



Report to Cabinet

Date:	2 nd January 2025
Title:	Council Tax 2025/26 - Base Setting & Estimated Surplus
Cabinet Member(s):	John Chilver, Cabinet Member for Accessible Housing and Resources
Contact officer:	David Skinner, Service Director – Finance & S151 Officer
Ward(s) affected:	All
Recommendations:	<p>Members are requested to:</p> <ul style="list-style-type: none">(i) Approve the Buckinghamshire Council Tax Base for the year 2025/26 as 233,267.79.(ii) Approve the Buckinghamshire Council's collection rate for the year 2025/26 is 98.4%.(iii) Approve the estimated surplus as at 31 March 2025 in relation to Council Tax of £8.3m and shared between the Council, Thames Valley Police and Buckinghamshire Fire & Rescue Service as detailed in section 4.
Reason for recommendation:	<p>The Local Government Finance Act (LGFA) 1992, as amended by the LGFA 2003 & LGFA 2012, requires the Authority to formally calculate the Council Tax Base for 2025/26 and inform its preceptors and parishes by 31 January 2025.</p> <p>To advise members of the estimated Council Tax surplus as at 31 March 2025 for distribution to precepting bodies.</p>

1. Executive summary

- 1.1 In 2025/26, the tax base for the year is 233,267.79 which is 0.91% higher than 2024/25.
- 1.2 The Collection Rate remains unchanged at 98.4%.
- 1.3 Estimated Council Tax surplus is £8,266,617 as detailed in section 4.

2. Background

- 2.1 The Local Authorities Calculation of Council Tax Base (England) Regulations 2012 prescribe rules for the calculation of the Council Tax base.
- 2.2 On an annual basis, all local authorities are required to calculate a Council Tax Base which is used to set the level of Council Tax. The process is governed by the Local Authorities' (Calculation of Tax Base) Regulations 1992.

3. Methodology

- 3.1 The tax base is set having regard to:
 - a) The Valuation List;
 - b) Current exemptions, reductions and discounts;
 - c) Anticipated developments that may occur during the year;
 - d) Expected long term collection rate;
 - e) Discretionary relief; and
 - f) Local discounts and premiums arising from the Council Tax Reduction Scheme.
- 3.2 The basic methodology for calculating the tax base is as follows:
 - a) Calculations are made of the 'relevant amount' for the year in respect of the valuation bands shown in the Council's Valuation List as at the end of October. For each band, this amount represents the estimated full year equivalent number of chargeable dwellings listed in the band after taking into account the impact of disabled band reductions and discounts.
 - b) The 'relevant amounts' for each band are then aggregated and expressed as an equivalent number of band D dwellings.
 - c) The Council then multiplies this aggregate of all relevant amounts by the estimated collection rate for the year. The resulting figure is the Council Tax Base for the year
 - d) The rules for calculating the Council Tax Base for any part of a Council's area (e.g. a parish, or that part of its area to which a levy or special levy relates) are the same as the rules for calculating the Council Tax Base for the whole of its area for that year, and the same estimated collection rate must be used.
- 3.3 Local discounts and premiums arising from the Council Tax Support Scheme and Council Tax Reforms brought in from 1 April 2014 have been taken into account in the tax base

calculation. The calculation is based on the current position in terms of numbers on the Council Tax Reduction Scheme (CTR).

- 3.4 The result of this calculation for each band and each part of the area is then scaled to a Band D equivalent by reference to the ratios laid down in Section 5 of the 1992 Act and summarised below.

Band	A	B	C	D	E	F	G	H
Weighting	6/9	7/9	8/9	1	11/9	13/9	15/9	2

- 3.5 The estimate of the collection rate is the main area over which the Council has any discretion. Recommendation 2 seeks approval for an estimated collection rate of 98.4% which is same as last year and has been estimated by reference to past experience of Council Tax collection, including the current observable conditions.

4. Estimated Surplus/Deficit

- 4.1 The Local Government Finance Act 1992 requires the Council as the billing authority to calculate an estimated surplus on the Collection Fund as at 31 March in respect of Council Tax prior to 15 January. This will enable the precepting authorities to consider their share of any surplus before finalising their precepts for 2025/26.
- 4.2 The Council Tax is fixed prior to the start of a financial year. Any variations from this realised through the Collection Fund in year are distributed in the following two financial years (based on estimates in the following year and actuals in the subsequent year).
- 4.3 The estimated surplus as at 31 March 2025 is £8.3m. The table below provides the breakdown of surplus to be shared in accordance with current regulations. This has been generated mainly due to improved collection rate compared to the estimated collection rate since 2022/2023. The collection rate has been increased from 98.2% in 2022/23 to 98.4% in 2025/26 which now reflects the historic performance.

Share of estimated surplus calculation	2024/25 Precept £	Share of Surplus £
The Council	447,850,054	7,005,576
Thames Valley Police Authority	62,247,250	973,714
Buckinghamshire Fire and Rescue Service	18,368,117	287,327
Total		8,266,617

5. Other options considered

- 5.1 The Council has discretion over setting the collection rate. Setting a higher rate would increase revenue. Any potential deficit created by the collection rate falling below the rate can be managed in future years. Changing the assumption around the collection rate would also impact on the receipts of major preceptors.

6. Legal and financial implications

- 6.1 **Legal** - The Council has a statutory duty to set the Council Tax base for each year and this report is part of this process. Section 31B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, imposes a duty on the Council, as a billing authority, to calculate its Council Tax by applying a formula laid down in that Section.
- 6.2 The Local Government Finance Act 1992 requires the Council to determine the estimated surplus or deficit on the Collection Fund as at 31 March in respect of Council Tax prior to 15 January preceding the financial year for which budget calculations are to be made.
- 6.3 **Financial Implications** - The proposed council tax base for 2025/26 is 233,267.79 and will form part of the overall calculation of the Council's budget and determines the Council Tax income available to fund the Council's Services. There is a risk that should the actual Tax Base and Collection Rate may be more or less than the budgeted figures and this will have favourable or adverse impact respectively in subsequent years.
- 6.4 Projected growth in property numbers and implementation of the empty homes premium after one year, as approved by Council in February 2024, will deliver 2,706 or 1.2% growth in the Band D equivalent in line with previous MTFP assumptions. Demand for the Council Tax Reduction Scheme has increased at a faster rate than the overall taxbase, accounting for a 645 or 0.3% adverse movement from previous projections. Taking account of minor movements in other elements of the taxbase, the position equates to year-on-year growth of 2,106 Band D equivalents or 0.9%.

	2024/25	2025/26	Movement	
Gross Taxbase	266,480.08	269,185.93	2,705.85	1.2%
Total Discounts	-16,884.00	-16,807.00	77.00	0.0%
Council Tax Reduction	-14,734.00	-15,379.00	-645.00	-0.3%
Net Taxbase	234,862.08	236,999.93	2,137.85	0.9%
Non-Collection	0.98	0.98	-31.87	0.0%
	-3,700.27	-3,732.14		
Final Taxbase	231,161.81	233,267.79	2,105.98	0.9%

- 6.5 The estimated surplus of £8.3m on Council Tax collection will be distributed to precepting bodies during 2025/26 with precept payments. In the event that the anticipated rate of collection of Council Tax is not achieved, the Collection Fund could

fall into deficit. The position cannot be rectified until the following financial year when each of the precepting authorities would be required to take this adjustment into account when determining their precepts for the following financial year.

7. Corporate implications

7.1 Agreeing the tax base allows the Council to set council tax levels which is an integral part of the Council's budget process. Council Tax revenue is an essential part of the Council's overall budget and helps to support corporate priorities.

8. Local councillors & community boards consultation & views

8.1 Not applicable

9. Communication, engagement & further consultation

9.1 The tax base will be provided to other preceptors (e.g. Parishes, Fire Authority).

10. Next steps and review

10.1 N/A

11. Background papers

11.1 Appendix 1: Council Tax Base of each of the parts of Buckinghamshire.

12. Your questions and views

If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team by 30 December 2024 at 5pm. This can be done by email to democracy@buckinghamshire.gov.uk.