

COUNCIL SUPPLEMENTARY AGENDA

3 March 2021

The following report is attached for consideration and is submitted with the agreement of the Chairman as an urgent matter pursuant to Section 100B (4) of the Local Government Act 1972

9 THE COUNCIL'S BUDGET 2021/22 (Pages 1 - 8)

Due to an administrative typing error the following changes to the original papers have been required:

Main covering report paragraph 7 table (page 45 of the printed agenda papers): On Bands B – H the Adult Social Care element is reduced by 1p – 2p and the London Borough of Havering element is increased by 1p – 2p

Annex C: Collection Fund Precepts Final 21/22 (page 79 of the printed agenda papers) – London Borough of Havering precept increases by £882 to £119,500,436 for the annual collection and increases by 1p to £1,354.22 for a Band D property. The Adult Social Care precept decreases by £882 for the annual collection to £15,479,587 and decreases by 1p to £175.42 for Band D.

There are no further changes to the paper. Versions of both the covering report and annex C that include these changes are attached.

Andrew Beesley
Head of Democratic Services

This page is intentionally left blank

COUNCIL, 03 March 2021

REPORT OF CABINET

SUBJECT: THE COUNCIL'S BUDGET 2021/22

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2021/22.

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 ("the Act"), and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.

The Council has to formally resolve that it calculates certain figures, which broadly are:

- its gross expenditure, including contingency and levies (but not precepts)
- its gross income from fees & charges and other sources, specific grants, external finance from the Government, and any surplus/deficit on the collection fund
- the difference between the two, being the amount which the Council needs for its own services to be paid from the collection fund, defined as the Council Tax requirement
- the basic amount of Council Tax for the net position of all these figures, including precepts, and
- the amount of Council Tax for each other category of dwelling.

The Council is also required to formally approve the management of the Council's treasury management functions, including the Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement; the proposed revenue budget for both the General Fund and Schools' Delegated Budgets; the Capital Strategy & Programme and the Housing Revenue Account.

Members are asked to bring their copy of the Cabinet reports including the appendices and any supplementary paper with them to the meeting, as the recommendations before Council make specific reference to these reports.

Attached to this report are:

- **Annex A** which are the draft minutes of the Cabinet meeting.
- **Annex B** for the final notification of the Levies.
- **Annex C** is a revised Council Tax statement, originally provided in the Cabinet report marked as **Appendix G**, amended following the final notification of the levies.
- **Annex D** is the final Council Budget for 2021/22

The Treasury Management Strategy Statement and the Capital Programme & Strategy with all related documents were reported to Cabinet separately. A separate report also covers the proposed Members Allowances scheme for 2021/22.

The HRA Major Works Capital Programme and Revenue Budget for 2021/22 were also reported separately to Cabinet and approved at the meeting on 17 February 2021. It includes a detailed HRA Budget for 2021/2022 and HRA Major Works Capital Programme 2021/22 – 2025/26.

In the light of the above **Cabinet recommends the Council to adopt the following resolutions as set out below.**

The effect of adopting these resolutions would be to set the Council Tax for a Band D property at £1,893.30

RECOMMENDATIONS

1. That the following as submitted in the report to Cabinet of 17 February 2021 be approved:
 - The General Fund budget for 2021/22
 - The Delegated Schools' Budget for 2021/22, as set out in section 5.13 of the Cabinet report.
 - The Capital Programme for 2021/22 as set out in the Capital Strategy and Programme Report reported to Cabinet on 17 February 2021.
2. The Council approve the Council Tax Band D properties and the other Bands of properties, all as set out in **Annex C** of this report.
3. The Council delegate authority to the Chief Financial Officer to adjust the Corporate Risk Budget to account for any further variations that may arise.
4. That, in accepting recommendation 1, Council is mindful of the advice of the Chief Finance Officer as set out in section 13 of the report to Cabinet.
5. That it be noted that under delegated powers the Chief Finance Officer has calculated the amount of 88,243 (called T in the Act and Regulations) as its Council Tax base for the year 2021/22 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) made under Section 31B of the Local Government Finance Act 1992 as amended.
6. That the amount of £134,980,023 be now calculated as the Council Tax requirement for the Council's own purposes for 2021/22, with £15,479,587 of that amount being ringfenced for Adult Social Care.
7. That the following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

Council (Council Tax and Budget), 03 March 2021

| | | |
|-----|----------------|--|
| (a) | £550,857,918 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. |
| (b) | (£415,877,895) | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. |
| (c) | £134,980,023 | being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. |
| (d) | £1,529.64 | being the amount at (c) above divided by the taxbase, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. |

8. 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 2021/22 for each of the categories of dwellings.

| Valuation Bands London Borough of Havering | | | |
|---|-----------------|--------------------------|--------------|
| | Havering | Adult Social Care | Total |
| | £ p | £ p | £ p |
| A | 902.81 | 116.95 | 1,019.76 |
| B | 1,053.28 | 136.44 | 1,189.72 |
| C | 1,203.75 | 155.93 | 1,359.68 |
| D | 1,354.22 | 175.42 | 1,529.64 |
| E | 1,655.16 | 214.40 | 1,869.56 |
| F | 1,956.10 | 253.38 | 2,209.48 |
| G | 2,257.03 | 292.37 | 2,549.40 |
| H | 2,708.44 | 350.84 | 3,059.28 |

9. That it be noted for the year 2021/22 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 | 242.44 |
| B | 282.85 |
| C | 323.25 |
| D | 363.66 |
| E | 444.47 |
| F | 525.29 |
| G | 606.10 |
| H | 727.32 |

10. That, having calculated the aggregate in each case of the amounts at 8 and 9 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 2021/22 for each of the categories of dwellings shown below:

| Valuation Bands | £ p |
|------------------------|------------|
| A | 1,262.20 |
| B | 1,472.57 |
| C | 1,682.93 |
| D | 1,893.30 |
| E | 2,314.03 |
| F | 2,734.77 |
| G | 3,155.50 |
| H | 3,786.60 |

The effect of adopting this resolution would be to set the Council Tax for a Band D property at £1,893.30

11. 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 2021/22 is not excessive.
12. That any Council Tax payer who is liable to pay an amount of Council Tax to the Authority in respect to the year ending on 31 March 2022, who is served with a demand notice under Regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 as amended and who makes payment to the Authority of the full balance of the estimated amount shown on that demand by 1 April 2021, may deduct a sum equivalent to 1.5% of and from the estimated amount and such reduced amount shall be accepted in full settlement of that estimated amount.

Council (Council Tax and Budget), 03 March 2021

13. That Council approves that the Council Tax Support Scheme 2020/21 is adopted for 2021/22 as set out in Section 15 of the Cabinet report of 17 February 2021.
14. That Council approves the Housing Revenue Account (HRA) Major Works Capital Programme, detailed in **Appendix 1a** of the HRA Budget for 2021/2022 and HRA Major Works Capital Programme 2021/22 – 2025/26 report to Cabinet of 17 February 2021.
15. That Council approves the HRA Capital expenditure and financing for the 12 Sites Joint Venture, detailed in paragraphs 4.1 to 4.26 and **Appendix 1b** of the of the HRA Budget for 2021/2022 and HRA Major Works Capital Programme 2021/22 – 2025/26 report to Cabinet of 17 February 2021.
16. That Council approves the Treasury Management Strategy Statement, Prudential Indicators, and the Minimum Revenue Provision Statement for 2021/22 as shown in the separate report to Cabinet of 17 February 2021.
17. That Council approves the Capital Strategy and Programme for 2021/22 as shown in the separate report to Cabinet of 17 February 2021.

REPORT DETAIL

As set out in the reports to Cabinet of 17 February 2021 and the attached Annexes.

This page is intentionally left blank

**LONDON BOROUGH OF HAVERING
FINAL COUNCIL TAX STATEMENT – 2021/22 BUDGET**

| 2020/21 £ | Havering's Expenditure | Final 2021/22 £ | |
|---------------------|--|---------------------|-----------|
| 160,207,788 | Service Expenditure | 170,203,101 | |
| 1,000,000 | General Contingency | 1,000,000 | |
| 161,207,788 | Havering's Own Expenditure | 171,203,101 | a |
| | Levies | | |
| 16,363,000 | East London Waste Authority | 11,524,000 | Final |
| 191,242 | Environment Agency (Thames) | 195,131 | Final |
| 22,128 | Environment Agency (Anglia) | 22,609 | Final |
| 208,036 | Lee Valley Regional Park Authority | 212,413 | Final |
| 300,636 | London Pensions Fund Authority (LPFA) | 301,345 | Final |
| 17,085,042 | Sub Total – Levies | 12,255,498 | b |
| (14,368,210) | Unringfenced Grant | (14,902,118) | c Final |
| 163,924,620 | Sub Total – Total Expenditure | 168,556,481 | d=a+b-c |
| | External Finance | | |
| (9,944,857) | Business Rates Top-up | (9,944,857) | Final |
| (1,398,077) | Revenue Support Grant | (1,405,808) | Final |
| (23,808,558) | National Non Domestic Rate | (23,952,890) | Final |
| (35,151,492) | Sub Total – External Finance | (35,303,555) | e |
| 0 | Council Tax Deficit/(Surplus) | 815,089 | f Final |
| 1,331,141 | Business Rates Deficit/(Surplus) | 912,008 | g Final |
| 130,104,269 | Havering's Precept on the Collection Fund | 134,980,023 | h=d+e+f+g |

| 2020/21 | | <u>The Collection Fund</u> | | Final 2021/22 | |
|------------------------|-----------------|--|--|-----------------|-------|
| £ | £ p | Expenditure | £ | £ p | |
| 118,415,266 | 1,332.26 | Precepts | | | |
| 11,689,003 | 131.51 | London Borough of Havering | 119,500,436 | 1,354.22 | |
| 130,104,269 | 1,463.77 | Adult Social Care | 15,479,587 | 175.42 | |
| 29,515,378 | 332.07 | Total London Borough of Havering | 134,980,023 | 1,529.64 | h |
| 23,808,558 | 267.86 | Greater London Authority | 32,090,449 | 363.66 | |
| 29,363,889 | 330.37 | London Borough of Havering Retained Business Rates | 23,952,890 | 271.44 | |
| 266,826 | 3.00 | Greater London Authority - Retained Business Rates | 29,541,897 | 334.78 | |
| 213,058,920 | 2,397.07 | Cost of NNDR collection | 262,023 | 2.97 | |
| | | Total Expenditure | 220,827,282 | 2,502.49 | i |
| | | Total Income | | | |
| (53,439,273) | (601.23) | National Non-Domestic Rate | (53,756,810) | (609.19) | j |
| 159,619,647 | 1,795.84 | NNDR receivable | 167,070,472 | 1,893.30 | k=i-j |
| 88,883 | | COUNCIL TAX per Band D property | 88,243 | | |
| | | Council Tax Base | | | |
| | | | Council Tax percentage change 5.43% | | |
| | | Council Taxes Per Property Band | | | |
| Valuation as at 1/4/91 | £ p | | £ p | Change | |
| Under £40,000 | 1,197.23 | Band A | 1,262.20 | 64.97 | |
| £40,000 - £52,000 | 1,396.77 | Band B | 1,472.57 | 75.80 | |
| £52,001 - £68,000 | 1,596.30 | Band C | 1,682.93 | 86.63 | |
| £68,001 - £88,000 | 1,795.84 | Band D | 1,893.30 | 97.46 | |
| £88,001 - £120,000 | 2,194.91 | Band E | 2,314.03 | 119.12 | |
| £120,001 - £160,000 | 2,593.99 | Band F | 2,734.77 | 140.78 | |
| £160,001 - £320,000 | 2,993.07 | Band G | 3,155.50 | 162.43 | |
| Over £320,000 | 3,591.68 | Band H | 3,786.60 | 194.92 | |

This page is intentionally left blank