

THE COUNCIL TAX 2018/19 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 2018/19.
- 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 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 2018/19, 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 2018/19 tax bases compared to 2017/18.
- 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 2018/19 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 2018/19 be as follows and as detailed in Appendix 1.

PARISH/TOWN	TAX BASE 18/19
Ashurst & Colbury	926.8
Beaulieu	511.8
Boldre	1066.1
Bramshaw	346.5
Bransgore	1814.5
Breamore	179.2
Brockenhurst	1861
Burley	791.3
Copythorne	1209.3
Damerham	234.9
Denny Lodge	154.8
East Boldre	381.1
Elingham, Harbridge & Ibsley	606.7
Exbury & Lepe	116.1
Fawley	4548.9
Fordingbridge	2279
Godshill	224.7
Hale	261.4
Hordle	2393.6
Hyde	518
Hythe & Dibden	7390

Lymington & Pennington	7177.4
Lyndhurst	1442.5
Marchwood	2061.2
Martin	197.4
Milford on Sea	2783.3
Minstead	370.3
Netley Marsh	815.6
New Milton	10457.9
Ringwood	5257.3
Rockbourne	164.4
Sandleheath	278.9
Sopley	370.5
Sway	1700.8
Totton & Eling	9373.4
Whitsbury	103.6
Woodgreen	250.8
Whole District	70621.0

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.

COUNCIL TAXBASE 2018/19

	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	6975	11975	17868	19258	13381	6886	4509	594	81446	
ACTIVE EXEMPTIONS	0	310	203	225	278	168	73	35	7	1299	
DEMOLISHED DWELLINGS BAND TO BE REMOVED	0	3	1	2	0	2	1	0	0	9	
CHARGEABLE DWELLINGS	0	6662	11771	17641	18980	13211	6812	4474	587	80138	
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	24	67	127	179	149	75	61	22	704	
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	24	67	127	179	149	75	61	22	0	704	
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	24	6705	11831	17693	18950	13137	6798	4435	565	80138	
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	7	3789	5075	5646	5435	2861	1298	670	73	24854	
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	96	0	0	0	0	0	0	0	96	
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	0	111	31	45	62	59	52	56	8	424	
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	83	39	44	26	20	9	6	1	228	
TOTAL DISCOUNTS	7	4154.42	5150.26	5750.96	5567.84	2985.8	1405.06	784.04	89.34	25894.72	
DISCOUNT DEDUCTION	1.75	1038.605	1287.565	1437.74	1391.96	746.45	351.265	196.01	22.335	6473.68	
NET DWELLINGS	22.25	5666.395	10543.435	16255.26	17558.04	12390.55	6446.735	4238.99	542.665	73664.32	
BAND D EQUIVALENTS	12.4	3777.5	8200.6	14449.2	17558.7	15144.1	9312	7065.1	1085.3	76605	
CTR PENSIONERS	4305.36	757549.3	1172460.69	1206728.78	890672.66	370572.71	135821.64	21480.58	0	4559591.72	
CTR WORKING AGE	5062.36	757239.34	1296434.92	1194004.06	320097.85	104547.34	25328.84	10415.37	3399.74	3716529.82	
TOTAL CTR	9367.72	1514788.64	2468895.61	2400732.84	1210770.51	475120.05	161150.48	31895.95	3399.74	8276121.54	
2017 CHARGE											
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	4.75211	704.088298	930.55119	842.606334	555.816176	190.67302	59.482553	8.255163	0	3296.22485	
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	5.61002	701.464084	1026.15042	830.754412	200.117281	53.561053	10.924311	3.944505	1.0875	2833.61359	
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	5.75556	937.033333	1521.89333	1487.44	755.9	298.52778	101.73222	20.33333	2.18	5130.77889	
ADJUSTED BAND D EQUIVALENTS	6.6	2840.5	6678.7	12961.8	16802.8	14845.6	9210.3	7044.8	1083.1	71474.2	
										COLLECTION RATE	98.50%
										SUB-TOTAL	70402.1
										CONTRIBUTIONS IN LIEU	218.9
										TAX BASE	70621

TAX BASES FOR 2018/19 COMPARED TO PREVIOUS YEAR 2017/18

PARISH/TOWN	TAX BASE 17/18	TAX BASE 18/19
Ashurst & Colbury	922.7	926.8
Beaulieu	511.2	511.8
Boldre	1062.4	1066.1
Bramshaw	344.8	346.5
Bransgore	1816.9	1814.5
Breamore	181.2	179.2
Brockenhurst	1865.8	1861
Burley	780.4	791.3
Copythorne	1211.5	1209.3
Damerham	231.7	234.9
Denny Lodge	152.1	154.8
East Boldre	382.3	381.1
Elingham, Harbridge & Ibsley	605.7	606.7
Exbury & Lepe	112.9	116.1
Fawley	4534.6	4548.9
Fordingbridge	2251.5	2279
Godshill	224.7	224.7
Hale	260.6	261.4
Hordle	2395	2393.6
Hyde	522.8	518
Hythe & Dibden	7360.1	7390
Lymington & Pennington	7045.5	7177.4
Lyndhurst	1444.4	1442.5
Marchwood	2056	2061.2
Martin	197.6	197.4
Milford on Sea	2787.8	2783.3
Minstead	366.6	370.3
Netley Marsh	814.9	815.6
New Milton	10388.1	10457.9
Ringwood	5225.7	5257.3
Rockbourne	163.1	164.4
Sandleheath	282.6	278.9
Sopley	293.1	370.5
Sway	1688.9	1700.8
Totton & Eling	9316.4	9373.4
Whitsbury	101.5	103.6
Woodgreen	252.1	250.8
Whole District	70155.2	70621.0