

Appendix 7 Council Taxbase Report 2025/26

Haringey Council

Written Statement/Record of a decision made by an officer under delegated authority

Decision Maker (Post Title)	Director of Finance and Section 151 Officer
Subject of the decision	2025-26 Council Tax Base Report
Date of decision	16 January
Decision	<p>I approve the recommendation as set out in the attached report:</p> <p>That, the council tax base for 2025-26 is set at 82,589 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and</p> <p>That the assumed collection rate is set at 95.75% for 2025-26.</p>
Reasons for the decision	<p>The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the S151 officer in consultation with the cabinet member for Finance.</p> <p>Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It represents a measure of the taxable capacity of the Council and when multiplied by the band D council tax rate indicates the Council's tax generating potential for that year.</p>
Details of any alternative options considered and rejected by the officer when making the decision	No alternatives were considered as this is a requirement of a Statutory Instrument.
<u>Conflicts of interest – Executive decisions</u> Details of any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and details of dispensation granted by the Council's Head of Paid Service	None
<u>Conflicts of interest – Non executive decisions</u> Where the decision is taken under an express delegation e.g. by a Committee, the name of any Member who declared a conflict of interest in relation to this matter at the committee meeting,	N/A

<p>Title of any document(s), including reports, considered by the officer and relevant to the above decision or where only part of the report is relevant to the above decision, that part)</p> <p>These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information</p>	<p>2025-26 Provisional Local government finance settlement report including the 2025-26 council tax report that sets the referendum principle.</p> <p>Consultation: provisional local government finance settlement 2024 to 2025 - GOV.UK (www.gov.uk)</p>
<p>Reasons for exemption with reference to categories of exemption specified overleaf, or</p> <p>Reason why decision is confidential (see overleaf)</p> <p>Note: decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.</p>	<p>N/A</p>
<p>Communicating your decision: Who needs to know about this decision and is a plan in place to tell them? (officers in your department, in other departments where necessary, members, external stakeholders).</p>	<p>In accordance with the Council's constitution, the Cabinet Member for Finance has been consulted on the contents of this report.</p>
<p>Signature of Decision Maker</p>	
<p>Name of Decision Maker</p>	<p>Taryn Eves, Director of Finance and Section 151 Officer</p>
<p>Does the decision need to be published?</p> <p>Yes <input checked="checked" type="checkbox"/></p> <p>No <input type="checkbox"/></p>	

Title: Council Tax base for 2025/26

Report

authorised by: Taryn Eves, Director of Finance and Section 151 Officer

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All

Report for Key/

Non-Key Decision: Key decision

1. Describe the issue under consideration

- 1.1. This report sets out the recommended Council Tax Base for 2025/26. Regulations require the council tax base to be set by 31st January each year.

2. Introduction

- 2.1. The determination of the council tax base is an important element of the Council's budget setting process. This is because, it is the estimated base that is multiplied by the average council tax amount to derive the amount of council tax precept that the Council will budget for in 2025/26.
- 2.2. The increase in properties coming into rating over the last year was 380 compared to over 1000 the previous year. Insight from the planning and regeneration services has previously suggested year on year growth of 900-1000 new properties. Haringey continues to build new homes across the borough at these levels, with records from planning showing 1,100 completions in 2023/24. Further work will be undertaken to better understand why these properties are not transpiring to increases on the rating list. Considering this, a more prudent growth assumption of 350 is proposed for 2025/26. As 80% of properties in the Borough are within Bands A – D, the modelling assumes that any new properties coming into rating through the year will also be within one of these categories.
- 2.3. The number of discounts applied continues to fall, largely due to the continued review of single person discount entitlement. Furthermore, the Council has elected to apply the maximum premiums to empty homes which over the last year has seen an increase of c. 300.
- 2.4. Analysis of the numbers claiming under the Council Tax Reduction Scheme (CTRS) shows that pension claimants have increased however working age claimants have continued to reduce. This may in part be due to the continued move in claimants to Universal Credit for benefits. Although the economic situation remains volatile, unemployment rates are forecast to remain at c.4.5% across the forthcoming year and therefore it seems reasonable to assume the level of CTRS claimants remains in line with the current year.
- 2.5. Taking all of the above into consideration, an 1847 increase in the Taxbase before allowance for collection rate is forecast.

- 2.6. The other key element of the council tax base calculation is the projected collection rate. The collection rate was increased to 97% for 2024/25 as the Council continued to transition back to pre-COVID rates. At November 2024 collection was 4.5% down against the profile. This collection rate is similar to nearest neighbouring boroughs. In the light of the in year forecast, it is proposed to reduce the assumed collection rate down to 95.75% for 2025/26.
- 2.7. In summary, after taking all of the above into consideration, a final Taxbase for 2025/26 should be set as 82,589 equating to an increased yield of £1.227m compared to the last financial year. This represents a 0.85% increase in taxbase compared to 2024/25. This is smaller than previously assumed as the reduction in collection rate is offsetting the reduction in CTRS working age claimant numbers.

3. Recommendations

3.1. That:

- the London Borough of Haringey's council tax base is **82,589** for the year 2025/26 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, detailed in Statutory Instrument 2012:2914 which came into force on 30th November 2012.
- the assumed collection rate will be **95.75%** for 2025/26.

4. Reason for Decision

- 4.1. The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the Section 151 Officer in consultation with the Cabinet Member for Finance and Local Investment.
- 4.2. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It is the estimate of the taxable capacity of the Council, and when multiplied by the band D council tax rate, determines the Council Tax precept for next year.

5. Alternative options considered

- 5.1. No alternatives were considered as this is a statutory requirement.

6. Background information

- 6.1. The Council as Billing Authority is required to calculate the tax base for the Borough in order for it to calculate its own council tax and is also required to notify this figure by 31st January each year to any major precepting authority (the Greater London Authority) as well as the levying bodies (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority and London Pension Fund Authority) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.

- 6.2. The calculation of the council tax base is prescribed by regulations. It is the aggregate of estimated number of properties in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions which are likely to apply and any estimated increase / decrease in the list in the forthcoming year. The Council levies council tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D; these proportions are set out in statute. Finally, the council must estimate its rate of council tax collection for the year and apply this figure to arrive at the council tax base figure.
- 6.3. The calculation below sets the tax base and not the council tax amount itself which is due to be set on 3rd March 2025 at Full Council.

7. Calculation of the Billing Authority's Council Tax base

- 7.1. The calculation is in two parts; 'A' (the Relevant Amount), which is the calculation of the estimated adjusted band D properties, and 'B', the estimated level of collection.

Relevant Amount

- 7.2. The calculation of 'A' – the relevant amount for each band is complex and includes several calculations which are shown in detail in Appendices 1 & 2. The resultant relevant number of properties per band is summarised in the table below:

Band	Relevant Amount (i.e. Number of Dwellings)
A	2,916
B	9,530
C	23,423
D	22,361
E	11,821
F	7,121
G	7,611
H	1,470
TOTAL	86,255

*Relevant amounts have been rounded for presentation purposes

Collection Rate

- 7.3. The collection rate (B) is the council's estimate of the proportion of the overall council tax collectable for the year that will ultimately be collected. This is expressed as a percentage.
- 7.4. In arriving at a decision on the collection rate a number of factors need to be taken into account which includes:
- Internal systems and processes involved in the billing and collection process
 - Appeals against valuation

- The mobility of the local population, particularly in the private rented sector
- The level and timeliness of information available when properties are sold, or let *and*
- The customer's ability to pay

7.5. For 2025/26, the collection rate is forecast at 95.75% a reduction of 1.25% compared to 2024/25.

Council Tax Base

7.6. The tax base is calculated by applying the following formula:

$$A \times B = T$$

Where:

A is the total amount of the relevant amounts for that year

B is the authority's estimate of its collection rate for that year.

T is the calculated tax base for that year

7.7. In accordance with the requirements of the regulations and following the calculations in Appendix 1 to this report and above, the calculation of the Council Tax Base (T) for the London Borough of Haringey in 2025/26 is as follows:

2025/26	
Total Amount of Relevant (A)	86,255
X	
Collection Rate (B)	95.75%
Council Tax Base (T)	82,589

8. Contribution to Strategic Outcomes

8.1. The calculation of the council tax base is prescribed in law. Whilst the council tax base may have some impact on the Council's ability to generate revenue and therefore assist with delivery of corporate goals, the Council needs to adhere to the prescribed technical calculation set out by law in deriving its council tax base.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Chief Finance Officer's Comments

9.1. The council tax base set out in this report and any projected surplus/deficit on the council tax collection fund as of 31 March 2025 will be used to budget the council tax receivable for 2025/26 that will be included in the final Budget recommended to Full Council on 3rd March 2025.

Assistant Director of Corporate Governance's Comments

- 9.2. The Head of Legal and Governance has been consulted in the preparation of this report and makes the following comments.
- 9.3. Pursuant to the Council's Constitution at Part Two – Articles of the Constitution - Article 4, paragraph 4.01(b) the decision on setting the council tax is delegated by Full Council to the s151 officer in consultation with CAB and the Cabinet Member for Finance.

Pursuant to the Local Government Finance Act 1992 (the Act) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (the Regulations), the Council is required to calculate its council tax base by the 31st January in calculating the council tax amount due in the following financial year and to also notify all precepting/levying bodies of its council tax base.

- 9.4. In light of the above, coupled with (1) the assurance given at paragraph 7.7 above that the calculation has been conducted in accordance with the requirements under the Act and the Regulations, and (2) the equality comments below, there is no legal reason why the Director of Finance and Section 151 Officer cannot adopt the Recommendations contained in this report.

9.5. Equality Comments

- 9.6. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 9.7. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 9.8. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2025/26. The Council as Billing Authority has a statutory duty to calculate the tax base for the borough and notify this figure to the relevant authorities annually on January 31st. Forecast calculations have been modelled using data gathered from previous years and information on new properties in the borough. There are no known equalities implications arising from this decision.

10. Use of Appendices

10.1. Appendix 1 – Calculation of the estimated adjusted band D properties for the London Borough Haringey 2025/26.

11. Local Government (Access to Information) Act 1985

11.1. None.

Calculation of the Billing Authority's Tax Base

- 1 Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (S.I. 1992 No.612) and amended by (S.I. 2012 No. 2914) states that a Billing Authority's Council Tax Base for a financial year shall be calculated by applying the formula –

'A' x 'B'

Where 'A' is the total of the relevant amounts for each of the Valuation Bands which are shown or likely to be shown in the Authority's Valuation list as at 30 November in the year prior to the year in question, adjusted for estimated discounts, exemptions, disregards, increases / decreases; and where 'B' is the Authority's estimate of its collection rate for that year.

- 2 The Regulations state that item '**A**' should be calculated by applying the following formula:

$((H - Q + E + J) - Z (F / G))$ where

H is the number of chargeable dwellings in that band

Q is a factor to take account of the discounts of council tax payable. It is calculated as $Q = (R \times S)$

R is the number of discounts estimated to be payable in respect of these dwellings

S is the percentage relating to each discount classification

E is a factor to take account of any premiums to be added to the Council tax base

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums calculated by the authority in accordance with paragraph 7 due to factors such as:

- (a) New properties and properties being banded
- (b) Variations in number of exempt properties
- (c) Successful Appeal against bandings
- (d) Variations in the number of discounts

Z is the total amount that the authority estimates will be applied in relation to the authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.

F is the relevant prescribed proportion of council tax to be paid for each dwelling in that band.

G is the relevant prescribed proportion of council tax to be paid for Band D

3 The calculations for **A** for the London Borough of Haringey and the summary is set out below: -

Calculation Item	Disabled Band A	A	B	C	D	E	F	G	H	2025/26 Total
H	3	7,263	18,916	35,424	28,037	11,535	5,487	4,774	747	112,186
Q	0	-1,050	-2,572	-3,377	-1,805	-651	-226	-158	-17	-9,854
E	0	125	137	141	136	29	20	11	9	608
J	0	100	100	75	75	0	0	0	0	350
(H-Q+E+J)	3	6,439	16,581	32,264	26,444	10,913	5,281	4,628	739	103,291
Z	0	-2,064	-4,328	-5,912	-4,082	-1,241	-351	-61	-4	-18,044
(H-Q+E+J) - Z	3	4,374	12,253	26,351	22,361	9,672	4,930	4,567	735	85,244
F/G	0	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
((H-Q+E+J) - Z) x (F/G)	0	2,916	9,530	23,423	22,361	11,821	7,121	7,611	1,470	86,255

The table below compares the 2025/26 calculations with those for 2024/25 and highlights where the biggest variances are estimated to occur.

Calculation Item	202425 Tax Base	2025/26 Tax Base	Change
H	111,995	112,186	191
Q	-10,016	-9,854	163
E	345	608	263
J	1,000	350	-650
(H-Q+E)	103,325	102,941	-385
Z	-19,843	-18,044	1,799
(H-Q+E) - Z	83,482	84,897	1,415
((H-Q+E) - Z) x (F/G)	84,408	86,255	1,847
Collection Rate	97.00%	95.75%	-1.25%
Council tax base	81,875	82,589	714