

## COUNCIL TAX STATEMENT AND SUPPORTING INFORMATION

### 1. Collection Fund

The Council Tax regime covers eight bands of property. Each band has an arithmetic relationship with the other - and all bands are related to Band D for charge purposes as follows:

| Band | Proportion of Band D Charge |              |
|------|-----------------------------|--------------|
| A    | $\frac{6}{9}$               | of Band D    |
| B    | $\frac{7}{9}$               | of Band D    |
| C    | $\frac{8}{9}$               | of Band D    |
| D    | $\frac{9}{9}$               | of Band D    |
| E    | $\frac{11}{9}$              | times Band D |
| F    | $\frac{13}{9}$              | times Band D |
| G    | $\frac{15}{9}$              | times Band D |
| H    | $\frac{18}{9}$              | times Band D |

It is therefore, possible to work out a tax base by multiplying the number of properties in each of the bands by the relevant proportion (see Annexe A). Known single person discount properties and student properties are also taken into account in arriving at this figure.

Certain other factors also have to be taken into account. These are:

- Number of properties that are yet to be listed in the appropriate band for all or part of the coming year.
- Properties Eligible for the Long Term empty Premium
- A reduction for the number of properties that attract disabled relief, which for Bands B-H receive a charge relating to one band lower than the band allocated to the property. Properties in Band A are also entitled to disabled relief, thereby reducing the charge to 5/9ths of a Band D property charge.
- A reduction for the estimated number of successful appeals against the banding allocated for individual properties.
- A reduction for the estimated number of properties becoming subject to single person discount, and student discount during the year.
- A reduction for the estimated number of properties eligible for Council Tax Support

The net effect of these adjustments is incorporated in a single figure called the Band D equivalent figure. Thereafter, the estimated effect of possible non collection also has to be considered, the effect of which is to reduce the equated number of properties taken into account in setting the Council Tax and this final figure is the "Council Tax base".

#### 1. Assessed Level of Non Collection

The estimated non collection level for 2016/17 was 1.5%. A review has shown that the provision should be decreased to 1.25% in 2017/18 due to higher collection of Council Tax arrears.

## **2. Detail of the Calculation of the Council Tax Base**

Section 33 of the Local Government Finance Act 1992 has been expanded via an amendment to the Act to accommodate the changes to the taxbase in calculating the final taxbase figure - item T.

The manner of calculation of the Council Tax base is set out in the local Authorities (Calculation of Council Tax Base) (England) Regulations 2012

'T' is determined by the formula:

$$A \times B$$

Where: -

A is the total of the relevant amounts for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the Council's valuation list as applicable to one of more dwellings situated in its area (i.e. the Band D equivalent).

B is the Council's estimate of its collection rate for that year.

The regulations lay down a formula for the calculation of A and these are attached at Annexe A.

The calculations are as follows: -

$$\begin{aligned} A &= 87,920 \\ B &= 98.75\% \\ T &= 86,821 \end{aligned}$$

## **3. Calculation of the Council Tax Base for 2017/18 for Part of the Area**

A further calculation is needed to deal with the levies in respect of the Anglian and Thames Regions of the Environment Agency affecting part of the Council's area for Land Drainage purposes. These are derived from the above figures. The formula is shown on Annexe B.

TP is the amount of the Council Tax base for the relevant part of its area.

The calculations shown on Annexe B give rise to the following figures for TP for each of the Environment Agency regions:

|        |        |
|--------|--------|
| Thames | 80,651 |
| Anglia | 6,170  |



Item TP for each levy affected is calculated as follows:

$$TP = M \times \frac{N}{M + O}$$

where

|   | <u>Thames</u> | <u>Anglian</u> |
|---|---------------|----------------|
| M is the unscaled Council Tax base for a part of the authority's area, calculated according to the number of dwellings situated in that part of the authority's area (in total that is the band D equivalent figures for the Council, 87,920) | 81,673        | 6,247          |
| N is the authority's Council Tax base (86,821) (1.25%)  | 86,821        | 86,821         |
| O is the unscaled Council Tax base for the remaining part of the authority's area   | 6,247         | 81,673         |

Thus the calculation for each region is:

|         |          |                                 |   |        |
|---------|----------|---------------------------------|---|--------|
| Thames  | 81,673 x | $\frac{86,821}{6,247 + 81,673}$ | = | 80,651 |
| Anglian | 6,247 x  | $\frac{86,821}{6,247 + 81,673}$ | = | 6,170  |
|         |          |                                 |   | 86,821 |

Thus, the total for both regions (86,821) equates to the Council's tax base.

**LONDON BOROUGH OF HAVERING**  
**PROVISIONAL COUNCIL TAX STATEMENT – 2017/18 BUDGET**

| 2016/17             |  |  | Estimate 2017/18             |
|---------------------|--|--|------------------------------|
| £                   |  |  | £                            |
| 156,965,072         | <b>Havering's Expenditure</b>                    |  | 153,578,849                  |
| 2,000,000           | Service Expenditure                              |  | 2,000,000                    |
| <b>158,965,072</b>  | <b>Havering's Own Expenditure</b>                |  | <b>a 155,578,849</b>         |
|                     | <b>Levies</b>                                    |  |                              |
| 13,670,000          | East London Waste Authority                      |  | 15,101,000 Provisional       |
| 180,403             | Environment Agency (Thames)                      |  | 183,993 Provisional          |
| 19,520              | Environment Agency (Anglia)                      |  | 20,496 Estimated             |
| 244,208             | Lee Valley Regional Park Authority               |  | 239,324 Provisional          |
| 313,461             | London Pensions Fund Authority (LPFA)            |  | 313,461 Provisional          |
| <b>14,427,592</b>   | <b>Sub Total – Levies</b>                        |  | <b>b 15,858,274</b>          |
| (10,247,850)        | Unringfenced Grant                               |  | c (9,669,228) Provisional    |
| <b>163,144,814</b>  | <b>Sub Total – Total Expenditure</b>             |  | <b>d=a+b-c 161,767,895</b>   |
|                     | <b>External Finance</b>                          |  |                              |
| (20,889,741)        | Revenue Support Grant                            |  | (12,283,528) Provisional     |
| (9,462,167)         | Business Rates Top-up                            |  | (9,231,836) Provisional      |
| (22,513,105)        | National Non Domestic Rate                       |  | (23,500,000) Provisional     |
| <b>(52,865,013)</b> | <b>Sub Total – External Finance</b>              |  | <b>e (45,015,364)</b>        |
| (3,793,000)         | Council Tax Deficit/(Surplus)                    |  | f (2,201,000) Provisional    |
| 1,863,460           | Business Rates Deficit/(Surplus)                 |  | g (146,631) Provisional      |
| <b>108,350,261</b>  | <b>Havering's Precept on the Collection Fund</b> |  | <b>h=d+e+f+g 114,404,900</b> |

| 2016/17                                   |                 | <u>The Collection Fund</u>   |  | Estimate 2017/18         |                 |
|---|-----------------|--|--|--------------------------|-----------------|
| £   | £ p             | Expenditure  |  | £                        | £ p             |
| 106,266,405                               | 1,243.26        | <b>Precepts</b>  |  | 110,087,792              | 1,267.98        |
| 2,083,856                                 | 24.38           | London Borough of Havering   |  | 4,317,608                | 49.73           |
| <b>108,350,261</b>                        | <b>1,267.64</b> | <b>Total London Borough of Havering</b>                              |  | <b>h 114,404,900</b>     | <b>1,317.71</b> |
| 23,590,824                                | 276.00          | Greater London Authority (Provisional)                               |  | 24,311,616               | 280.02          |
| 22,513,105                                | 263.39          | London Borough of Havering Retained Business Rates (not updated yet) |  | 22,513,105               | 259.30          |
| 15,008,737                                | 175.39          | Greater London Authority - Retained Business Rates (not updated yet) |  | 15,008,737               | 172.87          |
| 37,521,841                                | 438.99          | Central Government - Retained Business Rates (not updated yet)       |  | 37,521,841               | 432.17          |
| 270,688                                   | 3.17            | Cost of NNDR collection  |  | 268,121                  | 3.09            |
| <b>207,255,456</b>                        | <b>2,424.78</b> | <b>Total Expenditure</b>   |  | <b>i 214,028,320</b>     | <b>2,465.17</b> |
|   |                 | <b>Total Income</b>  |  |                          |                 |
| (75,314,371)                              | (881.14)        | National Non-Domestic Rate   |  | j (75,311,804)           | (867.44)        |
| <b>131,941,085</b>                        | <b>1,543.64</b> | <b>COUNCIL TAX per Band D property</b>                               |  | <b>k=i-j 138,716,516</b> | <b>1,597.73</b> |
| <b>85,474</b>                             |                 | <b>Council Tax Base</b>  |  | <b>86,821</b>            |                 |
| <b>Council Tax percentage change 3.5%</b> |                 |  |  |                          |                 |

| Council Taxes Per Property Band |          |   |        | Change   |        |
|---------------------------------|----------|---|--------|----------|--------|
| Valuation as at 1/4/91          | £        | p |        | £        | p      |
| Under £40,000                   | 1,029.09 |   | Band A | 1,065.15 | 36.06  |
| £40,000 - £52,000               | 1,200.61 |   | Band B | 1,242.68 | 42.07  |
| £52,001 - £68,000               | 1,372.12 |   | Band C | 1,420.21 | 48.09  |
| £68,001 - £88,000               | 1,543.64 |   | Band D | 1,597.73 | 54.09  |
| £88,001 - £120,000              | 1,886.67 |   | Band E | 1,952.77 | 66.10  |
| £120,001 - £160,000             | 2,229.71 |   | Band F | 2,307.83 | 78.12  |
| £160,001 - £320,000             | 2,572.73 |   | Band G | 2,662.88 | 90.15  |
| Over £320,000                   | 3,087.28 |   | Band H | 3,195.46 | 108.18 |