

## THE COUNCIL TAX 2015/16 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 2015/16.
- 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.
- 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 5/9<sup>th</sup> of the Band D charge instead of 6/9<sup>th</sup>.
- 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.

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- 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 2015/16 tax bases compared to 2014/15.
  - 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 2015/16 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 2015/16 be as follows and as detailed in Appendix 1.

<b>PARISH/TOWN</b>	<b>TAX BASE 15/16</b>
Ashurst & Colbury	916.6
Beaulieu	512.1
Boldre	1040.9
Bramshaw	346.1
Bransgore	1792.3
Breamore	177.2
Brockenhurst	1855.1
Burley	776.4
Copythorne	1191.9
Damerham	224.1
Denny Lodge	152.1
East Boldre	382.2
Ellingham, Harbridge & Ibsley	594.5
Exbury & Lepe	111.3
Fawley	4477.4
Fordingbridge	2225.8
Godshill	224.4
Hale	258.6
Hordle	2361.8
Hyde	516.7
Hythe & Dibden	7286.1
Lymington & Pennington	6874.6
Lyndhurst	1399.4
Marchwood	2051.2
Martin	192.2
Milford on Sea	2787.7
Minstead	357.6
Netley Marsh	807
New Milton	10233
Ringwood	5096.7
Rockbourne	162.2
Sandleheath	272.9
Sopley	288.4
Sway	1667.5
Totton & Eling	9231
Whitsbury	96.6
Woodgreen	252.4
<b>Whole District</b>	<b>69194</b>

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**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 2015/16

	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	6836	11877	17754	19156	13245	6703	4411	583	80565
ACTIVE EXEMPTIONS	0	305	199	219	281	145	66	34	9	1258
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	6	0	0	0	1	1	3	1	12
CHARGEABLE DWELLINGS	<b>0</b>	<b>6525</b>	<b>11678</b>	<b>17535</b>	<b>18875</b>	<b>13099</b>	<b>6636</b>	<b>4374</b>	<b>573</b>	<b>79295</b>
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	25	45	124	172	148	76	66	23	679
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	25	45	124	172	148	76	66	23	0	679
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	<b>25</b>	<b>6545</b>	<b>11757</b>	<b>17583</b>	<b>18851</b>	<b>13027</b>	<b>6626</b>	<b>4331</b>	<b>550</b>	<b>79295</b>
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	7	3740	5061	5614	5428	2810	1263	659	65	24647
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	141	0	0	0	0	0	0	0	141
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	1	67	17	20	26	20	39	37	3	230
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	37	39	31	28	14	3	6	1	159
TOTAL DISCOUNTS	9	4055.78	5108.26	5664.54	5489.52	2854.76	1342.02	735.04	71.34	25330.26
DISCOUNT DEDUCTION	2.25	1013.945	1277.065	1416.135	1372.38	713.69	335.505	183.76	17.835	6332.565
NET DWELLINGS	<b>22.75</b>	<b>5531.055</b>	<b>10479.935</b>	<b>16166.865</b>	<b>17478.62</b>	<b>12313.31</b>	<b>6290.495</b>	<b>4147.24</b>	<b>532.165</b>	<b>72962.435</b>
BAND D EQUIVALENTS	<b>12.6</b>	3687.5	8151.2	14370.8	17479.1	15049.8	9086.3	6912	1064.3	75813.8
CTR PENSIONERS	1822.3	796803.64	1218353.13	1361594.55	990290.91	431967.87	150003.77	31877.83	2574.39	4985288.39
CTR WORKING AGE	4865.39	677433.95	1234261.26	1199564.6	353107.41	104899	33012.29	6366.96	971.53	3614482.39
TOTAL CTR	<b>6687.69</b>	<b>1474237.59</b>	<b>2452614.39</b>	<b>2561159.15</b>	<b>1343398.32</b>	<b>536866.87</b>	<b>183016.06</b>	<b>38244.79</b>	<b>3545.92</b>	<b>8599770.78</b>
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	2.18452	804.567365	1049.46807	1031.636994	670.732693	240.68439	71.466642	13.18503	0.9	3884.8257
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	5.86427	682.388741	1061.19224	905.2220542	239.286995	58.35465	15.522299	2.595016	0.3375	2970.76377
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	<b>4.47222</b>	<b>991.3</b>	<b>1641.61667</b>	<b>1721.662222</b>	<b>910.01</b>	<b>365.48111</b>	<b>125.62333</b>	<b>26.3</b>	<b>2.48</b>	<b>5788.94556</b>
ADJUSTED BAND D EQUIVALENTS	<b>8.12778</b>	<b>2696.2</b>	<b>6509.58333</b>	<b>12649.13778</b>	<b>16569.09</b>	<b>14684.319</b>	<b>8960.6767</b>	<b>6885.7</b>	<b>1061.82</b>	<b>70024.7</b>
<b>COLLECTION RATE</b>										<b>98.50%</b>

<b>SUB-TOTAL</b>	<b>68974.3</b>
<b>CONTRIBUTIONS IN LIEU</b>	<b>219.5</b>
<b>TAX BASE</b>	<b>69194</b>

**TAXBASES FOR 2015/16 COMPARED TO PREVIOUS YEAR 2014/15**

<b>PARISH/TOWN</b>	<b>TAXBASE 15/16</b>	<b>TAXBASE 14/15</b>
Ashurst & Colbury	916.6	907.7
Beaulieu	512.1	511.1
Boldre	1040.9	1043.0
Bramshaw	346.1	342.1
Bransgore	1792.3	1772.7
Breamore	177.2	175.3
Brockenhurst	1855.1	1837.4
Burley	776.4	771.5
Copythorne	1191.9	1195.4
Damerham	224.1	225.3
Denny Lodge	152.1	147.2
East Boldre	382.2	379.4
Elingham, Harbridge & Ibsley	594.5	592.0
Exbury & Lepe	111.3	108.9
Fawley	4477.4	4445.4
Fordingbridge	2225.8	2189.8
Godshill	224.4	220.5
Hale	258.6	257.9
Hordle	2361.8	2341.3
Hyde	516.7	516.0
Hythe & Dibden	7286.1	7225.0
Lymington & Pennington	6874.6	6789.3
Lyndhurst	1399.4	1366.1
Marchwood	2051.2	2046.2
Martin	192.2	188.5
Milford on Sea	2787.7	2738.4
Minstead	357.6	361.8
Netley Marsh	807	807.3
New Milton	10233	10137.9
Ringwood	5096.7	5058.4
Rockbourne	162.2	163.7
Sandleheath	272.9	273.7
Sopley	288.4	285.2
Sway	1667.5	1655.1
Totton & Eling	9231	9156.2
Whitsbury	96.6	99.4
Woodgreen	252.4	249.1
Whole District	69194	68581.2