

<b>COUNCIL TAX STATEMENT AND SUPPORTING INFORMATION</b>
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## 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: -

A	=	88,452
B	=	98.75%
T	=	87,346

### **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

**COUNCIL TAX BASE CALCULATION 2018/19  
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

	A1*	A	B	C	D	E	F	G	H	Total
Where										
H is the number of properties in the valuation list - Regulation 4(2) as at 30th November	0	5,461	10,892	27,643	35,860	15,218	6,403	3,037	322	104,836
Less										
the number of properties exempt from a charge - Regulation 4(2)	0	-125	-175	-291	-384	-178	-50	-21	-1	-1,225
Property Base - Item H	0	5,336	10,717	27,352	35,476	15,040	6,353	3,016	321	103,611
Q Is the factor to take account of discounts	-1	-768	-1,481	-2,365	-2,279	-829	-275	-110	-13	-8,121
J is the expected change to the property tax base during the year Regulations 4(6) to 4(8)										
E Is the factor to take account of premiums, if any, calculated in accordance with regulation 4 (5)	0	0	0	0	0	0	0	0	0	0
Additions	7	75	149	385	348	168	75	31	3	1,241
Reductions	0	-120	-106	-183	-260	-136	-79	-61	-20	-965
Z Is the estimate reduction in relation to claimants receiving Council Tax Support	-2	-1,435	-2,394	-3,314	-2,339	-573	-114	-27	-1	-10,199
Total tax base adjustment	5	-1,480	-2,351	-3,112	-2,251	-541	-118	-57	-18	-9,923
Total projection per band	4	3,088	6,885	21,875	30,946	13,670	5,960	2,849	290	85,567
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	
$((H+Q+J) +Z)x F/G =$	2	2,059	5,355	19,445	30,946	16,708	8,609	4,748	580	88,452
<b>The Band D equivalent item A is therefore</b>										<b>88,452</b>

\* Band A Disability Adjustment

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
				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 £	Havering's Expenditure	Estimate 2018/19 £	
154,369,511	Service Expenditure	152,100,713	
2,000,000	General Contingency	1,000,000	
<b>156,369,511</b>	<b>Havering's Own Expenditure</b>	<b>153,100,713</b>	a
	<b>Levies</b>		
14,925,000	East London Waste Authority	15,992,000	Provisional
182,971	Environment Agency (Thames)	192,120	Estimated
20,341	Environment Agency (Anglia)	21,358	Estimated
228,007	Lee Valley Regional Park Authority	239,407	Estimated
311,127	London Pensions Fund Authority (LPFA)	326,683	Estimated
<b>15,667,446</b>	<b>Sub Total – Levies</b>	<b>16,771,568</b>	b
(9,669,228)	Unringfenced Grant	(9,890,300)	c Provisional
<b>162,367,729</b>	<b>Sub Total – Total Expenditure</b>	<b>159,981,981</b>	d=a+b-c
	<b>External Finance</b>		
(12,283,528)	Revenue Support Grant	0	Final
(9,231,836)	Business Rates Top-up	10,310,072	Provisional
(24,099,835)	National Non Domestic Rate	(51,623,259)	Final
<b>(45,615,199)</b>	<b>Sub Total – External Finance</b>	<b>(41,313,187)</b>	e
(2,201,000)	Council Tax Deficit/(Surplus)	(181,000)	f Final
(146,630)	Business Rates Deficit/(Surplus)	637,301	g Final
<b>114,404,900</b>	<b>Havering's Precept on the Collection Fund</b>	<b>119,125,095</b>	h=d+e+f+g

2017/18		<u>The Collection Fund</u> Expenditure		Estimate 2018/19	
£	£ p	Precepts	£	£ p	
110,087,292	1,267.98	London Borough of Havering	112,479,811	1,287.75	
4,317,608	49.73	Adult Social Care	6,645,284	76.08	
<b>114,404,900</b>	<b>1,317.71</b>	<b>Total London Borough of Havering</b>	<b>119,125,095</b>	<b>1,363.83</b>	h
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	
<b>219,317,421</b>	<b>2,526.09</b>	<b>Total Expenditure</b>	<b>225,758,391</b>	<b>2,584.64</b>	i
		<b>Total Income</b>			
(80,600,905)	(928.36)	National Non-Domestic Rate			
		NNDR receivable	(80,933,482)	(926.58)	j
<b>138,716,516</b>	<b>1,597.73</b>	<b>COUNCIL TAX per Band D property</b>	<b>144,824,035</b>	<b>1,658.06</b>	k=i-j
<b>86,821</b>		<b>Council Tax Base</b>	<b>87,346</b>		
					<b>Council Tax percentage change 3.78%</b>
		<b>Council Taxes Per Property Band</b>			
Valuation as at 1/4/91	£ p		£ p	Change	£ p
Under £40,000	1,065.15	Band A	1,105.37	40.22	
£40,000 - £52,000	1,242.68	Band B	1,289.61	46.93	
£52,001 - £68,000	1,420.21	Band C	1,473.84	53.63	
£68,001 - £88,000	1,597.73	Band D	1,658.06	60.33	
£88,001 - £120,000	1,952.77	Band E	2,026.52	73.75	
£120,001 - £160,000	2,307.83	Band F	2,394.97	87.14	
£160,001 - £320,000	2,662.88	Band G	2,763.43	100.55	
Over £320,000	3,195.46	Band H	3,316.12	120.66	