

**Meeting:** Council

**Date:** 5 December 2024

**Wards Affected:** All Wards

**Report Title:** Council Tax Base 2025/26

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?**

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## **1. Purpose of Report**

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2025/26 during the period 1 December 2024 to 31 January 2025 and the level of Council Tax subsequently set must use this base figure. The Tax Base calculation is provided in Appendix 1.
- 1.2 The Council, as a billing authority, is required to calculate a separate Tax Base for the Brixham Town Council area. A Tax Base calculation for the area is provided in Appendix 2.

## **2. Reason for Proposal and its benefits**

- 2.1 The calculation of the Council Tax Base for both Torbay and Brixham Town Council is a statutory requirement in the annual budget setting process.

For more detailed information on this proposal please refer to the supporting information.

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## **3. Recommendation(s) / Proposed Decision**

- 3.1 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its Council Tax base for the year 2025/26 is 49,254.24 as detailed in Appendix 1
- 3.2 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2025/26 is 6,670.18 as detailed in Appendix 2.

**3.3** That, from April 2025 the Council adopts a 100% Council Tax premium in respect of second homes as agreed at Council on 8<sup>th</sup> December 2022.

## **Appendices**

Appendix 1	The calculation of Torbay Council Tax Base 2025/26
Appendix 2	The calculation of Brixham Town Council Tax Base 2025/26

## Supporting Information

### 1. Position

#### Taxbase

- 1.1 The Council is required by the 31<sup>st</sup> January to establish a base figure for the purpose of setting the level of Council Tax each year – the “Tax Base”. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.2 The Regulations require this calculation to be made between 1<sup>st</sup> December 2024 and 31<sup>st</sup> January 2025 and for this figure to be notified to precepting authorities by the 31<sup>st</sup> January 2025. For the year commencing 1<sup>st</sup> April 2025 these will be the major precepting authorities of Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and as a local precepting authority, Brixham Town Council.
- 1.3 Torbay Council, together with Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and Brixham Town Council are required to use the tax base calculated by Torbay Council, as the billing authority, to determine their basic amounts of Council Tax for 2025/26.
- 1.4 The calculation of the tax base is prescribed by statute. It reflects the aggregate of the “relevant amounts” for each valuation band (including the impact from Council Tax Support Scheme) multiplied by the anticipated collection rate for the year. The calculation for the Council’s tax base is detailed in Appendix 1 and the calculation for Brixham Town Council is detailed in Appendix 2.
- 1.5 The calculation of the relevant amount begins with the actual number of dwellings on the “relevant date”. For 2025/26 this is the 30<sup>th</sup> November 2024 and this is the date that must be used. This number is adjusted to make allowance for estimated variations to the list in the course of the year and for the impact of allowed discounts to certain classes of dwellings.
- 1.6 The impact of the Council Tax Support Scheme including the impact of the exceptional hardship scheme, which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band.
- 1.7 These are then converted into Band “D” equivalents to produce the “relevant” amounts prescribed by the Regulations.
- 1.8 The billing authority then estimates its Council Tax collection rate, which is the percentage of 2025/26 Council Tax demands which it predicts will be paid into the Collection Fund during 2025/26. The in-year Collection rate estimated for 2025/26 is 96% and this is reflected in the Tax Base calculation. If the in-year collection rate exceeds 96%, any tax collected for the billing year 2025/26 and prior years will be reflected in the annual Collection Fund surplus.

- 1.9 As mitigation to the risks around the economic impact on the Council's Council Tax collection rates the Council will continue to allocate a contingency in its budget equal to 1% of collection. If required, this contingency can be used to fund the Council's share of any collection fund deficit lower than a 96% in year collection rate.
- 1.10 The Council's calculated tax base for 2025/26 of 49,254.24 is a 3.9% increase on the 2024/25 tax base figure of 47,374.08
- 1.11 For the calculation of the Council Tax due to Brixham Town Council a Tax Base must be determined by Torbay Council, as the billing authority. The tax base for Brixham Town Council is detailed in Appendix 2.
- 1.12 The Brixham Town Council calculated tax base for 2025/26 of 6,670.18 is a 6.7% increase on the 2024/25 tax base figure of 6,251.14

## **2 Technical Adjustments**

- 2.1 The taxbase will reflect the approved 2025/26 Council Tax Support Scheme.
- 2.2 Firstly if a dwelling meets the definition of a "dwelling occupied periodically", (a second home), the amount of council tax payable on that dwelling can be increased up to 100% from 2025/26. The conditions are that "there is no resident for that dwelling" and the "dwelling is substantially furnished".
- 2.3 As per the legislation, the Council confirmed its intention to adopt this change from 2025/26 at the meeting of Full Council on 8<sup>th</sup> December 2022. Recommendation 3.3 proposes to implement this change meaning that 100% Council Tax will be payable on a "dwelling occupied periodically" (a second home), with effect from 1<sup>st</sup> April 2025.
- 2.4 Secondly with effect from 2024/25, the 100% premium for long-term empty dwellings can be chargeable after one year, rather than the current two years. The Council implemented this change with effect from 1<sup>st</sup> April 2024, with a 100% Council Tax premium being payable in respect of empty premises that have been left unoccupied and substantially unfurnished for a period of between 1 and 2 years
- 2.5 The two proposals are intended to support the housing needs and housing issues within an area. The financial implications of the changes will be included in the annual budget setting process.

## **3. Possibilities and Options**

- 3.1 The taxbase has to be set by end of January 2025. The Council meeting on 5 December 2024 is the only Council meeting scheduled for this period therefore the taxbase is being presented for approval at that meeting.

## **4. Fair Decision Making**

- 4.1 Not applicable

## **5. Public Services (Social Value) Act 2012**

5.1 Not applicable

**6. Risks**

6.1 If a taxbase is not approved by end of January 2025 then the Council is unable to set a budget, and this will impact on other precepting bodies.