Council tax - what is it and how is it spent?

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What is council tax?

Council tax is a locally-set tax that is payable on all domestic property.

Hertsmere Borough Council is responsible for collecting the tax, but does not keep all of it. It is split between us and other authorities and agencies, which provide public services, such as the police and the county council.

In Hertsmere there are over 43,000 properties to which council tax applies. This means almost £84 million needs to be collected by us to help pay for for local services such as schools, libraries, police, fire service, parks and waste and recycling collections. The full amount of tax you pay is based on two factors: the property value, and the assumption that there are two or more adults, aged 18 or over, living there.

Property values are divided into eight bands A to H and the tax incurred by each property increases in increments, band A being the lowest. In certain circumstances the amount of tax you pay may be reduced by either a discount or an exemption.

How is your council tax spent?

The council tax we collect is divided between:

- 78% - Hertfordshire County Council
- 10% - Hertsmere Borough Council
- 10% - Police and Crime Commissioner for Hertfordshire
- 2% - Parish / town councils

2018-2019 Hertsmere Borough Council small increase

Hertsmere Borough Council's revenue budget and financial strategy for 2018/19 was agreed at the full council meeting on Wednesday 28 February 2018.

To fund the budget, a small increase in Hertsmere Borough Council's share of council tax bills was agreed. This is an average increase of £5 per household for the coming year, the same rise as last year.

A resident in a Band D property will pay an average of just over £172 in council tax to the borough council for the year 2018/19 - just 47 pence per day. That money is used to fund services including waste and recycling, planning, housing, parks and open spaces, street cleaning and environmental health and contributions towards Police Community Support Officers and the Citizens Advice Bureau.

Councillor John Graham, Portfolio Holder for Finance, Property and Economic Development, added: "At a
time when money from central government is declining, we are working to provide both a continuing and
growing range of services to our residents. This small council tax increase, set out in the budget and
financial strategy which was agreed by full council last night, is essential to enable us to continue to deliver
these key frontline services."

The council is seeing a continuing reduction in government grants, especially next year (2018/19) when
they are reduced by £432,000. It is estimated that this potential increase in council tax will bring addition
revenue of around £290,000. The remainder of the gap will be met by efficiencies and income
generation.

As a billing authority, Hertsmere Borough Council collects the council tax every year, but the money
residents pay does not all go to the borough council. On average, Hertsmere gets just 10%, or 10p in
every £1 you pay, Hertfordshire County Council gets 78%, Hertfordshire's Police and Crime
Commissioner gets 10% and if you live in an area with a parish or town council (Aldenham Parish
Council, Elstree and Borehamwood Town Council, Shenley Parish Council and South Mimms Parish
Council), they get 2%.

2018-2019 Hertfordshire County Council increase

Hertfordshire County Council announces decisions around their portion of the council tax separately. It has
announced that its portion of the council tax bill has increased. It is asking residents to pay a 2.99%
increase in its element of the council tax this year to help bridge the gap between growing costs and
reduced grant. In addition the government has recognised that the growing cost of care for older and
vulnerable adults cannot be afforded within county councils' finance arrangements and has agreed that a
separate additional 3% increase in the social care precept, which it raised for the first time in 2016/17
and increased by 3% in 2017/18, may be raised to help meet these costs.

Services provided by Hertfordshire County Council include managing the county's highways, health and
social care and education.

Information about spending by the county council including details of the Social Care Precept is available
at Hertfordshire CC - Council Tax. Alternatively, a hard copy can be requested by emailing
contact@hertfordshire.gov.uk, telephoning 0300 123 4040 or by writing to Hertfordshire County
Council, PO Box 153, Stevenage, Herts, SG1 2GH.

You can read more about the financial budget for Hertsmere, Hertfordshire County Council and the
Police and Crime Commissioner:

- Hertsmere Borough Council leaflet - Your council tax
- Police and Crime Commissioner - Policing Hertfordshire
- Herts County Council - Council tax information

Comments, compliments and complaints form