

MIDDLESBROUGH COUNCIL

AGENDA ITEM 8

COUNCIL REPORT

Calculation of Council Tax Base for 2018/2019

Executive Member for Finance & Governance: Nicky Walker

Strategic Director of Finance, Governance and Support:
James Bromiley

24 January 2018

PURPOSE OF THE REPORT

1. To set the council tax base for the financial year 2018/2019.

SUMMARY OF RECOMMENDATIONS

2.
 - a) Note the contents of the report.
 - b) Agree the council tax base for 2018/2019 as **33,121**
 - c) Agree **2,082** and **724** as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2018/2019.
 - d) Agree to notify the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils of the 2018/2019 council tax base.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3.

It is over the financial threshold (£150,000)	<input checked="" type="checkbox"/>
It has a significant impact on 2 or more wards	<input type="checkbox"/>
Non Key	<input type="checkbox"/>

DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is

Non-urgent	<input checked="" type="checkbox"/>
Urgent report	<input type="checkbox"/>

If urgent please give full reasons

BACKGROUND AND EXTERNAL CONSULTATION

5. The starting point for the calculation of the 2018/2019 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.
6. The number of chargeable dwellings in each band is further adjusted for discounts, exemptions and disregards.
7. 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 2018/2019, the equivalent number of Band D properties is calculated at **33,796.7**.
8. 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 98.0% for 2018/2019. This is the estimate of the percentage of the 2018/19 Council Tax set which will be collected in total not the expected in year collection rate in 2018/19. The resulting council tax base for 2018/2019 for the whole of Middlesbrough (Appendix A) is **33,121**, rounded to a whole number.
9. 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 2018/2019 are **2,082** and **724** respectively, rounded to whole numbers.
10. 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

11. Not applicable to this report.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

12. A comparison with the 2017/2018 council tax base is summarised in the table below:

	2017/2018	2018/2019	% Increase / (Decrease)
Number of Dwellings on Valuation List	62,755	63,130	0.6%
Total Number of Dwellings after Discounts	41,116.3	40,978.6	(0.3%)
Band D Equivalent	33,802.7	33,796.7	(0.0%)
Council Tax Base	32,924	33,121	0.6%

13. The table above demonstrates that although there is an increase of 375 (0.6%) in the actual number of dwellings we have had a decrease of 137.7 (0.3%) properties in our council tax base after discounts have been applied. This is a result of two factors, firstly there was net growth in the number of dwellings after discounts due to new house building over the period of 354.8 dwellings. However this growth was cancelled out by the Council's decision of the 6th December 2017 to increase Council Tax Support to Working Age Households from 80% to 85%, the effect of this decision was to reduce the number of dwellings after discounts for council tax base purposes by 492.5.
14. The tax base is a net increase of 197 (0.6%) band D equivalent properties and allows for projected increases in housing stock to 31st March 2019 and an increase of 0.6% in the assumed collection rate reflecting the impact of the increase in Council Tax Support. It is estimated that growth in the council tax base will reduce the need for budget reductions by £294,000 in 2018/19 and on an ongoing basis after allowing for the decision to increase Council Tax Support. This was based upon the 2017-18 Basic Council Tax.
15. **Ward Implications** – Specific council tax base calculations relate to the areas covering Nunthorpe and Stainton & Thornton Parishes.
15. **Legal Implications** – It is a statutory requirement under the Local Government Finance Act 1992 for billing authorities to calculate a council tax base.

RECOMMENDATIONS

16. It is recommended that the Council:-
 - a) Note the contents of the report.
 - b) Agree the council tax base for 2018/2019 as **33,121**.
 - c) Agree **2,082** and 724 as the council tax bases for the parishes of Nunthorpe and Stainton and Thornton respectively for 2018/2019.
 - d) Agree to notify the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils of the 2018/2019 council tax base.

REASONS

17. 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 2012, which requires the calculation to be

approved before 31st January in the year proceeding the relevant financial year.

BACKGROUND PAPERS

18. None.

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APPENDIX A

CALCULATION OF THE 2018/2019 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	39.9	16,805.7	7,687.9	8,732.0	4,443.7	2,051.6	726.6	461.5	29.8	40,978.6
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	22.2	11,203.8	5,979.5	7,761.8	4,443.7	2,507.5	1,049.5	769.2	59.5	33,796.7

Assumed collection rate of 98.0%

0.980

Council tax base for 2018/2019 (rounded to a whole number)

33,121

APPENDIX B

CALCULATION OF COUNCIL TAX BASE FOR NUNTHORPE PARISH COUNCIL 2018/2019
(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	10.1	78.3	344.1	723.7	303.4	153.9	248.2	10.0	1,871.7
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	6.7	60.9	305.8	723.7	370.9	222.3	413.7	20.0	2,124.0

Assumed collection rate of 98.0%

0.980

Council tax base for 2018/2019 (rounded to a whole number)

2,082

APPENDIX C

CALCULATION OF COUNCIL TAX BASE FOR STAINTON & THORNTON PARISH COUNCIL 2018/2019
(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	22.3	68.6	142.4	158.3	151.3	83.4	46.9	1.0	674.3
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	0	14.9	53.4	126.6	158.3	184.9	120.5	78.2	2.0	738.8

Assumed collection rate of 98.0%

0.980

Council tax base for 2018/2019 (rounded to a whole number)

724