MIDDLESBROUGH COUNCIL	Middlesbrough moving forward

Report of:	Andrew Humble - Director of Finance and Transformation (s151 Officer)

Relevant Executive Member:	Cllr Nicky Walker - Executive Member for Finance

Submitted to:	Executive

Date:	3 December 2025

Title:	Calculation of Council Tax Base for 2026/27

Report for:	Decision

Status:	Public

Council Plan priority:	All

Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards

Subject to call in?	Yes
Why:	Non-Urgent Report

Proposed decision(s)

That the Executive:

- **NOTES** the contents of the report
- **APPROVES** the council tax base for 2026/27 for the whole of Middlesbrough area as **37,062.20**
- **APPROVES 2,408.72 and 1,530.35** as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2026/27
- Following approval, **AGREES** to notify the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils of the 2026/27 council tax base

Executive summary

The Council has a legal obligation to calculate a council tax base each financial year. The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework. This report is part of the process to set the council tax base for the financial year 2026/27 by the statutory deadline of 31 January 2026.

1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

1.1 The report is part of the process to set the council tax base for the financial year 2026/27 by the statutory deadline of 31 January 2026.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework and underpins the delivery of the Council's vision for Middlesbrough and therefore supports all the ambitions within the Council Plan.
A healthy Place	
Safe and resilient communities	
Delivering best value	

2. Recommendations

2.1 That the Executive:

- **NOTES** the contents of the report
- **APPROVES** the council tax base for 2026/27 for the whole of Middlesbrough area as **37,062.20**
- **APPROVES 2,408.72 and 1,530.35** as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2026/27
- Following approval, **AGREES** to notify the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils of the 2026/27 council tax base

3. Rationale for the recommended decision(s)

3.1 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) (England) Regulations 2012, which requires the calculation to be approved before 31st January in the year preceding the relevant financial year.

4. Background and relevant information

4.1 The Council has a legal obligation to calculate a council tax base each financial year. The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework.

4.2 The starting point for the calculation of the 2026/27 tax base is the number of dwellings on the Valuation List for Middlesbrough Council on 10 September 2025 provided by the Government's Valuation Office Agency (line 1 of Appendix 1). The figures are also adjusted for exempt dwellings and for dwellings subject to disabled reduction.

4.3 The number of chargeable dwellings in each band is further adjusted for discounts, exemptions, premiums, and local council tax support.

4.4 The resultant figure (line 2) is the total equivalent number of dwellings which are then converted using ratios (in line 3) into the number of Band D equivalents (line 4), specified in the 1992 Act. For 2026/27, the equivalent number of Band D properties is calculated at **37,703.15.**

4.5 The council tax base is finally determined by multiplying the sum of the Band D equivalents (line 4) by the Authority's estimated collection rate, which has been assumed at 98.3% for 2026/27. This is the estimate of the percentage of the 2026/27 Council Tax set which will be collected in total, and not the expected in-year collection rate in 2026/27. The rate used is re-considered each year and the rate of 98.3% used for 2026/27 is the same as that used for 2025/26. The resulting council tax base for 2026/27 for the whole of Middlesbrough (Appendix 1) is **37,062.20,** rounded to two decimal places.

4.6 The growth in the council tax base is estimated to have reduced the need for budget reductions and provided funding for investment in service budget growth in line with the Mayor's priorities of approximately £1.138m in 2026/27 and on an ongoing basis, based on the 2025/26 Basic Council Tax.

4.7 Since 2013/14 the Council's Housing Growth Strategy has delivered an increase in the Council Tax Base of 6,891 Band D Equivalent properties, an increase in Middlesbrough Council's Tax Base of approximately 23%. The cumulative effect is approximately £14.3m and reduces the need to make further annual savings within Council services and allows investment in service budget growth in line with the Mayor's priorities.

4.8 A comparison with the 2025/26 council tax base is summarised in the table below:

	2025/26	**2026/27**	**Increase / (Decrease)**	**Increase / (Decrease) %**
Total number of dwellings on the Valuation List on 10 September 2025	66,379	66,497	118	0.2
less Number of dwellings exempt on 6 October 2025	*3,058*	*2,970*	*(88)*	*(2.9)*
less Number of demolished dwellings on 6 October 2025	*131*	*0*	*(131)*	*(100.0)*
Number of chargeable dwellings (after removing exempt and demolished dwellings)	63,190	63,527	337	0.5
Total number of dwellings after discounts, premiums, and local tax support	44,590.10	45,270.33	680.23	1.5
Band D Equivalents	37,145.40	37,703.15	557.75	1.5
Assumed Collection Rate	98.3%	98.3%		
Council Tax Base	**36,513.90**	**37,062.20**	**548.30**	**1.5**

4.9 The above table demonstrates that there is a net increase of 680.23 (1.5%) in the actual number of dwellings after discounts, premiums and local tax support for council tax base purposes, and after converting to Band D equivalents there is a net increase of 557.75 (1.5%) in the Band D equivalent. This is a result of new house building over the period. The net increase in the council tax base from 2025/26 is 548.30 (1.5%) band D equivalent properties, assuming the collection rate of 98.3% for 2026/27.

4.10 It should be noted that as can be seen in line 1 of Appendix 1, 49.7% of Middlesbrough households are in Band A and approximately 85% of Middlesbrough households are in Band A to C and pay less than the Band D Council Tax. This is a higher proportion than the national Band A to C percentage and means that a greater proportion of our residents pay a Band A to C than comparable Councils. This means that a higher rate of Council Tax is needed to raise the same income yield compared with many other Councils. Middlesbrough Council was in the lower quartile in England for Average Council Tax Per Dwelling at £1,437 in 2025/26 against the national average of £1,770, and was the lowest in the Tees Valley. Every 1% of Council Tax raises approximately £0.750m per year.

4.11 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 2) and Stainton & Thornton (Appendix 3). The council tax bases for 2026/27 are **2,408.72** and **1,530.35** respectively, rounded to two decimal places.

4.12 The billing authority must notify the major precepting authorities (Cleveland Police and Crime Commissioner and Cleveland Fire Authority) of its council tax base by 31st January 2026.

5. Ward Member Engagement if relevant and appropriate

5.1 Not applicable to this report.

6. Other potential alternative(s) and why these have not been recommended

6.1 The Council has no option but to calculate a council tax base each year as it is a statutory requirement. The basis of calculation is prescribed by the legislation, apart from the estimated collection rate for 2026/27 which is applied to calculate the council tax base for 2026/27 for which alternative rates could have been used in the calculation. The estimated collection rate for 2026/27 that has been used is the estimate of the percentage of the 2026/27 Council Tax which will be collected in total based on the latest information available regarding collection rates. Note that this is not the expected in-year collection rate in 2026/27.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	The council tax base for 2026/27 for the whole of Middlesbrough (detailed in Appendix 1) is **37,062.20** rounded to two decimal places. The growth in the council tax base is estimated to have reduced the need for budget reductions and provided funding for investment in service budget growth in line with the Mayor's priorities of approximately £1.138m in 2026/27 and on an ongoing basis, based on the 2025/26 Basic Council Tax. The net increase in the council tax base from 2025/26 is 548.30 (1.5%) band D equivalent properties, assuming the collection rate of 98.3% for 2026/27. There are no procurement impacts arising from this report. The proposed recommendations in this report do not directly impact on Social Value.
Legal	It is a statutory requirement under the Local Government Finance Act 1992 for billing authorities to calculate a council tax base. Section 84 Local Government Finance Act 2003 amends section 67 of the Local Government Finance Act 1992 so that a full Council meeting is no longer required to adopt the council tax base.
Risk	The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework. The report ensures that the Council' meets its statutory duty to calculate a council tax base for each financial year.
Human Rights, Public Sector Equality Duty and Community Cohesion	The proposed recommendations in this report do not directly impact on Human Rights, Public Sector Equality Duty and Community Cohesion
Reducing Poverty	The proposed recommendations in this report do not directly impact on Reducing Poverty.
Climate Change / Environmental	The proposed recommendations in this report do not directly impact on Climate Change/Environmental issues.

Children and Young People Cared for by the Authority and Care Leavers	The proposed recommendations in this report do not directly impact on Children and Young People Cared for by the Authority and Care Leavers.
Data Protection	The proposed recommendations in this report do not directly impact on Data Protection issues.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Following expected approval, the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils will be notified of the 2026/27 council tax base by the statutory deadline of 31 January 2026.	Director of Finance and Transformation (s151 Officer)	31 January 2026

Appendices

1	Calculation of the 2026/27 Council Tax Base for Middlesbrough area (including parishes)
2	Calculation of the 2026/27 Council Tax Base for Nunthorpe Parish Council
3	Calculation of the 2026/27 Council Tax Base for Stainton & Thornton Parish Council

Background papers

None

Contact: Andrew Humble
Director of Finance and Transformation (s151 Officer)

Email: andrew_humble@middlesbrough.gov.uk