

## THE COUNCIL TAX 2016/17 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 2016/17.
- 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 taxbase 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. From 1 April 2000 the Government extended disabled relief to dwellings in Band A. Such dwellings (shown as Disabled A) pay 5/9<sup>th</sup> of the Band D charge instead of 6/9<sup>th</sup>.

- 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 and 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 substantially unfurnished ('void') properties.
- 2.4 No changes are being recommended to Council Tax Discounts/Premiums following the recent review. 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 taxbase 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 2016/17, these are not material for the tax base and will be rolled forward for the 2017/18 taxbase.
- 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 2016/17 tax bases compared to 2015/16.
- #
- 2.8 Although there may be some growth in the tax base in the forthcoming year, it is advisable to take a prudent approach for a number of reasons. (For example, 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 in December 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 2016/17 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 2016/17 be as follows and as detailed in Appendix 1.

#

PARISH/TOWN	TAXBASE 16/17
Ashurst & Colbury	915.8
Beaulieu	512.7
Boldre	1052.6
Bramshaw	344.2
Bransgore	1798.5
Breamore	177.4
Brockenhurst	1852.3
Burley	782.3
Copythorne	1205.7
Damerham	227.2
Denny Lodge	153.2
East Boldre	387.4
Elingham, Harbridge & Ibsley	603
Exbury & Lepe	110.4
Fawley	4505.8
Fordingbridge	2232.2
Godshill	221
Hale	254
Hordle	2381.9
Hyde	521.6
Hythe & Dibden	7323.5
Lymington & Pennington	6974.1

Lyndhurst	1399.2
Marchwood	2050.8
Martin	195.7
Milford on Sea	2781.1
Minstead	368.5
Netley Marsh	816
New Milton	10289.1
Ringwood	5146.6
Rockbourne	163.9
Sandleheath	281.6
Sopley	295.5
Sway	1686.4
Totton & Eling	9270.5
Whitsbury	102.3
Woodgreen	248.3
<b>Whole District</b>	<b>69632.3</b>

**Further Information:**

Glynne Miles  
Head of Housing & Customer Services  
Tel: 023 8028 5588  
E-mail: [glynne.miles@nfdc.gov.uk](mailto:glynne.miles@nfdc.gov.uk)

**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.**

COUNCIL TAXBASE 2016/17											
	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	6858	11879	17777	19176	13273	6773	4443	587	80766	
ACTIVE EXEMPTIONS	0	309	178	188	269	152	65	26	12	1199	
DEMOLISHED DWELLINGS BAND TO BE REMOVED OR EXEMPT DUE TO FLOODING	0	1	0	0	2	3	0	1	0	7	
CHARGEABLE DWELLINGS	0	6548	11701	17589	18905	13118	6708	4416	575	79560	
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	26	52	122	173	143	77	62	22	677	
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	26	52	122	173	143	77	62	22	0	677	
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	26	6574	11771	17640	18875	13052	6693	4376	553	79560	
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	9	3741	5056	5709	5409	2811	1234	669	64	24702	
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	141	0	0	0	0	0	0	0	141	
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	1	93	35	59	78	56	61	54	7	444	
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	31	48	30	29	21	12	4	0	175	
TOTAL DISCOUNTS	11	4106.74	5142.32	5837.2	5574.86	2930.14	1360.08	778.36	78	25818.7	
DISCOUNT DEDUCTION	2.75	1026.685	1285.58	1459.3	1393.715	732.535	340.02	194.59	19.5	6454.675	
NET DWELLINGS	23.25	5547.315	10485.42	16180.7	17481.285	12319.465	6352.98	4181.41	533.5	73105.325	
BAND D EQUIVALENTS	12.9	3698.3	8155.7	14382.9	17481.9	15057.3	9176.6	6969.2	1067	76002.1	
CTR PENSIONERS	2447.54	762456.62	1181138.6	1286562.41	911031.21	398987.36	136295.32	22482.18	822.66	4702223.9	
CTR WORKING AGE	5276.86	682488.53	1214124.34	1182100.48	320187.7	98971.53	25441.06	7111.49	974.63	3536676.62	
TOTAL CTR	7724.4	1444945.15	2395262.94	2468662.89	1231218.91	497958.89	161736.38	29593.67	1797.29	8238900.52	
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	2.9124	767.404041	1014.52767	971.785146	613.654045	221.76468	64.68503	9.308659	0.2873	3666.32896	
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	6.31535	685.086555	1039.96001	888.963153	216.597113	54.869794	11.884769	2.884076	0.3375	2906.89832	
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	5.12778	968.326667	1597.94444	1653.98222	830.25	338.11556	110.61556	20.3	1.26	5525.92222	
ADJUSTED BAND D EQUIVALENTS	7.77222	2729.97333	6557.75556	12728.9178	16651.65	14719.184	9065.9844	6948.9	1065.74	70475.9	
										COLLECTION RATE	98.50%
										SUB-TOTAL	69418.8
										CONTRIBUTIONS IN LIEU	213.2
										TAX BASE	69632.3

**TAXBASES FOR 2016/17 COMPARED TO PREVIOUS YEAR 2015/16**

<b>PARISH/TOWN</b>	<b>TAXBASE 16/17</b>	<b>TAXBASE 15/16</b>
Ashurst & Colbury	915.8	916.60
Beaulieu	512.7	512.1
Boldre	1052.6	1040.9
Bramshaw	344.2	346.1
Bransgore	1798.5	1792.3
Breamore	177.4	177.2
Brockenhurst	1852.3	1855.1
Burley	782.3	776.4
Copythorne	1205.7	1191.9
Damerham	227.2	224.1
Denny Lodge	153.2	152.1
East Boldre	387.4	382.2
Elingham, Harbridge & Ibsley	603	594.5
Exbury & Lepe	110.4	111.3
Fawley	4505.8	4477.4
Fordingbridge	2232.2	2225.8
Godshill	221	224.4
Hale	254	258.6
Hordle	2381.9	2361.8
Hyde	521.6	516.7
Hythe & Dibden	7323.5	7286.1
Lymington & Pennington	6974.1	6874.6
Lyndhurst	1399.2	1399.4
Marchwood	2050.8	2051.2
Martin	195.7	192.2
Milford on Sea	2781.1	2787.7
Minstead	368.5	357.6
Netley Marsh	816	807
New Milton	10289.1	10233
Ringwood	5146.6	5096.7
Rockbourne	163.9	162.2
Sandleheath	281.6	272.9
Sopley	295.5	288.4
Sway	1686.4	1667.5
Totton & Eling	9270.5	9231
Whitsbury	102.3	96.6
Woodgreen	248.3	252.4
<b>Whole District</b>	<b>69632.3</b>	<b>69194</b>