

Cabinet – 3 December 2025

Council Tax 2026/27 – Setting the Tax Base

Purpose	For decision
Classification	Public
Executive Summary	The Council sets the tax base each year being an annual calculation which sets out the estimated number of chargeable dwellings in the district, expressed at the number of Band D equivalents. This report provides details of the tax base for 2026/27 and the calculation process.
Recommendation	That Cabinet recommend to Council the approval of: 1. the calculation of the tax base for the year 2026/27 of 74,305.8 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 2026/27 as detailed in paragraph 13.
Reasons for recommendation	To approve the tax base for determining budget setting and the amount of council tax to levy.
Wards	All
Portfolio Holder	Councillor Jeremy Heron – Finance & Corporate
Strategic Director	Alan Bethune – Strategic Director Corporate Resources and Transformation
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Introduction and background

1. The purpose of this report is to enable Members to approve the tax base for 2026/27.
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 set between 1 December and 31 January. The approved tax base must be notified to the County Council by 31 January.
3. The tax base is a yearly calculation and represents the estimated number of dwellings to which council tax is chargeable and is set to a "Band D equivalent" figure. The Valuation Office Agency allocate each domestic dwelling into one of eight valuation bands (A to H) for council tax purposes, with different proportions of tax payable by each band.
4. The tax base is the estimated number of dwellings in the district, modified to take account of the different proportions payable, and any premiums, discounts, exemptions and other reductions. The Council's Medium Term Financial Plan includes an assumption of additional Council Tax collection based on an expectation of annual growth in the Tax Base, pursuant to the Local Plan and required housing growth targets.
5. The calculation of the tax base for tax setting also includes an estimated allowance for non-collection.
6. Separate calculations are required of the tax base for each Parish.

The Calculation Process

7. The starting point is the number of properties in each council tax valuation band, which is then adjusted to allow for estimates of:
 - The number of properties estimated as being exempt as not all properties are liable to pay council tax
 - The number of demolished properties due to be removed from the valuation list
 - The number of properties that have a disabled band reduction, where eligible properties are treated as being in the band below the one in which it is actually valued (for dwellings in Band A they pay 5/9th of the Band D charge)
 - The number of properties that have a 25% or 50% discount (i.e. single person discount)

- The number of properties where a 100% discount will apply for one month only, due to being unoccupied and unfurnished ('void') dwellings.
 - Known growth where a completion notice has been issued for a property, but a valuation banding has not been received from the Valuation Office Agency
 - The estimated number of properties subject to an Empty Homes Premium,
 - The estimated number of properties subject to the Second Homes Premium of 100%.
8. 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.
 9. The Council Tax Reduction scheme (CTR) operates as a discount on claimants Council Tax bills to support households on a low income with paying their council tax, with the effect of reducing the council tax base. The value of CTR awarded to pensioners and those of working age is dependent on their circumstances and are aggregated to arrive at the total council tax reduction. These values are converted into the tax base and band D equivalents. The number of claimants remains constant, at approximately 8,000. There are no changes proposed to the CTR scheme for 2026/27.
 10. The next step of the calculation is to assess the likely in-year collection rate and thereby make an appropriate allowance for non-collection. The estimated in-year collection rate for 2026/27 is 98.5%, which takes into consideration our consistent record of good performance in Council Tax collection in recent years, the impact of the cost of living, and is considered prudent. Contributions in lieu for Ministry of Defence dwellings are then added. A summary of the whole calculation process is shown in Appendix 3.
 11. The figures used in the calculation process are based on latest actuals at a given date. Appendix 2 shows 2026/27 tax base compared to 2025/26. Negative changes in amounts could be due to an increase in discounts, reductions, exemptions, or CTR, thus reducing the tax base.
 12. Although there may be some growth in the tax base in the forthcoming year, for example new developments, it is advisable to take a prudent approach, for example they may have a discount or claim Council Tax Reduction. If dwellings are improved and/or extended, council tax valuation bandings only normally change after a subsequent sale or the granting of a lease of 7 years or more.

Tax base for 2026/27

13. The tax base for 2026/27 is 74,305.8. For each Town and Parish the tax base is as follows:

TOWN/PARISH	TAX BASE 26/27
Ashurst & Colbury	951.9
Beaulieu	577.9
Boldre	1137.8
Bramshaw	352.5
Bransgore	1884.1
Breamore	185.7
Brockenhurst	2022.3
Burley	851.6
Copythorne	1242.7
Damerham	254.8
Denny Lodge	165.3
East Boldre	391.8
Ellingham, Harbridge & Ibsley	649.9
Exbury & Lepe	132.3
Fawley	4648.8
Fordingbridge	2599.4
Godshill	234.9
Hale	267.3
Hordle	2495.5
Hyde	545.3
Hythe & Dibden	7563.9
Lymington & Pennington	7975.7
Lyndhurst	1562.1
Marchwood	2078.6
Martin	196.4
Milford on Sea	3164.5
Minstead	385.8
Netley Marsh	857
New Milton	10825.8
Ringwood	5497.4
Rockbourne	169.4
Sandleheath	303.2
Sopley	395.6
Sway	1779.8
Totton & Eling	9587.5
Whitsbury	107.5
Woodgreen	263.8
Whole District	74,305.8

14. The overall Band D equivalent **net dwellings** has increased by 950.80 (1.29%) from 2025/26 to 2026/27, the higher this growth in dwelling numbers the higher the tax base and consequent council tax yield. The second year application of the second homes premium has largely led to the increase in the overall tax base for 2026/27, as 2025/26 was based on a prudent estimate of second homes with actual numbers being higher than originally estimated. This confirmed net growth figure will now be reflected in the next update to the Council's Medium Term Financial Plan.

Corporate plan priorities

15. The setting of the tax base is a legal requirement and supports our corporate priorities by ensuring we are financially responsible and manage our finances prudently.

Options appraisal

16. The Local Authorities (Calculation of Council Tax Base) Regulations 1992 set out the requirements for the calculation of the council tax base for tax setting purposes. Therefore, there are no alternative options.

Financial and resource implications

17. The calculation of the tax base is a key part of the annual budget cycle, and the Council needs to determine the council tax base for the financial year 2026/27 to enable the required level of Council Tax to be calculated for that year.
18. The tax base figures provided within Appendix 2 of this report have been communicated to town and parish councils and the other precepting authorities, so that they can start to factor these into their budget setting process for 2026/27.
19. 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.

Legal implications

20. There is a legal requirement to set the tax base. Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992, which applies to members where;
 - (a) they are present at a meeting of the Council, the Cabinet or a Committee and at the time of the meeting an amount of Council Tax is payable by them and has remained unpaid for at least two months; and

(b) any budget or Council Tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

21. In these circumstances, any such members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter in (b) above. It should be noted that such members are not debarred from speaking on these matters. Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting

Risk assessment

22. There are no risk assessments required.

Environmental / Climate and nature implications

23. There are no environmental or climate and nature implications arising from this report.

Equalities implications

24. There are no equality implications arising from this report.

Crime and disorder implications

25. There are no crime and disorder implications arising from this report.

Data protection / Information governance / ICT implications

26. There are no data protection, information governance or ICT implications arising from this report.

Conclusion

27. The setting of the tax base is a legal requirement and the regulations require that the tax base be formally approved for each parish/town Council area, with the calculations being approved through a resolution by the Council.
28. A prudent approach is taken in forecasting the tax base. Clearly, there is an obligation to ensure that sufficient funds are realised to meet the Council's expenditure. 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.

Appendices

Appendix 1 – Valuation Bands
Appendix 2 – Tax Base comparison
Appendix 3 – Calculation summary

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.

TAX BASES FOR 2026/27 COMPARED TO PREVIOUS YEAR 2025/26

PARISH/TOWN	TAX BASE 25/26	TAX BASE 26/27	CHANGE
Ashurst & Colbury	952.2	951.9	-0.3
Beaulieu	541.6	577.9	36.3
Boldre	1,094.5	1137.8	43.3
Bramshaw	347.4	352.5	5.1
Bransgore	1,864.5	1884.1	19.6
Breamore	189.4	185.7	-3.7
Brockenhurst	1,969.8	2022.3	52.5
Burley	830.5	851.6	21.1
Copythorne	1,236.9	1242.7	5.8
Damerham	252.1	254.8	2.7
Denny Lodge	162	165.3	3.3
East Boldre	389.6	391.8	2.2
Ellingham, Harbridge & Ibsley	650.7	649.9	-0.8
Exbury & Lepe	121.4	132.3	10.9
Fawley	4,625.6	4648.8	23.2
Fordingbridge	2,576.9	2599.4	22.5
Godshill	230.2	234.9	4.7
Hale	269.5	267.3	-2.2
Hordle	2,472.1	2495.5	23.4
Hyde	533.9	545.3	11.4
Hythe & Dibden	7,511.6	7563.9	52.3
Lymington & Pennington	7,716.4	7975.7	259.3
Lyndhurst	1,507.8	1562.1	54.3
Marchwood	2,073.2	2078.6	5.4
Martin	197.9	196.4	-1.5
Milford on Sea	3,031.5	3164.5	133
Minstead	384	385.8	1.8
Netley Marsh	837.4	857	19.6
New Milton	10,741	10825.8	84.8
Ringwood	5,507.3	5497.4	-9.9
Rockbourne	167.8	169.4	1.6
Sandleheath	302.1	303.2	1.1
Sopley	406.7	395.6	-11.1
Sway	1,752.6	1779.8	27.2
Totton & Eling	9,542.8	9587.5	44.7
Whitsbury	107.1	107.5	0.4
Woodgreen	257	263.8	6.8
Whole District	73,355.00	74,305.8	950.8

Appendix 3

	SUMMARY									
	DIS. A	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL
Total no. of dwellings	0	7339	12262	18291	19483	13708	7221	4705	625	83634
Active exemptions	0	387	215	282	377	210	102	59	7	1639
Demolished and to be removed	0	6	3	3	5	3	2	3	0	25
No. dwellings subject to disabled reduction	0	34	87	190	209	173	78	64	25	860
No. of disabled band reductions	34	87	190	209	173	78	64	25	0	860
No. of dwellings adjusted for disabled relief	34	6999	12147	18025	19065	13400	7103	4604	593	81970
No. entitled to 25% discount	16	4219	5650	6147	5929	3380	1467	801	77	27681
No. of dwellings entitled to 50% discount	0	185	31	24	36	24	41	38	7	386
No. entitled to 100% discount	0	32	38	34	23	13	4	3	3	150
Total discounts	16	4654.78	5739.56	6206.56	6008.8	3436.08	1550.36	878.02	92.02	28583.2
Discount deduction	4	1163.69	1434.89	1551.64	1502.2	859.02	387.59	219.5	23.01	7145.8
Net dwellings	30	5835.3	10712.11	16473.36	17562.79	12540.98	6715.41	4384.49	569.99	74824.2
Second homes premium (100%)	0	63	78	165	302	226	185	162	29	1210
No. subject to a premium (100%)	0	52	51	51	62	29	49	18	5	310
No. subject to a premium (200%)	0	19	3	10	2	1	7	0	0	42
No. subject to a premium (300%)	0	5	2	0	1	3	0	3	0	14
Adjusted net dwellings	30	5940.3	10768.11	16544.36	17631.8	12580.98	6778.41	4411.49	574.99	75260.45
Band D equivalents	16.7	3960.2	8375.2	14706.1	17631.8	15376.8	9791	7352.5	1150	79784.4
Reduction due to CTR band D equiv	4.97	923.42	1406.09	1330.30	583.69	240.74	54.93	24.53	1.46	4570.14
Adjusted band d equivalents	11.93	3078.75	7029.92	13522.45	17351.04	15412.36	10003.21	7598.17	1206.44	75214.3
									98.5% Collection rate	74086.09
									Contributions in lieu	220
									Tax base	74305.8