CABINET – 7 DECEMBER 2016 COUNCIL – 12 DECEMBER 2016

THE COUNCIL TAX 2017/18 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 2017/18.
- 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 5/9th 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 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 unfurnished ('void') properties.
 - 2.3.5 The estimated number of dwellings where 100% discretionary discount will apply for one month only to unoccupied and substantially unfurnished dwellings.
- 2.4 No changes are being recommended to Council Tax Discounts/Premiums. 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 2017/18, 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 2017/18 tax bases compared to 2016/17.
- 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 2017/18 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 2017/18 be as follows and as detailed in Appendix 1.

PARISH/TOWN	TAXBASE 17/18
Ashurst & Colbury	922.7
Beaulieu	511.2
Boldre	1062.4
Bramshaw	344.8
	1816.9
Bransgore	
Breamore	181.2
Brockenhurst	1865.8
Burley	780.4
Copythorne	1211.5
Damerham	231.7
Denny Lodge	152.1
East Boldre	382.3
Elingham, Harbridge & Ibsley	605.7
Exbury & Lepe	112.9
Fawley	4534.6
Fordingbridge	2251.5
Godshill	224.7
Hale	260.6
Hordle	2395
Hyde	522.8
Hythe & Dibden	7360.1
Lymington & Pennington	7045.5
Lyndhurst	1444.4

Marchwood	2056
Martin	197.6
Milford on Sea	2787.8
Minstead	366.6
Netley Marsh	814.9
New Milton	10388.1
Ringwood	5225.7
Rockbourne	163.1
Sandleheath	282.6
Sopley	293.1
Sway	1688.9
Totton & Eling	9148.2
Whitsbury	101.5
Woodgreen	252.1
Whole District	69987

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
Α	Up to £40,000 £1.00	
В	Over £40,000- £52,000£1.17	
С	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	
Н	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 TA	XBASE 2017/18						
		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	6938	11924	17794	19209	13327	6831	4479	592	81094
ACTIVE EXEMPTIONS	0	305	190	199	282	124	70	27	12	1209
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	5	0	3	2	2	3	0	0	15
CHARGEABLE DWELLINGS	0	6628	11734	17592	18925	13201	6758	4452	580	79870
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	26	57	125	178	144	75	61	22	688
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	26	57	125	178	144	75	61	22	0	688
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	26	6659	11802	17645	18891	13132	6744	4413	558	79870
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	9	3729	5058	5647	5415	2876	1250	658	64	24706
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	110	31	52	84	67	56	58	9	468
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	32	40	32	40	16	11	4	0	175
TOTAL DISCOUNTS	11	4129.08	5133.6	5761.88	5596.6	3015.44	1365.74	775.36	82	25870.7
DISCOUNT DEDUCTION	2.75	1032.27	1283.4	1440.47	1399.15	753.86	341.435	193.84	20.5	6467.675
NET DWELLINGS	23.25	5626.73	10518.6	16204.53	17491.85	12378.14	6402.565	4219.16	537.5	73402.325
BAND D EQUIVALENTS	12.9	3751.2	8181	14404.1	17492.6	15128.9	9248.1	7032.1	1075	76326.1
CTR PENSIONERS	4373.42	756994.18	1168193.01	1247668.28	886847.21	380272.27	128455.98	21320.48	1683.6	4595808.43
CTR WORKING AGE	4708.97	721402.9	1269296.63	1152581.94	319989.59	108354.35	27536.05	11721.33	2426.26	3618018.02
TOTAL CTR	9082.39	1478397.08	2437489.64	2400250.22	1206836.8	488626.62	155992.03	33041.81	4109.86	8213826.45
2016 CHARGE REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	5.04795	736.100104	969.115879	910.430692	711.85039	204.40889	58.828618	8.568717	0.56959	3604.92083
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	5.45541	699.274671	1049.58719	837.742033	246.283185	57.996312	12.448284	4.602678	0.81103	2914.20079
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	5.83333	956.906667	1570.1	1553.94667	958.13	320.69889	102.97444	21.96667	2.76	5493.29333
ADJUSTED BAND D EQUIVALENTS	7.06667	2794.29333	6610.9	12850.1533	16534.47	14808.201	9145.1256	7010.133	1072.24	70832.82
							'	COLL	ECTION RATE	98.50% 69770.3
							SUB-TOTAL CONTRIBUTIONS IN LIEU			216.7
									TAX BASE	69987

TAXBASES FOR 2017/18 COMPARED TO PREVIOUS YEAR 2016/17

PARISH/TOWN	TAXBASE 17/18	TAXBASE 16/17
Ashurst & Colbury	922.7	915.8
Beaulieu	511.2	512.7
Boldre	1062.4	1052.6
Bramshaw	344.8	344.2
Bransgore	1816.9	1798.5
Breamore	181.2	177.4
Brockenhurst	1865.8	1852.3
Burley	780.4	782.3
Copythorne	1211.5	1205.7
Damerham	231.7	227.2
Denny Lodge	152.1	153.2
East Boldre	382.3	387.4
Elingham, Harbridge &	605.7	603
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Exbury & Lepe	112.9	110.4
Fawley	4534.6	4505.8
Fordingbridge	2251.5	2232.2
Godshill	224.7	221
Hale	260.6	254
Hordle	2395	2381.9
Hyde	522.8	521.6
Hythe & Dibden	7360.1	7323.5
Lymington & Pennington	7045.5	6974.1
Lyndhurst	1444.4	1399.2
Marchwood	2056	2050.8
Martin	197.6	195.7
Milford on Sea	2787.8	2781.1
Minstead	366.6	368.5
Netley Marsh	814.9	816
New Milton	10388.1	10289.1
Ringwood	5225.7	5146.6
Rockbourne	163.1	163.9
Sandleheath	282.6	281.6
Sopley	293.1	295.5
Sway	1688.9	1686.4
Totton & Eling	9148.2	9270.5
Whitsbury	101.5	102.3
Woodgreen	252.1	248.3
Whole District	69987	69632.3