

Corporate Policy & Resources Committee



09/11/2024

Title	<i>Determination of the 2025/26 Council Tax base for tax setting.</i>
Purpose of the report	To make a decision and a recommendation to Council
Report Author	<i>Mahmud Rogers Joint Financial Services Manager</i>
Ward(s) Affected	All Wards
Corporate Priority	Service delivery
Recommendations	<p>That in accordance with its delegated powers the Corporate Policy & Resources Committee resolves that the following recommendation in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, is made to Council for approval:</p> <p>A. the gross Council Tax Base for 2025/26 is determined at 41,875.9(2024/25: 41,305) as Band D equivalents after taking account of the Council's agreed Council Tax Support Scheme, and</p> <p>B. the net Council Tax Base for 2025/26 calculated as Band D equivalents, is determined at 40,620 (2024/25: 39,241) after adjustment by 3% to allow for; irrecoverable amounts, appeals and property base changes.</p>
Reason for Recommendation	<i>To meet the legal requirements to set the Council tax base and publish it to between 1 December 2024 and 31 January 2025 to Surrey County Council and the Surrey Police Commissioner.</i>

1. Summary of the report

- 1.1 Section 67 of the Local Government Finance Act 1992 requires the Council to determine and approve its Council Tax Base for the following financial year before 31st January each year.
- 1.2 The Council is required to calculate the Council Tax Base for its area and has a statutory obligation to notify the figure to the major precepting authorities (Surrey County Council and the Surrey Police Authority) with the Council tax base no later than 31st January 2025.

2. Key issues

- 2.1 The Council Tax Base is one of the key elements of the calculation concerned with setting the Council Tax under the Local Authorities (Calculation of Council Tax Base) (England) Regulation 2012.
- 2.2 All domestic properties within the Borough are banded by the Valuation Officer in one of eight bands. The tax base calculation includes the estimated number of chargeable dwellings, which after allowing for discounts and exemptions, appeals and voids for each ward for the period to 31st March 2025 results in the number of chargeable properties. Chargeable properties are converted to a Band D equivalent by applying the prescribed formula and an allowance for losses on collection.
- 2.3 This report sets out the various factors which have to be taken into account and provides the calculations to arrive at the tax base for 2025/26
- 2.4 The 2025/26 Council Tax base is set out in Appendix A. The gross Council Tax Base for 2025/26 is determined at 41,875.9 (prior year 2024/25: 41,305) as Band D equivalents after taking account of the Council's agreed Council Tax Support Scheme, and the net Council Tax Base for 2025/26 calculated as Band D equivalents, is determined at 40,620 (2024/25: 39,241) after adjustment by 3% to allow for; irrecoverable amounts, appeals and property base changes. Year on year, the net council tax base has therefore increased by 1,379 Band equivalents or 3.5% (in large part due to the reduced provision for non-collection).
- 2.5 For Budget modelling purposes the Outline Budget assumes an increase in council tax in the years 2026-27 to 2028-29 of 1.5% this compares to figures provided by strategic planning which suggested approximately 1.7% per annum increases on average.
- 2.6 The allowance for non-collection for 2024-25 was 5% have been increased on a precautionary basis the allowance from previous provision of 3%. Collection performance this year has been better than anticipated, so it is proposed that we revert to a 3% collection rate. The Council will continue to seek to maximise the amount of council tax collected.

3. Financial implications

- 3.1 The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 which affects the calculation of the Council of the council tax base. These amendments gave powers to determine discounts and set premiums in certain circumstances.
- 3.2 Section 10 of the Local Government Finance Act 2012 imposes an obligation on Billing Authorities to set up a Council Tax Reduction Scheme to replace Council Tax Benefit from 1 April 2013. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 specify that the tax base must be adjusted to take account of the amount to be paid in accordance with the reduction scheme.
- 3.3 In arriving at a net base, allowance must be made for irrecoverable amounts, movements as a result of appeals and property base changes (new properties). For this purpose, an allowance of 5% is proposed.
- 3.4 The Council Tax Base for 2025/26 has been calculated in accordance with the prescribed guidelines.

4. Risk considerations

- 4.1 The Council will not be able to calculate its share of Council Tax for 2025/26 until the Corporate Policy & Resources Committee have exercised its delegated power and agreed the figures contained in appendix A.
- 4.2 Should a recommendation not be forthcoming until after 31 January 2025, then the Council will suffer severe reputational damage with its stakeholders, Surrey County Council and the Surrey Police Commissioner, as they will not be able to complete their 2025/26 Budgets and Council Tax setting protocols.

5. Procurement considerations

- 5.1 None

6. Legal considerations

- 6.1 On the basis that this decision is made by 31 January 2025, there are no legal implications.

7. Other considerations

- 7.1 None.

8. Equality and Diversity

- 8.1 None.

9. Sustainability/Climate Change Implications

- 9.1 None.

10. Timetable for implementation

- 10.1 9 December– Corporate Policy & Resources agree the 2025/26 Council Tax Base
- 10.2 By 31 January 2025, Spelthorne Borough Council advise Surrey County Council and the Surrey Police Commissioner of the Council Tax Base for 2025/26.

11. Contact

- 11.1 Paul Taylor p.taylor@speltorne.gov.uk

Background papers: There are none.

Appendices: Appendix A – Council Tax Base for 2025/26