



Tuesday, 2 December 2025

Report of Councillor Ashley Baxter
The Leader of the Council,
Cabinet Member for Finance, HR and
Economic Development

Council Tax Base 2026/27

Report Author

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Purpose of Report

To explain the Council Tax Base for the financial year 2026/27.

Recommendations

That Cabinet recommends to Council:

1. The Council Tax Base for 2026/27 of 50,762.3 in accordance with the relevant legislation.

Decision Information

Is this a Key Decision? No

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Effective council

Which wards are impacted? All Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 Setting the tax base is an important milestone in the annual budget setting process and allows the Council to project the anticipated Council Tax that will be collected for the following financial year.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 The approval of the Council Tax Base detailed in this report is required in accordance with the legislation referred to in Section 67 of the Local Government Finance Act 1992, which sets out the requirements for council tax setting which can be discharged by Full Council.
- 1.3 The proposals in this report will be considered by Council at its budget setting meeting scheduled for 26 February 2026.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

- 2.1 The Local Government Finance Act 1992 amended by s84 of the Local Government Act 2003 set out requirements for each local authority to make its own arrangements for adopting the Council Tax Base. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) provides amended statutory guidance to incorporate changes resulting from the introduction of the Local Council Tax Support Scheme (LCTSS).
- 2.2 The Tax Base forms part of the calculation for the Council Tax for the local area; therefore the Council must agree the number of properties which form the Council Tax Base.
- 2.3 The Legislation sets out the timeframe in which Councils must calculate the Council Tax Base. The Council must inform relevant preceptors of the Council Tax Base by 31 January 2026.
- 2.4 The Council Tax varies between different bands according to proportions laid down in legislation. These proportions are based around Band D and are fixed so that the

bill for a dwelling in Band A will be one third of the bill for a dwelling in Band H. Applying the relevant proportion to each band's net property base produces the number of 'Band D' equivalent properties for the area.

2.5. In determining the Council Tax Base for 2026/27, the following factors have been considered:

- (a) The tax base for parishes is based on the number of properties as at 10 September 2025 and the discounts and exemptions applicable on 6 October 2025, as prescribed by legislation;
- (b) An adjustment for the impact of the local Council Tax Support Scheme adopted by South Kesteven District Council (SKDC);
- (c) An adjustment for the Empty Property Premium, which allows SKDC to charge a premium of between 100% and 300% depending on how long the property has remained empty;
- (d) An adjustment for the Second Home Premium, which allows SKDC to charge a premium of 100%.

2.6. The proposed tax base for South Kesteven for 2026/27 is 50,762.3 Band D equivalents. This is an increase of 1.24% on the previous financial year 2024/25. **Table 1** summarises this position and **Appendix A** analyses the figures at Parish level.

Table 1: Band D Equivalent Properties

	2026/27	2025/26	2024/25	2023/24	2022/23
Total Band D equivalents	54,521.9	53,780.3	53,404.5	53,017.6	52,663.2
Impact of LCTSS Discounts and Work Incentive	(3,759.6)	(3,639.8)	(3,694.5)	(3,688.6)	(3,956.5)
Total Band D Equivalent properties	50,762.3	50,140.5	49,710.0	49,329.0	48,706.7
Tax Base Growth	1.24%	0.86%	0.77%	1.28%	1.21%

Adjustment for the Localised Council Tax Support Scheme (LCTSS)

2.7 The localisation of Council Tax Support introduced from 1 April 2013 has a direct impact on the setting of the Council Tax base. Consequently, the Council Tax base must be adjusted to include the impact of the LCTSS approved by the Council.

2.8 As set out in Table 1, the LCTSS reduces the Tax Base and therefore the Council Tax income collected by individual precepting bodies.

Adjustment for Empty Property Premiums

2.9 The Local Government Finance Act 2012 introduced the power for local authorities to charge a premium of up to 300% where a property was left unoccupied and unfurnished.

- 2.10 The Rating (Property in Common Occupation) and Council tax (Empty Dwellings) Act 2018 allowed Councils to increase these premiums in line with legislation from 1 April 2019 and each year thereafter for a further two years.
- 2.11 The Council Tax Base is increased as a result of the empty premium which allows a billing authority to charge a premium on properties left unoccupied and unfurnished. These premiums are as follows: -
 - (a) Up to 100% premium for properties empty between 2 and 5 years
– resulting in a full charge of 200%
 - (b) Up to 200% premium for properties empty between 5 and 10 years
– resulting in a full charge of 300%
 - (c) Up to 300% premium for properties empty for at least 10 years
– resulting in a full charge of 400%
- 2.12 As shown in **Table 1**, the empty property premium increases the tax base and therefore the Council tax income collected by individual precepting bodies.

3. Other Options Considered

- 3.1. No other options have been considered, as the Council is legally required to set a Council Tax Base.

4. Reasons for the Recommendations

- 4.1. If the recommendation is supported by Full Council, it will be used in the calculation and budget preparations for 2026/27.

5. Consultation

- 5.1. None – this report contains technical calculations for the Council's Tax Base for 2026/27 as prescribed by legislation.

6. Appendices

- 6.1 Appendix A – 2026/27 Council Tax Base by Parish.