

MIDDLESBROUGH COUNCIL

AGENDA ITEM 15

COUNCIL

Calculation of Council Tax Base for 2016/2017

Executive Member for Finance & Governance: Councillor N J Walker

Chief Finance Officer- Paul Slocombe

6 January 2016

PURPOSE OF THE REPORT

1. To set the council tax base for the financial year 2016/2017.

SUMMARY OF RECOMMENDATIONS

2.
 - a) Note the contents of the report.
 - b) Agree the council tax base for 2016/2017 as **32,169**
 - c) Agree **1,980** and **648** as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2016/2017.
 - d) Agree to notify the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils of the 2016/2017 council tax base.

BACKGROUND AND EXTERNAL CONSULTATION

3. The starting point for the calculation of the 2016/2017 tax base is the number of dwellings on the Valuation List, provided by the Valuation Officer. The figures are also adjusted for exempt dwellings and for dwellings subject to disabled relief.
4. The number of chargeable dwellings in each band is further adjusted for discounts, exemptions and disregards.
5. 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 2016/2017, the equivalent number of Band D properties is calculated at **33,062.1**

6. 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 97.3% for 2016/2017. The resulting council tax base for 2016/2017 for the whole of Middlesbrough (Appendix A) is **32,169**, rounded to a whole number.
7. 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 2016/2017 are **1,980** and **648** respectively, rounded to whole numbers.
8. The billing authority must notify the major precepting authorities (Cleveland Police and Crime Commissioner and Cleveland Fire Authority) of its council tax base within seven days of making the calculation, or no later than 31st January 2016.

OPTION APPRAISAL/RISK ASSESSMENT

9. Not applicable to this report.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

10. A comparison with the 2015/2016 council tax base is summarised in the table below:

	2015/2016	2016/2017	% Increase
Total Number of Dwellings after Discounts	39,008.4	40,291.3	3.3%
Band D Equivalent	32,020.9	33,062.1	3.3%
Council Tax Base	30,836	32,169	4.3%

11. The table above demonstrates that we have had a 1,283 (3.3%) property increase in our council tax base. This is a result of the net new house building over the period. The tax base is a net increase of 1,333 (4.3%) band D equivalent properties and allows for projected increases in housing stock up to the 31 March 2017 and also for an increase in council tax support cases, taking into account current economic factors and job losses. This is estimated to have reduced the need for budget reductions by approximately £1.84 million in 2016/2017 and on an on-going basis.
12. **Ward Implications** – Specific council tax base calculations relate to the areas covering Nunthorpe and Stainton & Thornton Parishes.
13. **Legal Implications** – It is a statutory requirement under the Local Government Finance Act 1992 for billing authorities to calculate a council tax base.

RECOMMENDATIONS

14. It is recommended that the Council:-
- a) Note the contents of the report.
 - b) Agree the council tax base for 2016/2017 as **32,169**.
 - c) Agree **1,980** and **648** as the council tax bases for the parishes of Nunthorpe and Stainton and Thornton respectively for 2016/2017.
 - d) Agree to notify the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils of the 2016/2017 council tax base.

REASONS

15. 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 proceeding the relevant financial year.

BACKGROUND PAPERS

16. None.

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APPENDIX A

CALCULATION OF THE 2016/2017 COUNCIL TAX BASE FOR MIDDLESBROUGH AREA
(INCLUDING PARISHES)

	COUNCIL TAX BAND									
	A (with disabled relief)	A	B	C	D	E	F	G	H	TOTAL
		0-£40,000	£40,001-£52,000	£52,001-£68,000	£68,001-£88,000	£88,001-£120,000	£120,001-£160,000	£160,001-£320,000	£320,001 and over	
Total number of dwellings after discounts	50.4	16,703.4	7,586.5	8,695.8	4,320.2	1,814.6	661.7	429.0	29.8	40,291.3
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of band D equivalent	28.0	11,135.6	5,900.6	7,729.6	4,320.2	2,217.9	955.8	714.9	59.5	33,062.1

Assumed collection rate of 97.3%

0.973

Council tax base for 2016/2017 (rounded to a whole number)

32,169

APPENDIX B

CALCULATION OF COUNCIL TAX BASE FOR NUNTHORPE PARISH COUNCIL 2016/2017
(INCLUDED AT APPENDIX A)

	COUNCIL TAX BAND									
	A (with disabled relief)	A	B	C	D	E	F	G	H	TOTAL
		0-£40,000	£40,001-£52,000	£52,001-£68,000	£68,001-£88,000	£88,001-£120,000	£120,001-£160,000	£160,001-£320,000	£320,001 and over	
Total number of dwellings after discounts	0	11.6	78.9	344.8	723.9	291.5	129.9	222.7	10.0	1,813.2
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of band D equivalent	0	7.7	61.4	306.5	723.9	356.3	187.6	371.1	20.0	2,034.5

Assumed collection rate of 97.3%

0.973

Council tax base for 2016/2017 (rounded to a whole number)

1,980

APPENDIX C

CALCULATION OF COUNCIL TAX BASE FOR STANTON & THORNTON PARISH COUNCIL 2016/2017
(INCLUDED AT APPENDIX A)

	COUNCIL TAX BAND									
	A (with disabled relief)	A	B	C	D	E	F	G	H	TOTAL
		0-£40,000	£40,001-£52,000	£52,001-£68,000	£68,001-£88,000	£88,001-£120,000	£120,001-£160,000	£160,001-£320,000	£320,001 and over	
Total number of dwellings after discounts	0	26.0	69.1	126.2	142.2	121.2	80.8	43.9	1.0	610.4
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of band D equivalent	0	17.4	53.8	112.2	142.2	148.1	116.7	73.1	2.0	665.5

Assumed collection rate of 97.3%

0.973

Council tax base for 2016/2017 (rounded to a whole number)

648