FINANCE AND GOVERNANCE PORTFOLIO HOLDER

17 DECEMBER 2025

REPORT OF CORPORATE DIRECTOR FINANCE & IT

A.1 COUNCIL TAX BASE 2026/27

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To seek the Finance and Governance Portfolio Holder's approval of the Council Tax Base for 2026/27.

EXECUTIVE SUMMARY
• The Council Tax base which the Council adopts will be the basis upon which this Council, Essex County Council, Police & Crime Commissioner for Essex and Essex Fire & Rescue will assess the rate of tax needed (in each case) to finance its estimated revenue expenditure. In order to provide a basis for Council Tax levies to cover parish precepts and special expenses, the Council must also analyse the tax base by parishes. • The basis and proposals for the tax base calculation remains the same as last year and reflects the Council's decisions on 25 November 2025 regarding Council Tax discounts/premiums and the Local Council Tax Support (LCTS) scheme. • The tax base calculation has been based on the September/October valuation list and Council Tax register, together with an allowance for subsequent changes (including non-collection), this has been assessed at 2.8%. This percentage is unchanged from the previous year. • The calculation shows that the 2026/27 tax base for tax setting purposes will be 54,719.1 Band 'D' equivalent properties which is an increase of 1,222.3 (2.3%) over 2025/26.

RECOMMENDATION(S)
(a) That pursuant to this report, and in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by the Council as its Council Tax Base for the year 2026/27 shall be 54,719.1. **(b) That in accordance with the said Act and Regulations, the amount calculated by the Council as the Council Tax Base for each parish and for the unparished area in the year 2026/27 shall be as set out in Appendix 1.**

REASON(S) FOR THE RECOMMENDATION(S)
To confirm the council tax amounts for 2026/27 in accordance with the Local Government Finance Act 1992.

ALTERNATIVE OPTIONS CONSIDERED
None.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
Setting the Council Tax is an integral part of the budget setting process. The budgets are prepared with the aim of directly and indirectly delivering the Council's priorities.

OUTCOME OF CONSULTATION AND ENGAGEMENT
None.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	**Yes**	**If Yes, indicate which by which criteria it is a Key Decision**	☐ **Significant effect on two or more wards** X **Involves £100,000 expenditure/income** ☐ **Is otherwise significant for the service budget**
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days, with a decision allowable to be made from 10 December 2025.

The arrangements for the setting and collection of council tax are defined in the Local Government Finance Act 1992.

The tax base has been calculated in accordance with the provisions set out in the Local Authorities (Calculation of Council Tax Base) Regulations 2012. The Finance and Governance Portfolio Holder has delegated powers to approve the Council Tax base (Part 3, Paragraph 4.3).

As highlighted earlier, in order to provide a basis for Council Tax levies to cover parish precepts and special expenses, the Council must also analyse the tax base by parishes. In the event that the current unparished area of the District becomes parished as part of the current Community Governance Review, the tax base analysis and allocation of special expenses would be subject to review to ensure that the necessary calculations and actions are appropriately applied to any new parish areas.

The Government recently announced its intention to introduce a High Value Council Tax Surcharge (HVCTS), which would see the addition of new council tax bands for properties valued at £2m or more. This new charge is not due to take effect until 2028/29, so based on the Government's current Local Government Reorganisation timescales, it will be a consideration / action for the new incoming Unitary Authorities supported by the outgoing Councils as necessary.

Yes	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no additional comments over and above those set out elsewhere in this report. It is important to highlight that the formal resolutions necessary to implement the Executive's budget proposals and council tax levy will be presented to Full Council in February.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The Tax Base for 2026/27 reflects procedures and assumptions used in earlier years. The calculation has been based on the September/October valuation list and Council Tax register, with an allowance for subsequent changes (including non-collection) of 2.8% together with the decisions made by Council on 25 November 2025 in respect of the Local Council Tax Support Scheme and Discretionary Council Tax Exemptions, Discounts and Premiums for 2026/27.

The tax base for 2026/27 has increased by 1,222.3, which provides additional income to support the Council's financial forecast. This position has been supported by the work of the Council's Fraud and Compliance Team who undertake a number of associated key actions and activities in respect of the council tax property base.

Yes	**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no comments over and above those set out in this report.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	There are no direct implications. However the council tax base forms part of the Council's financial forecasting processes which support the wider delivery of financial sustainability and use of resources.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

The tax base is required to be agreed as soon as possible after the statutory date of 1 December each year to inform the detailed budget setting process, the final step being a number of resolutions being agreed by Full Council in February each year as part of agreeing the council tax levy and following year's budget.

ASSOCIATED RISKS AND MITIGATION

The risk associated with this decision is that Council Tax collection will fall short of the budgeted level. This is addressed via an allowance for non-collection which in 2026/27 is forecast at 2.8%. This percentage is unchanged from the previous year.

Any shortfall (or surplus) will be shared between the main precepting authorities (this Council, Essex County Council, Police & Crime Commissioner for Essex and Essex Fire & Rescue) and considered as part of future budget setting.

EQUALITY IMPLICATIONS
There are no direct implications.

SOCIAL VALUE CONSIDERATIONS
There are no direct implications.

IMPLICATIONS RELATED TO DEVOLUTION AND / OR LOCAL GOVERNMENT REORGANISATION
As set out in Cabinet reports associated with the General Fund budget for 2026/27, there will be a number of implications and impacts which will be reviewed on an on-going basis over the forecast period. This will include key implementation issues that will need to be considered, such as council tax harmonisation. Any associated governance matters including the Government's expectations along with the Council's responsibilities will be highlighted within advice and future reports as necessary.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050
There are no direct implications for the above headings however determining the funding from Council Tax is an integral part of the budget setting process which provides specific budgets for the above areas

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	There are no direct implications.
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
Full details of the tax base calculations are shown in the attached Appendix. The basic calculation in respect of the 2026/27 tax base takes as its starting point the list of properties supplied by the Valuation Office on 10 September 2025 and the categories of occupation as shown on the Council Tax register as at 6 October 2025 (this information is also supplied to central government). The discounts agreed by Council are applied to all affected properties and the effect of the LCTS scheme is applied to the tax base. Judgement is then made to take account of an estimate of subsequent changes in respect of occupation, number of properties and collection performance. This results in an estimate of the true potential of the tax base on which precepting authorities, including Tendring, can make their calculations in respect of Council Tax levies for 2026/27. A 2.8% reduction in the tax base is being proposed to allow for these factors. This percentage is unchanged from the previous year. The calculation set out in the attached appendix shows that the tax base for tax setting purposes is 54,719.1 for 2026/27.

The Council has determined the Local Council Tax Support scheme and the discounts and premiums to apply for 2026/27 and in accordance with delegated powers the Finance and Governance Portfolio Holder has authority to approve the Council's Tax base using those discounts and premiums.

PREVIOUS RELEVANT DECISIONS
Recommendations from the Cabinet - Item A.1 - The Local Council Tax Support Scheme, Discretionary Council Tax Exemptions / Discounts / Premiums for 2026/27 and Annual Minimum Revenue Provision Policy Statement 2026/27 – Full Council 25 November 2025
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None.

APPENDICES
1 Council Tax Base for each parish and unparished area 2026/27. 2 Calculation of Council Tax Base 2026/27.

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Appendix 1

COUNCIL TAX BASE FOR EACH PARISH AND UNPARISHED AREA 2026/27

Parish	Unscaled Tax Base	Tax Base for Tax Setting
Alresford	1,071.2	1,041.2
Ardleigh	1,297.1	1,260.8
Beaumont-cum-Moze	136.7	132.9
Great Bentley	1,287.2	1,251.2
Little Bentley	123.8	120.4
Bradfield	519.1	504.6
Brightlingsea	3,213.2	3,123.3
Great Bromley	453.8	441.1
Little Bromley	109.7	106.6
Little Clacton	1,145.3	1,113.2
Elmstead	1,049.0	1,019.6
Frating	283.3	275.3
Frinton and Walton	9,433.2	9,169.1
Harwich	6,056.5	5,886.9
Lawford	1,927.8	1,873.8
Manningtree	363.6	353.4
Mistley	1,454.1	1,413.4
Great Oakley	411.6	400.1
Little Oakley	403.1	391.8
Ramsey and Parkeston	826.4	803.2
St Osyth	2,119.8	2,060.4
Tendring	328.3	319.1
Thorpe-le-Soken	1,020.0	991.4
Thorrington	567.0	551.1
Weeley	956.3	929.6
Wix	363.4	353.2
Wrabness	223.4	217.2
	37,143.9	**36,103.9**
Clacton (unparished area)	19,151.5	18,615.2
	56,295.4	**54,719.1**

CALCULATION OF COUNCIL TAX BASE 2026/27

1. The Council Tax base which the Council adopts will be the basis upon which this Council, Essex County Council, Essex Fire & Rescue and Police & Crime Commissioner for Essex will assess the rate of tax needed (in each case) to finance its estimated net revenue expenditure. The tax bases for County, Fire and Police will be the sum of those of all appropriate District Councils.

2. Each domestic property in the district has been valued by the Valuation Office and allocated to one of eight valuation bands. The Council Tax levied against each band is weighted according to a proportionate variation from Band D as set out below. The process outlined in the report, and described in more detail in this Appendix enables the Council to set a tax base in terms of a Band D dwelling, and subsequently to levy the Council Tax on each dwelling. Properties entitled to disabled relief are charged at one band lower than would normally apply based on value.

Property Valuation / Band	**Band**	**Fraction**
Band A Entitled to Disabled Relief	@	5/9
Up to £40,000	A	6/9
Over £40,000 to £52,000	B	7/9
Over £52,000 to £68,000	C	8/9
Over £68,000 to £88,000	D	9/9
Over £88,000 to £120,000	E	11/9
Over £120,000 to £160,000	F	13/9
Over £160,000 to £320,000	G	15/9
Over £320,000	H	18/9

3. The tax base for tax setting purposes is assessed from an unscaled tax base which excludes any allowance for collection performance or changes during the year in numbers, banding and occupation of dwellings. In response to requirements of the Local Government Finance Acts 1988 (section 139A) and 1992 (section 68), the unscaled tax base has been supplied to central government, calculated directly from the list of bandings which the Valuation Office supplied on 10 September 2025. In order to arrive at the Band D equivalent value of each dwelling this is combined with categories of occupation from the Council Tax register (in order to apply appropriate discounts and exemptions). Information extracted from the Council Tax register must reflect the position as it was known on 6 October 2025.

4. Households in which there is only one adult who is neither a student nor exempt for any other reason attract a discount of 25%. Dwellings occupied only by exempt persons and certain unoccupied dwellings attract two discounts (a total of 50%). Dwellings of which all occupiers are students, and some other unoccupied dwellings do not attract Council Tax. The Council determined that no discount be given on second homes or empty properties and that premiums would be applied to long term empty or second home properties. The tax base has been calculated on this basis.

5. The localisation of council tax support has resulted in Council Tax Benefit being treated as a discount within the council tax system and therefore this reduces the tax base. This reduction has been calculated in accordance with the Local Council Tax Support scheme determined by Council.

Table A below shows the numbers of dwellings in each band and rate of Council Tax chargeable from which the unscaled tax base was calculated.

TABLE A - Number of Dwellings

Chargeable at:	Band @	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Overall Total
0 %	0	691	343	401	224	81	29	18	1	1,788
50 %	0	27	39	62	40	34	29	32	7	270
75 %	7	7,481	7,241	7,557	3,315	1,241	364	117	5	27,328
100 %	9	5,378	10,173	13,849	8,701	4,722	1,732	793	46	45,403
200 %	0	350	316	369	200	84	41	30	5	1,395
300 %	0	23	14	6	4	2	0	0	1	50
400 %	0	3	4	2	3	2	0	0	0	14
	16	**13,953**	**18,130**	**22,246**	**12,487**	**6,166**	**2,195**	**990**	**65**	**76,248**

The total number of dwellings in the valuation list is 76,248 (The corresponding total for October 2024 was 75,958).

The number of equivalent full charge properties in each band is calculated by taking the appropriate proportion of the number of properties in each premium/discount range as set out in **Table B** below. For example, 7,510 Band A properties with a 25% discount are equivalent to 5,632.5 (7,510 x 75%) properties at the full charge.

TABLE B - Equivalent Number of Properties

	Band	Band	Band	Band	Band	Band	Band	Band	Band	Overall
Chargeable at:	@	A	B	C	D	E	F	G	H	Total
0 %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50 %	0.00	13.50	19.50	31.00	20.00	17.00	14.50	16.00	3.50	135.00
75 %	5.25	5,610.75	5,430.75	5,667.75	2,486.25	930.75	273.00	87.75	3.75	20,496.00
100 %	9.00	5,378.00	10,173.00	13,849.00	8,701.00	4,722.00	1,732.00	793.00	46.00	45,403.00
200 %	0.00	700.00	632.00	738.00	400.00	168.00	82.00	60.00	10.00	2,790.00
300 %	0.00	69.00	42.00	18.00	12.00	6.00	0.00	0.00	3.00	150.00
400 %	0.00	12.00	16.00	8.00	12.00	8.00	0.00	0.00	0.00	56.00
Other Adjustments	0.00	(25.13)	(0.50)	0.00	7.56	0.00	0.00	0.00	0.00	(18.07)
	14.25	**11,758.12**	**16,312.75**	**20,311.75**	**11,638.81**	**5,851.75**	**2,101.50**	**956.75**	**66.25**	**69,011.93**

The figures in **Table B** above are converted to equivalent Band D dwellings by multiplying the total equivalent number of properties in each band by the appropriate fraction set out in paragraph 2. For example, a total of 15,901.3 Band B properties at full charge are equivalent to 12,367.7 Band D properties (15,901.3 x 7/9). The number of equivalent Band D properties is shown in **Table C** below showing the effect of the Local Council Tax Support (LCTS) scheme separately.

TABLE C - Band D Equivalents	Band @	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Overall Total
Proportion	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D Equivalents	7.9	7,838.7	12,687.7	18,054.9	11,638.8	7,152.1	3,035.5	1,594.6	132.5	62,142.7
LCTS Scheme	(2.4)	(1,944.6)	(1,668.9)	(1,589.0)	(456.6)	(124.3)	(45.9)	(15.6)	0.0	(5,847.3)
Total	**5.5**	**5,894.1**	**11,018.8**	**16,465.9**	**11,182.2**	**7,027.8**	**2,989.6**	**1,579.0**	**132.5**	**56,295.4**

6. In order to arrive at the tax base for tax setting purposes, the Council must make an appropriate provision for doubtful debt, for possible reduction in the tax base following successful appeals against banding and for changes in occupation between the valuation list dated 10 September 2025 (for number of dwellings) or 6 October 2025 (for details of occupation) and 31 March 2025. These changes could consist of:

   a) New dwellings;

   b) Movement or change in status of individual members of households and / or status of the property, which might result in changes in entitlement to discounts / premiums.

7. In **Table D** below is the unscaled tax base calculated from **Table C**, followed by recommended allowances for doubtful debt and changes in the valuation list (banding) or category of occupation. Based on current experience of collection performance the provision for 2026/27 has been set at 2.8%. This percentage is unchanged from the previous year.

TABLE D - Council Tax Base for Tax Setting Purposes

2025/26		**2026/27**
55,037.9	Unscaled Tax Base	56,295.4
(1,541.1)	Provision for changes in Valuation List, Discounts and Non-Collection	(1,576.3)
53,496.8	**Council Tax Base for Tax Setting Purposes**	54,719.1