
COUNCIL TAX CALCULATION OF TAX BASE 2016/17

Responsible Cabinet Member – Councillor Stephen Harker
Efficiency and Resources Portfolio

Responsible Director – Paul Wildsmith,
Director of Neighbourhood Services and Resources

SUMMARY REPORT

Purpose of the Report

1. To determine the Council's tax base for 2016/17.

Summary

2. In accordance with Section 33 of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the Council has to decide its tax base by 31 January in the year preceding that for which the tax base applies. This has then to be notified to any precepting authorities and is used in the calculation and setting of the Council Tax. The relevant tax base calculations are shown in **Appendices 1 and 2**.

Recommendation

3. It is recommended that:-
 - (a) The report for the calculation of the Council's tax base for the year 2016/17 be approved.
 - (b) The tax base for the Council and the individual tax base for the parishes as set out at Appendix 1 be approved.

Reasons

4. The recommendations are supported to comply with statutory requirements, enabling the Council Tax for 2016/17 to be set by Council in February 2016.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

- (i) Council Tax regulations
- (ii) Council Tax database

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There are no health and well being issues
Carbon Impact	There are no carbon impact implications
Diversity	There are no diversity issues
Wards Affected	The proposals affect all wards
Groups Affected	The proposals affect everyone liable for Council Tax
Budget and Policy Framework	The report does not represent a change to the Budget or Policy framework
Key Decision	This is not an executive decision
Urgent Decision	This is not an executive decision.
One Darlington: Perfectly Placed	This report has no implications for the Sustainable Community Strategy
Efficiency	The reports does not have any efficiency implications

MAIN REPORT

Information and Analysis

5. The tax base is the total number of domestic properties in the Borough, calculated as a weighted average 'band D equivalents'. The amount of Council Tax payable for properties in each of the 8 valuation bands A to H is statutorily determined as proportions of band D. The tax base is adjusted for discounts, exemptions and estimated changes over the coming year. An estimate of the collection rate is also applied. The tax base represents the amount of revenue that it is estimated will be raised by each £1 of band D Council Tax. It is, therefore, an important part of setting the Council Tax.
6. The council tax base is, for the purpose of calculating a billing authority's and a major precepting authority's council tax, the taxable capacity of an area or part of an area. The amounts are calculated for each financial year and represent the estimated number of chargeable dwellings after allowing for reductions and discounts and adjusted to take account of the authority's collection rate.
7. The regulations changed the formula for calculating the council tax base so as to take account of any reductions which will be made under the local council tax reduction scheme or increases for local premiums for empty or long-term empty dwellings.
8. Under the previous council tax benefit system, billing authorities received payment to cover 100% of the cost of council tax benefit paid. The council tax base was therefore unaffected by changes in council tax benefit granted because the billing authority did not forgo any council tax income from dwellings in receipt of council tax benefit.

9. However, under the local council tax support scheme, the council tax base is affected by whether a dwelling is in receipt of a council tax reduction awarded under the scheme, as the authority is foregoing council tax income from these dwellings.
10. Local council tax support reductions need to be reflected in the calculation of the council tax base, in order to calculate the correct amount of Band D council tax for the billing or major precepting authority area. If the council tax base did not reduce, authorities would set their council tax bills based on an incorrect level of taxable capacity. The outcome being that dwellings where an occupier was eligible to receive a reduction under the local authority's council tax reduction scheme would not be required to pay the full amount of council tax and the authority would not therefore be able to collect the correct amount of council tax to meet its council tax requirement, with a deficit being created on the collection fund.
11. Similarly the tax base is increased by the premium generated through the empty and long term empty homes scheme whereby the consequent increase in the council tax base is used to lower council tax bills.
12. The actual calculation of the tax base is prescribed in the above regulations and has several components. Calculations must be made of the 'relevant amount' for the year, for each of the 8 valuation bands as shown in the Council's Valuation List submitted by the Listing Officer (HM Revenue and Customs) on 30 November 2015 and the band A(-) category introduced with effect from 1 April 2000 to provide relief to disabled persons residing in band A properties. The relevant amount for each band represents the number of chargeable dwellings, as adjusted for exemptions, disabled reductions, discounts and also estimated changes up to 31 March 2017. The final total for each band has to be converted to the equivalent number of band D dwellings.
13. The relevant amounts for the individual bands are then totalled and the estimated collection rate for the year is applied. The collection rate is based on the proportion of the amount payable into the Collection Fund for the year, including appropriate adjustments for benefits and any transitional relief, which the Council believes will ultimately be collected. The resulting figure, plus any contributions in lieu from the Ministry of Defence in respect of forces accommodation, is the Council's tax base for its area for the year concerned.
14. The estimates and calculations outlined above in respect of the tax base for 2016/17 are shown in **Appendix 1**. Members will see that the calculations produce a total Band D equivalent of 31,958.1 (line 16) which, when combined with an estimated collection rate of 99.0% and contributions in lieu, results in an overall tax base figure of 31,739.6 which is a 2.1% increase on 15/16.
15. Similar calculations also need to be made in respect of the parishes and in particular the same estimated collection rate must be applied as that used for the whole of the Council's area. The tax base calculations for each parish are as shown in **Appendix 2**. It should be noted that the Community Governance review has resulted in some parish boundary changes and there are differences (from the current year) in some of the Parish tax-bases. Those particularly affected are Low

Dinsdale Parish Council which is de constituted as a parish council with the parish area being split between an enlarged Middleton-St-George Parish Council and an enlarged Neasham Parish Council. Archdeacon Newton Parish Council becomes a Parish Meeting. Hurworth Parish Council ceases to include housing in the Park East Ward (Skerne Park).

Outcome of Consultation

16. This is a technical report, which follows a prescribed format. There has been no consultation in compiling this report.

DARLINGTON BOROUGH COUNCIL - ESTIMATED TAX BASE 2016/17

		Band A (-)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	TOTAL
1	Dwellings per Valuation List		22,665	10,076	7,068	5,139	2,912	1,192	535	51	49,638
2	Disabled Band Relief		(51)	(41)	(33)	(33)	(23)	(11)	(8)	(20)	(220)
3	Disabled Band Relief (Chargeable)	51	41	33	33	23	11	8	20		220
4	Disabled Band Relief (Adjusted)	51	(10)	(8)	0	(10)	(12)	(3)	12	(20)	0
5	Exemptions	0	(342)	(130)	(143)	(81)	(20)	(9)	(7)	(0)	(732)
6	Single discount (25%)	(20)	(10,574)	(3,263)	(2,029)	(1,113)	(518)	(173)	(102)	(8)	(17,800)
7	Double discount (50%)	(2)	(15)	(7)	(8)	(3)	(5)	(1)	0	0	(41)
8	Equated discounts	(6.0)	(2,651.0)	(819.3)	(511.3)	(279.8)	(132.0)	(43.8)	(25.5)	(2.0)	(4,470.5)
9	Empty Homes Premium (50%)		74	31	15	9	6	0	1	0	136
10	PCLC1M discount		(125.8)	(34.3)	(19.9)	(8.7)	(4.0)	(2.5)	(1.5)	0	(196.6)
11	Chargeable Dwellings	45.0	19,573.2	9,099.9	6,401.4	4,764.1	2,747.0	1,133.8	513.5	29.0	44,306.9
12	Council Tax Reduction Scheme (CTRS)	(8.8)	(5,244.1)	(979.4)	(361.3)	(142.9)	(47.1)	(16.0)	(0.8)	(0)	(6,800.3)
13	Chargeable Dwellings after CTRS	36.2	14,329.1	8,120.5	6,040.2	4,621.2	2,699.9	1,117.8	512.7	29.0	37,506.6
14	Estimated Changes					252					252
15	Band D Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
16	Band D Equivalent (Relevant Amount)	20.1	9,552.8	6,316.0	5,369.0	4,873.2	3,299.9	1,614.6	854.5	58.0	31,958.1
17	Estimated Collection Rate										99.0%
18	Contributions in Lieu					101.1					101.1

PARISH COUNCILS – ESTIMATED TAX BASE 2016/17

Parish	Current Parish Tax Base (1)	Adjusted Band D Equivalent 16/17 (2)	Collection Rate	Parish Tax Base
Bishopton	141.0	170.3	99.0%	168.6
Heighington	892.6	900.6	99.0%	891.6
High Coniscliffe	97.5	105.2	99.0%	104.2
Hurworth	1,201.8	1,215.6	99.0%	1,203.5
Low Coniscliffe and Merrybent	239.8	289.1	99.0%	286.2
Middleton St. George	1,651.7	1,655.3	99.0%	1,638.8
Neasham	203.1	237.2	99.0%	234.8
Piercebridge	54.0	60.6	99.0%	60.0
Sadberge	284.5	289.1	99.0%	286.2
Whessoe	553.8	554.6	99.0%	549.1

PARISH COUNCILS ESTIMATED TAX BASE 2016/17 – EXPLANATION OF TERMS

Columns	
Current Parish Tax Base (1)	The calculated Council Tax base for each Parish, using the methodology set out in Appendix1, and after the estimated changes for 2016/17 have been applied
Present Band D Equivalent (2)	The calculated Council Tax base for each Parish, using the same methodology set out in Appendix 1, and after the estimated changes for 2016/17 have been applied
Collection rate	The estimated percentage collection rate
Parish Tax Base	The Council Tax Base for 2016/17 for each Parish