

**COUNCIL TAX 2021/22 - 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 2021/22 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 2021/22 be as follows and as detailed in Appendix 3.

<b>PARISH/TOWN</b>	<b>TAX BASE 21/22</b>
Ashurst & Colbury	926.3
Beaulieu	513.1
Boldre	1,059.8
Bramshaw	340.4
Bransgore	1,825.0
Breamore	180.1
Brockenhurst	1,895.9
Burley	792.9
Copythorne	1,221.0
Damerham	239.5
Denny Lodge	164.8
East Boldre	383.2
Elingham, Harbridge & Ibsley	619.8
Exbury & Lepe	119.4
Fawley	4,603.5
Fordingbridge	2,353.2
Godshill	227.8
Hale	265.4
Hordle	2,417.8
Hyde	512.5
Hythe & Dibden	7,406.1
Lymington & Pennington	7,483.2
Lyndhurst	1,472.8
Marchwood	2,057.7
Martin	197.2
Milford on Sea	2,853.8
Minstead	372.3
Netley Marsh	816.1
New Milton	10,515.3
Ringwood	5,404.3
Rockbourne	167.3
Sandleheath	276.6
Sopley	391.1
Sway	1,706.1
Totton & Eling	9,405.1
Whitsbury	101.1
Woodgreen	251.2
<b>Whole District</b>	<b>71,538.7</b>

## **2. INTRODUCTION AND BACKGROUND**

- 2.1 The purpose of this report is to enable Members to approve the tax base for 2021/22.
- 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 5/9<sup>th</sup> of the Band D charge instead of 6/9<sup>th</sup>).
- 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 or five 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. There are no changes being made to the Local Scheme for 2021/22.
- 3.6 The next step of the calculation is to assess the likely collection rate and thereby make an appropriate allowance for non-collection. The 2020/21 Tax Base was set with an assumed collection rate of 98.5%. The collection rate for 2019/20 was 98.64%. The rate for 2021/22 is particularly difficult to assume in the current economic climate. A rate of 98.24% has been set to reflect the impact of COVID-19 after analysing trends and making assumptions on future collection rates. 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 2021/22 tax bases compared to 2020/21.
- 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.

#### **6. PORTFOLIO HOLDER COMMENTS**

- 6.1 As with my usual comments on this paper this is a technical report brought forward by officers on an annual basis and from which we calculate the precept. In every

other year that I have been in this role, I have been happy to leave my comments there, however this year has been far from normal and, despite the growing rate of construction within our District, the result of COVID-19 is that in a number of town and parishes across the New Forest have seen an almost negligible increase in their Council Tax Base and this will have a knock-on effect.

**Further Information:**

Ryan Stevens  
Service Manager Revenues and Benefits  
Tel: 02380 285693  
E-mail: ryan.stevens@nfdc.gov.uk

**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	7131	12098	18082	19400	13522	7012	4559	607	82411
ACTIVE EXEMPTIONS	0	321	214	264	380	198	86	46	8	1517
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	5	2	5	6	2	1	2	0	23
CHARGEABLE DWELLINGS	0	6805	11882	17813	19014	13322	6925	4511	599	80871
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	31	68	140	181	151	67	61	23	722
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	31	68	140	181	151	67	61	23	0	722
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	31	6842	11954	17854	18984	13238	6919	4473	576	80871
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	11	3893	5211	5706	5519	2973	1319	717	61	25410
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	0	126	23	36	49	48	56	51	6	395
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	35	30	40	23	17	7	1	1	154
TOTAL DISCOUNTS	11	4156.9	5267.2	5791.6	5624.82	3074.78	1433.38	819.34	73.34	26252.36
DISCOUNT DEDUCTION	2.75	1039.225	1316.8	1447.9	1406.205	768.695	358.345	204.835	18.335	6563.09
NET DWELLINGS	28.25	5802.775	10637.2	16406.1	17577.795	12469.305	6560.655	4268.165	557.665	74307.91
DWELLINGS SUBJECT TO A PREMIUM (100%)	0	39	18	22	14	8	15	3	0	119
DWELLINGS SUBJECT TO A PREMIUM (150%)	0	13	7	5	7	3	4	4	0	43
ADJUSTED NET DWELLINGS	28.25	5861.275	10665.7	16435.6	17602.295	12481.805	6581.655	4277.165	557.665	74491.41
BAND D EQUIVALENTS	15.7	3907.5	8295.5	14609.4	17602.3	15255.5	9506.8	7128.6	1115.3	77438.7
CTR PENSIONERS	4209.45	804683.68	1219386.45	1240928.01	852111.37	389922.08	115648.98	24384.96	2753.82	4654028.8
CTR WORKING AGE	5356.44	878398.98	1490382.31	1352748.91	408730.38	120435.53	30835.71	8798.08	1161.35	4296847.69
TOTAL CTR	9565.89	1683082.66	2709768.76	2581212.16	1260841.75	510357.61	146484.69	33183.04	3915.17	8950876.49
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	4.051919037	652.4249875	845.4383891	756.7546699	463.6279898	174.7701487	44.21409845	8.173598751	0.775418145	2950.231219
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	5.206776754	709.9249815	1031.130588	822.4097173	222.533374	53.52745376	11.65856707	2.926166203	0.313458175	2859.631083
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	5.144444444	908.2333333	1459.554444	1403.715556	686.19	279.0088889	80.73	18.5	2.18	4843.302222
ADJUSTED BAND D EQUIVALENTS	10.6	2999.3	6835.9	13205.7	16916.1	14976.5	9426.1	7110.1	1113.1	72593.4
<b>COLLECTION RATE</b>										<b>98.24%</b>
<b>SUB-TOTAL</b>										<b>71315.8</b>
<b>CONTRIBUTIONS IN LIEU</b>										<b>221.3</b>
<b>TAX BASE</b>										<b>71538.7</b>

**TAX BASES FOR 2021/22 COMPARED TO PREVIOUS YEAR 2020/21**

<b>PARISH/TOWN</b>	<b>TAX BASE 20/21</b>	<b>TAX BASE 21/22</b>	<b>MOVEMENT</b>
Ashurst & Colbury	930.5	926.3	-4.2
Beaulieu	518.8	513.1	-5.7
Boldre	1,072.2	1,059.8	-12.4
Bramshaw	344.8	340.4	-4.4
Bransgore	1,829.9	1,825.0	-4.9
Breamore	181.2	180.1	-1.1
Brockenhurst	1,873.4	1,895.9	22.5
Burley	793.0	792.9	-0.1
Copythorne	1,219.7	1,221.0	1.3
Damerham	239.7	239.5	-0.2
Denny Lodge	157.7	164.8	7.1
East Boldre	383.4	383.2	-0.2
Elingham, Harbridge & Ibsley	613.6	619.8	6.2
Exbury & Lepe	110.8	119.4	8.6
Fawley	4,596.5	4,603.5	7.0
Fordingbridge	2,304.6	2,353.2	48.6
Godshill	223.6	227.8	4.2
Hale	266.3	265.4	-0.9
Hordle	2,422.2	2,417.8	-4.4
Hyde	511.4	512.5	1.1
Hythe & Dibden	7,458.1	7,406.1	-52.0
Lymington & Pennington	7,470.9	7,483.2	12.3
Lyndhurst	1,458.4	1,472.8	14.4
Marchwood	2,069.4	2,057.7	-11.7
Martin	198.9	197.2	-1.7
Milford on Sea	2,841.0	2,853.8	12.8
Minstead	376.5	372.3	-4.2
Netley Marsh	809.3	816.1	6.8
New Milton	10,531.3	10,515.3	-16.0
Ringwood	5,362.0	5,404.3	42.3
Rockbourne	167.0	167.3	0.3
Sandleheath	280.0	276.6	-3.4
Sopley	392.7	391.1	-1.6
Sway	1,703.8	1,706.1	2.3
Totton & Eling	9,423.1	9,405.1	-18.0
Whitsbury	101.9	101.1	-0.8
Woodgreen	255.3	251.2	-4.1
<b>Whole District</b>	<b>71,492.9</b>	<b>71,538.7</b>	<b>45.8</b>