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**SETTING THE COUNCIL TAX FOR 2011/12**

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**Responsible Cabinet Member – Councillor Chris McEwan,  
Efficiency & Resources Portfolio**

**Responsible Director – Paul Wildsmith, Director of Resources**

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**SUMMARY REPORT**

**Purpose of the 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 2011/12 before 11 March 2011.

**Summary**

2. The budget recommended to Council by Cabinet on 22 February 2011 will result in Band D council tax of £1,151.03, if approved by Council. County Durham and Darlington Fire and Rescue Authority has set its band D council tax for 2011/12 at £87.84. Durham Police Authority has set its band D council tax for 2011/12 at £153.41. There will also be an additional council tax in any parish area where a precept has been issued. The Council, Fire and Police Authorities Council Taxes for 2011/12 are zero increases from 2010/11.

**Recommendation**

3. It is recommended that :-
  - (a) the following amounts be calculated by the Council for 2011/12 in accordance with sections 32 to 36 of the Act and relevant regulations:-
    - (i) 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 £252,943,848
    - (ii) 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 £171,747,928
    - (iii) 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 £81,195,920

- (iv) the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support Grant £9,744,955, redistributed Business Rate Grant £31,526,574, reduced by the amount the Council estimates will be transferred from the General Fund to the Collection Fund as its deficit in respect of Council Tax, £200,000, in accordance with Section 97(4) of the Act £41,071,529
- (v) the amount calculated by the Council in accordance with Section 33 of the Act, as the basic amount of council tax for the year £1,153.24
- (vi) the aggregate amount of all special items referred to in Section 34(1) of the Act £76,848
- (vii) the basic council tax for 2011/12 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items £1,151.03
- (viii) the basic council tax for 2011/12 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 17 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) It be noted that for the year 2011/12 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	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

- (c) It be noted that for the year 2011/12 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	58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

- (d) 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 2011/12 for each of the categories of dwellings.

## Reasons

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

**Paul Wildsmith**  
**Director of Resources**

## Background Papers

- (i) Local Government Finance Settlement 2011/12
- (ii) Police Authority Precept notification.
- (iii) Fire Authority Precept notification.
- (iv) Parish Council Precept notification.

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S17 Crime and Disorder	The report does not contain any Crime and Disorder implications
Health and Well Being	The report does not contain any proposals relating to the health and well being of residents
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity implications in this report
Wards Affected	All Wards are affected equally
Groups Affected	All Groups are affected equally
Budget and Policy Framework	This report must be considered by Council
Key Decision	This report must be considered by Council
Urgent Decision	The Council's Medium Term Financial Plan, Budget and Council Tax require approval by full Council
One Darlington: Perfectly Placed	This report follows from the Corporate Plan and Financial Plan and budget reports, which specifically addresses key issues involved in the Council's contribution to delivering the Sustainable Community Strategy vision.
Efficiency	There are no efficiency implications in this report

## MAIN REPORT

### Information and Analysis

5. 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 £1,392.28. County Durham and Darlington Fire and Rescue Authority has set its band D council tax for 2011/12 at £87.84. Durham Police Authority has set its band D council tax for 2011/12 at £153.41. There will also be an additional council tax in any parish area where a precept has been issued.
6. 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**.
7. Cabinet considered the draft Medium Term Financial Plan (MTFP) on 18 January 2011 and approved the plan for consultation. All scrutiny committees considered the draft plan and reported views to Cabinet, via the meeting of Resources Scrutiny Committee on 7 February 2011. Cabinet considered the MTFP again on 22 February 2011.
8. The total budget requirement for 2011/12 is £81,195,920. This figure includes parish precepts of £76,848. The budget is due to be confirmed by this Council meeting prior to the setting of the council tax contained in this report.
9. The Government has announced the level of grant support for 2011/12 and notified the authority that the Revenue Support Grant will be £9,744,955 and the Business Rate Grant will be £31,526,574.
10. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2011. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2010/11 demands/precepts. It is estimated that the deficit on the Collection Fund at 31st March 2011 will be £242,000, of which the Council's share is £200,000.
11. The Council's demand on the Collection Fund for council tax purposes for 2011/12, as calculated in accordance with Section 32 of the Act, is £40,124,391.

### The Council Tax Calculations

#### Basic Council Tax

12. The Council set its tax base at 34,792.75 at the meeting on 27 January 2011 along with the tax bases for various parish councils and meetings. These are shown in **Appendix 2** (column 2).

13. The basic council tax must first be calculated by dividing the demand on the Collection Fund by the approved tax base as follows:-

$$\frac{£40,124,391}{34,792.75} = £1,153.24$$

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

$$\frac{£76,848}{34,792.75} = £2.21$$

15. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,151.03 (£1,153.24 - £2.21). This also excludes the Police Authority and Fire Authority precepts. It represents a nil increase compared with the council tax in 2010/11.

### Parish Council Taxes

16. 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 27 January 2011. 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 15, this provides the Billing Authority's council tax for each parish area (**Appendix 2**, column 5).

### Billing Authority Council Tax

17. 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

18. 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 of the Band D tax whilst band H will be charged double the Band D tax.
19. The Billing Authority's council taxes for each band of property are shown in **Appendix 3**.

### Police and Fire Authority Council Taxes

20. The Durham Police Authority is a separate body responsible for its own financial affairs. Durham Police Authority has set its Council Tax for 2011/12 at the same level as 2010/11: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

21. County Durham and Darlington Fire and Rescue Authority is also a separate body responsible for its own financial affairs. The Fire and Rescue Authority has set its Council Tax for 2011/12 at the same level as 2010/11: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

### **Overall Council Tax**

22. 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 and Rescue 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**. There is no increase in council tax next year, with the exception of small changes in the amounts of parish precepts.

### **Consultation**

23. 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 Medium Term Financial Plan. The outcomes of consultation are included in the MTFP.

## DEMAND ON THE COLLECTION FUND 2011/12

	£
(a) Council's Budget Requirement 2011-12	81,119,072
(b) Add Parish Precepts	76,848
(c) Net Budget Requirement	<u>81,195,920</u>
Plus	
(d) Estimated Deficit on Collection Fund	200,000
Deduct	
(e) Revenue Support Grant	9,744,955
(f) Business Rate Grant	31,526,574
(g) <b>DEMAND ON COLLECTION FUND</b>	<u><b>40,124,391</b></u>

## COUNCIL TAX FOR PARISH AUTHORITIES 2011/12

	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>	1,109	375.42	2.95	1151.03	1153.98
<b>Bishopton</b>	4,370	170.44	25.64	1151.03	1176.67
<b>Heighington</b>	12,452	920.07	13.53	1151.03	1164.56
<b>High Coniscliffe</b>	269	107.28	2.51	1151.03	1153.54
<b>Hurworth</b>	28,500	1301.29	21.90	1151.03	1172.93
<b>Low Coniscliffe / Merrybent</b>	1,245	286.71	4.34	1151.03	1155.37
<b>Low Dinsdale</b>	3,500	291.75	12.00	1151.03	1163.03
<b>Middleton St. George</b>	19,716	1418.16	13.90	1151.03	1164.93
<b>Neasham</b>	1,037	158.77	6.53	1151.03	1157.56
<b>Piercebridge</b>	550	66.27	8.30	1151.03	1159.33
<b>Sadberge</b>	1,900	306.69	6.20	1151.03	1157.23
<b>Walworth</b>	-	39.74	0.00	1151.03	1151.03
<b>Whessoe</b>	2,200	566.06	3.89	1151.03	1154.92



## APPENDIX 3

### BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2011/12

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	769.32	897.54	1,025.76	1,153.98	1,410.42	1,666.86	1,923.30	2,307.96
Bishopton	784.45	915.19	1,045.93	1,176.67	1,438.15	1,699.63	1,961.12	2,353.34
Heighington	776.37	905.77	1,035.16	1,164.56	1,423.35	1,682.14	1,940.93	2,329.12
High Coniscliffe	769.03	897.20	1,025.37	1,153.54	1,409.88	1,666.22	1,922.57	2,307.08
Hurworth	781.95	912.28	1,042.60	1,172.93	1,433.58	1,694.23	1,954.88	2,345.86
Low Coniscliffe /								
Merrybent	770.25	898.62	1,027.00	1,155.37	1,412.12	1,668.87	1,925.62	2,310.74
Low Dinsdale	775.35	904.58	1,033.80	1,163.03	1,421.48	1,679.93	1,938.38	2,326.06
Middleton St. George	776.62	906.06	1,035.49	1,164.93	1,423.80	1,682.68	1,941.55	2,329.86
Neasham	771.71	900.32	1,028.94	1,157.56	1,414.80	1,672.03	1,929.27	2,315.12
Piercebridge	772.89	901.70	1,030.52	1,159.33	1,416.96	1,674.59	1,932.22	2,318.66
Sadberge	771.49	900.07	1,028.65	1,157.23	1,414.39	1,671.55	1,928.72	2,314.46
Walworth	767.35	895.25	1,023.14	1,151.03	1,406.81	1,662.60	1,918.38	2,302.06
Whesoe	769.95	898.27	1,026.60	1,154.92	1,411.57	1,668.22	1,924.87	2,309.84
All other parts of the Council's area	767.35	895.25	1,023.14	1,151.03	1,406.81	1,662.60	1,918.38	2,302.06

## APPENDIX 4

### OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2011/12

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	930.15	1,085.18	1,240.20	1,395.23	1,705.28	2,015.33	2,325.38	2,790.46
Bishopton	945.28	1,102.83	1,260.37	1,417.92	1,733.01	2,048.11	2,363.20	2,835.84
Heighington	937.21	1,093.41	1,249.61	1,405.81	1,718.21	2,030.61	2,343.02	2,811.62
High Coniscliffe	929.86	1,084.84	1,239.81	1,394.79	1,704.74	2,014.70	2,324.65	2,789.58
Hurworth	942.79	1,099.92	1,257.05	1,414.18	1,728.44	2,042.70	2,356.97	2,828.36
Low Coniscliffe /								
Merrybent	931.08	1,086.26	1,241.44	1,396.62	1,706.98	2,017.34	2,327.70	2,793.24
Low Dinsdale	936.19	1,092.22	1,248.25	1,404.28	1,716.34	2,028.40	2,340.47	2,808.56
Middleton St. George	937.45	1,093.70	1,249.94	1,406.18	1,718.66	2,031.15	2,343.63	2,812.36
Neasham	932.54	1,087.96	1,243.39	1,398.81	1,709.66	2,020.50	2,331.35	2,797.62
Piercebridge	933.72	1,089.34	1,244.96	1,400.58	1,711.82	2,023.06	2,334.30	2,801.16
Sadberge	932.32	1,087.71	1,243.09	1,398.48	1,709.25	2,020.03	2,330.80	2,796.96
Walworth	928.18	1,082.89	1,237.58	1,392.28	1,701.67	2,011.07	2,320.46	2,784.56
Whesoe	930.78	1,085.91	1,241.04	1,396.17	1,706.43	2,016.69	2,326.95	2,792.34
All other parts of the Council's area	928.18	1,082.89	1,237.58	1,392.28	1,701.67	2,011.07	2,320.46	2,784.56