

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
Bransgore	1816.9
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
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.

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 & Ibsley	605.7	603
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