

SUBJECT: COUNCIL TAX BASE 2025/26

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: MARTIN WALMSLEY, ASSISTANT DIRECTOR – SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 The purpose of this report is to seek Executives' recommendation of the Council Tax Base for the financial year 2025/26.

2. Executive Summary

- 2.1 This report is submitted to the Executive each year and sets out the calculation of the Council Tax Base for the following financial year.

3. Background

- 3.1 The Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) require the Council to formally set its Tax Base as the first stage of the Council Tax setting process.

4. Special Items

- 4.1 Before setting the Council Tax Base, the issue of any special items relating to a part of the Council's area must be considered. If there are any items of expenditure that relate to one part of the local authority area, then that expenditure can be levied on those residents in that area and not on others.
- 4.2 There are no items of special expenditure.

5. Council Tax Base / Long-Term Empty Definition Change

- 5.1 Certain assumptions have to be made in order to determine the number of dwellings within the Authority's area, and these are set out in Appendix A.
- 5.2 The calculation of the Council Tax Base, detailed in Appendix B, is based upon the number of dwellings on the Valuation List, provided by the Government's Valuation Office. The figures are adjusted for exempt dwellings and for dwellings subject to disabled reduction. The number of chargeable dwellings in each band is further adjusted for discounts, exemptions, premiums, and Council Tax Support. The resultant figure is the total equivalent number of dwellings which are then converted using ratios into the number of Band D equivalents. For 2025/26, the equivalent number of Band D properties is calculated at 26,161.52.
- 5.3 The Council Tax Base is finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which has been assumed at 98.25% for 2025/26. This is the estimate of the percentage of the 2025/26 Council Tax set which will be collected in total, and not the expected in-year

collection rate in 2025/26. In addition, a final adjustment in respect of Crown properties is made. This results in a proposed Council Tax base for 2025/26 of 25,764.25.

- 5.4 Section 77 of The Levelling-up and Regeneration Act 2023 provides a discretionary provision to the Local Authority to raise a Council Tax premium of no more than 100% on second homes. 'Second homes' are not defined with the Council Tax legislation and the properties that are the subject of the premium are dwellings where;
- a. There is no resident of the dwelling, and
 - b. The dwelling is substantially furnished.

A list of exceptions has also now been provided by Central Government.

A resident in relation to the dwelling means an individual who has their sole or main residence in the dwelling.

Full Council approved (in February 2024) to introduce this premium for City of Lincoln Council from 1st April 2025 (as 12 months' notice to existing owners of second homes was required).

An estimate of the impact of this premium has been included in the calculation of the proposed 2025/26 Council Tax Base.

6. Strategic Priorities

- 6.1 There are no direct implications for the Council's Strategic Priorities arising as a result of this report.

7. Organisational Impacts

7.1 Financial

The Council must confirm its Council Tax Base as a pre-requisite to setting the Council Tax charge for 2025/26.

7.2 Legal Implications

The Local Government Finance Act 1992 and Statutory Instrument No 1992/612 – Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) set out the requirement for the Council to confirm and formally approve its Council Tax Base and notify it to its precepting bodies. The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 provide for Councils to make technical changes to certain discounts from April 2013.

7.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

8. Risk Implications

- 8.1 The key risk associated to this report are financial, in terms of the accuracy of the forecasted Council Tax Base. Any variance between the Base and the final Council Tax liability in 2025/26 will result in the declaration of either a surplus or deficit on the Collection Fund.

9. Recommendations

- 9.1 Executive is asked to recommend to Council that it:
- a) Notes that there are no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area;
 - b) Approves the Chief Finance Officers' calculation of the Council Tax Base for the financial year commencing 1st April 2025 and ending 31st March 2026, as set out in Appendix B of this report;
 - c) Approves, in accordance with the Chief Finance Officers' calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2025/26 financial year is 25,764.25.

Key Decision Yes

Do the Exempt Information Categories Apply No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? Yes

If Yes, how many Appendices? Two

List of Background Papers: None

Lead Officer: Martin Walmsley, Assistant Director – Shared Revenues and Benefits
Martin.walmsley@lincoln.gov.uk