

## Council Tax Resolution and Tax base

### Council Tax Resolution

That the following amounts be now calculated by the Council for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

(a)	£513,738,222	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	(£383,633,853)	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£130,104,269	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)	£1,463.77	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 2020/21 for each of the categories of dwellings.

<b>Valuation Bands London Borough of Havering</b>			
	<b>Havering</b>	<b>Adult Social Care</b>	<b>Total</b>
	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
A	888.18	87.67	975.85
B	1,036.20	102.28	1,138.48
C	1,184.23	116.90	1,301.14
D	1,332.26	131.51	1,463.77
E	1,628.32	160.73	1,789.05
F	1,924.37	189.96	2,114.32
G	2,220.43	219.18	2,439.61
H	2,664.52	263.02	2,927.54

That it be noted for the year 2020/21 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	
	<b>£ p</b>
A	221.38
B	258.28
C	295.17
D	332.07
E	405.86
F	479.66
G	553.45
H	664.14

That, having calculated the aggregate of the 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	1,197.23
B	1,396.76
C	1,596.31
D	1,795.84
E	2,194.91
F	2,593.98
G	2,993.06
H	3,591.68

**The effect of adopting this resolution would be to set the Council Tax for a Band D property at £1,795.84**

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 2020/21 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

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".

### **Assessed Level of Non Collection**

The estimated non collection level for 2018/19 was 1.25%. This was reviewed in 2018/19 and increased from 1.25% to 1.30%. As at period eight, 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 2020/21.

## **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: -

$$\begin{aligned} A &= 90,054 \\ B &= 98.70\% \\ T &= 88,883 \end{aligned}$$

## **Calculation of the Council Tax Base for 2020/21 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	83,711
Anglia	6,343

**COUNCIL TAX BASE CALCULATION 2020/21  
THE BAND D EQUIVALENT**

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

Where	A1*	A	B	C	D	E	F	G	H	Total
H is the number of properties in the valuation list - Regulation 4(2) as at 30th November	0	5,445	11,000	27,998	35,951	15,322	6,413	3,052	337	105,518
Less										
the number of properties exempt from a charge - Regulation 4(2)	0	-145	-215	-348	-471	-232	-64	-32	-2	-1,509
Property Base - Item H	0	5,300	10,785	27,650	35,480	15,090	6,349	3,020	335	104,009
Q Is the factor to take account of discounts	-2	-763	-1,449	-2,380	-2,277	-845	-281	-113	-10	-8,119
J is the expected change to the property tax base during the year Regulations 4(6) to 4(8)										
Additions	9	86	155	392	363	166	71	31	3	1,277
Reductions	0	-97	-123	-173	-254	-131	-71	-49	-17	-915
Z Is the estimate reduction in relation to claimants receiving Council Tax Support	-1	-1,289	-2,090	-2,857	-2,020	-513	-105	-32	-1	-8,908
Total tax base adjustment	8	-1,300	-2,058	-2,638	-1,911	-477	-105	-50	-15	-8,546
Total projection per band	5	3,288	7,172	22,427	31,279	13,767	5,970	2,859	301	87,068
F Is the proportion of each band in relation to band D	5	6	7	8	9	11	13	15	18	
G Is the proportion specified for band D	9	9	9	9	9	9	9	9	9	
$((H+Q+J) +Z) \times F/G =$	4	2,158	5,661	20,117	31,293	16,828	8,614	4,762	619	90,054
<b>The Band D equivalent item A is therefore</b>										<b>90,054</b>
* Band A Disability Adjustment										

December 2018: 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, 90054)	83711	6343
N is the authority's Council Tax Base (90054) (1.30%)	88883	88883
O is the unscaled Council Tax Base for the remaining part of the authority's area	6343	83711

Thus the calculation for each region is:

Thames	83711 x	$\frac{88883}{6343 + 83711}$	=	82622
Anglian	6343 x	$\frac{88883}{6343 + 83711}$	=	6261
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Thus, the total for both regions (88883) equates to the Council's Tax Base.

**LONDON BOROUGH OF HAVERING  
PROVISIONAL COUNCIL TAX STATEMENT – 2020/21 BUDGET**

2019/20		Estimate 2020/21	
£	<b>Havering's Expenditure</b>	£	
154,136,854	Service Expenditure	159,380,567	
1,000,000	General Contingency	1,000,000	
<b>155,136,854</b>	<b>Havering's Own Expenditure</b>	<b>160,380,567</b>	a
	<b>Levies</b>		
17,049,000	East London Waste Authority	16,703,000	Provisional
187,511	Environment Agency (Thames)	191,242	Estimate
21,470	Environment Agency (Anglia)	22,114	Estimate
210,627	Lee Valley Regional Park Authority	210,627	Estimate
304,549	London Pensions Fund Authority (LPFA)	304,549	Estimate
<b>17,773,157</b>	<b>Sub Total – Levies</b>	<b>17,431,533</b>	b
(13,516,393)	Unringfenced Grant	(13,887,480)	Provisional
<b>159,393,618</b>	<b>Sub Total – Total Expenditure</b>	<b>163,924,620</b>	c
	<b>External Finance</b>		d=a+b-c
3,369,857	Business Rates Top-up	(9,944,857)	Provisional
0		(1,398,077)	Provisional
(38,074,634)	National Non Domestic Rate	(23,808,558)	Final
<b>(34,704,777)</b>	<b>Sub Total – External Finance</b>	<b>(35,151,492)</b>	e
(461,196)	Council Tax Deficit/(Surplus)	0	Final
585,138	Business Rates Deficit/(Surplus)	1,331,141	Final
<b>124,812,783</b>	<b>Havering's Precept on the Collection Fund</b>	<b>130,104,269</b>	g
			h=d+e+f+g

2019/20		<u>The Collection Fund</u>		Estimate 2020/21	
£	£ p	Expenditure		£	£ p
115,652,253	1,304.80	London Borough of Havering		118,415,266	1,332.26
9,160,530	103.35	Adult Social Care		11,689,003	131.51
<b>124,812,783</b>	<b>1,408.15</b>	<b>Total London Borough of Havering</b>	h	<b>130,104,269</b>	<b>1,463.77</b>
28,408,724	320.51	Greater London Authority (Provisional)		29,515,378	332.07
38,074,634	429.56	London Borough of Havering Retained Business Rates		23,808,558	267.86
20,855,692	235.30	Greater London Authority - Retained Business Rates		20,855,692	234.64
271,673	3.07	Cost of NNDR collection		266,826	3.00
<b>212,423,506</b>	<b>2,396.58</b>	<b>Total Expenditure</b>	i	<b>204,550,723</b>	<b>2,301.35</b>
		<b>Total Income</b>			
(59,201,999)	(667.92)	National Non-Domestic Rate		(44,931,076)	(505.51)
<b>153,221,507</b>	<b>1,728.66</b>	<b>COUNCIL TAX per Band D property</b>	j	<b>159,619,647</b>	<b>1,795.84</b>
<b>88,636</b>		<b>Council Tax Base</b>	k=i-j	<b>88,883</b>	

**Council Tax percentage change 3.89%**

Valuation as at 1/4/91		<b>Council Taxes Per Property Band</b>		<b>Change</b>	
£	p	£	p	£	p
Under £40,000	1,152.44	Band A	1,197.23	44.79	
£40,000 - £52,000	1,344.51	Band B	1,396.76	52.25	
£52,001 - £68,000	1,536.59	Band C	1,596.31	59.72	
£68,001 - £88,000	1,728.66	Band D	1,795.84	67.18	
£88,001 - £120,000	2,112.81	Band E	2,194.91	82.10	
£120,001 - £160,000	2,496.95	Band F	2,593.98	97.03	
£160,001 - £320,000	2,881.10	Band G	2,993.06	111.96	
Over £320,000	3,457.32	Band H	3,591.68	134.36	