

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 1 DECEMBER 2021, AT 10.00 AM*

Place: COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA

Enquiries to: democratic@nfdc.gov.uk
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PUBLIC PARTICIPATION:

Members of the public may watch this meeting live on the [Council's website](#).

*Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or
- (b) on individual items on the public agenda, when the Chairman calls that item. Speeches may not exceed three minutes.

Anyone wishing to speak should contact the name and number shown above no later than 12.00 noon on Friday, 26 November 2021.

Colin Read
Interim Chief Executive

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This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 3 November 2021 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. MEDIUM TERM FINANCIAL PLAN (Pages 3 - 14)

5. COUNCIL TAX EMPTY HOMES PREMIUM AND CARE LEAVER DISREGARD (Pages 15 - 18)

6. COUNCIL TAX REDUCTION SCHEME 2022/23 (Pages 19 - 26)

7. COUNCIL TAX 2022/23 - SETTING THE TAX BASE (Pages 27 - 34)

8. OUTSIDE BODIES APPOINTMENTS

RECOMMENDED:

Following the appointment of Cllr Geoffrey Blunden to the position of Portfolio Holder – Partnering and Wellbeing, the Cabinet is recommended that the following Outside Bodies appointments held by the Portfolio Holder, be confirmed:-

- Hampshire Police and Crime Panel
- New Forest Health and Wellbeing Partnership Board
- Project Integra Management Board (Reserve)

9. ADDITIONAL MEETING DATE

RECOMMENDED:

That an additional meeting date of 10.00 am, Wednesday 16 February 2022, be agreed.

To:

Councillors

Edward Heron (Chairman)
Jill Cleary (Vice-Chairman)
Diane Andrews
Geoffrey Blunden

Councillors

Steve Davies
Michael Harris
Jeremy Heron
David Russell

CABINET – 1 DECEMBER 2021

PORTFOLIO: FINANCE, INVESTMENT
& CORPORATE SERVICES / ALL

MEDIUM TERM FINANCIAL PLAN 2021 ONWARDS

1. Recommendations

Cabinet are asked to;

- a) note the contents of the report and the updates to the Medium Term Financial Plan;
- b) endorse the approach taken to set the Asset Maintenance and Replacement Programme Budget for 2022/23; and
- c) recommend to Council that the CANF request for a three-year funding agreement for the years 2023/24 and 2024/25 be approved as follows:
 - Year 1 commencing 1st April 2022: £185,895
 - Year 2 commencing 1st April 2023: £190,542
 - Year 3 commencing 1st April 2024: £195,306
- d) recommend to Council that procurement of replacement vehicles and plant as included in the 2022/23 replacement schedule is commenced ahead of the formal setting of the 2022/23 budget.

2. Purpose of Report

- 2.1 To consider the ongoing development of the Medium Term Financial Plan 2021 onwards and consider the factors that will influence its delivery and that of the annual budget strategy 2022/23.

3. Background

- 3.1 The Council has a legal requirement to set an annual fully funded balanced budget and must plan its finances over a medium term period. The Council's Medium Term Financial security is underpinned by a sustainable efficiency agenda and the targeting of new and additional income generation. The Council has understood the need to consider its overall organisational business model in order to ensure the future protection of its services and seeks to align financial plans to support the delivery of key priorities as outlined in the Corporate Plan.
- 3.2 Actions need to commence on the development of future years' budgets. To support this work it is necessary that an assessment is made of the likely financial scenario based upon latest available information. The September MTFP set a baseline position and has now been updated for changes and reviews undertaken since, as well as being updated to take account of the key features of the October Spending Review (the Autumn budget). As explored further in section 4 however, several features of the spending review will not become clear until the release of the Provisional Finance Settlement, expected early-mid December.

- 3.3 The Business Rate Retention Scheme is still under review within the context of the wider Fair Funding Review but the exclusion of any reset was notable from the recent Spending Review. The September expectation was based on a hard reset with partial redistribution of the national surplus, and a revised retention scheme (currently a 50% retention scheme, with the District Council retaining 40% of Business Rate growth). It is now envisaged that the reset will be delayed by at least 1 year, which is of significant benefit to the Council.

4. Autumn 2021 Spending Review

- 4.1 The Chancellor's spending review announcement was certainly better for local government than had been expected. Local government will receive an additional £4.8bn in grant funding over the next three years, which represents real terms growth in funding. Unusually, the annual increase of £1.6bn will come in one tranche in an increase to 22/23 in comparison to 21/22. For the avoidance of doubt, £4.8bn is the 3 year figure, made up of £1.6bn x 3.
- 4.2 Overall Core Spending Power will increase by £8.5bn, but this includes specific social care reform (no direct impact to this Council) and Council Tax increases.
- 4.3 The budget statement delivered by the Chancellor is used to give the headline information, but we won't know the specific implications to NFDC in terms of the new funding announced until the release of the provisional finance settlement, usually released early-mid December. We also do not yet know whether the Local Government settlement will be a 1 year settlement, or multi-year (up to 3 years).
- 4.4 The items that we either know, or that have the potential to impact NFDC finances over the medium term are:
- 4.4.1 Business Rate Reset – The long-awaited reset is NOT going ahead in 2022/23. NFDC will retain its Business Rate growth in 2022/23 and as a result will see a net improvement compared to the September reported position of c£1.3m to 2022/23. There is no change to Medium Term Forecast as the reset is still expected at some stage between now and 25/26. More on this is included at section 5 of this report.
 - 4.4.2 Lower Tier Services Grant - £170k received in 21/22 anticipated as one-off. Potential that we'll get an award in 22/23 through the settlement funding assessment, but not clear yet.
 - 4.4.3 Council Tax Increase – Expected that the greater of £5 or 2% will still be allowable, but final decision on this not yet clear (referendum cap of simple 2% has been mentioned).
 - 4.4.4 New Homes Bonus – £276k received in 21/22 and £182k budgeted in 22/23. These are legacy payments, i.e. growth bonus from previous years. Not clear yet whether any new New Homes Bonus will be payable after 22/23.
 - 4.4.5 National Insurance Contributions Increase – The cost to the NFDC General Fund of the 1.25% rise is c£180k. In the proposals during September, the Treasury stated that authorities will receive compensation for the additional contributions in respect of their direct employees. It has been confirmed that

this additional funding is imbedded within the additional £1.6bn of funding as previously noted.

- 4.4.6 Extended Producer Responsibility scheme – there was mention of the additional income to be received as a result of the ‘Extended Producer Responsibility scheme’, but as this will likely contribute towards the additional costs of adhering to the new National Waste Strategy, there will be a nil net impact to NFDC.
- 4.4.7 Homelessness – Unlikely to see grants reduce during the period covered by the MTFP. NFDC currently receive c£1m PA.
- 4.5 There were also smaller awards towards family help (£200m) and cyber resilience (£37.8m). Although these will likely be immaterial to the Council’s MTFP once allocated across the Country, the family help funding will be particularly welcome and will be used to support New Forest residents in line with the funding parameters (not yet known).
- 4.6 There were also new Business Rate reliefs, discounts and cuts announced by the Chancellor worth £7bn over 3 years. The multiplier will be frozen for 22/23 (each hereditament has a rateable value and the multiplier is applied to that RV to result in the Business Rate liability. The multiplier is currently 49.9p in the £1). There will be a 50% discount for retail, hospitality and Leisure sectors (up to £110,000) in 2022/23. Local Authorities get fully compensated for the cost of this relief. NFDC will see minor savings on our own hereditaments liable to Business Rates as a result of the freezing of the multiplier, but the largest impact of note will be to the great many businesses located within the District who will receive a lower Business Rate bill as a result of these changes.

5. Updated Medium Term Financial Plan

- 5.1 The more significant known changes be to taken into account since the September reported position, **excluding the Autumn Statement funding items**, are as follows:
 - Confirmation from HCC that proposed changes to income share arrangements from recycling (£275,000) and contamination charges (£125,000) from recycling and waste disposal will be reviewed as part of the ongoing work going into the new Joint Municipal Waste Management Strategy, with proposals being revisited and delayed until April 2023.
 - National Insurance Contributions Increase – The cost to the NFDC General Fund of the 1.25% rise is c£180k
 - A rent review is underway at Dibden Golf Centre which is likely to result in a reduction in rent receivable
 - The recent Communications review requires £50,000 to be reflected in the MTFP
 - An operations management review has concluded resulting in a saving of £45,000
- 5.2 The resultant summary financial position (still excluding the Autumn Statement funding items) is as follows:

Table 1

	Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
Available Funding (pre Council Tax increase)	18.092	18.090	18.274	18.458
Budget Requirement	19.604	19.739	20.214	20.864
(Deficit) / Surplus	(1.512)	(1.649)	(1.940)	(2.406)

5.3 Options identified to address the deficit as above, but not yet delivered, are shown below, (updated to take into account changes since September):

- **Commercial and Residential Income Generation:** **£585k**
- **Efficiency Programme (inc. F&C's Yield):** **£667k (£1m target)**
 - Identified to date: EMT Review £100k
 - Identified to date: Enforcement Team Review £38k
 - Identified to date: Operational Services Sen. Mgmt £45k
 - Identified to Date: F&C's Yield (from 23/24) £150k
- **Council Tax Increase (£5):** **£1.458M**
- TOTAL OF OPTIONS IDENTIFIED** **£2.710M**

5.4 **Business Rate Reset**

The Business Rate Reset, that is whereby NFDC lose the retained Business Rate growth above the baseline, has been discussed since 2017/18. The reset would require a change to primary legislation and has been continually muted as being on the government's agenda in the context of a change to a 75% retention scheme but has been consistently pushed back. In preparation for the baseline reset occurring, as well as assisting in fluctuations on the Business Rates Collection Fund, a specific budget equalisation reserve was established, enabling the reserve to be called upon when required to help set a balanced budget. As at 31/3/21 the balance held in the reserve totalled £2.837M.

The latest expectation on the reset is that it may happen between 2023/24 and 2025/26, but the change to a 75% retention scheme has the potential to clash with the levelling up agenda. The Council's updated Medium Term Financial Plan needs to have regard of this reset being in the pipeline, but it is not sensible to continually plan for a reset that doesn't then happen. Instead, the value of the Budget Equalisation Reserve will be protected at a minimum level of £2M over the 3 year period 2022/23 and 2024/25 and the reset factored into the MTFP in 2025/26. By protecting the budget equalisation reserve balance at £2M during 2022/23 and 2024/25, the Council has a minimum window of at least 1 full budget cycle to address the properly quantified implications of the reset, including any redistribution that would have regard to the significant financial loss this council would suffer as a result, should it still occur ahead of 2025/26.

5.5 To take account of the Business Rate Reset deferral to 2025/26, a couple of the more significant budget changes that have taken effect to ensure the delivery of a balanced budget over the last couple few years can be temporarily reinstated into the General Fund when surplus funds allow. The items are listed below:

- **Investment in Asset Maintenance and Replacement Programme: +£200,000**
 - The budget was reduced in recent times, but it is clear from the project submissions that increased resource is required if the Council wishes to adequately protect, maintain and replace its buildings and assets for the purposes of service delivery.
- **Investment in Public Convenience Refurbishment Programme: +£300,000**
 - Until recently, the General Fund supported the delivery of the Capital refurbishment programme. To protect the Capital Reserves the Council has available for larger investment and infrastructure projects, it is beneficial for the General Fund to pay for this activity when it can support the spend.
- **ICT Strategy: +£500,000**
 - The current ICT strategy and so budget provision will expire at the end of 2021/22, but the Council cannot afford to stand still in terms of its ICT provision, including hardware and system updates and upgrades. Details will clearly be worked into a full strategy, but it is sensible to be prudent at this stage of the budget planning cycle and assume that the Council will require funding of £500,000 per annum for the next 3 years.

5.6 The updated MTFP position taking into account the deferral of the Business Rate Reset until 2025/26, and the temporary addition of the items into the General Fund as outlined above is as follows:

Table 2

	Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
Available Funding (pre Council Tax increase)	19.792	19,790	19.974	18.458
Budget Requirement	20.304	20.739	21.214	21.064
(Deficit) / Surplus	(512)	(949)	(1.240)	(2.606)

5.7 The 'options identified' by the Council (see 5.3) were always designed to address the Medium Term budget deficit and give potential headroom to enable discussion on which options to bring forward and how to invest any potential surplus funds, however temporary, to further support the Council in achieving its objectives and Corporate Plan Priorities. The options identified however are not guaranteed and nor is the timing of their delivery. The income generation must meet the primary objective to support the local New Forest economy (above the generation of yield), there is a large amount outstanding to be identified from the efficiency plan and the Council will need to have regard to the central government expectations with respect to Council Tax increases over the period.

5.8 **At this stage in the budget planning cycle, with the positive outcome from the spending review in terms of business rate retention alone, the Council is well placed to provide a balanced budget for 2022/23 and has suitable plans to address the budget deficit over the Medium Term period.**

6. Asset Maintenance and Replacement Programme

- 6.1 The original General Fund includes a budget for Asset Maintenance and cyclical Asset Replacement totalling £1.7M:

	Original	With Top Up
Health & Leisure Centres (Landlord Maintenance)	£500,000	
Offices, Depots and Outlying Buildings	£100,000	
Other	£100,000	+£100,000
ICT Replacement Programme	£100,000	
Cyclical Replacement of V&P	£1,100,000	+£100,000
Proportion Chargeable to the HRA	(£200,000)	
TOTAL	£1,700,000	£1,900,000

- 6.2 Service Managers were invited to submit their project requirements during the month of October, with the summary schedule collectively reviewed by EMT. The Corporate Affairs and Local Economy Overview and Scrutiny Panel will review the schedule in January. From the proposals received from the outset, it was clear there will be some challenges ahead in terms of prioritising the necessary projects against the budget that the Council has available, hence the proposed reinstatement of funds, as outlined in paragraph 5.5.

6.3 Virtual Parking Clock Scheme

Replacing the NFDC parking clocks in 2023 with a new system which will replicate as closely as possible the functionality of the current parking clocks. The costs associated with the above plans are estimated at £150,000 and these costs will be covered by a change in the clock prices for 2022. The timetable is such that the new system will need to be ready for August 2022 at the latest to ensure that it is functioning correctly for 2023. The Council has already started working closely with hardware and software providers to ensure this project delivery timetable can be kept to.

- 6.4 The AMR project bids will be shared with the Corporate Affairs and Local Economy Overview and Scrutiny Panel at its meeting in January. At this stage via this report, the Cabinet is asked to endorse the approach taken to set the Asset Maintenance and Replacement Programme Budget for 2022/23, noting that £150,000 towards the Car Parking modernisation project can be offset though additional fees and charges yield from a parking clock price increase, and that a proportion of the programme will fall on the Housing Revenue Account. The additional funds as indicated within section 5 of this report provide the required financing of the programme.

6.5 Vehicle and Plant Replacement

A significant share of the programme cost is the write down of the replacement Vehicles and Plant acquired by the Council. Lead in times for particular vehicles can be extremely long, and so waiting for February for the formal budget approval is not conducive to ensuring the delivery of the programme in the 12 month fiscal window. The replacement of vehicles is essential to front line service delivery and plays a significant part in ensuring the Council's fleet contributes to the Council's green agenda as new engines are typically more efficient than older models. If a vehicle is running well with low maintenance costs, it is not replaced in line with the tabled cyclical replacement, but when the timing is right for that vehicle. It is highly unlikely that the overall budget will need to be amended to the extent that it cannot support the replacement programme for 2022/23, so a specific recommendation has been included within this report to allow the Fleet Manager to begin procurement for the vehicles and plant as included within the 2022/23 replacement programme. It is worth noting that vehicles are being specified to take account of

potential changes to waste collection services in line with the new national waste strategy.

7. Capital Programme

- 7.1 Service Managers were invited to submit their project requirements during the month of October, with the schedules initially reviewed by EMT, and will be presented to the Corporate Affairs and Local Economy Overview and Scrutiny Panel in January. The final proposed programme will be included in the Budget setting paper to Cabinet and Council during February.
- 7.2 The Capital reserves held by the Council to support the direct financing of the Capital Programme totalled £29.636 million as at 31/03/21. These reserves are split across the various headings and General Fund / HRA as follows:

	General Fund	HRA
	£'000	£'000
Capital Programme	12,143	
Capital Receipts	2,344	1,226
Acquisitions and Development		13,089
Leisure Development	834	
	15,321	14,315

- 7.3 The proposed programme to 2024/25 and financing will be fully explored in the updated Capital Strategy for 2022/23.

8. Development of the HRA Budget

- 8.1 Plans are progressing with regards to the development of the HRA budget for 2022/23, which will include:
- The potential for additional income as a result of the new property developments and acquisitions
 - The potential for additional income yield as a result of being able to raise weekly rents by CPI + 1%
 - The additional costs of Pay Award and incremental progression
 - Cost pressures on external supplies and material associated with the Consumer Price Index
 - Costs as a result of necessary Fire Safety actions identified across the communal blocks and housing sites
 - Costs as a result of the necessary Asbestos Safety actions identified across the communal blocks and housing sites
- 8.2 The Capital programme will include a re-prioritised Major Repairs Programme, and the continuation of the strategy to increase NFDC Council stock numbers. The Programme will follow a similar route to the General Fund programme in terms of having an initial review through EMT, followed by presentation at the Housing and Homelessness Overview and Scrutiny Panel, and ultimately onto Cabinet and Council as part of the formal budget setting process. The projects and financing will be fully explored in the

updated Capital Strategy for 2022/23.

- 8.3 The Capital Strategy and Investment Strategy will further explore the relationship between the outstanding loan held by the HRA, which as at the 31st March totalled £126.3M, the current level of reserve balances, and the value of the proposed Capital Programme, to ensure the cost of debt strikes the right balance between the cost of carry Vs the potential investment returns currently available.

9. Financial Strategy Task and Finish Group

- 9.1 The Financial Strategy Task & Finish Group has reviewed the Council's financial strategy, received an overview of the Council's budget, including the latest forecast Medium term Financial Position and recently adopted Corporate Plan priorities. The group formed generic and tailored questions which were then asked to each Portfolio Holder.

- 9.2 The actions to follow up, decided by the group are listed below, as are the Portfolio Holder responses:

- 1. Action to follow up: A follow up report be presented to the Corporate Affairs and Local Economy Overview and Scrutiny Panel 12 months after the recruitment of the additional Communications resource, to provide feedback on the additional activities as a result of the increased investment in this area.**

Leader Portfolio Holder Response: I have no doubt that the additional investment the Council has opted to make in it's communications department will be of great benefit to the residents of the New Forest, and will report back to Overview and Scrutiny after 12 months as suggested.

- 2. Action to follow up: The group requested that the impending report due to February Cabinet to on the Nature and Climate Change next steps clearly laid out the intentions in terms of the ongoing monitoring of actions**

Leader Portfolio Holder Response: I will ensure a plan in terms of ongoing monitoring is included within the February report.

- 3. Action to follow up: the next iteration of ICT strategy to include improvements to ICT provision within the Council's meeting rooms**

Finance, Investment & Corporate Services Portfolio Holder Response: Members will note the inclusion within this report of an indicative sum set aside within the budget planning for the next iteration of the ICT strategy. As we draw towards concluding the new strategy to take us forward, I will ensure this includes suitable provision to enable enhancements to the facilities within the Council's key meeting rooms, including of course the Council Chamber.

- 4. Action to follow up: devise new KPI's to allow for a suitable review of ICT investment Vs improvement.**

Finance, Investment & Corporate Services Portfolio Holder Response: I agree that is vitally important to see a correlation between the investment made in ICT and the tangible benefits it realises to our residents and our staff. I will work with the Council's

new Service Manager on some suitable KPI's.

- 5. Action to follow up: That a report be submitted to the Overview and Scrutiny Panel covering how plans are evolving in respect of the Hardley Depot.**

Finance, Investment & Corporate Services Portfolio Holder Response: A report will be prepared on progress, including a summary narrative on the wider strategic depot review undertaken to give the appropriate level of assurance required before investing significantly in a new depot facility within the Hardley Industrial Estate.

- 6. Action to follow up: To provide an annual report through the Housing and Homelessness Overview and Scrutiny Panel on the use of external emergency temporary accommodation to enable appropriate monitoring against the strategy to reduce use.**

Housing & Homelessness Portfolio Holder Response: The panel receive regular updates in this area, and I would be more than happy to ensure these updates continue, with a specific focus annually on the strategy to reduce use of external temporary accommodation. To be clear and avoid unreasonable expectations however, I would envisage external temporary always playing a role in providing accommodation to individuals with specific needs.

- 7. Action to follow up: To ensure the resource implications of the impending estates management review were included within the budget proposals for 2022/23.**

Housing & Homelessness Portfolio Holder Response: The review will commence with a view to concluding ahead of the preparation of the final HRA budget for 2022/23.

- 8. Action to follow up: Coastal Investment Strategy to be prepared and shared with the Environment Overview and Scrutiny Panel during 2022/23.**

Environment & Coastal Services Portfolio Holder Response: Work on the strategy will commence and will be presented to the panel as suggested.

- 9. Action to follow up: A report on the 'more modern car parking service' be brought to Overview and Scrutiny Panel / Cabinet to tie in with the timeline of any proposed changes.**

Environment & Coastal Services Portfolio Holder Response: Work on a report will commence, and will be presented to the panel / Cabinet as suggested.

- 10. Action to follow up: Works be progressed on whether the Council would benefit from formally joining a Coastal Partnership, and to feedback to Overview and Scrutiny during 2022.**

Environment & Coastal Services Portfolio Holder Response: Options will be considered, including an initial appraisal of exactly what NFDC would look to seek from a partner. I will commit to providing a report to the Overview and Scrutiny Panel as soon as sufficient information is available.

- 11. Action to follow up: That a report be brought to the Overview and Scrutiny Panel setting out contingency plans to address the labour shortage, including**

recruitment and retention aspects, and an indication of costs to protect the delivery of all front line operational services.

Environment & Coastal Services Portfolio Holder Response: A report will be considered as suggested, although I will not overly focus on options which are simply unaffordable to the Council. The timeframe will also be determined by the need to prioritise service delivery first and foremost. Any financial implications to be addressed will be picked up either within the February MTFP and budget setting report, or within a financial monitoring report.

- 12. Action to follow up: Formalise and see through a mid-year and end of year reporting schedule to the relevant Overview and Scrutiny Panels to track progress against the Section 106 and CIL funded projects against sums available.**

Planning, Regeneration & Infrastructure Portfolio Holder Response: Agreed that regular monitoring of progress against programmed projects is important, and so I will see to it that mid-year and annual reports are added to the overview and scrutiny panel's work programme going forward.

- 13. Action to follow up: Prepare a paper during 2022 outlining plans for Town Centre Regeneration, including an overview of the proposed process, including consultation where appropriate and resource implications.**

Planning, Regeneration & Infrastructure Portfolio Holder Response: This has the potential to be transformational on a large scale to Town Centres within the District, and so I will see to it that an initial report is prepared and shared with the Overview and Scrutiny Panel as suggested.

- 14. Action to follow up: Portfolio Holder to feedback to the Corporate Affairs and Local Economy Overview and Scrutiny Panel on his discussions with the Cabinet on the concept of corporate sponsorship on the NFDC website.**

Business, tourism & Highstreets Portfolio Holder Response: I will feedback to the panel in due course as suggested.

- 15. Action to follow up: To prepare a report on the activity of the Environmental Health Team and bring said report through to Overview and Scrutiny on an annual basis.**

Partnering & Wellbeing Portfolio Holder Response: The Environmental Health team provide a range of statutory services across the District, they report annually to the Overview and Scrutiny Panel on their Food safety plan and also provide update reports on key matters. I will regularly report to the panel via my Portfolio Briefing on their activities, and therefore do not feel it necessary to provide additional reports.

- 16. Action to follow up: Report on progress through to Overview and Scrutiny on the development of the Health & Wellbeing Strategy.**

Partnering & Wellbeing Portfolio Holder Response: A report will be produced as suggested, presented to the overview and scrutiny panel.

- 17. Action to follow up: The implications of being one of the Arts Council's 54**

‘Priority Places’ to be reported through Overview and Scrutiny during 2022.

People & Places Portfolio Holder Response: A report will be produced as suggested, presented to the overview and scrutiny panel.

18. Action to follow up: That the review of the current Open Space Maintenance requirements and charging mechanism applied through the S106 process be followed up through the Overview and Scrutiny Panel.

People & Places Portfolio Holder Response: Progress is being made in this area as part of the wider work around how the Council deliver open space through development. I am working with the Portfolio Holder for Planning, Infrastructure and Regeneration and will happily report on this element of the review to the Overview and Scrutiny Panel as suggested.

10. Ongoing Service Level Agreement with Citizens Advice New Forest

- 10.1 In September, the Community, Partnership and Wellbeing Overview and Scrutiny Panel received a paper confirming the activities undertaken by the Citizen’s Advice New Forest charity, including background on the funding arrangements with the Council, which has reduced in recent times from £255,000 per annum, to the most recent £185,895 for 2021/22.
- 10.2 The CANF Board were requesting that the Council consider a further three-year funding agreement, commencing 1 April 2022, to enable CANF to budget and plan ahead.
- 10.3 The report commented on how the CANF have been instrumental in bringing together organisations across the district to form a New Forest partnership to ensure support for the most vulnerable members of our society is more coordinated and streamlined, and information and good practices are shared. The council has been active in this partnership. A number of projects have evolved from this partnership including:
- The setting up of advice services alongside the Food Larders in 10 outreach locations across the New Forest, supporting over 660 households since January 2021.
 - The commissioning of a Cost of Living project with Southampton University to look at the causes and effects of poverty on low income households in the New Forest.
 - The Reaching More People Together project with Refernet (inter-agency referral platform) and Advice First Aid training
 - The delivery of support to over 125 households with people who are struggling with energy bills.
- 10.4 The recommendation of the panel was to agree to the 3 year funding agreement request from the CANF to maintain the level of funding awarded to support existing service provisions but is increased by inflation each year to reflect and account for increases in wages, utilities, over the three-year period, starting from 1 April 2022, which has already been agreed, as follows:
- Year 1 commencing 1st April 2022: £185,895
 - Year 2 commencing 1st April 2023: £190,542
 - Year 3 commencing 1st April 2024: £195,306

11. Crime and Disorder / Equality and Diversity / Environmental Implications

11.1 There are no direct implications as a result of this report.

12. Portfolio Holder Comments

12.1 As a matter of good financial management we continue to review expenditure and are keen to adopt new more efficient working practice whilst looking to maximise income generation.

12.2 We are further subject to national changes outside of our control and the MTFP looks to make provision for them whilst awaiting confirmation from Central Government as to the detail of the financial impact. Fortunately, given our relatively strong financial position, we are in a position to adjust to changing circumstances without having to make radical changes to our short term expenditure plans.

For Further Information Please Contact:

Alan Bethune
Executive Head of Financial & Corporate Services
Section 151 Officer
Telephone: (023) 8028 5001
E-mail: Alan.Bethune@nfdc.gov.uk

Background Papers:

Community, Partnership &
Wellbeing Panel 14 Sept 2021
Citizens Advice New Forest
Funding for 2022 to 2025

COUNCIL TAX EMPTY HOMES PREMIUM AND CARE LEAVER DISREGARD

1. RECOMMENDATION

1.1 That the Cabinet recommends to Council the following:

- a) that the empty homes premium is increased from 150% to 200% for properties that have been vacant and unfurnished for more than five years, and
- b) that the empty homes premium is increased from 150% to 300% for properties that have been vacant and unfurnished for more than ten years, and
- c) where a property is subject to an empty homes premium and a new owner becomes liable for council tax, they will be exempt from the premium for a six-month period, and
- d) the adoption of a care leaver disregard for care leavers aged under 25

2. INTRODUCTION

2.1 The purpose of this report is to consider the recommendations of the Council Tax Reduction Task and Finish Group on Council Tax Empty Homes Premium and a care leaver disregard for council tax purposes.

2.2 The effective date of any change would be 1 April 2022.

3. EMPTY HOMES PREMIUM

3.1 The government have stated that they “want to address the issue of empty properties. It can’t be right to leave a property empty when so many are desperate for a place to live”. Two years is considered sufficient time for homeowners to sell, rent or complete any major renovations that might be required, and the premium seeks to incentivise owners to bring their properties back into use.

3.2 Under the Council Tax (Empty Dwellings) Bill 2018, from April 2019 local authorities have the discretion to charge up to 100% council tax premium on properties which have been unoccupied and substantially unfurnished for more than 2 years, thereby doubling the council tax on a property.

3.3 The government introduced additional changes so that:

- From April 2020, local authorities can charge up to 200% council tax premium on properties which have been unoccupied and substantially unfurnished for more than 5 years
- From April 2021 local authorities can charge a premium of up to 300% on properties which have been unoccupied and substantially unfurnished for more than 10 years

3.4 There are certain exemptions in place for properties that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of the main property. While not an exemption, guidance states that consideration should be given for properties which are genuinely for sale or available to rent, and that owners should not be penalised in cases of hardship. These decisions are to be made on a case-by-case basis and regularly reviewed.

4. OUR CURRENT POLICY

- 4.1 The aim of introducing the Empty Homes Premiums is to encourage owners of empty properties to bring them back into use.
- 4.2 Tackling empty homes is part of our Private Sector Empty Homes Strategy and the Private Sector Housing and Revenues teams work together. The council's Private Sector Leasing Scheme is promoted on any Empty Home Premium communication.
- 4.3 If an unoccupied and substantially unfurnished property is furnished, such that it is capable of being lived in, a premium does not apply.
- 4.4 For properties that have been unoccupied and substantially unfurnished for more than 2 years, the council introduced an Empty Homes Premium of 50% from 2019, and increased this to 100% from April 2020.
- 4.5 For properties that have been unoccupied and substantially unfurnished for more than 5 years, the council considered an incremental approach and introduced an Empty Homes Premium of 150% from April 2020, with a recommendation to review this in 2020 and consider if the premium should be increased to 200%. Due to the pandemic the Empty Homes Premium remained unchanged from 1 April 2021.
- 4.6 The Empty Homes Premiums can be summarised as follows:

Conditions	Premium applicable from 1 April 2019	Premium applicable from 1 April 2020	Premium applicable from 1 April 2021
Empty for 2 years or more	50%	100%	100%
Empty for more than 5 years	50%	150%	150%
Empty for more than 10 years	50%	150%	150%

- 4.7 The current number of empty properties subject to the empty homes premium and the level of discretion available are summarised as follows:

Conditions	Discretion available	Current premium applied by NFDC	Quantity
Vacant for 2 years or more	Up to 100%	100%	91
Vacant for more than 5 years	Up to 200%	150%	29
Vacant for more than 10 years	Up to 300%	150%	11

(Quantities are based on figures as at 21 August 2021)

5. TASK AND FINISH GROUP DISCUSSION

- 5.1 The Task and Finish Group discussed increasing the premium to 200% where a property has been vacant and unfurnished for more than five years and to 300% where a property has been vacant and unfurnished for more than 10 years to encourage properties to become occupied. These premiums are consistent with premiums being applied by most other Local Authorities across Hampshire.
- 5.2 Currently, there are 29 properties which have been unoccupied and substantially unfurnished for more than 5 years and 11 for more than 10 years.

- 5.3 To encourage properties to be brought back into use, the Task and Finish Group recommend:
- a) increasing the premium from 150% to 200% where a property has been vacant and unfurnished for more than 5 years and
 - b) increasing the premium from 150% to 300% where a property has been vacant and unfurnished for more than 10 years.
- 5.4 The additional council tax charged would be approximately £24,000 and £32,000 respectively. Therefore, the potential additional total income could be circa £56,000 of which £5,600 would come to NFDC. However, if proposals are successful and properties are brought back into use the additional income could overall be less.
- 5.5 The Group were mindful of the impact of the premium on new owners of a property that has been subject to the premium and where the property remains vacant and unfurnished, and who are seeking to bring the property back into use. In these circumstances an exemption will be applied and be kept under regular review.
- 5.6 If the recommendations are approved, all affected taxpayers who will be liable to the increased premiums from 1 April 2022 will be notified in writing as soon as practically possible. Information promoting our Private Sector Leasing scheme will again be included in the letter.

6. CARE LEAVER DISREGARD

- 6.1 From 1 April 2020 to support the Government's "Keep on caring" strategy and a report from Hampshire County Council the Council introduced a council tax exemption for Care Leavers solely liable to pay council tax or where there is more than one occupier and all the occupiers are Care Leavers, aged under 25. Care Leavers are adults who have spent time in foster or residential care, or in other arrangements outside their immediate or extended family, before the age of 18.
- 6.2 The Group discussed introducing a new council tax person disregard so that there is a disregarded for council tax purposes to care leavers aged under 25. This will provide support to those liable to pay council tax where they were previously entitled to a 25% single person discount which no longer applies as the care leaver has reached the age of 18 and does not fall into any of the other disregard categories, for example a student, or where the person liable for council tax provides accommodation to a Care Leaver over the age of 18.
- 6.3 The Council has no accurate information on how many council tax payers this would affect as there is no requirement to disclose this information, but it is likely to be a small number.
- 6.4 The disregard is permitted under S13A Local Government Finance Act 1992.
- 6.5 The Group recommend that a care leaver disregard be introduced from 1 April 2022.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications of each of the above are:

Empty Homes Premium – Increasing the premium to 200% for properties which have been vacant and unfurnished for more than 5 years could increase income by £24,000 and Increasing the premium to 300% for properties which have been vacant and unfurnished for more than 10 years could increase income by £32,000, of which the council's share is 10%. However, as stated, the aim is to encourage properties to be brought back into use so if the proposals are successful then there may be a reduction in long term empty properties so a reduction in current income.

Care Leaver Disregard – Implementing a care leavers disregard will be a cost to the council, however numbers are expected to be small.

8. CRIME & DISORDER IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS / DATA PROTECTION IMPLICATIONS

8.1 There are none.

9. EQUALITY & DIVERSITY IMPLICATIONS

9.1 Implementing a Care Leavers disregard will provide support to households with a care leaver aged under 25.

10. CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL COMMENTS

10.1 The Panel support the recommendations in full.

11. PORTFOLIO HOLDER COMMENTS

11.1 This is not a policy about revenue, it is about homes.

11.2 Whilst the number of properties impacted by this change in policy are relatively minor, we like many districts continue to suffer from a housing shortage, and just a single family being given the opportunity of a home makes an unimaginable difference to them.

11.3 In respect of the adjustments to the Care Leavers Disregard, these ensure that we provide ongoing support for some of our communities most vulnerable young people as they transition out from the care system into the wider world.

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Background Papers:
Minutes of Task & Finish Group

CABINET – 1 DECEMBER 2021

PORTFOLIO: FINANCE, INVESTMENT
AND CORPORATE SERVICES

COUNCIL TAX REDUCTION SCHEME 2022/23

1. RECOMMENDATION

- 1.1 That the Cabinet recommend to Council that option A, B, C and D as detailed in Section 6 are adopted from 1 April 2022;
- 1.2 That a Task and Finish Group review a Banded scheme during 2022, along with the vulnerable category with any proposals for change to take effect from 1 April 2023.

2. INTRODUCTION

- 2.1 Members will recall that local authorities are responsible for setting up their own local Council Tax Reduction Scheme to support those of working age on low income with paying their council tax. The Government stipulated that there must be no change to the level of support that pensioners receive and there are no plans to localise the scheme for this group. Currently, there are currently no plans to include Council Tax Reduction within Universal Credit.
- 2.2 The Council Tax Reduction Scheme must be formally made by the Council no later than 11 March in any year, to take effect from 1 April.
- 2.3 The Council Tax Reduction Scheme fulfils the prescribed requirements for localised schemes.
- 2.4 There are currently 8,234 claimants receiving Council Tax Reduction. Of these 4,334 are working age and 3,900 are of pensionable age. See Appendix 1 for caseload trend.
- 2.5 The current Council Tax Reduction Scheme costs approximately £9.2 million. This is split between:

Working Age	£4,524,959
Pensioner	£4,682,496

The cost is shared between all precepting authorities, of which the Council's share is 10%.

- 2.6 The amount of Council Tax Reduction awarded affects the tax base of each organisation and is not identified within the overall formula grant allocation.

3. REVIEW PROCESS

- 3.1 The Task & Finish Group met to review the current scheme and proposed changes effective from 1 April 2022.
- 3.2 The recommendations of the Task & Finish Group are to be considered by the Corporate Overview Scrutiny Panel, the Cabinet and full Council in December 2021.

4. THE CURRENT LOCAL COUNCIL TAX REDUCTION SCHEME

- 4.1 The council's Council Tax Reduction Scheme protects the vulnerable. A person is vulnerable if they (or a partner) are in receipt of Disability Living Allowance, Personal Independence Payments or Severe Disablement Allowance.
- 4.2 The council's Council Tax Reduction Scheme for 2021/22 requires all working age claimants (except the vulnerable) to pay a minimum of 10% council tax.
- 4.3 The council's Council Tax Reduction Scheme also includes:
- Council Tax Reductions are capped at band D (so that claimants living in higher banded properties receive any reduction based on band D).
 - A savings limit of £6,000, so that claimants with more than £6,000 in savings are not entitled to any reduction.
 - The council's Council Tax Reduction Scheme incentivises work by disregarding £25.00 a week of earnings. For comparison purposes, the government disregards in Housing Benefit are £25.00 for a lone parent, £20.00 for a disabled claimant, £10.00 for a couple and £5.00 for a single claimant.

5. MATTERS CONSIDERED BY TASK & FINISH GROUP

- 5.1 Collecting council tax from those on low income is difficult, with significantly more work for officers. Administration has also increased, notably in working with those affected. In 2021/22 council tax bills increased by an average of 5%, meaning council tax payers having to pay more. This is likely to continue in the forthcoming years.
- 5.2 The Council Tax in-year collection rate for those in receipt of Council Tax Reduction, who are not a pensioner or vulnerable, has reduced slightly from 80.20% to 79.72% and overall in year collection rate for those in receipt of Council Tax Reduction increased from 89.83% to 91.95%. See Appendix 2 for collection figures.
- 5.3 Many of the claimants have also been affected by other welfare reform changes, including Universal Credit, as well as an increase in the cost of living, in particular fuel and food inflation which adversely affects low income households, and that the impact of the pandemic is still being felt.

6. DISCUSSION ON COUNCIL TAX REDUCTION SCHEME FOR 2022/23

- 6.1 The group considered reviewing various aspects of the current scheme. This included:
- the 10% minimum contribution
 - the Band D cap
- 6.2 The Group discussed these aspects and agreed to maintain these aspects of the scheme and not to propose any changes.
- 6.3 The Group also discussed a Banded scheme and recommended a fundamental full review of this be undertaken in 2022.

- 6.4 The Group discussed four proposed changes, primarily to utilise automation to ease administration for both the Council and the claimant. The proposed changes are summarised as follows:

	Description	No of claims affected	Financial impact
A	To extend the backdating period of 3 months to 6 months	Minimal	Minimal
B	To treat a Universal Credit notification as a claim for Council Tax Reduction	All new claims from 1 April	Minimal
C	To reduce the number of Non-dependent deductions to 2	200	£40,000
D	To align Child Care Costs with Universal Credit	67	Minimal

- 6.5 The Group discussed the reasons and impact of the proposed changes:

A. To extend the backdate period from 3 to 6 months

Where a claimant has delayed in making their claim and there is continuous “good cause” their claim can be backdated for a period of up to 3 months. The Group discussed extending this time period to provide additional support to vulnerable claimants who, in exceptional circumstances, delayed making their claim, and who otherwise would have to pay their council tax for the period. Although the number of claims who will benefit from this will be minimal, it will provide much needed additional financial support.

The Group agreed to consult on extending the backdate period to 6 months.

B. To treat a Universal Credit notification as a new claim

Currently we receive notifications from the Department for Work and Pensions when a claimant is awarded Universal Credit. To encourage a claim for Council Tax Reduction an email is sent to the claimant with a link to our eform. On receiving the completed eform all details are manually inputted into our Benefits system. This proposal will utilise Universal Credit data and automate the process, so that information is imported directly into the Benefits system, reducing administration and improving take-up of Council Tax Reduction as claimants will not need to make a full new claim.

The Group agreed to consult on treating the Universal Credit notification as a new claim for Council Tax Reduction.

C. To reduce the number of Non-dependent deductions categories to 2

Non-dependents are adults living with the claimant, and, depending on their income, an amount is deducted from the claimants weekly Council Tax Reduction. There are currently 5 levels of Non-dependent deductions, ranging from £0 to £12.45 per week. The Group discussed reducing the number of deductions to 2, 1 for those in work (currently £4.05), and 1 for those out of work (currently no deduction). The purpose of this is to reduce administration, as any changes to earnings will not affect entitlement,

overpayments, and to support claimants who have to pay the amount deducted and have to report changes, which they may not be aware of.

The Group agreed to consult on reducing the number of Non-dependent deductions to 2.

D. To align Child Care Costs disregards with Universal Credit

Where a claimant is working more than 16 hours and pays child care costs, these costs are disregarded from the claimants earnings, up to specified thresholds of either £175, for one child, or £300 per week for more than one child.

We currently get notified of any changes to child care costs from Department for Work and Pensions where a claimant is receiving Universal Credit. However, Universal Credit use a lower amount of child care disregard, which is 85% of the amounts disregarded in Council Tax Reduction. As the disregard amounts differ, manual calculations and adjustments to claims are required each month as Universal Credit awards fluctuate each month. The Group discussed the impact on existing claimants, as some will be worse off, predominantly minimally by a reduction in entitlement of less than £1 a week, however some claimants will lose up to £5 per week. The Group wanted to protect this group so that the change will only apply to new claims from 1 April 2022.

The Group agreed to consult on aligning Child Care Cost disregards with Universal Credit for Council Tax Reduction new claims.

6.6 The Group were made aware of the Exceptional Hardship Payment scheme which is available to support any claimant in financial hardship with paying their Council Tax due to a shortfall in their Council Tax Reduction.

6.7 After considering these options the Group decided to consult on the above proposed changes.

7. CONSULTATION

7.1 The Council has a duty to consult on any changes to the scheme. The Council undertook a consultation exercise over a 6 week period, from 30 August 2021 to 10 October 2021, advertising on the council's website, Facebook page and on decision notices, as well as contacting partner organisations, including Citizens Advice New Forest.

7.2 The Council only received 32 responses, all strongly agreeing or agreeing with the options. However, due to the minimal response it is not possible to determine any conclusions.

7.3 After considering the consultation responses, the Group recommended proposals A to D as changes to the Council Tax Reduction scheme from 1 April 2022. The Group also discussed including a review of the vulnerable category in 2022, in particular family carers.

8. FINANCIAL IMPLICATIONS

8.1 The financial implications of each of the options were discussed.

Option A – the cost of this will be minimal. Any cost may be offset by the administration involved in collecting any council tax arrears.

Option B – this will provide savings in administration

Option C – the cost will be approximately £40,000 but there will be savings in administration

Option D – as this will only affect new claims there will be no impact on existing claims. However, there will be reduced administration costs.

- 8.2 Therefore, the overall impact of these changes will be minimal. The implications to New Forest District Council will be even smaller as the council retains approximately 10% of the total council tax collected.

9. CRIME & DISORDER IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS / DATA PROTECTION IMPLICATIONS

- 9.1 There are none

10. EQUALITY & DIVERSITY IMPLICATIONS

- 10.1 Our Council Tax Reduction scheme continues to support those on a low income.

11. CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL COMMENTS

- 11.1 The Panel support the recommendations in full.

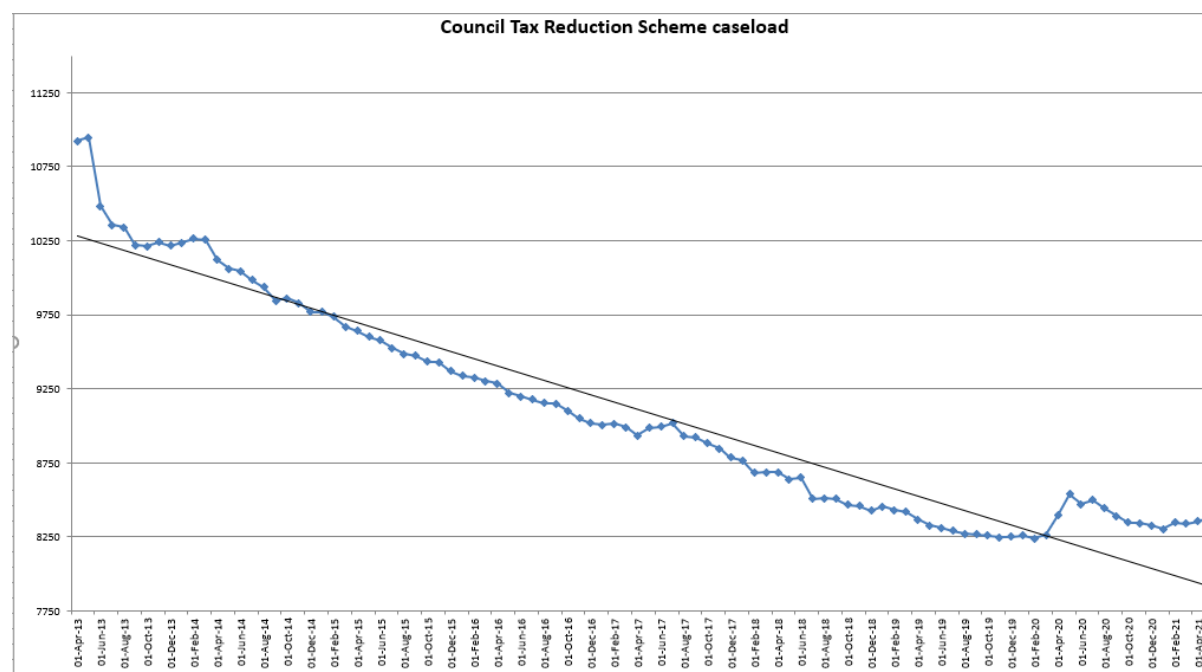
12. PORTFOLIO HOLDER COMMENTS

- 12.1 We are required to review our Council Tax Reduction Scheme on an annual basis, this paper proposes that broadly the scheme remains unaltered from previous years with some fairly minor adjustments to streamline the administration and avoid duplicating the application process for those on Universal Credit.

For further Information Contact:
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Background Papers:
Minutes of Task & Finish Group

Council Tax Reduction Caseload



Council Tax collection statistics

POSITION STATEMENT AS AT 31.3.21

	Net Amount Due	Total Amount Paid	Outstanding Balance	Collection %
ALL DEBT	£132,030,091.36	£129,740,871	£2,289,220.78	98.27%
REDUCTION SCHEMES				
WORKING AGE EMPLOYED	£384,156.08	£314,896.70	£69,259.38	81.97%
WORKING AGE OTHER	£353,026.39	£272,756.89	£80,269.50	77.26%
WORKING AGE CLAIMANT - MAXIMUM REDUCTION CAPPED AT 90%	£737,182.47	£587,653.59	£149,528.88	79.72%
PENSION AGE	£810,082.70	£826,354.22	£-16,271.52	102.01%
VULNERABLE	£106,658.25	£106,794.85	£-136.60	100.13%
PROTECTED ENTITLEMENT (PENSION AGE AND VULNERABLE) - NO MAXIMUM CAP	£916,740.95	£933,149.07	£-16,408.12	101.79%
SUMMARY				
ALL REDUCTION SCHEME CASES	£1,653,923.42	£1,520,802.66	£133,120.76	91.95%
ALL NON-REDUCTION SCHEME CASES	£130,376,167.94	£128,220,067.92	£2,156,100.02	98.35%

POSITION STATEMENT AS AT 31.3.20

	Net Amount Due	Total Amount Paid	Outstanding Balance	Collection %
ALL DEBT	£127,413,803.62	£125,684,948.71	£1,728,854.91	98.64%
REDUCTION SCHEMES				
WORKING AGE EMPLOYED	£615,136.30	£502,194.35	£112,941.95	81.64%
WORKING AGE OTHER	£569,894.59	£448,173.22	£121,721.37	78.64%
WORKING AGE CLAIMANT - MAXIMUM REDUCTION CAPPED AT 90%	£1,185,030.89	£950,367.57	£234,663.32	80.20%
PENSION AGE	£841,892.88	£863,971.27	-£22,078.39	102.62%
VULNERABLE	£133,132.20	£126,114.88	£7,017.32	94.73%
PROTECTED ENTITLEMENT (PENSION AGE AND VULNERABLE) - NO MAXIMUM CAP	£ 975,025.08	£990,086.15	-£15,061.07	101.54%
SUMMARY				
ALL REDUCTION SCHEME CASES	£2,160,055.97	£1,940,453.72	£219,602.25	89.83%
ALL NON-REDUCTION SCHEME CASES	£125,253,747.65	£123,744,494.99	£1,509,252.66	98.80%

COUNCIL TAX 2022/23 - SETTING THE TAX BASE

1. RECOMMENDED

1.1 That it be a recommendation to the Council that:

- a) The calculation of the Council's tax base for the year 2022/23 be approved.
- b) 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 2022/23 be as follows and as detailed in Appendix 3.

PARISH/TOWN	TAX BASE 22/23
Ashurst & Colbury	930
Beaulieu	518.2
Boldre	1,069
Bramshaw	345.1
Bransgore	1,834.9
Breamore	184.2
Brockenhurst	1,902.9
Burley	797.7
Copythorne	1,223.1
Damerham	245.9
Denny Lodge	161.5
East Boldre	387.7
Elingham, Harbridge & Ibsley	627.5
Exbury & Lepe	119.3
Fawley	4,621.3
Fordingbridge	2,413.3
Godshill	229.7
Hale	266.1
Hordle	2,450.3
Hyde	516.5
Hythe & Dibden	7,479.3
Lymington & Pennington	7,505
Lyndhurst	1,466.7
Marchwood	2,070.4
Martin	198.7
Milford on Sea	2,919.9
Minstead	373.7
Netley Marsh	817.6
New Milton	10,624.7
Ringwood	5,465
Rockbourne	168.7
Sandleheath	278
Sopley	391.9
Sway	1,727.9
Totton & Eling	9,440.7
Whitsbury	100.9
Woodgreen	248.8
Whole District	72,122

2. INTRODUCTION AND BACKGROUND

- 2.1 The purpose of this report is to enable Members to approve the tax base for 2022/23.
- 2.2 Setting the Tax Base is an integral part of the Budget setting process and the determination of Council Tax levels. The Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, and the 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.
- 2.3 The Tax Base is a yearly calculation and represents the estimated number of chargeable dwellings and is set to a “Band D equivalent” figure. Each dwelling falls into one of eight valuation bands (A to H) for council tax purposes, with different proportions of tax are payable by each band.
- 2.4 The tax base is the estimated number of dwellings in the District, modified to take account of the different proportions payable, discounts, exemptions and other reductions.
- 2.5 The calculation of the tax base for tax setting also includes an allowance for non-collection.
- 2.6 Separate tax bases have to be made for each Parish.

3. THE CALCULATION PROCESS

- 3.1 Detailed calculations are required to set the tax base for tax setting purposes.
- 3.2 The number of properties are adjusted in each valuation band to allow for estimates of:
 - The number of properties estimated as being exempt
 - The number of demolished properties due to be removed
 - The number of properties that have a disabled band reduction (for dwellings in Band A they pay 5/9th of the Band D charge instead of 6/9th)
 - The number of properties that have a discount (i.e. single person discount).
 - The number of properties with a 50% discount due to structural repairs
 - The number of properties where a 100% discount will apply for one month only, due to being unoccupied and unfurnished (‘void’) dwellings.
 - The number of properties subject to an Empty Homes Premium will apply.
- 3.3 The resultant net number of dwellings is multiplied by the relevant proportions to ascertain equivalent Band D properties. The relevant proportions are shown in Appendix 1.
- 3.4 The Council Tax Reduction scheme (CTR) operates as a discount on claimants Council Tax bills with the effect of reducing the Council Tax Base. The value of 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 tax base and band D equivalents. The proposed changes to the Council Tax Reduction scheme for 2022/23 are minimal and do not affect these calculations.
- 3.5 The next step of the calculation is to assess the likely collection rate and thereby make an appropriate allowance for non-collection. An adjustment was made for the 2021/22 assumed collection rate due to the impact of the pandemic, being set at a rate of 98.24%. The collection rate for 2022/23 is increased to 98.5%, which is pre-pandemic level and takes into consideration our record of good performance in Council Tax collection and is considered prudent. Contributions in lieu for Ministry of Defence dwellings are then added. The whole calculation process is shown in Appendix 2.

- 3.6 The figures used in the calculation process are based on latest actuals. Appendix 3 shows 2022/23 tax bases compared to 2021/22.
- 3.7 Although there may be some growth in the tax base in the forthcoming year, it is advisable to take a prudent approach. If dwellings are improved and/or extended, bandings only normally change after a subsequent sale or the granting of a lease of 7 years or more.

4. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 4.1 None arising directly from this report.

5. CONCLUSION

- 5.1 The Council 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.
- 5.2 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.
- 5.3 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.
- 5.4 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.

Further Information:

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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 Valuation Office Agency, 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 council tax 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 2022/23

	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	7168	12143	18148	19434	13578	7068	4580	614	82733
ACTIVE EXEMPTIONS	0	344	216	243	315	149	76	41	8	1392
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	8	1	3	6	7	3	2	0	30
CHARGEABLE DWELLINGS	0	6816	11926	17902	19113	13422	6989	4537	606	81311
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	30	71	143	181	147	63	61	23	719
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	30	71	143	181	147	63	61	23	0	719
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	30	6857	11998	17940	19079	13338	6987	4499	583	81311
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	10	4006	5380	5848	5611	3057	1328	711	55	26006
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	0	0	0	0	0	0	0	0	0
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	0	137	24	33	71	65	60	56	8	454
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT	0	37	41	39	24	10	4	4	0	159
TOTAL DISCOUNTS	10	4292.58	5441.94	5927.26	5761.16	3190.4	1449.36	824.36	71	26968.06
DISCOUNT DEDUCTION	2.5	1073.145	1360.485	1481.815	1440.29	797.6	362.34	206.09	17.75	6742.015
NET DWELLINGS	27.5	5783.855	10637.515	16458.185	17638.71	12540.4	6624.66	4292.91	565.25	74568.985
DWELLINGS SUBJECT TO A PREMIUM (100%)	0	30	12	25	9	3	14	1	1	95
DWELLINGS SUBJECT TO A PREMIUM (150%)	0	23	6	4	5	3	3	4	0	48
ADJUSTED NET DWELLINGS	27.5	5848.355	10658.515	16489.185	17655.21	12547.9	6643.16	4299.91	566.25	74735.985
BAND D EQUIVALENTS	15.3	3898.9	8290	14657.1	17655.2	15336.3	9595.7	7166.5	1132.5	77748.2
CTR PENSIONERS	5049.97	827404.85	1221959.88	1253301.39	835095.22	396835.68	118136.26	24600.59	112.36	4682496.2
CTR WORKING AGE	6421.25	930375.51	1586824.54	1438909.13	404548.58	124834.66	25244.48	7800.71	0	4524958.86
TOTAL CTR	11471.22	1757780.36	2808784.42	2692210.52	1239643.8	521670.34	143380.74	32401.3	112.36	9207455.06
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	4.63	640.52	808.99	729.48	433.88	169.91	43.05	7.87	0.03	2838.40
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	5.98	717.98	1048.11	834.84	210.29	52.86	9.13	2.48	0	2881.71
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	5.90	905.66	1444.42	1390.53	644.19	272.26	75.38	17.26	0.06	4755.67
ADJUSTED BAND D EQUIVALENTS	9.4	2993.2	6845.6	13266.6	17011	15064	9520.3	7149.2	1132.4	72991.7
							COLLECTION RATE		98.50%	
							SUB-TOTAL		71896.8	
							CONTRIBUTIONS IN LIEU		224.4	
							TAX BASE		72122	

TAX BASES FOR 2022/23 COMPARED TO PREVIOUS YEAR 2021/22

PARISH/TOWN	TAX BASE 21/22	TAX BASE 22/23	MOVEMENT
Ashurst & Colbury	926.3	930	3.7
Beaulieu	513.1	518.2	5.1
Boldre	1,059.8	1,069	9.2
Bramshaw	340.4	345.1	4.7
Bransgore	1,825.0	1,834.9	9.9
Breamore	180.1	184.2	4.1
Brockenhurst	1,895.9	1,902.9	7
Burley	792.9	797.7	4.8
Copythorne	1,221.0	1,223.1	2.1
Damerham	239.5	245.9	6.4
Denny Lodge	164.8	161.5	-3.3
East Boldre	383.2	387.7	4.5
Elingham, Harbridge & Ibsley	619.8	627.5	7.7
Exbury & Lepe	119.4	119.3	-0.1
Fawley	4,603.5	4,621.3	17.8
Fordingbridge	2,353.2	2,413.3	60.1
Godshill	227.8	229.7	1.9
Hale	265.4	266.1	0.7
Hordle	2,417.8	2,450.3	32.5
Hyde	512.5	516.5	4
Hythe & Dibden	7,406.1	7,479.3	73.2
Lymington & Pennington	7,483.2	7,505	21.8
Lyndhurst	1,472.8	1,466.7	-6.1
Marchwood	2,057.7	2,070.4	12.7
Martin	197.2	198.7	1.5
Milford on Sea	2,853.8	2,919.9	66.1
Minstead	372.3	373.7	1.4
Netley Marsh	816.1	817.6	1.5
New Milton	10,515.3	10,624.7	109.4
Ringwood	5,404.3	5,465	60.7
Rockbourne	167.3	168.7	1.4
Sandleheath	276.6	278	1.4
Sopley	391.1	391.9	0.8
Sway	1,706.1	1,727.9	21.8
Totton & Eling	9,405.1	9,440.7	35.6
Whitsbury	101.1	100.9	-0.2
Woodgreen	251.2	248.8	-2.4
Whole District	71,538.7	72,122	583.3

Band D equivalents per Council Tax Band

Tax Band	Band D Equivalent properties
Band A (DBR)	9.4
Band A	2,993.2
Band B	6,845.6
Band C	13,266.6
Band D	17.011
Band E	15,064
Band F	9,520.3
Band G	7,149.2
Band H	1,132.4
TOTAL	72,991.7

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