

COUNCIL TAX 2019/20 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 2019/20.
- 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 tax base 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. Disabled relief to dwellings in Band A (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 or 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% discretionary discount will apply for one month only, due to unoccupied and unfurnished ('void') 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 tax base and band D equivalents. The value of the reductions awarded takes account of the Council's localised Council Tax Reduction Scheme. Although some minor changes may be made to the Local Scheme for 2019/20, these are not material for the tax base.
- 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 2019/20 tax bases compared to 2018/19.
- 2.8 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 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 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 2019/20 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 2019/20 be as follows and as detailed in Appendix 1.

PARISH/TOWN	TAX BASE 19/20
Ashurst & Colbury	932.6
Beaulieu	515.5
Boldre	1064.1
Bramshaw	342.8
Bransgore	1812.6
Breamore	182.5
Brockenhurst	1862.4
Burley	792.1
Copythorne	1214.2
Damerham	242.2
Denny Lodge	158.2
East Boldre	377.9
Elingham, Harbridge & Ibsley	610.7
Exbury & Lepe	116.8
Fawley	4571.1
Fordingbridge	2281.6
Godshill	227.2
Hale	262
Hordle	2416.1
Hyde	514.2
Hythe & Dibden	7404.5
Lymington & Pennington	7355.5
Lyndhurst	1459.6
Marchwood	2069.2

Martin	198.4
Milford on Sea	2820.4
Minstead	374.8
Netley Marsh	819.5
New Milton	10486.4
Ringwood	5285.2
Rockbourne	163.4
Sandleheath	279.6
Sopley	403.4
Sway	1709.3
Totton & Eling	9394
Whitsbury	102
Woodgreen	252.4
Whole District	71074.4

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 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.

	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	7047	12005	17922	19313	13413	6959	4535	607	81801
ACTIVE EXEMPTIONS	0	398	194	233	318	168	75	31	7	1424
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	4	1	0	1	3	1	1	0	11
CHARGEABLE DWELLINGS	0	6645	11810	17689	18994	13242	6883	4503	600	80366
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	24	72	139	187	151	68	58	23	722
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	24	72	139	187	151	68	58	23	0	722
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	24	6693	11877	17737	18958	13159	6873	4468	577	80366
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	8	3835	5094	5592	5471	2887	1301	672	70	24930
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	79	0	0	0	0	0	0	0	79
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	0	116	33	38	73	56	64	51	9	440
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	26	48	41	24	15	4	5	0	163
TOTAL DISCOUNTS	8	4170.64	5176.32	5681.94	5625.16	3004.1	1430.36	775.7	88	25960.22
DISCOUNT DEDUCTION	2	1042.66	1294.08	1420.485	1406.29	751.025	357.59	193.925	22	6490.055
NET DWELLINGS	22	5650.34	10582.92	16316.515	17551.71	12407.975	6515.41	4274.075	555	73875.945
BAND D EQUIVALENTS	12.2	3766.6	8231.2	14503.6	17552.1	15165.7	9410.9	7123.6	1110	76875.96
CTR PENSIONERS	4341.63	770621.44	1185955.44	1208164.82	874715.48	383401.74	127636.14	23180.91	0	4578017.6
CTR WORKING AGE	4070.84	794916.36	1338243.17	1214901.62	348292.62	105822.89	22456.39	9683.58	2488.56	3840876.03
TOTAL CTR	8412.47	1565537.8	2524198.61	2423066.44	1223008.1	489224.63	150092.53	32864.49	2488.56	8418893.63
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	4.53047	678.065405	891.571899	798.89498	516.080479	186.73502	52.880475	8.403456	0	3137.162183
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	4.27881	697.126411	1003.48667	800.77315	205.983271	51.270122	9.1904036	3.465461	0.75462	2776.328915
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	4.89444	916.793333	1473.94333	1421.92889	722.07	290.88889	89.671111	19.76667	1.5	4941.408889
ADJUSTED BAND D EQUIVALENTS	7.3	2849.8	6757.3	13081.7	16830	14874.8	9321.2	7103.8	1108.5	71934.4
COLLECTION RATE										98.50%
SUB-TOTAL										70855.4
CONTRIBUTIONS IN LIEU										218.7
TAX BASE										71074.4

TAX BASES FOR 2019/20 COMPARED TO PREVIOUS YEAR 2018/19

PARISH/TOWN	TAX BASE 18/19	TAX BASE 19/20
Ashurst & Colbury	926.8	932.6
Beaulieu	511.8	515.5
Boldre	1066.1	1064.1
Bramshaw	346.5	342.8
Bransgore	1814.5	1812.6
Breamore	179.2	182.5
Brockenhurst	1861	1862.4
Burley	791.3	792.1
Copythorne	1209.3	1214.2
Damerham	234.9	242.2
Denny Lodge	154.8	158.2
East Boldre	381.1	377.9
Elingham, Harbridge & Ibsley	606.7	610.7
Exbury & Lepe	116.1	116.8
Fawley	4548.9	4571.1
Fordingbridge	2279	2281.6
Godshill	224.7	227.2
Hale	261.4	262
Hordle	2393.6	2416.1
Hyde	518	514.2
Hythe & Dibden	7390	7404.5
Lymington & Pennington	7177.4	7355.5
Lyndhurst	1442.5	1459.6
Marchwood	2061.2	2069.2
Martin	197.4	198.4
Milford on Sea	2783.3	2820.4
Minstead	370.3	374.8
Netley Marsh	815.6	819.5
New Milton	10457.9	10486.4
Ringwood	5257.3	5285.2
Rockbourne	164.4	163.4
Sandleheath	278.9	279.6
Sopley	370.5	403.4
Sway	1700.8	1709.3
Totton & Eling	9373.4	9394
Whitsbury	103.6	102
Woodgreen	250.8	252.4
Whole District	70621.0	71074.4