

66. Council Tax Base 2025/26

Purpose of Report

To seek the Executive's recommendation to the City Council of the Council Tax Base for the financial year 2025/26.

Decision

That it be recommended to the Council that:

- a) It be noted that there were 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) The Chief Finance Officer's calculation of the Council Tax Base for the financial year commencing 1 April 2025 and ending 31 March 2026, as set out in Appendix B of the officer's report be approved;
- c) In accordance with the Chief Finance Officer's 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 be 25,764.25.

Alternative Options Considered and Rejected

None. The Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) required the Council to formally set its Tax Base as the first stage of the Council Tax setting process.

Reasons for the Decision

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 were any items of expenditure that related to one part of the local authority area, then that expenditure could be levied on those residents in that area and not on others. There were no items of special expenditure for the 2025/26 financial year.

The calculation of the Council Tax Base, was based upon the number of dwellings on the Valuation List, provided by the Government's Valuation Office. The figures were adjusted for exempt dwellings and for dwellings subject to disabled reduction. The number of chargeable dwellings in each band was further adjusted for discounts, exemptions, premiums, and Council Tax Support. The resultant figure was the total equivalent number of dwellings which were then converted using ratios into the number of Band D equivalents. For 2025/26, the equivalent number of Band D properties was calculated at 26,161.52.

The Council Tax Base was finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which had been assumed at 98.25% for 2025/26. This was the estimate of the percentage of the 2025/26 Council Tax set which would 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 was made. This resulted in a proposed Council Tax base for 2025/26 of 25,764.25.

Section 77 of The Levelling-Up and Regeneration Act 2023 provided a discretionary provision to the Local Authority to raise a Council Tax premium of no more than 100% on second homes. 'Second homes' were not defined with the Council Tax legislation and the properties that were the subject of a premium were dwellings where:

- a. There was no resident of the dwelling, and
- b. The dwelling was substantially furnished.

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

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

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

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