

THE COUNCIL TAX 2013/2014 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 2013/14.
- 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 setting the actual budget requirements.
- 1.3 Members may 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 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

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- 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 50% charge will apply (i.e. due to single person discount and a discount disregard).
 - 2.3.2 The estimated number of dwellings where a 50% charge will apply to unoccupied and unfurnished dwellings where major works or structural alterations are required etc.
 - 2.3.3 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).
 - 2.3.4 The estimated number of dwellings where a 75% charge will apply to single person households.
 - 2.3.5 No adjustments have been made to the estimated number of furnished/unoccupied dwellings ('second homes'), following the Council's decision to apply 0% discount to such properties.
 - 2.3.6 The estimated number of dwellings where 100% discount will apply for one month only to unoccupied and substantially unfurnished dwellings.
 - 2.3.7 No adjustments have been made to the estimated number of long-term empty and unfurnished dwellings, following the Council's decision to apply 0% discount to such properties.
 - 2.3.8 No adjustments have been made due to the introduction of the empty homes premium as it is assumed that the 150% levy will have the effect of bringing the long term empty dwellings back into use.
- 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.
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- 2.5 The next 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 then added.
- 2.6 The tax base has to be adjusted to cater for the estimated cost of the Council Tax Reduction Scheme from 2013/14. This is calculated by dividing the projected cost of the reductions by the estimated band D council tax.
- 2.7 The figures used in the calculation process are predominantly based on latest actuals. Appendix 3 shows 2013/14 tax bases compared to 2012/13.
- 2.8 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).

3. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

3.1 None arising directly from this report.

4. CONCLUSION

- 4.1 The Council in January should approve formally the tax base for tax setting purposes. The regulations require that the tax base be formally approved for 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 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.
- 4.4 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 2013/14 be approved.
- 5.2 Pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Council as its council tax base for the year 2013/14 be as follows and as detailed in Appendix 1.

| PARISH/TOWN | TAX BASE 13/14 |
|-------------------------------|---------------------------|
| Ashurst & Colbury | 897.6 |
| Beaulieu | 512.7 |
| Boldre | 1025.3 |
| Bramshaw | 336.8 |
| Bransgore | 1760.6 |
| Breamore | 171.6 |
| Brockenhurst | 1820.1 |
| Burley | 762.8 |
| Copythorne | 1185.3 |
| Damerham | 223.5 |
| Denny Lodge | 144.1 |
| East Boldre | 375.0 |
| Ellingham, Harbridge & Ibsley | 585.8 |
| Exbury & Lepe | 109.2 |
| Fawley | 4386.4 |
| Fordingbridge | 2165.4 |
| Godshill | 219.6 |

| | |
|------------------------|----------------|
| Hale | 255.2 |
| Hordle | 2324.9 |
| Hyde | 510.3 |
| Hythe & Dibden | 7143.0 |
| Lymington & Pennington | 6718.7 |
| Lyndhurst | 1345.1 |
| Marchwood | 2034.5 |
| Martin | 190.0 |
| Milford on Sea | 2714.9 |
| Minstead | 357.0 |
| Netley Marsh | 793.3 |
| New Milton | 10002.4 |
| Ringwood | 4927.7 |
| Rockbourne | 162.1 |
| Sandleheath | 271.9 |
| Sopley | 280.9 |
| Sway | 1650.1 |
| Totton & Eling | 8995.5 |
| Whitsbury | 98.0 |
| Woodgreen | 245.4 |
| Whole District | 67702.7 |

Further Information:

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Background papers:

The Local Authorities (Calculation of
Tax Base) (England) Regulations
2012

COUNCIL TAX BASE 2013/14

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 | 6640 | 11817 | 17713 | 19148 | 13180 | 6651 | 4375 | 569 | 80093 |
| Exemptions | 0 | 232 | 176 | 193 | 276 | 143 | 47 | 28 | 6 | 1101 |
| Disabled Relief | 22 | 30 | 69 | 55 | -41 | -56 | -14 | -43 | -22 | 0 |
| Chargeable Dwellings | 22 | 6438 | 11710 | 17575 | 18831 | 12981 | 6590 | 4304 | 541 | 78992 |
| Disregard Occupants - 50% | 0 | 8 | 13 | 15 | 30 | 21 | 40 | 32 | 4 | 163 |
| Major work etc.- 50% | 0 | 12 | 21 | 34 | 48 | 25 | 14 | 16 | 3 | 173 |
| Holiday Chalets - 70% | 0 | 140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 140 |
| Single Occupant - 75% | 5 | 3723 | 5092 | 5662 | 5448 | 2778 | 1272 | 642 | 68 | 24690 |
| Second Homes - 100% | 0 | 88 | 106 | 207 | 406 | 338 | 201 | 230 | 32 | 1608 |
| Empty voids 1 month 100% | 0 | 111 | 170 | 152 | 149 | 97 | 49 | 26 | 1 | 755 |
| Long Term Empty - 100% | 0 | 53 | 42 | 68 | 77 | 39 | 33 | 38 | 6 | 356 |
| Total Discounts | 5 | 3968.74 | 5217.8 | 5811.68 | 5654.66 | 2902.98 | 1396.66 | 746.84 | 82.34 | 25786.7 |
| Discount Deduction | 1.25 | 992.185 | 1304.45 | 1452.92 | 1413.665 | 725.745 | 349.165 | 186.71 | 20.585 | 6446.675 |
| Net Dwellings | 20.75 | 5445.815 | 10405.55 | 16122.08 | 17417.34 | 12255.255 | 6240.835 | 4117.29 | 520.415 | 72545.325 |
| Band D Equivalent | 11.5 | 3630.5 | 8093.2 | 14330.7 | 17417.3 | 14978.6 | 9014.5 | 6862.2 | 1040.8 | 75379.3 |
| | | | | | | | Collection Rate | | | 0.983 |
| | | | | | | | Sub-Total | | | 74097.9 |
| | | | | | | | Add contributions in Lieu | | | 215.7 |
| | | | | | | | Less Council Tax Reduction Scheme | | | 6610.9 |
| | | | | | | | Tax Base | | | 67702.7 |

APPENDIX 2

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 reductions would make the difference less than this.

APPENDIX 3

TAXBASES FOR 2013/14 COMPARED TO PREVIOUS YEAR 2012/13

| PARISH/TOWN | TAX BASE 13/14 | TAX BASE 12/13 |
|-------------------------------|----------------|----------------|
| Ashurst & Colbury | 897.6 | 926.2 |
| Beaulieu | 512.7 | 508.7 |
| Boldre | 1025.3 | 1059.1 |
| Bramshaw | 336.8 | 347.5 |
| Bransgore | 1760.6 | 1881.1 |
| Breamore | 171.6 | 182.8 |
| Brockenhurst | 1820.1 | 1846.5 |
| Burley | 762.8 | 791.0 |
| Copythorne | 1185.3 | 1247.1 |
| Damerham | 223.5 | 241.0 |
| Denny Lodge | 144.1 | 156.5 |
| East Boldre | 375.0 | 398.3 |
| Ellingham, Harbridge & Ibsley | 585.8 | 596.7 |
| Exbury & Lepe | 109.2 | 114.7 |
| Fawley | 4386.4 | 4942.1 |
| Fordingbridge | 2165.4 | 2398.4 |
| Godshill | 219.6 | 228.5 |
| Hale | 255.2 | 267.5 |
| Hordle | 2324.9 | 2473.8 |
| Hyde | 510.3 | 512.6 |
| Hythe & Dibden | 7143.0 | 7854.2 |
| Lymington & Pennington | 6718.7 | 7299.7 |
| Lyndhurst | 1345.1 | 1410.2 |
| Marchwood | 2034.5 | 2146.0 |
| Martin | 190.0 | 193.6 |
| Milford on Sea | 2714.9 | 2763.9 |
| Minstead | 357.0 | 367.1 |
| Netley Marsh | 793.3 | 824.8 |
| New Milton | 10002.4 | 11054.0 |
| Ringwood | 4927.7 | 5526.1 |
| Rockbourne | 162.1 | 166.7 |
| Sandleheath | 271.9 | 283.1 |
| Sopley | 280.9 | 308.8 |
| Sway | 1650.1 | 1690.9 |
| Totton & Eling | 8995.5 | 9916.1 |
| Whitsbury | 98.0 | 98.7 |
| Woodgreen | 245.4 | 250.3 |
| Whole District | 67702.7 | 73274.3 |