

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".

2. Assessed Level of Non Collection

The estimated non collection level for 2017/18 was 1.25%. This was reviewed in 2016/17 and decreased from 1.50% to 1.25%. As at period nine, the council tax forecast is on budget and

on track for delivery. After a review of the Council Tax arrears, the collection rate is recommended to remain the same for 2018/19.

3. 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: -

$$\begin{array}{rcl} A & = & 88,452 \\ B & = & 98.75\% \\ T & = & 87,346 \end{array}$$

4. Calculation of the Council Tax Base for 2018/19 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	81,143
Anglia	6,203

[illegible]

December 2017: 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, 88,452)	82,171	6,281
N is the authority's Council Tax base (87,346) (adjusted for 1.25% non-collection rate)	87,346	87,346
O is the unscaled Council Tax base for the remaining part of the authority's area	6,281	82,171

Thus the calculation for each region is:

Thames	82,171 x	$\frac{87,346}{6,281 + 82,171}$	=	81,143
Anglian	6,281 x	$\frac{87,346}{6,281 + 82,171}$	=	6,203
				<hr/> 87,346

Thus, the total for both regions (87,346) equates to the Council's tax base.

LONDON BOROUGH OF HAVERING
PROVISIONAL COUNCIL TAX STATEMENT – 2018/19 BUDGET

2017/18		Estimate 2018/19	
£	HaVering's Expenditure	£	
154,369,511	Service Expenditure	154,260,896	
2,000,000	General Contingency	1,000,000	
156,369,511	HaVering's Own Expenditure	a 155,260,896	
	Levies		
14,925,000	East London Waste Authority	15,887,000	Final
182,971	Environment Agency (Thames)	184,161	Provisional
20,341	Environment Agency (Anglia)	20,971	Provisional
228,007	Lee Valley Regional Park Authority	239,407	Estimated
311,127	London Pensions Fund Authority (LPFA)	326,683	Estimated
15,667,446	Sub Total – Levies	b 16,658,223	
(9,669,228)	Unringfenced Grant	c (11,990,898)	Final
162,367,729	Sub Total – Total Expenditure	d=a+b-c 159,981,981	
	External Finance		
(12,283,528)	Revenue Support Grant	0	Final
(9,231,836)	Business Rates Top-up	10,363,832	Final
(24,099,835)	National Non Domestic Rate	(51,623,259)	Final
(45,615,199)	Sub Total – External Finance	e (41,259,427)	
(2,201,000)	Council Tax Deficit/(Surplus)	f (181,000)	Final
(146,630)	Business Rates Deficit/(Surplus)	g 637,301	Final
114,404,900	HaVering's Precept on the Collection Fund	h=d+e+f+g 119,125,095	

2017/18		<u>The Collection Fund</u>		Estimate 2018/19	
£	£ p	Expenditure		£	£ p
110,087,292	1,267.98	Precepts			
4,317,608	49.73	London Borough of Havering		112,479,811	1,287.75
		Adult Social Care		6,645,284	76.08
114,404,900	1,317.71	Total London Borough of Havering	h	119,125,095	1,363.83
24,311,616	280.02	Greater London Authority (Provisional)		25,699,814	294.23
24,099,835	277.58	London Borough of Havering Retained Business Rates		51,623,259	591.02
29,723,130	342.35	Greater London Authority - Retained Business Rates		29,038,083	332.45
26,509,819	305.34	Central Government - Retained Business Rates		0	0.00
268,121	3.09	Cost of NNDR collection		272,140	3.12
219,317,421	2,526.09	Total Expenditure	i	225,758,391	2,584.64
		Total Income			
(80,600,905)	(928.36)	National Non-Domestic Rate			
		NNDR receivable	j	(80,933,482)	(926.58)
138,716,516	1,597.73	COUNCIL TAX per Band D property	k=i-j	144,824,909	1,658.06
86,821		Council Tax Base		87,346	

Council Tax percentage change 3.78%

Council Taxes Per Property Band			Change
Valuation as at 1/4/91	£ p		£ p
Under £40,000	1,065.15	Band A	40.22
£40,000 - £52,000	1,242.68	Band B	46.93
£52,001 - £68,000	1,420.21	Band C	53.63
£68,001 - £88,000	1,597.73	Band D	60.33
£88,001 - £120,000	1,952.77	Band E	73.75
£120,001 - £160,000	2,307.83	Band F	87.14
£160,001 - £320,000	2,662.88	Band G	100.55
Over £320,000	3,195.46	Band H	120.66