

Council Tax 2020/21

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 2.17%, or £5 for a Band D property, compared with 2019/20.

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 2020/21 is shown below, alongside a comparison with 2019/20:

| | 2020/21 | 2019/20 | % |
|--|---------|---------|--------|
| | £m | £m | Change |
| Gross Service Expenditure | 55.6 | 62.6 | -12.6% |
| <u>Less</u> Service Income | (13.3) | (13.6) | |
| <u>Less</u> Housing Benefit Subsidy | (25.6) | (32.2) | |
| <u>Less</u> income from commercial rents | (1.3) | (1.2) | |
| <u>Less</u> investment interest income | (0.3) | (0.3) | |
| Net Expenditure | 15.1 | 15.3 | -1.3% |
| Business Rate Baseline | 2.7 | 2.7 | |
| New Homes Bonus | 0.7 | 1.0 | |
| Council Tax | 11.7 | 11.4 | |
| Other general funding | (0.1) | 0.3 | |
| Contribution from/ (to) Reserves | 0.1 | (0.1) | |
| Total Funding | 15.1 | 15.3 | -1.3% |

NHDC's budgeted net expenditure is £0.2m lower than 2019/20. This reflects inflationary pressures of £0.25m, the removal of one-off initiatives in 2019/20 of -£0.4m, the expected delivery of savings and cost reductions of -£0.8m and budget pressures and investments of £0.7m. The Council has chosen to increase Council Tax by 2.17%, equivalent to a £5 increase for a Band D property, in response to reductions in New Homes Bonus funding and to reflect expected future funding reductions.

In November 2019, Councillors agreed the following Council objectives for 2020/21:

- **Be a more welcoming and inclusive 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 is based on the assumption that, 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 through commercialisation, working with others to provide services and capital investment to enable change. In consultation with the public, there will also be a review of current spending on discretionary services to determine which areas of spend residents value the most. This will enable the Council to focus resources in future years and also identify those areas where service levels can be reduced.

In setting the Council's budget in February 2020, Councillors felt that future funding uncertainty made it necessary to increase Council Tax by 2.17% (£5 per year on a band D property). For 2020/21 this enabled the delivery of some additional investments in communities.

NHDC will also make use of its available capital funds to provide investment in the District. In 2019/20 this included funding for:

- Community facility improvements (continuing in to 2020/21)
- Renovation of the play area at the District Park in Great Ashby
- Replacement of items of play equipment at Chiltern Road in Baldock
- Renovation of the play area at King George V Recreation Ground in Letchworth

In 2020/21 the following are planned:

- 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 settle's regeneration of John Barker Place in Hitchin to provide new homes and better shops

NHDC also pays a special levy to the Bedfordshire and River Ivel Drainage Board. In 2019/20 this will be £4.9k (£4.7k in 2019/20).

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 2019/20, 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 vulnerable and people with disabilities, mental health, drugs 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 and emergency planning

The budgeted spend for 2020/21 is shown below, alongside a comparison with 2019/20:

| | 2020/21 £m | 2019/20 £m | % Change |
|-------------------------------------|---------------|---------------|-------------|
| Gross Service Expenditure | 2,065 | 1,921 | +7.5% |
| <u>Less</u> Ring-fenced grants | (1,063) | (977) | |
| <u>Less</u> Sales, fees and charges | (118) | (118) | |
| <u>Less</u> Partner contributions | (25) | (20) | |
| Net Expenditure | 859 | 806 | +6.6% |
| Business Rate Retention | 133 | 132 | |
| Ring-fenced funding | 47 | 46 | |
| Non ring-fenced grants | 32 | 16 | |
| Collection Fund | 6 | 4 | |
| Council Tax | 641 | 608 | |
| Total Funding | 859 | 806 | +6.6% |

HCC's budgeted net expenditure has increased by £53m. The main reasons for this increase are:

- Inflationary, demographic and other unavoidable costs of delivering existing services £62m
- Reduction in specific grant and other funding from government £3m
- Provisions set aside for investments to improve service delivery and/or reduce costs and managing financial and operational risks, £14m
- Less removal of one-off expenditure in 2019/20 £5m
- Less one off additional funding from grants and Collection Fund balances £23m
- Less council savings, mainly by finding ways to be more efficient, with only £0.8m million of savings being taken from policy decisions affecting frontline services, £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.

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.

| | 2020/21 £m | 2019/20 £m | % Change |
|---|---------------|---------------|----------|
| Environment Agency Thames | | | |
| Gross Expenditure | 101.9 | 112.9 | -9.7% |
| <u>Less</u> Other Funding | (90.1) | (101.3) | |
| Council Tax Levy | 11.8 | 11.6 | +2.0% |
| Environment Agency Anglian Central | | | |
| Gross Expenditure | 40.4 | 21.5 | +87.9% |
| <u>Less</u> Other Funding | (39.2) | (20.3) | |
| Council Tax Levy | 1.2 | 1.2 | +2.5% |
| Lee Valley Regional Park | | | |
| Gross Expenditure | 15.1 | 10.9 | +38.5% |
| Financing Costs | 2.1 | 1.7 | |
| <u>Less</u> Income | (7.9) | (3.0) | |
| Council Tax Levy | 9.6 | 9.6 | 0% |

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 5.3% compared with 2019/20.

The budgeted spend for 2020/21 is shown below, alongside a comparison with 2019/20:

| | 2020/21 | 2019/20 | % |
|----------------------------|----------------|---------|---------------|
| | £m | £m | Change |
| Net Expenditure | 217.3 | 206.4 | +5.3% |
| Central Government Funding | 126.8 | 118.7 | |
| Collection Fund | 0.8 | 0.6 | |
| Use of Reserves | 0 | 3.0 | |
| Council Tax | 89.7 | 84.1 | |
| Total Funding | 217.3 | 206.4 | +5.3% |

The PCC's budgeted net expenditure has increased by £10.9m. The main reasons for this increase are cost pressures of £9.9m and investments of £2.1m. This has been partly off-set by savings of £1.1m and a reduced use of reserve funding.

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 | 92.39 | Knebworth | 75.81 |
| Baldock | n/a | Langley | 0 |
| Barkway | 88.87 | Letchworth | n/a |
| Barley | 65.45 | Lilley | 72.29 |
| Bygrave | 50.86 | Nuthampstead | 0 |
| Caldecote & Newnham | 27.37 | Offley | 65.49 |
| Clothall | 35.34 | Pirton | 59.93 |
| Codicote | 65.38 | Preston | 31.62 |
| Graveley | 46.59 | Radwell | 18.93 |
| Great Ashby | 19.77 | Reed | 30.63 |
| Hexton | 0 | Royston | 48.49 |
| Hinxworth | 63.58 | Rushden & Wallington | 21.82 |
| Hitchin | n/a | St. Ippolyts | 29.70 |
| Holwell | 60.02 | St. Pauls Walden | 80.30 |
| Ickleford | 66.07 | Sandon | 34.31 |
| Kelshall | 38.82 | Therfield | 21.75 |
| Kimpton | 71.89 | Weston | 46.00 |
| Kings Walden | 70.00 | Wymondley | 77.86 |

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:

| | 2020/21 £000 | 2019/20 £000 | % Change |
|-----------------------------|-----------------|-----------------|----------|
| Royston Town Council | | | |
| Gross Expenditure | 468 | 448 | +4.5% |
| <u>Less</u> Income | (139) | (131) | |
| <u>Less</u> Other Funding | (11) | (11) | |
| Council Tax Levy | 318 | 306 | +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 2020/21 (excluding any Parish, Community or Town Council element) will be as follows:

| | NHDC | HCC | Social Care Precept | PCC | Total |
|--------|--------|----------|------------------------|--------|-----------------|
| Band A | 156.75 | 860.82 | 81.98 | 132.00 | 1,231.55 |
| Band B | 182.88 | 1,004.26 | 95.67 | 154.00 | 1,436.81 |
| Band C | 209.00 | 1,147.75 | 109.32 | 176.00 | 1,642.07 |
| Band D | 235.13 | 1,291.21 | 122.99 | 198.00 | 1,847.33 |
| Band E | 287.38 | 1,578.16 | 150.31 | 242.00 | 2,257.85 |
| Band F | 339.63 | 1,865.07 | 177.66 | 286.00 | 2,668.36 |
| Band G | 391.88 | 2,152.03 | 204.97 | 330.00 | 3,078.88 |
| Band H | 470.26 | 2,582.42 | 245.98 | 396.00 | 3,694.66 |

The overall increase (excluding any Parish, Community or Town council element) compared with 2019/20 is 3.9%.