

MIDDLESBROUGH COUNCIL

AGENDA ITEM 8

COUNCIL

11 JANUARY 2017

Calculation of Council Tax Base for 2017/2018

Strategic Director of Finance, Governance and Support

PURPOSE OF THE REPORT

1. To set the council tax base for the financial year 2017/2018.

SUMMARY OF RECOMMENDATIONS

2.
 - a) Note the contents of the report.
 - b) Agree the council tax base for 2017/2018 as **32,924**
 - c) Agree **2,045** and **698** as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2017/2018.
 - d) Agree to notify the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils of the 2017/2018 council tax base.

BACKGROUND AND EXTERNAL CONSULTATION

3. The starting point for the calculation of the 2017/2018 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 2017/2018, the equivalent number of Band D properties is calculated at **33,802.7**.
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 97.4% for 2017/2018. The resulting council tax base for 2017/2018 for the whole of Middlesbrough (Appendix A) is **32,924**, 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 2017/2018 are **2,045** and **698** 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 2017.

OPTION APPRAISAL/RISK ASSESSMENT

9. Not applicable to this report.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

10. A comparison with the 2016/2017 council tax base is summarised in the table below:

	2016/2017	2017/2018	% Increase
Total Number of Dwellings after Discounts	40,291.3	41,116.3	2.0%
Band D Equivalent	33,062.1	33,802.7	2.3%
Council Tax Base	32,169	32,924	2.3%

11. The table above demonstrates that we have had a 825 (2.0%) 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 755 (2.3%) band D equivalent properties and allows for projected increases in housing stock. This is estimated to have reduced the need for budget reductions by approximately £1.084 million in 2017/2018 and on an on-going basis. This was based upon the 2016-17 Basic Council Tax.
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 Council -
 - a) Note the contents of the report.
 - b) Agree the council tax base for 2017/2018 as **32,924**.

- c) Agree **2,045** and **698** as the council tax bases for the parishes of Nunthorpe and Stainton and Thornton respectively for 2017/2018.
- d) Agree to notify the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils of the 2017/2018 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 2017/2018 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	36.4	17,101.6	7,691.4	8,732.4	4,386.8	1,986.4	705.3	444.7	31.3	41,116.3
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	20.2	11,401.0	5,982.2	7,762.1	4,386.8	2,427.8	1,018.8	741.2	62.6	33,802.7

Assumed collection rate of 97.4%

0.974

Council tax base for 2017/2018 (rounded to a whole number)

32,924

APPENDIX B

CALCULATION OF COUNCIL TAX BASE FOR NUNTHORPE PARISH COUNCIL 2017/2018
(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	10.9	78.4	346.4	722.3	304.4	149.1	236.2	10.0	1,857.7
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	7.3	61.0	307.9	722.3	372.0	215.4	393.7	20	2,099.6

Assumed collection rate of 97.4%

0.974

Council tax base for 2017/2018 (rounded to a whole number)

2,045

APPENDIX C

CALCULATION OF COUNCIL TAX BASE FOR STANTON & THORNTON PARISH COUNCIL 2017/2018
(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	22.9	69.0	139.7	150.1	141.9	83.3	46.5	1.0	654.4
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	15.3	53.7	124.2	150.1	173.4	120.3	77.5	2.0	716.5

Assumed collection rate of 97.4%

0.974

Council tax base for 2017/2018 (rounded to a whole number)

698