

Gross Budget, Taxbase and Council Tax Resolution

New General Fund Budget

GENERAL FUND BUDGET	2019/2020	2018/2019
	Net	Net
	Exp	Exp
	£000	£000
Planning & Economic Development	(2,116)	(534)
Roads, Pavements & Car Parking	666	1,901
Education	41,134	42,568
Rubbish, Waste Collection & Street Cleaning	6,152	6,730
Environmental Health & Trading Standards	2,384	2,789
Housing (General Fund Only)	4,125	3,534
Culture and Leisure	4,882	5,773
Social Services	58,107	54,363
Public Health	(1,816)	(1,651)
Other Services	38,840	38,837
Total - all services	152,358	154,310
Contingency and Provisions	1,000	1,000
HAVERING'S NET EXPENDITURE	153,358	155,310
Levies		
East London Waste Authority	17,176	15,887
Environment Agency - Thames Region	193	184
Environment Agency - Anglian Region	22	21
Lee Valley Regional Park Authority	222	211
London Pension Fund Authority	321	306
Unringfenced Grants	(12,897)	(11,991)
TOTAL EXPENDITURE	158,395	159,928

The variance to the General Fund budget

Change in Council's Expenditure

	£m
2019/20 Budget	158.4
2018/19 Budget	160.0
Net Total Change	(1.6)
Budget Pressures	13.3
Inflation	1.9
Increase in Levies	1.3
Provisions & Other Issues (including Grant & Funding Changes)	(4.6)
Sub Total	11.9

That the following amounts be now calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

(a)	506,406,138	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	(381,593,355)	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	124,812,783	being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
(d)	£1,408.15	being the amount at 5(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in the table below as the amounts of Council Tax for 2019/20 for each of the categories of dwellings.

Valuation Bands London Borough of Havering			
	Havering	Adult Social Care	Total
	£ p	£ p	£ p
A	869.87	68.90	938.77
B	1,014.84	80.38	1,095.22
C	1,159.82	91.87	1,251.69
D	1,304.80	103.35	1,408.15
E	1,594.76	126.32	1,721.08
F	1,884.71	149.28	2,033.99
G	2,174.67	172.25	2,346.92
H	2,609.60	206.70	2,816.30

That it be noted for the year 2019/20 the major precepting authority (the GLA) has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below as proposed by the Mayor.

Valuation Bands Greater London Authority	
	£ p
A	213.67
B	249.29
C	284.90
D	320.51
E	391.73
F	462.96
G	534.18
H	641.02

That, having calculated the aggregate in each case of the amounts at 6 and 7 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:

Valuation Bands	£ p
A	1,152.44
B	1,344.51
C	1,526.59
D	1,728.66
E	2,112.81
F	2,496.95
G	2,881.10
H	3,457.32

The effect of adopting this resolution would be to set the Council Tax for a Band D property at £1,728.66

That Council having considered the principles approved under the Local Government Finance Act 1992 by the Secretary of State for Communities and Local Government concludes that the Council's basic relevant amount of Council Tax for 2018/19 is not excessive.

Calculation of the Tax Base - 'The Band D Equivalent'

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 (CTS)
- At Cabinet on 25 July 2018, eight options to change the Council Tax Support (CTS) Scheme were considered that proposed changes to the Council Tax Scheme (CTS) Scheme expenditure to varying degrees. Members recommended the option set in the table below.

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 2018/19 was 1.25%. As at period 8, the council tax forecast is on budget and on track for delivery. Due to the changes to Council Tax Support (CTS), a small increase in bad debt provision is required. The non-collection rate for 2019/20 is recommended to increase to 1.30% for 2019/20.

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 or 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 Annex A.

The calculations are as follows: -

$$\begin{array}{rcl} A & = & 89,803 \\ B & = & 98.70\% \\ T & = & 88,636 \end{array}$$

COUNCIL TAX BASE CALCULATION 2019/20 THE BAND D EQUIVALENT	
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Item A is found by applying the formula $((H+Q+J+E)+Z)F/G$ to each of the Council Tax bands and totalling the amounts calculated

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LONDON BOROUGH OF HAVERING
PROVISIONAL COUNCIL TAX STATEMENT – 2019/20 BUDGET

2018/19 £			Estimate 2019/20 £	
154,310,024	Havering's Expenditure		152,358,175	
1,000,000	Service Expenditure		1,000,000	
155,310,024	Havering's Own Expenditure	a	153,358,175	
	Levies			
15,887,000	East London Waste Authority		17,176,000	Provisional
184,161	Environment Agency (Thames)		193,369	Estimate
20,971	Environment Agency (Anglia)		22,020	Estimate
211,211	Lee Valley Regional Park Authority		221,772	Estimated
305,752	London Pensions Fund Authority (LPFA)		321,040	Estimated
16,609,095	Sub Total – Levies	b	17,934,201	
(11,990,898)	Unringfenced Grant	c	(12,896,607)	Provisional
159,928,221	Sub Total – Total Expenditure	d=a+b-c	158,395,769	
	External Finance			
10,363,832	Business Rates Top-up		3,369,857	Provisional
(51,623,259)	National Non Domestic Rate		(37,076,785)	Final
(41,259,427)	Sub Total – External Finance	e	(33,706,928)	
(181,000)	Council Tax Deficit/(Surplus)	f	(461,196)	Final
637,301	Business Rates Deficit/(Surplus)	g	585,138	Final
119,125,095	Havering's Precept on the Collection Fund	h=d+e+f+g	124,812,783	

2018/19		The Collection Fund		Estimate 2019/20	
£	£ p	Expenditure		£	£ p
112,479,812	1,287.75	Precepts			
6,645,283	76.08	London Borough of Havering		115,652,253	1,304.80
119,125,095	1,363.83	Adult Social Care		9,160,530	103.35
25,699,814	294.23	Total London Borough of Havering	h	124,812,783	1,408.15
51,623,259	591.02	Greater London Authority (Provisional)		28,408,724	320.51
29,038,083	332.45	London Borough of Havering Retained Business Rates		37,076,785	418.30
0	0.00	Greater London Authority - Retained Business Rates		20,855,692	235.30
272,140	3.12	Central Government - Retained Business Rates		0	0.00
225,758,390	2,584.64	Cost of NNDR collection		271,673	3.07
		Total Expenditure	i	211,425,657	2,385.32
		Total Income			
-80,933,482	-926.58	National Non-Domestic Rate			
144,824,908	1,658.06	NNDR receivable	j	-58,204,150	-656.66
87,346		COUNCIL TAX per Band D property	k=i-j	153,221,507	1,728.66
		Council Tax Base		88,636	
				Council Tax percentage change 4.26%	

Council Taxes Per Property Band			Change	
Valuation as at 1/4/91	£ p		£ p	£ p
Under £40,000	1,134.92	Band A	1,152.44	17.52
£40,000 - £52,000	1,324.07	Band B	1,344.51	20.44
£52,001 - £68,000	1,513.24	Band C	1,536.59	23.35
£68,001 - £88,000	1,702.38	Band D	1,728.66	26.28
£88,001 - £120,000	2,080.69	Band E	2,112.81	32.12
£120,001 - £160,000	2,458.98	Band F	2,496.95	37.97
£160,001 - £320,000	2,837.30	Band G	2,881.10	43.80
Over £320,000	3,404.76	Band H	3,457.32	52.56