

COUNCIL TAX 2020/21 SETTING THE TAX BASE**1. RECOMMENDATIONS**

1.1 That Cabinet recommend to Full Council that:-

- (a) The calculation of the Council's tax base for the year 2020/21 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 2020/21 be as follows and as detailed in Appendix 3.

| PARISH/TOWN | TAX BASE 20/21 |
|------------------------------|-----------------------|
| Ashurst & Colbury | 930.5 |
| Beaulieu | 518.8 |
| Boldre | 1072.2 |
| Bramshaw | 344.8 |
| Bransgore | 1829.9 |
| Breamore | 181.2 |
| Brockenhurst | 1873.4 |
| Burley | 793.0 |
| Copythorne | 1219.7 |
| Damerham | 239.7 |
| Denny Lodge | 157.7 |
| East Boldre | 383.4 |
| Elingham, Harbridge & Ibsley | 613.6 |
| Exbury & Lepe | 110.8 |
| Fawley | 4596.5 |
| Fordingbridge | 2304.6 |
| Godshill | 223.6 |
| Hale | 266.3 |
| Hordle | 2422.2 |
| Hyde | 511.4 |
| Hythe & Dibden | 7458.1 |
| Lymington & Pennington | 7470.9 |
| Lyndhurst | 1458.4 |
| Marchwood | 2069.4 |
| Martin | 198.9 |
| Milford on Sea | 2841.0 |
| Minstead | 376.5 |
| Netley Marsh | 809.3 |
| New Milton | 10531.3 |
| Ringwood | 5362.0 |
| Rockbourne | 167.0 |
| Sandleheath | 280.0 |
| Sopley | 392.7 |
| Sway | 1703.8 |
| Totton & Eling | 9423.1 |
| Whitsbury | 101.9 |
| Woodgreen | 255.3 |
| Whole District | 71492.9 |

2. INTRODUCTION AND BACKGROUND

- 2.1 The purpose of this report is to enable Members to approve the tax base for 2020/21.
- 2.2 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.
- 2.3 Members may recall that each dwelling falls into one of eight valuation bands (A to H) for council tax purposes. 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.
- 2.7 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.

3. THE CALCULATION PROCESS

- 3.1 Detailed calculations are required to set the tax base for tax setting purposes.
- 3.2 Firstly, if appropriate, it is necessary to adjust the number of dwellings in each valuation band to allow for:
 - 3.2.1 The number of properties estimated as being exempt
 - 3.2.2 The number of demolished dwellings due to be removed
 - 3.2.3 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.
- 3.3 The above process produces the number of chargeable dwellings. Further adjustments then have to be made to allow for:
 - 3.3.1 The estimated number of dwellings where a 25% discount will apply (i.e. due to single person discount or a discount disregard).
 - 3.3.2 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.
 - 3.3.3 The estimated number of dwellings where a 100% discount will apply for one month only, due to being unoccupied and unfurnished ('void') dwellings.
 - 3.3.4 The estimated number of dwellings where an Empty Homes Premium will apply due to being empty and substantially unfurnished for more than two years.

- 3.4 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.
- 3.5 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 a minor change may be made to the Local Scheme for 2020/21, this is not material for the tax base.
- 3.6 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.
- 3.7 The figures used in the calculation process are based on latest actuals. Appendix 3 shows 2020/21 tax bases compared to 2019/20.
- 3.8 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/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.

| | 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 | 7129 | 12058 | 18016 | 19376 | 13469 | 6981 | 4541 | 606 | 82176 |
| ACTIVE EXEMPTIONS | 0 | 396 | 205 | 255 | 329 | 186 | 82 | 36 | 9 | 1498 |
| DEMOLISHED DWELLINGS BAND TO BE REMOVED | 0 | 7 | 0 | 3 | 1 | 0 | 1 | 3 | 0 | 15 |
| CHARGEABLE DWELLINGS | 0 | 6726 | 11853 | 17758 | 19046 | 13283 | 6898 | 4502 | 597 | 80663 |
| NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION | 0 | 28 | 78 | 135 | 179 | 152 | 67 | 60 | 24 | 723 |
| NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND | 28 | 78 | 135 | 179 | 152 | 67 | 60 | 24 | 0 | 723 |
| NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF | 28 | 6776 | 11910 | 17802 | 19019 | 13198 | 6891 | 4466 | 573 | 80663 |
| NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT | 10 | 3861 | 5162 | 5699 | 5491 | 2943 | 1313 | 699 | 68 | 25246 |
| NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT | 0 | 76 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 76 |
| NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT | 0 | 130 | 28 | 44 | 72 | 50 | 64 | 58 | 10 | 456 |
| NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH | 0 | 32 | 46 | 42 | 22 | 15 | 9 | 5 | 1 | 172 |
| TOTAL DISCOUNTS | 10 | 4223.08 | 5233.64 | 5801.28 | 5642.48 | 3048.1 | 1444.06 | 816.70 | 88.34 | 26307.68 |
| DISCOUNT DEDUCTION | 2.5 | 1055.77 | 138.41 | 1450.32 | 1410.62 | 762.025 | 361.015 | 204.175 | 22.085 | 6576.92 |
| NET DWELLINGS | 25.5 | 5720.23 | 10601.59 | 16351.68 | 17608.38 | 12435.975 | 6529.985 | 4261.825 | 550.915 | 74086.08 |
| DWELLINGS SUBJECT TO A PREMIUM (50%) | 0 | 58 | 19 | 13 | 17 | 7 | 7 | 9 | 0 | 130 |
| ADJUSTED NET DWELLINGS | 25.5 | 5749.23 | 10611.09 | 16358.18 | 17616.88 | 12439.475 | 6533.485 | 4266.325 | 550.915 | 74151.08 |
| BAND D EQUIVALENTS | 14.2 | 3832.8 | 8253.1 | 14540.6 | 17616.9 | 15203.8 | 9437.3 | 7110.50 | 1101.8 | 77112.60 |
| CTR PENSIONERS | 4344.04 | 788947.99 | 1200894.65 | 1210768.78 | 841992.32 | 385341.81 | 123023.04 | 26305.18 | 0 | 4581616.81 |
| CTR WORKING AGE | 3675.9 | 799843.63 | 1354600.19 | 1209166.79 | 357439.18 | 99131.31 | 23979.62 | 8625.89 | 676.03 | 3857138.54 |
| TOTAL CTR | 8018.94 | 1588791.62 | 2555494.84 | 2419935.57 | 1199431.5 | 484473.12 | 147002.66 | 34931.07 | 676.03 | 8438755.35 |
| REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR | 4.35042 | 665.75465 | 866.411558 | 768.152247 | 476.612896 | 179.86319 | 48.915496 | 9.165882 | 0 | 3019.22632 |
| REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR | 3.71563 | 672.702877 | 974.76354 | 764.575227 | 202.805768 | 45.918932 | 9.3668306 | 6.634265 | 0.19672 | 2680.6261 |
| TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS | 4.48333 | 892.3 | 1431.99 | 1362.40889 | 679.4 | 275.96556 | 84.182222 | 26.31667 | 0.4 | 4757.47889 |
| ADJUSTED BAND D EQUIVALENTS | 9.7 | 2940.5 | 6821.1 | 13178.20 | 16937.5 | 14927.8 | 9353.1 | 7084.2 | 1101.4 | 72355.1 |
| | | | | | | | COLLECTION RATE | | | 98.50% |
| | | | | | | | SUB-TOTAL | | | 71269.8 |
| | | | | | | | CONTRIBUTIONS IN LIEU | | | 223.1 |
| | | | | | | | TAX BASE | | | 71492.9 |

TAX BASES FOR 2020/21 COMPARED TO PREVIOUS YEAR 2019/20

| PARISH/TOWN | TAX BASE 19/20 | TAX BASE 20/21 |
|------------------------------|-----------------------|-----------------------|
| Ashurst & Colbury | 932.6 | 930.5 |
| Beaulieu | 515.5 | 518.8 |
| Boldre | 1064.1 | 1072.2 |
| Bramshaw | 342.8 | 344.8 |
| Bransgore | 1812.6 | 1829.9 |
| Breamore | 182.5 | 181.2 |
| Brockenhurst | 1862.4 | 1873.4 |
| Burley | 792.1 | 793.0 |
| Copythorne | 1214.2 | 1219.7 |
| Damerham | 242.2 | 239.7 |
| Denny Lodge | 158.2 | 157.7 |
| East Boldre | 377.9 | 383.4 |
| Elingham, Harbridge & Ibsley | 610.7 | 613.6 |
| Exbury & Lepe | 116.8 | 110.8 |
| Fawley | 4571.1 | 4596.5 |
| Fordingbridge | 2281.6 | 2304.6 |
| Godshill | 227.2 | 223.6 |
| Hale | 262 | 266.3 |
| Hordle | 2416.1 | 2422.2 |
| Hyde | 514.2 | 511.4 |
| Hythe & Dibden | 7404.5 | 7458.1 |
| Lymington & Pennington | 7355.5 | 7470.9 |
| Lyndhurst | 1459.6 | 1458.4 |
| Marchwood | 2069.2 | 2069.4 |
| Martin | 198.4 | 198.9 |
| Milford on Sea | 2820.4 | 2841.0 |
| Minstead | 374.8 | 376.5 |
| Netley Marsh | 819.5 | 809.3 |
| New Milton | 10486.4 | 10531.3 |
| Ringwood | 5285.2 | 5362.0 |
| Rockbourne | 163.4 | 167.0 |
| Sandleheath | 279.6 | 280.0 |
| Sopley | 403.4 | 392.7 |
| Sway | 1709.3 | 1703.8 |
| Totton & Eling | 9394 | 9423.1 |
| Whitsbury | 102 | 101.9 |
| Woodgreen | 252.4 | 255.3 |
| Whole District | 71074.4 | 71492.9 |