

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