voluntary groups through providing grant funding to organisations such as Citizens Advice North Hertfordshire.
- Dealing with Planning Applications.
- Ensuring public health is maintained by carrying out food safety inspections and investigating noise nuisance complaints.

The budgeted spend for 2021/22 is shown below, alongside a comparison with 2020/21:

	2021/22	2020/21	%
	£m	£m	Change
Gross Service Expenditure	56.9	55.6	+2.3%
<u>Less</u> Service Income	(12.9)	(13.3)	
<u>Less</u> Housing Benefit Subsidy	(24.2)	(25.6)	
<u>Less</u> income from commercial rents	(1.3)	(1.3)	
<u>Less</u> investment interest income	(0.1)	(0.3)	
Net Expenditure	18.4	15.1	+17.9%
Business Rate Baseline	2.7	2.7	
New Homes Bonus	0.4	0.7	
Council Tax	11.9	11.7	
Covid-19 Emergency Funding	0.9	-	
Other general funding	0.1	(0.1)	
Contribution from / (to) Reserves	2.4	0.1	
Total Funding	18.4	15.1	+17.9%

NHDC's budgeted net expenditure is £3.3m higher than 2020/21. This reflects inflationary pressures of £0.3m, the expected delivery of savings and cost reductions of -£0.6m and budget pressures and investments of £3.6m, of which £2.5m relates to the financial impacts of the Covid-19 pandemic. The most significant element of this is the Council's decision to financially support the recovery of our leisure services post pandemic. Like most Local Authorities, additional Government support has not covered all of our additional expenditure or drops in income in 2020/21, and this is also expected to be the case in 2021/22.

In response, the Council has decided to increase Council Tax by 2.13%, equivalent to a £5 increase for a Band D property, due to the financial impact to date of the Covid-19 pandemic and the potential impacts next year, as well as expected future funding reductions.

In September 2020, Councillors agreed the following Council objectives for 2021/22:

- **Be a welcoming, inclusive, and efficient council-** Engage with and welcome the contributions of residents, community groups and businesses; working collaboratively with local people.
- **Build thriving and resilient communities-** Work on frequent and regular opportunities to improve the partnership and relationship that the Council has with local citizens.
- **Respond to challenges to the environment-** Provide a clean and safe environment, in consultation and partnership with local people.
- **Enable an enterprising and co-operative economy-** Become an increasingly innovative and inclusive Council, committed to generating community wealth, by seeking commercial and investment opportunities and through proactive engagement with a wider range of small and medium sized businesses to build a sustainable local economy.
- **Support the delivery of good quality and affordable housing-** Enable and support the delivery of good quality and affordable housing in the district, ensuring both new and existing housing is fit for purpose, including a commitment to consultation and ensuring communities have the infrastructure they need.

Councillors have also agreed a Medium Term Financial Strategy for the next five years. The strategy identified that the Council's reserves would be used to avoid having to make drastic service changes in response to Covid-19.

In addition, in future years NHDC will see a continuing reduction in funding from Central Government. The delivery of future savings will, therefore, focus on income generation, service transformation, working with others to provide services and capital investment to enable change. On top of this, the Council will also complete a full budget review during 2021/22, which will look to ensure that spend is aligned to the Council objectives and what residents' value most.

In setting the Council's budget in February 2021, Councillors felt that, taking into account the financial impacts of the Covid-19 pandemic and also future funding uncertainty, made it necessary to increase Council Tax by 2.13% (£5 per year on a band D property).

NHDC will also make use of its available capital funds to provide investment in the District. In 2020/21 this included funding for:

- Renovation of the play area at Howard Park in Letchworth
- Replacement of items of play equipment at Holroyd Crescent in Baldock
- Replacement of items of play equipment at Wilbury Recreation Ground in Letchworth
- Renovation of the footpaths in the cemeteries at Wilbury Hills and St Johns Hitchin.
- Supporting, through our Community Facilities Fund, improvements to various buildings including local halls and community centres.

In 2021/22 the following are planned:

- Introduction of recycling litter bins into the town centre parks to increase the opportunities for recycling.
- Installation of solar thermal technology at Royston Leisure Centre to heat the pool water and reduce the carbon footprint of the facility.
- Safety and security improvements at Great Ashby District Park, including the provision of lighting in the car park.
- Implementation of projects linked to the Cycling Strategy across the District
- Provision of new parking machines, which will include new customer orientated payment systems, and looking at the use of payment on exit.
- Improving storage and archiving of important museum items.

NHDC also pays a special levy to the Bedfordshire and River Ivel Drainage Board. In 2021/22 this will be £5.1k (£4.9k in 2020/21).

Hertfordshire County Council (HCC)

The funding for HCC makes up about 76% of your Council Tax bill. This share of your Council Tax has gone up by 3.99% compared with 2020/21, which comprises an increase of 2% for the adult social care precept and an additional 1.99% for general council tax. The HCC charge also includes a levy for the Environment Agency Thames and Anglian Central Regions and a levy for the Lee Valley Regional Park Authority.

The HCC element of the Council Tax bill provides funding towards a range of services, including:

- Caring and supporting children, young people and families
- Caring for the elderly, and people with disabilities and mental health issues
- Public Health and supporting people with drug or alcohol problems
- Fire and rescue services
- Road maintenance and safety
- Co-ordinating bus services and providing home to school transport for children
- Recycling and waste disposal
- Responding to major planning applications
- Economic development
- Providing libraries, archives and local studies materials
- Protecting consumers against poor quality goods and services and upholding fair trading laws
- Community safety (crime / reducing anti-social behaviour) and emergency planning

The budgeted spend for 2021/22 is shown below, alongside a comparison with 2020/21:

	2021/22 £m	2020/21 £m	% Change
Gross Service Expenditure	2,088	2,065	+1.1%
<u>Less</u> Ring-fenced grants	(1,068)	(1,063)	
<u>Less</u> Sales, fees and charges	(117)	(118)	
<u>Less</u> Partner contributions	(26)	(25)	
Net Expenditure	877	859	+2.1%
Business Rate Retention	133	133	
Ring-fenced funding	49	47	
Non ring-fenced grants	32	32	
Collection Fund	1	6	
Council Tax	662	641	
Total Funding	877	859	+2.1%

HCC's budgeted net expenditure has increased by £18m. The main reasons for this increase are inflation and demography related pressures, £11m, additional service investment of £22m, which is partially offset by savings proposals of £17m.

Further information on the HCC element (including Social Care precept) can be found here: <https://www.hertfordshire.gov.uk/about-the-council/how-the-council-works/council-tax-in-hertfordshire.aspx>

The HCC element of the Council Tax also provides funding for the levies in relation to the Environment Agency and the Lee Valley Regional Park.

The Environment Agency is a levying body for its Flood and Coastal Erosion Risk Management Functions. The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, under the Partnership Funding rule not all schemes will attract full central funding. To provide 'matching' funding the Agency may seek funding from County Councils in the form of a local levy. The local levy is shared on the basis of Band D equivalents between all contributing bodies within the area. The total Hertfordshire contribution is £0.96m for the Thames region and £0.07m for the Anglian region.

Lee Valley Regional Park is a unique leisure, sports and environmental destination for all residents of London, Essex and Hertfordshire. The 26 mile long, 10,000-acre park, much of it former derelict land, is partly funded by a levy on the council tax. The total Hertfordshire contribution is £1.08m.

	2021/22 £m	2020/21 £m	% Change
Environment Agency Thames			
Gross Expenditure	134.0	132.3	+1.3%
Less: Other Funding	(122.0)	(120.5)	
Council Tax Levy	12.0	11.8	+1.7%
Environment Agency Anglian Central			
Gross Expenditure	22.0	22.4	-1.8%
Less: Other Funding	(20.8)	(21.2)	
Council Tax Levy	1.2	1.2	+0.0%
Lee Valley Regional Park			
Gross Expenditure	20.9	15.1	+38.4%
Financing Costs	1.3	2.1	
Less: Income	(12.7)	(7.9)	
Contribution to / (from) reserves	0.3	0.3	
Council Tax Levy	9.8	9.6	+2.1%

Further information on the Lee Valley Regional Park Authority element can be found here <https://www.leevalleypark.org.uk/en/content/cms/corporate/business-finance/funding/>

Hertfordshire Police and Crime Commissioner (PCC)

The funding for the PCC makes up about 11% of your Council Tax bill. This share of your Council Tax has gone up by 7.58% compared with 2020/21.

The budgeted spend for 2021/22 is shown below, alongside a comparison with 2020/21:

	2021/22 £m	2020/21 £m	% Change
Net Expenditure	229.9	217.3	+5.8%
Central Government Funding	134.2	126.8	
Collection Fund	(0.2)	0.8	
Council Tax	95.9	89.7	
Total Funding	229.9	217.3	+5.8%

The PCC's budgeted net expenditure has increased by £12.6m. The main reasons for this increase are cost pressures of £3.6m and investments of £10.5m. This has been partly offset by savings of £1.5m.

Further information on this element can be found here:

<http://www.hertscommissioner.org/my-budget-herts-pcc>

Parish, Community and Town Councils

Across the District there are 36 parish areas. Not all of these have a local Council and therefore do not have a precept (do not make a charge for Council Tax). If you live in an area with a Parish, Town or Community Council, the following amounts will be added to your Council Tax bill for an equivalent Band D property:

Area	Band D Precept (£)	Area	Band D Precept (£)
Ashwell	93.56	Knebworth	80.36
Baldock	n/a	Langley	0
Barkway	96.34	Letchworth	n/a
Barley	66.26	Lilley	90.01
Bygrave	50.89	Nuthampstead	0
Caldecote & Newnham	27.62	Offley	66.29
Clothall	33.57	Pirton	67.32
Codicote	64.89	Preston	37.66
Graveley	59.00	Radwell	19.35
Great Ashby	19.88	Reed	30.58
Hexton	0	Royston	50.90
Hinxworth	63.23	Rushden & Wallington	21.67
Hitchin	n/a	St. Ippolyts	29.60
Holwell	60.14	St. Pauls Walden	80.52
Ickleford	68.04	Sandon	34.36
Kelshall	37.76	Therfield	21.53
Kimpton	72.35	Weston	46.33
Kings Walden	70.00	Wymondley	82.62

Royston Town Council raises more than £140,000 from Council Tax and as a result there is a requirement to disclose further information about their budget. This is shown below:

	2021/22 £000	2020/21 £000	% Change
Royston Town Council			
Gross Expenditure	452	468	-3.4%
<u>Less</u> Income	(109)	(139)	
<u>Less</u> Other Funding	(11)	(11)	
Council Tax Levy	339	318	+3.9%

Council Tax by band

Your council tax band is based on how much your property was worth when council tax was introduced. Your council tax band is shown on your bill. Your council tax band is decided by the Valuation Office Agency <https://www.gov.uk/topic/local-government/council-tax>

Your Council Tax for 2021/22 (excluding any Parish, Community or Town Council element) will be as follows:

	NHDC	HCC	Social Care Precept	PCC	Total
Band A	160.09	879.57	100.85	142.00	1,282.51
Band B	186.77	1,026.17	117.65	165.67	1,496.26
Band C	213.45	1,172.76	134.46	189.33	1,710.00
Band D	240.13	1,319.36	151.27	213.00	1,923.76
Band E	293.49	1,612.55	184.89	260.33	2,351.26
Band F	346.85	1,905.74	218.50	307.67	2,778.76
Band G	400.22	2,198.93	252.12	355.00	3,206.27
Band H	480.26	2,638.72	302.54	426.00	3,847.52

The overall increase (excluding any Parish, Community or Town council element) compared with 2020/21 is 4.14%.