
CABINET

Subject Heading:

Council Tax base 2026/27

Cabinet Member:

Councillor Chris Wilkins (Cabinet Member for Finance)

ELT Lead:

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Policy context:

This report sets out the proposed taxbase for Havering for 2026/27

Financial summary:

This report includes:

- Confirmation of the taxbase for 2026/27
- Confirmation of collection rate for use in setting the Council budget and taxbase

Is this a Key Decision?

Yes

1. EXECUTIVE SUMMARY

- 1.1. This report is produced to enable the Council to fulfil its statutory role to set a council tax base for 2026/27. The Local Government Finance Act (LGFA) 1992, as amended by the LGFA 2003 & LGFA 2012 requires the Authority to formally calculate the council tax base for 2025/26 and pass this information to precepting authorities by 31 January 2026. The tax base must be set between 1 December 2025 and 31 January 2026. The regulations stipulate that:
- The appropriate figure must be calculated using the Valuation List and Council Tax records as at 30 November 2025 Calculation of the Tax Base,
 - The calculation of the Council Tax Base is by way of a statutory prescribed formula, which is set out at Appendix A.

2. RECOMMENDATIONS

- 2.1. Cabinet are asked to agree a taxbase of 91,122 band D equivalents for 2026/27,
- 2.2. Cabinet are asked to note the estimated collection rate set out in section 3.3 which is a prudent assumption and reflective of current collection levels.

3. TAXBASE

- 3.1. The Council has a statutory duty to set a taxbase each year. This is used to estimate the revenue generated from Council Tax for the forthcoming year.
- 3.2 The Council has a statutory duty as follows:
- To notify the preceptors and levying bodies of the Council Tax Base. by 31 January each year,
 - The appropriate figure must be calculated using the Valuation List and Council Tax records as at 30 November 2025 Calculation of the Tax Base,
 - The calculation of the Council Tax Base is by way of a statutory prescribed formula, which is set out at Appendix A.
- 3.3 The estimated non collection level for 2025/26 was 3.00%. After a review of the Council Tax arrears and current collection rates, the non collection rate was recommended to remain at this level for 2026/27. This is a realistic assessment of likely collection rates given the current rates of council tax in the borough and tax increases over the last few years. The Council aims to collect 100% of Council Tax, creating a surplus if exceeded, which will support next year's budget. This will be closely monitored throughout the year.

- 3.4 Havering has a good record in collecting Council Tax in London and is top third in London for its collection rate. It is essential that the Council determines a tax base based on a realistic set of assumptions, whilst also setting a target for debt collection that is both challenging and fair to all residents of Havering, working on the principle that every household that is able to pay council tax must do so. All residents must pay their Council Tax in full as it is a legal requirement to do so. Havering will continue to aim to collect all Council Tax only writing out debt, only when all collection opportunities have been exhausted.

The table below shows the composition of the Taxbase for 2026/27

	2025/26	2026/27
Total Number of chargeable Band D Equivalents	92,939	93,940
Assumed Collection rate	97.0%	97.0%
Band D Equivalents for Taxbase	90,151	91,122

- 3.5 Appendix A also provides detail of the split of the taxbase for the purpose of informing the Environment Agency between the Anglia and Thames Water regions in the borough. The split 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. This will be used to inform the Environment Agency of our taxbase as part of their level setting process.

4. IMPLICATIONS AND RISKS

4.1 Financial Implications and Risks

The taxbase reflects the number of Band D equivalent Council Tax sums the Council expects to collect each year. This is used in budget setting and the Council has a statutory duty to inform the GLA and Levying bodies of this value by 31st January.

4.2 Legal Implications and Risks

The main legislation concerning the setting of Council Tax is the Local government Finance Act 1992 (as amended)

The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 are regulations made under that Act and prescribe how the Council Tax Base (one of the elements of the calculations concerned with setting the Council Tax) is calculated.

This report sets out the various factors which have to be taken into account, and provides the calculations to arrive at the Council Tax Base.

4.3 Human Resource Implications and Risks

There are no immediate Human Resource implications or risks arising from the report.

4.4 Equalities and Social Inclusion Implications and Risks

There are no immediate Equalities and Social Inclusion implications arising from the report.