

THE COUNCIL TAX 2009/2010

SETTING THE TAX BASE

1. INTRODUCTION AND BACKGROUND

- 1.1 The purpose of this report is to enable Members to approve the tax base for 2009/10.
- 1.2 This tax base is an important step towards setting the basic amount of Council Tax. The other key steps are determining the surplus/deficit on the Collection Fund for the previous year and, of course, setting the actual budget requirements.
- 1.3 Members will recall that each dwelling falls into one of eight valuation bands (A to H) for tax purposes. Different proportions of tax are payable by each band.
- 1.4 The tax base is, in essence, the estimated number of dwellings in the District, modified to take account of the different proportions payable, discounts and other reductions.
- 1.5 The calculation of the tax base for tax setting also includes an allowance for non-collection.
- 1.6 Separate tax bases have to be made for each band in each Parish.
- 1.7 The taxbase calculation has to be made between 1 December and 31 January. The approved tax base must be notified to the County Council by 31 January.

2. THE CALCULATION PROCESS

- #
- 2.1 Detailed calculations are required to set the tax base for tax setting purposes. The details are shown in Appendix 1.
 - 2.2 Firstly, if appropriate, it is necessary to adjust the number of dwellings in each valuation band to cater for:
 - 2.2.1 The estimated number of dwellings to be added or deducted in the forthcoming year.
 - 2.2.2 The number of properties estimated as exempt, and
 - 2.2.3 The net addition or reduction to the number of dwellings in the band due to disabled relief. (From 1 April 2000 the Government extended disabled relief to dwellings in Band A. Such dwellings now pay 5/9th of the Band D charge instead of 6/9th).

- 2.3 The above process produces the number of chargeable dwellings. Further adjustments then have to be made to cater for:
- 2.3.1 The estimated number of dwellings where a 75% charge will apply to single person households.
 - 2.3.2 The estimated number of dwellings where a 70% charge will apply to class A unoccupied furnished properties (i.e. holiday chalets where occupation is restricted by a planning condition), following the Cabinet's decision on 1 December 2004 to apply a 30% local council tax discount to such properties.
 - 2.3.3 The estimated number of dwellings where a 90% charge will apply to class B unoccupied furnished properties (i.e. all unoccupied furnished properties excluding second homes), following the Cabinet's decision on 1 December 2004 to apply a 10% local council tax discount to such properties.
 - 2.3.4 The estimated number of dwellings where a 50% charge will apply (i.e. due to single person discount and a discount disregard).
 - 2.3.5 No adjustments have been made to the estimated number of long-term empty and unfurnished dwellings, following the Cabinet's decision on 1 December 2004 to apply no local council tax discount to such properties.
- 2.4 The number of discounts is multiplied by an appropriate percentage to arrive at the discount deduction. The resultant net number of dwellings is multiplied by the relevant proportions to band D. The relevant proportions are shown in Appendix 2. This process produces the number of band D equivalent dwellings.
- 2.5 The final step of the calculation is to assess the likely collection rate and thereby make an appropriate allowance for non-collection. Contributions in lieu for Ministry of Defence dwellings are added to arrive at the total taxbase.
- 2.6 The figures used in the calculation process are predominantly based on current actuals.
- 2.7 Although there may be some small growth in the tax base in the forthcoming year, it is advisable to take a prudent approach for a number of reasons. (For example, if dwellings are improved and extended, bandings only normally change after a subsequent sale or the granting of a lease of 7 years or more).
- 2.8 Comparative tax bases for 2008/2009 and 2009/10 are shown in Appendix 3.

3. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 3.1 None arising directly from this report.

4. CONCLUSION

- 4.1 The Council in December should approve formally the tax base for tax setting purposes. The regulations require that the tax base be formally approved for each band in each parish/town Council area, with the detailed calculations also being approved by Members.
- 4.2 A prudent approach has to be taken in forecasting the tax base. Clearly, there is an obligation to ensure that sufficient funds are realised to meet the Council's expenditure.
- 4.3 Allowances have to be made for foreseeable changes to the tax base due to losses/growth. The tax base is now relatively stable and it is assumed that any additional losses will be offset by growth.
- 4.4 A realistic collection rate has to be determined. It is important that the tax base is not overstated, as any shortfall will result in interest costs falling on the Council's General Fund.
- 4.5 Any Council Tax surplus/deficit on the Collection Fund will be shared between the Principal Authorities, pro rata to the demand/precept on the fund for the year concerned.

5. RECOMMENDED

That it be a recommendation to the Council that:

- 5.1 The calculation of the Council's tax base for the year 2009/10 be approved.
- 5.2 Pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 2003, the amount calculated by this Council as its council tax base for the year 2009/10 be as follows and as detailed in Appendix 1.

PARISH/TOWN	TAX BASE 09/10
Ashurst & Colbury	925.0
Beaulieu	518.8
Boldre	1050.0
Bramshaw	345.7
Bransgore	1869.8
Breamore	180.0
Brockenhurst	1844.8
Burley	781.0
Copythorne	1221.5
Damerham	239.9
Denny Lodge	155.7
East Boldre	397.4
Ellingham, Harbridge & Ibsley	595.3
Exbury & Lepe	110.4
Fawley	4864.3
Fordingbridge	2383.0
Godshill	213.9

Hale	267.8
Hordle	2434.9
Hyde	506.9
Hythe & Dibden	7786.9
Lymington & Pennington	7074.9
Lyndhurst	1397.7
Marchwood	2118.9
Martin	188.5
Milford on Sea	2735.2
Minstead	361.6
Netley Marsh	829.8
New Milton	10862.8
Ringwood	5447.7
Rockbourne	166.3
Sandleheath	273.9
Sopley	300.9
Sway	1679.9
Totton & Eling	9872.3
Whitsbury	102.8
Woodgreen	244.7
Whole District	72350.9

Further Information:

Glynne Miles
Head of Customer Services
Tel: 023 805730
E-mail: glynne.miles@nfdc.gov.uk

Background papers:

Local Government Finance Act 1992
as amended by Local Government
Act 2003
Calculation of Tax Base Regulations
1992 and 2003

07/10/2008

COUNCIL TAX BASE 2009/10

APPENDIX 1

New Forest District										
	Dis. A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Dwellings	0	6316	11608	17305	18978	13047	6555	4335	567	78711
Exemptions	0	407	375	370	459	225	106	73	14	2029
Disabled Relief	15	51	63	61	-60	-41	-13	-54	-22	0
Chargeable Dwellings	15	5960	11296	16996	18459	12781	6436	4208	531	76682
Disreg. Occupants - 50%	0	7	12	13	26	23	43	28	5	157
Holiday Chalets - 70%	0	152	0	0	0	0	0	0	0	152
Single Occupant - 75%	3	3435	4942	5625	5404	2906	1206	630	70	24221
Second Homes - 90%	0	82	88	197	402	340	215	227	31	1582
Long Term Empty - 100%	0	78	89	103	123	76	57	37	8	571
Discount Deduction	0.75	916.05	1250.3	1432.45	1404.2	772	344.5	194.2	23.1	6337.55
Net Dwellings	14.25	5043.95	10045.7	15563.55	17054.8	12009	6091.5	4013.8	507.9	70344.45
Band D Equivalents	7.9	3362.6	7813.3	13834.3	17054.8	14677.7	8798.8	6689.7	1015.8	73254.9
							Collection Rate			0.985
							Sub-Total			72156.1
							Contributions in Lieu			194.8
							Tax Base			72350.9

VALUATION BANDS

All dwellings have been valued by the Inland Revenue for the purpose of Council Tax. Valuations are based on property prices at April 1991. There are eight valuation bands and each dwelling has been placed into one of these bands according to its assessed value at that time. Band A is the lowest. The higher the band, the higher the charge will be. See the table below:-

BAND	RANGE OF VALUES	PROPORTION
A	Up to £40,000	£1.00
B	Over £40,000 - £52,000	£1.17
C	Over £52,000 - £68,000	£1.33
D	Over £68,000 - £88,000	£1.50
E	Over £88,000 -£120,000	£1.83
F	Over £120,000 -£160,000	£2.17
G	Over £160,000 -£320,000	£2.50
H	Over £320,000	£3.00

For every £1.00 of Council Tax for a band 'A' property, a band 'B' property will be charged £1.17 - and so on. Any discounts and rebates would make the difference less than this.

APPENDIX 3

COMPARATIVE TAXBASES FOR 2008/09 AND 2009/10

PARISH/TOWN	TAX BASE 08/09	TAX BASE 09/10
Ashurst & Colbury	927.1	925.0
Beaulieu	511.3	518.8
Boldre	1058.3	1050.0
Bramshaw	344.7	345.7
Bransgore	1864.4	1869.8
Breamore	184.0	180.0
Brockenhurst	1833.7	1844.8
Burley	784.0	781.0
Copythorne	1223.1	1221.5
Damerham	237.0	239.9
Denny Lodge	153.8	155.7
East Boldre	393.8	397.4
Ellingham, Harbridge & Ibsley	597.6	595.3
Exbury & Lepe	114.7	110.4
Fawley	4822.8	4864.3
Fordingbridge	2384.3	2383.0
Godshill	215.9	213.9
Hale	266.2	267.8
Hordle	2451.2	2434.9
Hyde	509.7	506.9
Hythe & Dibden	7735.1	7786.9
Lymington & Pennington	6982.5	7074.9
Lyndhurst	1389.0	1397.7
Marchwood	2113.3	2118.9
Martin	192.4	188.5
Milford on Sea	2732.6	2735.2
Minstead	364.1	361.6
Netley Marsh	821.0	829.8
New Milton	10887.9	10862.8
Ringwood	5414.1	5447.7
Rockbourne	166.0	166.3
Sandleheath	275.0	273.9
Sopley	301.9	300.9
Sway	1669.3	1679.9
Totton & Eling	9823.0	9872.3
Whitsbury	103.3	102.8
Woodgreen	253.2	244.7
Whole District	72101.3	72350.9