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**SETTING THE COUNCIL TAX FOR 2008/09**

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**Responsible Cabinet Member – Councillor Stephen Harker,  
Resources Portfolio**

**Responsible Director - Paul Wildsmith, Director of Corporate Services**

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**Purpose of Report**

1. The Local Government Finance Act 1992 (referred to as “the Act” in this report) requires the Council to set its council tax for 2008/09 before 11<sup>th</sup> March 2008.

**Information**

2. In setting the council tax, the Council is required to make certain calculations and to approve a number of resolutions in accordance with the Act. The detailed calculations are set out in **Appendices 1 to 4**. The recommended basic council tax including Fire and Police Precepts for a Band D property is £1, 337.18. Durham and Darlington Fire and Rescue Authority have set a band D council tax of £82.62. The Police Authority have set a band D council tax of £142.47. There will also be an additional council tax in any parish area where a precept has been issued.
3. The Act requires authorities to calculate their net budget requirement for the coming financial year and to determine the demand on the Collection Fund, from which council tax levels are calculated. The details of these calculations are set out in **Appendix 1**.
4. Cabinet considered the draft Corporate Plan and Medium Term Financial Plan (MTFP) on 16<sup>th</sup> January 2008 and approved both plans for consultation. Resources Scrutiny Committee considered those draft plans on 29<sup>th</sup> January 2008. Cabinet considered the MTFP again on 19<sup>th</sup> February 2008 and recommended to Council a MTFP that included several amendments resulting from consultation.
5. The total budget requirement for 2008/09 is £74,501,539. This figure includes parish precepts of £61,539. The budget is due to be confirmed by this Council meeting prior to the setting of the council tax contained in this report.
6. The Government has announced the level of grant support for 2008/09 and notified the authority that the Revenue Support Grant will be £4,474,117 and the Business Rate Grant will be £32,139,771.

7. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2008. The Act requires authorities to transfer the estimated surplus or deficit to the General Fund and to include it in the calculation of the council tax. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2007/08 demands/precepts. For this financial year it is estimated that there will not be a surplus or deficit on the Collection Fund at 31st March 2008.
8. The Council's demand on the Collection Fund for council tax purposes for 2008/09, as calculated in accordance with Section 32 of the Act, is £37,887,651.

## **The Council Tax Calculations**

### ***Basic Council Tax***

9. The Council set its tax base at 34,013.56 at the meeting on 31st January 2008 along with the tax bases for various parish councils and meetings. These are shown in **Appendix 2** (column 2).
10. The basic council tax must first be calculated by dividing the demand on the Collection Fund by the approved tax base as follows:-

$$\frac{£37,887,651}{34,013.56} = £1,113.90$$

11. From this figure the parish precepts, which the Act refers to as special items, are deducted as follows:-

$$\frac{£61,539}{34,013.56} = £1.81$$

12. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,112.09 (£1,113.90 - £1.81). This also excludes the Police Authority and Fire Authority precepts. It represents an increase of £51.95 (or 4.9%) compared with the council tax in 2007/08.

### **Parish Council Taxes**

13. The calculation of the additional tax for areas where special items, i.e. parish precepts, apply is based on the precepts submitted by each parish council and parish meeting divided by the tax base approved at the Council meeting on 31st January 2008. The council tax in relation to the parish precepts is shown in **Appendix 2** (column 3). When added to the basic council tax, as calculated in paragraph 11, this provides the Billing Authority's council tax for each parish area (**Appendix 2**, column 5).

14. Section 30(1) of the Act requires a council tax to be set for each category of dwelling for its area. This is the Billing Authority's council tax for each parish area and the basic council tax for the rest of the authority's area, multiplied by the ratio of each band using the following: -

Band	A	B	C	D	E	F	G	H
Proportion	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

15. The council tax set will relate to band D which is 9/9 or 1. For other bands the above proportions will apply. For example, band A properties will be charged 6/9 or two thirds whilst band H will be double the charge.

16. The Billing Authority's council taxes for each band of property are shown in **Appendix 3**.

### Police and Fire Authority Council Taxes

17. The Durham Police Authority is a separate body responsible for its own financial affairs. The council tax for the Durham Police Authority has increased by £6.75 (or 4.97 %) compared with 2007/08 and was confirmed on 27th February, 2008: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	94.98	110.81	126.64	142.47	174.13	205.79	237.45	284.94

18. Durham and Darlington Fire and Rescue Authority is also a separate body responsible for its own financial affairs. The council tax for the Durham and Darlington Fire and Rescue Authority has increased by £2.34 (or 2.9%) compared with 2007/08 and was confirmed on 19th February, 2008: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	55.08	64.26	73.44	82.62	100.98	119.34	137.70	165.24

### Overall Council Tax

19. The total council tax for each of the parish areas and the remaining area of the Borough is calculated by adding the charges for the Billing Authority to those of the Fire Authority and the Police Authority. The overall council tax for each category of dwelling in each parish area and the remaining areas of the Borough where there are no parish precepts is set out in **Appendix 4**. The overall increase in council tax next year for a Band D property is £61.04 (or 4.78%), the attribution of the increase is set out below:-

	£'s	%
Darlington Borough Council	51.95	4.07
Durham Police Authority	6.75	0.53
Durham and Darlington Fire and Rescue Authority	2.34	0.18
Total	61.04	4.78

### **Consultation**

20. The content of this report was not subject to consultation. Extensive consultation has, however, taken place with a wide range of stakeholders, during which all households in the Borough have had the opportunity to comment, in preparing the Corporate Plan and Medium Term Financial Plan. The results of consultation are included in those plans.

### **Legal Implications**

21. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

22. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

23. The issues contained within this report are required to be considered by Council.

### **Recommendations**

24. The Council is asked to approve the following recommendations: -
- (a) that the following amounts be calculated by the Council for 2008/09 in accordance with sections 32 to 36 of the Act and relevant regulations:-
- |      |  |              |
|------|--|--------------|
| (i)  | being the aggregate of the amount which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act, which is its expenditure | £221,620,539 |
| (ii) | being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(3) (a) to (c) of the Act, which is its income    | £147,119,000 |

- (iii) being the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 32(4) of the Act as its budget requirement £74,501,539
- (iv) being the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support Grant £4,474,117 and redistributed Business Rate Grant £32,139,771 increased by the amount the Council estimates will be transferred from the Collection Fund to the General Fund £36,613,888
- (v) being the amount calculated by the Council in accordance with Section 33 of the Act, as the basic amount of council tax for the year £1,113.90
- (vi) being the aggregate amount of all special items referred to in Section 34(1) of the Act £61,539
- (vii) being the basic council tax for 2008/09 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items £1,112.09
- (viii) the basic council tax for 2008/09 calculated in accordance with Section 34(3) for dwellings in those areas that have parish precepts be as set out in **Appendix 2**, column 5.
- (ix) the amounts of council tax at items (vii) and (viii) multiplied by the proportion set out in paragraph 13 which is applicable to each category of dwelling in its area, in accordance with Section 36 of the Act be as set out in **Appendix 3**

- (b) That it be noted that for the year 2008/09 Durham Police Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown : -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	94.98	110.81	126.64	142.47	174.13	205.79	237.45	284.94

- (c) That it be noted that for the year 2008/09 County Durham and Darlington Fire and Rescue Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	55.08	64.26	73.44	82.62	100.98	119.34	137.70	165.24

- (d) That the Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 4** as the amounts of council tax for 2008/09 for each of the categories of dwellings.

### **Reasons**

25. The recommendations are supported to set the Council Tax for the Council's area in accordance with statutory requirements.

**Paul Wildsmith**  
**Director of Corporate Services**

### **Background Papers**

- (i) Local Government Finance Settlement 2008/09
- (ii) Police Authority Precept notification.
- (iii) Fire Authority Precept notification.
- (iv) Parish Council Precept notification.

David Hall : Extension 2303

## DEMAND ON THE COLLECTION FUND 2008/09

	£
(a) Council's Net Spending	74,440,000
(b) Add Parish Precepts	61,539
(c) Net Budget Requirement	<u>74,501,539</u>
Deduct	
(d) Revenue Support Grant	4,474,117
(e) Business Rate Grant	32,139,771
(f) Estimated Surplus on Collection Fund	0
(g) <b>DEMAND ON COLLECTION FUND</b>	<u><b>37,887,651</b></u>

## COUNCIL TAX FOR PARISH AUTHORITIES 2008/09

	Precept	Parish Tax Base	Parish Council Tax	Basic Council Tax	Billing Authority's Council Tax
	(1)	(2)	(3)	(4)	(5)
	£		£ p	£ p	£ p
<b>Archdeacon Newton</b>	113	307.64	0.37	1112.09	1112.46
<b>Bishopton</b>	5,125	170.23	30.11	1112.09	1142.20
<b>Heighington</b>	12,745	923.13	13.81	1112.09	1125.90
<b>High Coniscliffe</b>	272	100.04	2.72	1112.09	1114.81
<b>Hurworth</b>	20,000	1202.62	16.63	1112.09	1128.72
<b>Low Coniscliffe / Merrybent</b>	1,245	242.41	5.14	1112.09	1117.23
<b>Low Dinsdale</b>	1,500	284.94	5.26	1112.09	1117.35
<b>Middleton St. George</b>	15,385	1397.34	11.01	1112.09	1123.10
<b>Neasham</b>	895	155.56	5.75	1112.09	1117.84
<b>Piercebridge</b>	559	63.15	8.85	1112.09	1120.94
<b>Sadberge</b>	1,500	286.43	5.24	1112.09	1117.33
<b>Walworth</b>	-	40.35	0.00	1112.09	1112.09
<b>Whesoe</b>	2,200	560.56	3.92	1112.09	1116.01



## APPENDIX 3

### BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2008/09

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	741.64	865.25	988.85	1112.46	1,359.67	1,606.89	1,854.10	2,224.92
Bishopton	761.47	888.38	1,015.29	1142.20	1,396.02	1,649.84	1,903.67	2,284.40
Heighington	750.60	875.70	1,000.80	1125.90	1,376.10	1,626.30	1,876.50	2,251.80
High Coniscliffe	743.21	867.07	990.94	1114.81	1,362.55	1,610.28	1,858.02	2,229.62
Hurworth	752.48	877.89	1,003.31	1128.72	1,379.55	1,630.37	1,881.20	2,257.44
Low Coniscliffe /								
Merrybent	744.82	868.96	993.09	1117.23	1,365.50	1,613.78	1,862.05	2,234.46
Low Dinsdale	744.90	869.05	993.20	1117.35	1,365.65	1,613.95	1,862.25	2,234.70
Middleton St. George	748.73	873.52	998.31	1123.10	1,372.68	1,622.26	1,871.83	2,246.20
Neasham	745.23	869.43	993.64	1117.84	1,366.25	1,614.66	1,863.07	2,235.68
Piercebridge	747.29	871.84	996.39	1120.94	1,370.04	1,619.14	1,868.23	2,241.88
Sadberge	744.89	869.03	993.18	1117.33	1,365.63	1,613.92	1,862.22	2,234.66
Walworth	741.39	864.96	988.52	1112.09	1,359.22	1,606.35	1,853.48	2,224.18
Whesoe	744.01	868.01	992.01	1116.01	1,364.01	1,612.01	1,860.02	2,232.02
All other parts of the Council's area	741.39	864.96	988.52	1,112.09	1,359.22	1,606.35	1,853.48	2,224.18

**APPENDIX 4**

**OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2008/09**

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	891.70	1,040.32	1,188.93	1,337.55	1,634.78	1,932.02	2,229.25	2,675.10
Bishopton	911.53	1,063.45	1,215.37	1,367.29	1,671.13	1,974.97	2,278.82	2,734.58
Heighington	900.66	1,050.77	1,200.88	1,350.99	1,651.21	1,951.43	2,251.65	2,701.98
High Coniscliffe	893.27	1,042.14	1,191.02	1,339.90	1,637.66	1,935.41	2,233.17	2,679.80
Hurworth	902.54	1,052.96	1,203.39	1,353.81	1,654.66	1,955.50	2,256.35	2,707.62
Low Coniscliffe / Merrybent	894.88	1,044.03	1,193.17	1,342.32	1,640.61	1,938.91	2,237.20	2,684.64
Low Dinsdale	894.96	1,044.12	1,193.28	1,342.44	1,640.76	1,939.08	2,237.40	2,684.88
Middleton St. George	898.79	1,048.59	1,198.39	1,348.19	1,647.79	1,947.39	2,246.98	2,696.38
Neasham	895.29	1,044.50	1,193.72	1,342.93	1,641.36	1,939.79	2,238.22	2,685.86
Piercebridge	897.35	1,046.91	1,196.47	1,346.03	1,645.15	1,944.27	2,243.38	2,692.06
Sadberge	894.95	1,044.10	1,193.26	1,342.42	1,640.74	1,939.05	2,237.37	2,684.84
Walworth	891.45	1,040.03	1,188.60	1,337.18	1,634.33	1,931.48	2,228.63	2,674.36
Whesoe	894.07	1,043.08	1,192.09	1,341.10	1,639.12	1,937.14	2,235.17	2,682.20
All other parts of the Council's area	891.45	1,040.03	1,188.60	1,337.18	1,634.33	1,931.48	2,228.63	2,674.36