

AGENDA ITEM

Corporate Affairs Committee

DATE: 30th JANUARY 2008

CALCULATION OF COUNCIL TAX BASE FOR 2008/2009

PAUL SLOCOMBE – DIRECTOR OF RESOURCES

PURPOSE OF THE REPORT

1. To set the Council Tax base for the financial year 2008/2009.

BACKGROUND AND EXTERNAL CONSULTATION

2. The starting point for the calculation of the 2008/2009 tax base is the number of dwellings on the Valuation List, provided by the Valuation Officer. Each property band has been adjusted for the expected net increase to the list during 2008/2009. The figures are also adjusted for exempt dwellings and for dwellings subject to disabled relief.

The number of chargeable dwellings in each band is further adjusted for the single person households (25% discount) and empty properties or where all residents are disregarded (50% discount).

The resultant figure (line 1 of Appendix A) is the total equivalent number of dwellings which are then converted using ratios (in line 2) into the number of Band D equivalents (line 3), specified in the 1992 Act. For 2008/2009, the equivalent number of Band D properties is calculated at **40,583.4**.

The Council Tax base is finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which has been assumed at 98% for 2008/2009. The resultant Council Tax base for 2008/2009 (line 5) for the whole of Middlesbrough is **39,772**.

The regulations also require a Council Tax base to be calculated for parishes, and similar calculations have been made for the parishes of Nunthorpe (Appendix B) and Stainton & Thornton (Appendix C). The Council Tax bases for 2008/2009 are **1942** and **566** respectively.

The billing authority must notify the major precepting authority (Cleveland Police Authority and Cleveland Fire Authority) of its tax base within seven days of making the calculation, or no later than 31st January.

OPTION APPRAISAL/RISK ASSESSMENT

3. Not applicable to this report

FINANCIAL, LEGAL AND WARD IMPLICATIONS

4. There are no financial implications to this report
5. **Ward Implications** – Specific tax base calculations relate to the areas covering Nunthorpe and Stainton & Thornton Parishes.
6. **Legal Implications** – It is a statutory requirement under the Local Government Finance Act 1992 for billing authorities to calculate a Council Tax base.

RECOMMENDATIONS

7. It is recommended that Corporate Affairs: -
 - a) Note the contents of the report
 - b) Agree the Council Tax base for 2008/2009 as **39,772**.
 - c) Agree **1,942** and **566** as the Council Tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2008/2009.
 - d) Agree to notify the Police Authority, the Fire Authority and the Parish Councils of the 2008/2009 Council Tax Base.

REASONS

8. The recommendations are supported by the following reasons: -
 - a) The Local Government Finance Act 1992 requires a billing authority to calculate its Council Tax base for each financial year.

- b) The method of calculation is specified in the Local Authorities (Calculation of Council Tax Base) Regulations 1992, which requires the calculation to be approved before 31st January in the year preceding the relevant financial year.
- c) The tax base is used by the Government to calculate the Revenue Support Grant due to each authority, and as a base for local authorities to fix their actual Council Tax level.

BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

RRV708 report from the Sx3 system to calculate the total number of dwellings after discounts and the number of Band D equivalent properties in Middlesbrough. This report has also been used to identify the figure for the Nunthorpe and Stainton & Thornton Parishes.

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