

THE COUNCIL TAX 2014/15 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 2014/15.
- 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

- #
- 2.1 Detailed calculations are required to set the tax base for tax setting purposes.
 - 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 number of properties estimated as active exempt
 - 2.2.2 The number of demolished dwellings due to be removed
 - 2.2.3 The reduction and addition 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 (shown as Disabled A) 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 25% discount will apply (i.e. due to single person discount and a discount disregard).
 - 2.3.2 The estimated number of dwellings where a 30% discount will apply to holiday chalets where occupation is restricted by a planning condition.
 - 2.3.3 The estimated number of dwellings where a 50% discount will apply due to structural repairs work being undertaken for first 12 months, or two adults disregarded e.g. living away to receive or provide care etc.
 - 2.3.4 The estimated number of dwellings where a 100% discount will apply for one month only, due to unoccupied and unfurnished ('void') properties.
 - 2.3.5 The estimated number of dwellings where 100% discount will apply for one month only to unoccupied and substantially unfurnished dwellings.
- 2.4 The number of total 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 1. This process produces the number of band D equivalents.
- #
- 2.5 The value of council tax reductions (CTR) awarded to pensioners and those of working age are aggregated to arrive at the total council tax reduction. These values are converted into the taxbase and band D equivalents. The value of the reductions awarded takes account of the Council's localised Council Tax Reduction Scheme.
- 2.6 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. The whole calculation process is shown in Appendix 2.
- 2.7 The figures used in the calculation process are predominantly based on latest actuals. Appendix 3 shows 2014/15 tax bases compared to 2013/14.
- 2.8 Although there may be some 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 December 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 calculations 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 2014/15 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 2014/15 be as follows and as detailed in Appendix 1.

PARISH/TOWN	TAX BASE 14/15
Ashurst & Colbury	907.7
Beaulieu	511.1
Boldre	1043.0
Bramshaw	342.1
Bransgore	1772.7
Breamore	175.3
Brockenhurst	1837.4
Burley	771.5
Copythorne	1195.4
Damerham	225.3
Denny Lodge	147.2
East Boldre	379.4
Ellingham, Harbridge & Ibsley	592.0
Exbury & Lepe	108.9
Fawley	4445.4
Fordingbridge	2189.8
Godshill	220.5
Hale	257.9
Hordle	2341.3
Hyde	516.0
Hythe & Dibden	7225.0
Lymington & Pennington	6789.3

Lyndhurst	1366.1
Marchwood	2046.2
Martin	188.5
Milford on Sea	2738.4
Minstead	361.8
Netley Marsh	807.3
New Milton	10137.9
Ringwood	5058.4
Rockbourne	163.7
Sandleheath	273.7
Sopley	285.2
Sway	1655.1
Totton & Eling	9156.2
Whitsbury	99.4
Woodgreen	249.1
Whole District	68581.2

Further Information:

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

Background papers:

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

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.

COUNCIL TAXBASE 2014/15												
SUMMARY												
	DIS. A	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL		
TOTAL DWELLINGS ON THE VALUATION LIST	0	6723	11836	17737	19159	13205	6685	4392	575	80312		
ACTIVE EXEMPTIONS	0	291	188	215	289	131	55	25	9	1203		
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	2	2	0	1	1	0	1	1	8		
CHARGEABLE DWELLINGS	0	6430	11646	17522	18869	13073	6630	4366	565	79101		
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	20	48	122	176	141	81	63	23	674		
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	20	48	122	176	141	81	63	23	0	674		
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	20	6458	11720	17576	18834	13013	6612	4326	542	79101		
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	5	3722	5062	5632	5483	2828	1280	657	62	24731		
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	139	0	0	0	0	0	0	0	139		
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	0	27	29	42	85	59	64	47	6	359		
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	29	50	55	33	18	9	5	1	200		
TOTAL DISCOUNTS	5	3952.66	5137	5734.7	5664.22	2952.12	1411.06	752.7	74.34	25683.8		
DISCOUNT DEDUCTION	1.25	988.165	1284.25	1433.675	1416.055	738.03	352.765	188.175	18.585	6420.95		
NET DWELLINGS	18.75	5469.835	10435.75	16142.33	17417.95	12274.97	6259.235	4137.825	523.415	72680.05		
BAND D EQUIVALENTS	10.4	3646.3	8117.1	14348.8	17418.6	15002.9	9041	6896.5	1046.8	75528.4		
CTR PENSIONERS	2096.31	826444.3	1240884	1405730	1058379	461584.4	167078.9	41776.16	4916.29	5208889		
CTR WORKING AGE	3976.092	687370.7	1274784	1269846	390136	146600.2	52127.33	18889.04	0	3843730		
TOTAL CTR	6072.402	1513815	2515668	2675576	1448515	608184.6	219206.2	60665.2	4916.29	9052619		
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	2.54258	838.4676	1073.609	1070.071	720.034	258.2753	79.78621	17.30539	1.718173	4061.809		
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	4.817589	695.4772	1100.877	962.4632	265.375	81.78936	24.621	7.701357	0	3143.122		
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	4.088889	1022.633	1691.27	1806.702	985.38	415.6533	150.8	41.71667	3.44	6121.684		
ADJUSTED BAND D EQUIVALENTS	6.311111	2623.667	6425.83	12542.1	16433.22	14587.25	8890.2	6854.783	1043.36	69406.7		
										COLLECTION RATE	98.50%	
											SUB-TOTAL	68365.6
											CONTRIBUTIONS IN LIEU	215.5
											TAX BASE	68581.2

TAXBASES FOR 2014/15 COMPARED TO PREVIOUS YEAR 2013/14

PARISH/TOWN	TAXBASE 14/15	TAXBASE 13/14
Ashurst & Colbury	907.7	897.6
Beaulieu	511.1	512.7
Boldre	1043.0	1025.3
Bramshaw	342.1	336.8
Bransgore	1772.7	1760.6
Breamore	175.3	171.6
Brockenhurst	1837.4	1820.1
Burley	771.5	762.8
Copythorne	1195.4	1185.3
Damerham	225.3	223.5
Denny Lodge	147.2	144.10
East Boldre	379.4	375.0
Elingham, Harbridge & Ibsley	592.0	585.8
Exbury & Lepe	108.9	109.2
Fawley	4445.4	4386.4
Fordingbridge	2189.8	2165.4
Godshill	220.5	219.6
Hale	257.9	255.2
Hordle	2341.3	2324.9
Hyde	516.0	510.3
Hythe & Dibden	7225.0	7143.0
Lymington & Pennington	6789.3	6718.7
Lyndhurst	1366.1	1345.1
Marchwood	2046.2	2034.5
Martin	188.5	190.0
Milford on Sea	2738.4	2714.9
Minstead	361.8	357.0
Netley Marsh	807.3	793.3
New Milton	10137.9	10002.4
Ringwood	5058.4	4927.7
Rockbourne	163.7	162.1
Sandleheath	273.7	271.9
Sopley	285.2	280.9
Sway	1655.1	1650.1
Totton & Eling	9156.2	8995.5
Whitsbury	99.4	98.0
Woodgreen	249.1	245.4
Whole District	68581.2	67702.7