

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.



Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	PR	
Relevant Group Head review		
MAT+ review (to have been circulated at least 5 working days before Stage 2)		
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments	OO	16/12/25
Risk comments		
Legal comments	LH	18/12/25
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	19/12/25
S151 Officer commentary – at least 5 working days before MAT	T.Collier	19/12/25
Confirm final report cleared by MAT		

Corporate Policy and Resources Committee

19 January 2026

Title	Confirmation of Local Council Tax Support Scheme for 2026-27 and determination of the 2026/27 Council Tax base
Purpose of the report	To make a decision and a recommendation to Council
Report Author	Terry Collier, Interim Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to recommend to Council that: A. The existing Council Tax Reduction Scheme is retained for 2026/27. B. In accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012 the Council Tax Base for 2026/27 calculated as Band D equivalents, is determined at 41,278.13 an increase of 1.62%. C. The estimated Council Tax surplus for 2025/26 is £6.478m, of which £0.614m relates to Spelthorne Council (£5.515m of the surplus is one-off and is due to an adjustment to the 2024/25 bad debt provision)
Reason for Recommendation	To meet the legal requirements to set the Council tax base and publish it between 1 December 2025 and 31 January 2026 and to notify Surrey County Council and the Surrey Police and Crime Commissioner.

1. Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">This report sets out the calculations to determine the Council Tax Base for 2026/27 and the estimated surplus or deficit on the Collection Fund at the end of 2025/26, including the respective shares notifiable to the precepting bodies.	<ul style="list-style-type: none">The tax base is an estimate of the number of equivalent band D chargeable dwellings within Spelthorne for the year ahead. This will be used in each preceptor's budget-setting process to determine the total amount of Council Tax each will expect to receive in the following year.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none">That the tax base (showing the estimated number of Band D equivalent dwellings within the Borough for the financial year 2026/27) be approved at 41,278.13.The estimated surplus on the collection fund for 2025/26 be declared at £6.478m to be split amongst precepting authorities as set out in the report, in accordance with the relevant statutory requirements.	<ul style="list-style-type: none">The Council is required to approve 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 and Crime Commissioner) with the Council tax base by no later than 31st January 2026

2. Key issues

- 2.1 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.
- 2.2 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 and Crime Commissioner) with the Council tax base by no later than 31st January 2026.
- 2.3 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 the Council Tax Base for 2026/27 calculated as Band D equivalents, is determined at 41,278.13 and increase of 1.62% compared to 2025/26 after an adjustment of 3% to allow for irrecoverable amounts, appeals and Council Tax base changes.
- 2.4 The declared surplus/deficit on the Council Tax Collection Fund balance is paid out/recoverable by the Collection Fund in full in the following financial year. The estimated balance as at 31st March 2026 on the Council Tax Collection Fund is a projected net surplus of £6.478m. The Council's overall share of this surplus is £0.614m, (£5.515m of the surplus is one-off and is due

to an adjustment to the 2024/25 bad debt provision). The component parts are set out in Table 4 below.

- 2.5 The Welfare Reform Act 2012 and Local Government Finance Act 2012 replaced the Council Tax Benefit scheme with a locally determined Council Tax Reduction Scheme (also known as a local Council Tax Support Scheme), which is effectively a type of Council Tax discount. The legislation requires the Council to approve a Scheme, including amendments to an existing scheme, by the end of January preceding the start of the financial year. The recommended Scheme for 2026/27 is unchanged from the Scheme agreed by Council for 2025/26.
- 2.6 Each year, the Government amends the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension-age Local Council Tax Support (LCTS) schemes are updated in line with changes in the wider benefits system. The annual update also provides an opportunity to ensure that the residency requirements for accessing both pension-age and working-age LCTS remain consistent with the UK's immigration policy. These updates will be incorporated into the Council's 2026/27 Scheme in accordance with the principles of the Council's original Local Scheme agreed following consultation in January 2026.
- 2.7 The Council is required to calculate a Council Tax Base for its area annually in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base (England)) Regulations 2012.
- 2.8 The Council Tax Base 2026/2027 must be calculated and notified to Major Precepting Authorities (Surrey County Council and the Surrey Police and Crime and Commissioner) by 31st January 2026.
- 2.9 The Tax Base for 2026/27 is calculated for the above purposes as being 41,278.13 (band D equivalent) properties – an increase of 1.62% on the 2025/26 Tax Base of 40,619.62

3. Local Council Tax Reduction Scheme (LCTRS)

- 3.1 The Local Government Finance Act 2012 replaced the Council Tax Benefit scheme with a new locally determined Local Council Tax Reduction Scheme (also known as a Local Council Tax Support Scheme) from April 2013. This is effectively now a Council Tax discount that reduces the Council Tax Base.
- 3.2 Each local authority is required to annually set a Local Council Tax Reduction Scheme for working age claimants. The Government continues to operate a statutory national scheme for pensioners, which provides them with broadly the same level of Council Tax Support as they received under the previous Council Tax Benefit scheme but has been adjusted by the Government since its introduction to incorporate a number of welfare reform initiatives.
- 3.3 The Local Council Tax Reduction Scheme was initially funded through a specific central government grant set at 90% of each local authority's Council Tax Benefit expenditure. Government funding since 2014/15 has been rolled into the Council's overall finance settlement and is no longer specifically identifiable

- 3.4 Pension age customers continue to be protected by the Government's default scheme of 100% support based on a financial means test.
- 3.5 It is recommended that the Council retains the Council Tax Reduction Scheme in 2026/27 as applied in 2025/26 to provide stability and certainty for low-income households, particularly in light of ongoing cost-of-living pressures. The current scheme is well-understood, operates effectively, and continues to support the Council's objectives of protecting vulnerable residents and reducing the risk of council tax arrears. Retaining the existing arrangements also avoids the financial and administrative costs associated with consultation and implementation of changes, while minimising the risk of unintended impacts on collection rates and household affordability.

4. Council Tax Base Calculation

- 4.1 The Council Tax Base is an estimate of the number of band D equivalent properties within the Billing Authority's (Spelthorne Borough Council's) area and is used by the Council and Major Precepting Authorities (the County and Police and Crime Commissioner) to determine how much Council Tax income is anticipated to be received and budgeted for in the financial year.
- 4.2 The Tax Base is calculated by taking the list of properties by tax band as supplied by the Valuation Office, (an executive agency of HM Revenue & Customs (HMRC)) as at 6th October 2025 then adjusting it for various factors to calculate a chargeable number of properties per tax band.
- 4.3 The factors adjusted for include:
- Properties which will be entirely exempt, so no tax is payable e.g. those occupied entirely by students;
 - Properties which will attract a 25% reduction e.g. those with a single adult occupier;
 - Properties which will attract a 50% reduction e.g. those where all the adult residents qualify for a reduction (certain Care Homes for example);
 - Properties which attract a 100% levy because they have been unoccupied and substantially unfurnished for more than 12 months and up to 5 years;
 - Properties which attract a 200% levy because they have been unoccupied and substantially unfurnished for more than 5 years and up to 10 years;
 - Properties which attract a 300% levy because they have been unoccupied and substantially unfurnished for 10 years or more;
 - Properties which attract a 100% levy because they are no one's sole or main residence and which are substantially unfurnished (from April 2025);
 - Properties which will be treated as being in a lower band because they have been adapted for a severely disabled person;
 - Properties which will be on the valuation list, but which attract discounts or disablement relief or are exempt, for only part of the year;
 - Properties which are in receipt of Local Council Tax Support;
 - Properties which are in receipt of a local discount.

- 4.4 The calculated chargeable number of properties per tax band is then converted into "band D equivalents" by applying the factors laid down by legislation. These are set out in Table 1 below:

Table 1. Council Tax Band Ratios

Band	AA	A	B	C	D	E	F	G	H
Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

- 4.5 For example, a band A property is multiplied by 6 and divided by 9 to arrive at the "band D equivalent" figure, whilst a band H property is multiplied by 18 and divided by 9 (equal to multiplying by 2). All of these are then added together to give a total of "band D equivalent" for the billing area.
- 4.6 Additions are then made to the tax base for estimates of newly built and occupied properties in 2026/27 and the final quarter of 2025/26. This estimate is based on past trends, properties that have not yet appeared on the valuation list, and planning estimates of housing growth. For 2025/26 a growth of 1.62% is estimated for the year.
- 4.7 The Council is then required to decide what its collection rate is likely to be and multiply its Tax Base by this percentage to give its Council Tax Base. A collection rate of 100% would assume 100% collection and thus a zero adjustment, whereas a collection rate of less than 100% allows for an element of non-collection and results in a reduction to the Council Tax Base.
- 4.8 The overall collection rate for 2026/27 is estimated at 97.00%. The Council will continue to seek to maximise the amount of council tax collected.
- 4.9 The total number of properties per council tax band as at 6th October 2025 are set out in Table 2 below.

Table 2. Properties per Council Tax Band

Band	% of Properties	Number of properties	Adjustments (Discounts, Premiums)	Net Properties	Ratio	Band D Equivalents (rounded to 1dp)
A(DR*)	0.0	1.00	0	1.00	5/9	0.6
A	0.9	358.75	(55)	303.29	6/9	202.2
B	3.7	1,504.50	(281)	1,223.15	7/9	951.3
C	21.8	8,842.00	(1,205)	7,637.13	8/9	6,788.6
D	34.5	14,012.25	(933)	13,079.66	9/9	13,079.7
E	23.0	9,352.25	(231)	9,121.34	11/9	11,148.3
F	10.8	4,402.75	(49)	4,402.75	13/9	6,288.5
G	5.1	2,066.50	(9)	2,057.02	15/9	3,428.4
H	0.3	109.50	0	109.50	18/9	219.0
O	0.0	-	0	-	-	27.0
Total	100.0	40,649.50	(2,764)	37,934.84		42,133.4

4.10 The Council Tax Base calculation is summarised in the following table:

Table 3 a) Council Tax Base 20026/27 calculation actual dwelling numbers

	Adjustments	Total
Total Number of Properties on the Valuation List as at 6 October 2025		44,875.00
Reductions for Discounts & Exemptions as at 6 October 2025	4,225.50	
Reductions for Council Tax Support Scheme* as at 6 October 2025	2,763.86	
Total Number of Net Chargeable Properties as at 6 October 2025		37,885.64

*The Council is required by Central Government to design a local council tax support scheme for pension age people and people of working age, albeit with certain limitations prescribed by Central Government through regulations, by 31 January 2025. The Council's local scheme is:

- a) Working age claimants will pay a minimum of 25% of their Council Tax
- b) People with disabilities will pay a minimum of 10% of their Council Tax
- c) Pensioners will continue to be protected

Table 3 b) Band D Equivalent Numbers

Band D Equivalent Properties as at 6 October 2025		42,133.44
Estimated New Build (band D equivalents) 2026/2027	421.33	
Reduction for non-collection of 3%	(1,276.64)	
2026/27 Council Tax Base (band D equivalents)		41,278.13

Table 3 c) Calculation of expected growth in Council Tax Base

Current 2025/26 Council Tax Base (Band D equivalents)	40,619.62
New 2026/27 Council Tax base (Band D equivalents)	41,278.13
An increase of	658.51 (1.62%)

Table 3 d) Impact on budgeted council tax income, of the changes to the Council tax Base

Council Tax Base (Band D Equivalents)	41,278.13		
Current 2526 Band D Charge	£228.86		
Expected 2627 Council Tax Income		£9,446,913	
Projected Council Tax Increase	2.90%		
Revised 2627 Band D Charge	£235.50		
Revised Expected 2627 Council Tax Income		£9,720,873	
Current 2526 Budget		£9,296,300	
Current Budget vs No Council Tax Increase			£150,613
Current Budget vs 2.9% Increase			£424,573

Council Tax Collection Fund Surplus/Deficit

- 4.11 Any difference between the level of Council Tax budgeted for (based on the estimated Council Tax Base) and the level of Council Tax income actually realised in year has no impact on the in-year General Fund revenue position but is retained within the Collection Fund.
- 4.12 An estimate of the surplus or deficit on the Council Tax Collection Fund must be made, by law, on or before 15th January 2026. Council Tax surplus or deficits must be credited or charged to Spelthorne Borough Council, Surrey County Council and the Surrey Police and Crime Commissioner. in proportion to their precepts and will be taken into account in setting the 2026/27 Revenue Budget and Council Tax levels.

- 4.13 The estimated balance on the Council Tax Collection Fund as at 31st March 2026, in January 2026, is a net surplus of £6.478m, comprising:
- A residual surplus balance brought forward from 2024/25 totalling £5.515m which is primarily due to the 2024/25 adjustment to the Allowance for Impairments for Doubtful Debts (Bad Debt Provision) that was required at the end of the financial year being lower than was forecast in January 2025 when the 2024/25 Council Tax Collection Fund Balance estimate was made;
 - An in-year net surplus balance totalling £0.963m which primarily relates increased in year growth.
- 4.14 Any declared surplus/deficit is paid out/recoverable by the Collection Fund in full in the following financial year based on the January estimate. The shares of this balance are set out in the following table:

Table 4. Council Tax Collection Fund Estimated Balance as at 31st March 2026

	Share of Overall Estimated Net (Surplus)/Deficit (£m)
Spelthorne Borough Council	614
Surrey County Council	4,957
Surrey Police and Crime Commissioner	906
Total	6,478

5. Financial implications

- 5.1 The increase in the Council Tax Base of 658.51 average band D properties equates to an increase in Council Tax income of £0.425m based on the 2025/26 Council Tax charge of £228.86 for a band D property.
- 5.2 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.
- 5.3 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 3% is proposed.
- 5.4 The Council Tax Base for 2026/27 has been calculated in accordance with the prescribed guidelines.

6. Risk considerations

- 6.1 There are several key variables in setting the Council Tax Base which have the potential to change; these are set out below.
- 6.2 Eligibility for discounts and exemptions is factored into the calculated Tax Base. These include student discounts, single person discount and the Council Tax Reduction Scheme – the latter being particularly prone to change dependent upon employment status of working age benefit claimants. Although numbers have now returned near to pre pandemic levels, there remains much uncertainty as to the potential impact of the cost of living crisis on the economy. Therefore, future fluctuations in caseload/claimant levels cannot be ruled out.
- 6.3 The Tax Base includes forecast growth in the number of properties subject to a Council Tax liability. Whilst this is based on historic growth levels achieved and known planned development, it remains an estimate and is sensitive to changes in the economy and house building market. The growth factor is also subject to assumptions regarding the band of property completed and also the status of the occupier(s) and their eligibility for discounts (e.g. single person), exemptions, and Local Council Tax Support. Any significant variation regarding collection rates has the potential to impact on the level of bad debt provision required and would impact on overall collection levels and any projected surplus or deficit.
- 6.4 In setting the Council Tax Base for 2026/27, statutory regulations prevent the net amount credited to the Council's General Fund from being different in 2026/27 to that originally estimated (and applies to precepting bodies in the same way). Any variance would however impact on future years.
- 6.7 The Collection Fund balance as at 31st March 2026 is required to be estimated by 15th January 2026. The assumptions made within this calculation are therefore subject to change by 31st March 2026. This risk of non-collection remains high, due to the ongoing cost of living crisis. This impacts on Council Tax collection rates and therefore there is increased uncertainty on future projections.

7. Legal considerations

- 7.1 In preparing the Council Tax Base calculations for 2026/27 the Council must comply with the Local Authorities (Calculation of Council Tax Base) Regulations 2012. The Council is also required to comply with the requirement under the Local Government Finance Act 1992 (as amended).
- 7.2 The Council has a statutory duty to set a balanced budget each year, and setting the Council Tax Base is a critical step in the process.
- 7.3 Article 4, para 4.1(b) of the Council's Constitution confirms that approval of the Council Tax Base is a function of full Council.

Corporate implications

8. S151 Officer comments

- 8.1 The Section 151 Officer confirms that all relevant financial considerations and requirements have been taken into account in calculating the taxbase figure to feed into the 2026-27 Budget

9. Monitoring Officer comments

The Monitoring Officer confirms that the relevant legal implications have been considered.

10. Procurement comments

10.1 None

11. Other considerations

11.1 None.

12. Equality and Diversity

12.1 None.

13. Sustainability/Climate Change Implications

13.1 None.

14. Timetable for implementation

14.1 By 31 January 2026, Spelthorne Borough Council advise Surrey County Council and the Surrey Police Commissioner of the Council Tax Base for 2026/27.

15. Contact

15.1 Terry Collier T.Collier@spelthorne.gov.uk

Background papers: There are none.

Appendices: Appendix A – Council Tax Base for 2026/27