LONDON BOROUGH OF CAMDEN	**WARDS:** All
REPORT TITLE Approval of Resource Base for Council Tax and Business Rates (CS/2025/05)	
REPORT OF Cabinet Member for Finance and Cost of Living	
FOR SUBMISSION TO Cabinet Council	**DATE** 15 January 2025 20 January 2025

STRATEGIC CONTEXT

We Make Camden is our joint vision for the borough, developed in partnership with our communities. Camden has a strong track record of delivering for residents and protecting services despite significant reductions in central Government funding for over a decade whilst the cost of delivering services to our local community has risen. Our robust budget setting and financial planning, which is designed in a way that makes the best use of our resources and ensures that Camden continues to be financially resilient, is a key component of our work to protect vital services and support for our residents and business community.

The Council Tax Base is used as a basis to determine the levels of Council Tax raised locally to fund services, alongside our share of the income collected for Business rates, and feeds into the annual budget setting process.

Local Council Tax and Business rates income therefore forms a key part of our medium-term financial planning. Establishing the right amount of Council Tax to charge and its efficient and effective collection, remain an essential component to maintaining a balanced budgetary position and deliver a range of support to residents to prevent them from falling into debt and ensure they remain financially secure (a key aim of We Make Camden).

SUMMARY OF REPORT

This report seeks approval of the resource bases for both Council Tax and Business Rates. The Council Tax base shows the number of dwellings in the borough, and any discounts, exemptions or premiums that have been granted. This data is primarily used to establish the amount of Council Tax that can be raised locally to fund services, as well as a wide range of other purposes, including grant allocations and policy development. It is also used by the Greater London Authority and the Garden Square Committees to work out their precept on the Council Tax.

The Business Rates Base shows how much in Business Rates is likely to raised when rates are charged at the levels set by Central Government. The Council is required to submit a certified NNDR1 return, containing a more detailed analysis of the Business Rates forecast, to both DLUHC and GLA by the 31 January 2025.

The report is coming to the Cabinet and then to Council because the Constitution requires the Council to approve the Council Tax base every year and because the Business Rates yield forms an important part of the 2025-26 Budget and Council Tax setting report which is due to come to Cabinet in February.

Local Government Act 1972 – Access to Information
No documents were used in the preparation of this report which are required to be listed.

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RECOMMENDATIONS

The Cabinet is asked to make the following recommendations to Council:

1. That the calculation of the Council Tax Base for the year 2025/2026 as set out in appendix 1 be approved.

2. That in accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by the London Borough of Camden as its Council Tax Base for the year 2025/2026 shall be 95,769 as shown in appendix 1.

3. That the tax base for the three Garden Squares as shown in appendix 2 shall be as follows:

Gordon Square	24.51
Fitzroy Square	58.12
Mecklenburgh Square	115.55

4. That the approach and assumptions for the calculation of the Council's business rates yield as set out in appendix 3 be approved.

5. That, in accordance with the Non-Domestic Rating (Rates Retention) Regulations 2013, the amount calculated by the London Borough of Camden as its business rates yield for the year 2025/2026 shall be c£696 million as shown in line 16 of Appendix 3.

6. That authority be delegated to the Executive Director Corporate Services, following consultation with the Cabinet Member for Finance

and Cost of Living, to make any adjustments to the calculation of the estimated business rates yield for year 2025/2026. This is to reflect any technical amendments to the calculations or late regulatory changes made by the Treasury or in respect of the former London Pilot Pool.

7. That authority be delegated to the Executive Director Corporate Services to submit the notification of the calculation of the estimated Non-Domestic Rates income to the Secretary of State and the Greater London Authority.

The Council is asked to:

1. Agree the Cabinet's recommendations above.

Signed: Signed by the Director of Finance

Date: 2nd January 2025

1. CONTEXT AND BACKGROUND

1.1. The Council Tax Base, which is agreed annually is used as a basis to determine the levels of Council Tax raised locally to fund services. Local Council Tax and Business rates income forms a key part of our medium-term financial planning and funding strategy as the amount of tax required to be raised from these has risen significantly since 2010 to offset significant reductions in central government funding in that time timeframe.

Council Tax

1.2. The report calculates the 2025/26 taxbase figure as 95,769 which is an increase on the 2024/25 tax base figure of 91,675.

1.3. Annually, Camden has to work out how much next year's band D Council Tax should be so that the total tax that will be collected is sufficient to fund the budget required to pay for the vital services we provide to our community. To work out the band D Council Tax charge, the net budget requirement (an amount required to fund services) is divided by a figure called the council tax base (number of dwellings subject to Council Tax in Camden), which is calculated in this report.

1.4. The Greater London Authority (GLA) and the 3 Garden Squares in the borough use the Tax Base figures to determine how much needs to be incorporated into 2025-26 Council Tax bills to fund their own services. The GLA precept is the part of Council Tax that goes towards funding London-wide transport, policing and fire services. The Garden Squares precept funds the upkeep, maintenance and improvement of 3 Garden Squares in the borough.

Business Rates

1.5. This report estimates the Business Rates yield for 2025-2026 to be c£696m. The Council is required to submit a certified NNDR1 return, containing a more detailed analysis of this Business Rates forecast to DLUHC in January 2025. For 2025-26 the Council is not part of the Business Rates Pool run for a few local authorities only. This is the fourth successive year in which the previous London wide Business Rates Pool has not proceeded and means that Camden, along with most other London authorities will continue with the standard national arrangements for 2025-26.

1.6. Alongside Council Tax, Business Rates represents one of the largest sources of income for the Council. It is therefore crucial that we have a fair system that drives confidence, reflects local needs and incentivises local growth. Under the current system, Camden retains approximately 16% of the Business Rates it collects, paying back c84% to Central Government and the GLA combined. Above this, the Council is able to retain up to 50% of any new growth in Business Rates.

Funding Reform

1.7. It has been widely acknowledged that the business rates system, introduced in the 1990s in its current form is broken. The main problem with the current system is that it is too complex and it can disincentivise investment and local growth. Since its introduction and despite multiple iterative changes it has not managed to adapt to new ways of working, for example e-commerce and remote working.

1.8. At the Autumn Budget 2024, the government announced its intention to reform the business rates system, focussing on key priority areas that will incentivise investment and ensure the business rates system is fair and fit for the 21st century. The government will be consulting on these proposals between November 2024 and March 2025 and this provides an opportunity for the council to contribute to and shape those discussions.

1.9. The statement also includes plans to create an additional 1.5 million new homes during the parliament supported by new funding to bring forward new-home construction. The creation of new homes in the borough will add to the Council's Tax base which is factored in when determining the levels of council tax required to balance the annual budget.

1.10. The previous government's original intention was to radically reform and reset Local Government funding. However, one consequence of these repeated delays is that the actual levels of business rates collected by local authorities have become increasingly decoupled from their original baseline (target levels), which were set in 2013. As such any forthcoming "reset" of the system could therefore see significant changes in funding levels for councils whose rates are significantly above these assumed target levels, and a potential sharp "cliff edge" reduction in funding. Whilst we welcome the planned permanent support for high-street retail, hospitality and leisure, Camden should be compensated for any lost income the changes create in 2026/27.

1.11. The ongoing economic issues affect both our residents and business community. This is demonstrated by the fact that our Council Tax Support to support low income household not only supports significantly higher caseloads than pre Covid but the cost of the scheme continues to rise annually with c£33m of support awarded in 2024/25 so far. This is an increase of c£1.8m on cost of the scheme at the end of the 2023/24 fiscal year.

2. PROPOSAL AND REASONS

2.1. The Local Government Finance Act 2012 requires the Council to calculate the Council Tax Base for 2025-2026 using council tax data as at 1 December 2024 and to supply the figure to the Greater London Authority and Garden Squares by 31 January 2025. Cabinet is asked to consider the calculations in the appendices and satisfy itself that the tax base is the right figure to be used for calculating the council tax to be presented to the Cabinet in the budget report on 26 February 2025. There are a number of factors which impact the Council Tax Base calculation and these are discussed further in the sections below.

Council Tax Taxbase Calculation

2.2. Camden calculates the 2025/26 financial years taxbase figure as 95,769 which is an increase on the 2024/25 tax base figure of 91,675.

2.3. The Council Tax base, in effect represents the aggregated number of residential properties in the borough that are liable for Council Tax. There are 2 key elements that determine the final taxbase figure:

- *Band D equivalents* - actual number of properties in the borough adjusted to account for growth (i.e. new builds) or contraction (discounts, exemptions, Council Tax Support to arrive at the total chargeable band D equivalent number of properties.

- *Expected collection rate* - the amount the council estimates it will collect in year as a percentage of the amount collected if everyone that is liable pays what they were supposed to. Camden's calculation of this is set out in appendix one of this report.

2.4. The final taxbase calculation is arrived at by multiplying the total 'band D equivalents' by the expected collection rate. Sections 2.5 to 2.8 below (and appendix 1 & 2) set out how the total 'band D equivalents' is calculated, including our expected collection rate for 2025/26.

2.5. Broadly, the steps taken in establishing the Band D Equivalents are as follows:

Chargeable properties before Council Tax Support (CTS) scheme adjustment

2.6. The Council takes the total actual residential properties in the borough on 1 December 2024 (113,569 properties) and calculates the chargeable number of dwellings for the subsequent financial year once new dwellings (and demolitions), exemptions, discounts and premium levies are factored in. For 2025/26 Camden calculates this figure to be 98,405 chargeable properties compared to 95,830 estimated last year.

Impact of our Council Tax Support Scheme

2.7. The second step is to net off the cost of the Council Tax Support (CTS) scheme. For 2025/26 we calculate our scheme will cost the equivalent of 16,222 band D properties (down from 17,353 estimated last year). This would reduce the chargeable dwellings to 82,182 (up from 78,476 last year).

2.8. The final part of the core calculation converts the 82,182 chargeable dwellings into Band D equivalents, based on set weightings per band and then apply an assumed allowance for non collection. The Council again expects to collect 97% of the total Council Tax charged in 2025/26, with some of that income not expected to be collected in 2025/26 itself for the reasons set out in section 4 of this report. The total ‘band D equivalents’ figure is multiplied by the 97% target (with an adjustment for Ministry of Defence properties factored in) which reduces the 98,702 total figure to the revised 95,769 figure expected to be collected.

Business Rates Taxbase Calculation

2.9. The Council has no legal requirement to publish a business rates taxbase annually as the formal NNDR1 process, set out by central government, sets the expected income collectable by Camden for the year ahead. However, we do calculate a local taxbase for business rates too as the figures contained in this effectively become a starting point for the Councils budget setting, alongside the Council Tax Base.

2.10. For 2025-2026, the estimated business rates base is c£696m, excluding any potential retail relief awards which we would be fully compensated for by central government. This is an increase of £19.8m on last year’s c£676.2m estimate. This excludes the separate Business Rates Supplementary (BRS) amount collected on behalf of the Greater London Authority (GLA). This increase is due to the following factors:

- Expected growth in the business rates base between 1 January 2025 and 31 March 2026 of £18.5m
- No additional appeals provision set aside for the 2023 rating list
- The increase in the standard (higher) multiplier from 1 April 2024 from 54.6p to 55.5p which is expected to increase chargeable income (before reliefs and exemptions)
- Some of the above gains in chargeable amounts are expected to be reduced as a result of the estimated slightly increased cost of various reliefs such as Mandatory Charity relief, empty property relief and discretionary reliefs being awarded to existing recipients
- However, retail relief for high street retail, hospitality and leisure businesses is being reduced from 75% to 40% for 2025/26 which will increase the billable amount for 3,376 current recipients of this relief.

Economic impact on both Council Tax and Business Rates

2.11. When estimating both the Council Tax and Business Rates bases expected, the final yield is adjusted to reflect the fact 100% collection is unlikely. It also looks at a lifetime collection rate to reflect amounts due in 2025/26 may not be paid until 2026/27 and beyond.

2.12. As set out in sections 4.1 to 4.3, collection rates still remain lower than pre pandemic and there remains uncertainty around the medium-term impact the ongoing financial squeeze will continue to have on Camden’s households and business economy. Our Council Tax collection expectation of 97% overall also factors in that numerous households have more than one year’s arrears outstanding and therefore are already in a cycle of debt, which is why we are only expecting to collect 95% of the Council Tax charge in year and the rest beyond 31 March 2026.

2.13. Our business rates estimate also considers information regarding increased insolvencies / winding up of companies struggling financially which result in bad debts the Council is forced to write off. Ignoring these factors and incorrectly assuming collection levels for 2025/26 will return to pre pandemic levels would create a significant financial risk for the Council as the likely actual shortfall would create a budget deficit that would need to be paid back in future years.

3. OPTIONS APPRAISAL

3.1. The Council could:

3.2. **Adopt the tax bases as recommended** - The tax base estimates have been calculated to account for changes in the valuation list including new developments being built and likely to complete during 2025-2026 and the likely movement in exemptions, discounts, reliefs and appeals based on the experience of previous years. The tax bases recommended represent the best estimate for 2025-2026.

3.3. **Decide upon a different figure for the Tax Base** - The Cabinet could decide that the tax bases have been under or over-estimated or decide upon another collection rate. However, the tax bases are a key component of the budget setting for 2025-2026 for which a report is coming to Cabinet on 26 February 2025. In order to compile that report, the Cabinet has to agree a figure for the tax bases at this meeting. The tax base figures must also be provided to preceptors by 31 January 2025.

4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

Imprudent estimates of collection rates

4.1. A key factor in the council tax base calculation is the collection rate applied to the tax base. The collection rate adopted for 2024-25 was 97% overall with 95% being collected by 31 March 2025 and the remaining 2% expected to be collected by 30 September 2025.

4.2. The actual collection against profiled income for year to date, as at 31 December 2024 is up by 1.1% currently which would see us come in at 96.1% on 31 March 2025 if the trend continued for the rest of the financial year. However, the significant additional income seen in December goes against the trend seen in previous months that would have seen us fall short of the 95% we anticipate collecting by 31 March 2025 and therefore cannot assume this trend will continue in the remaining 3 months of the fiscal year. We still anticipate reaching the 97% projected for 2024/25 overall in last year’s taxbase by 30 September 2025.

4.3. Keeping our collection target at 97% overall for the 2025/26 tax due allows us to ensure we have a balanced target, using information around collection issues in last few fiscal years and the uncertainty around the medium-term impact of the current economic issues are having on household budgets, particularly those on lower incomes. Setting the collection rate to a level that cannot be achieved in relation to the 2025/26 Council Tax set would have a negative impact on Council finances across the next financial year and beyond. This is because the Council Tax base forms part of the subsequent annual budget setting process undertaken which use this taxbase as a basis to estimate the necessary Council Tax income required to assist the Council have a balanced budget.

4.4. Making incorrect or overly optimistic assumptions around the achievable level of income we will see in 2025/26 could pose a financial risk to the Council as any arising shortfall could create a budget deficit that would need to be bridged.

4.5. Our council tax base also factors in expected additional income expected from the legislation change that will see second homes (barring some permitted to be exempted) being charged double the standard amount of council tax for the relevant band from 1 April 2025. This is a risk we have factored into the taxbase by not assuming all current second homes will be eligible for the additional charge for a number of reasons – the owners could make the Camden address their sole/main residence, they may sell the property, they may decide to let the property, they may remove furniture and claim it is an empty property (delaying the doubling of the charge for up to 1 year) or they may be exempted from the charge such as those actively being marketed for sale or let (for up to 12 months).

4.6. For business rates, the collection rate for the current 2024-2025 financial year was set at 97% collected by 31 March 2025. However, whilst we are 1% above profiled income for year to date, as at the end of 31 December 2024, to achieve that target, we expect to be close to that 97% target come 31 March 2025 as changes to the base (new properties, etc.) can have large impacts on the collectable debit in the final few months with limited time to collect large sums due. As a result, the overall collection target expectation of 97% set for the current financial year will remain in place for 2025/26.

Increasing cases of arrears as residents and businesses struggle with the pressures driven by economic pressures

4.7. Camden continues to support residents struggling to pay Council Tax due via various means such as ensuring all possible exemptions and discounts (including Council Tax Support for those on low incomes) are claimed, affordable repayment plans agreed for accounts in arrears, using our section 13a discretionary discount policy (where appropriate) and signposting them to wider support the Council can offer through the new Money Advice Camden service.

4.8. Camden's willingness to allow those businesses struggling financially to agree longer term repayment plans, to assist them remaining financially stable, means some businesses spread the cost of their business rates due longer than the statutory period and often need to renegotiate those arrangements in the subsequent year once their new annual bills arrive. Again, we look to ensure they have claimed all available exemptions and reliefs they might be entitled to and signposted accordingly to Council services such as Inclusive Economy or the VCS service where applicable too. Camden has always strived to aid our business community to remain solvent and feel supported during the several difficult years they have faced since 2020.

4.9. In addition to the above, we are building on our proactive approach to debt, which is in line with the council's wider welfare and debt missions work and the creation of the dedicated Money Advice Camden service. This approach offers more holistic support to our residents and business community whilst also ensuring a more cohesive offer is in place across the council to prevent debt from escalating where possible, as well as improve our own financial resilience at the same time.

Rates avoidance cases in Camden and across London

4.10. Rates avoidance cases remain prevalent in Camden and across London for a number of years, despite government's attempt to reduce one known attempt (short periods of occupation to claim empty rates either side) by increasing the 'reset period' (in effect the minimum period someone needs to occupy a property to allow empty discount to be claimed again) from 6 weeks to 13 weeks. However, there is no real evidence this has had an impact as it did not fix the bigger issue that the 'occupying' company often not truly occupying the premises but meeting the minimum requirements to be held liable and often claiming charity relief to reduce costs. The various know rates avoidance schemes in operation often significantly delay the Council being able to recover collectable debt and result in lengthy legal action and costs to enable us to recover the correct amounts due against these individuals and organisations.

Other considerations in the business rates taxbase

4.11. Our retail, hospitality and leisure sector benefit largely from rateable value reductions from 1 April 2023 and also received retail relief of 75% during 2024/25 to significantly reduce bills. From 2025/26 this relief is to be reduced to 40%. Some businesses will also be subject to a larger multiplier, increasing from 54.6p to 55.5p for 2025/26, whilst those in properties with RV's under 51,000 will still see the same 49.9p multiplier next year.

4.12. Before reliefs are applied, the increase in the standard multiplier means that the core charge before reliefs and exemption are applied has increased from c£842.1m in last year's NDR taxbase estimate for 2024/25 to c£854.36m for the NDR taxbase for 2025/26.

4.13. Our 3% non-collection allowance not only factors in the rates avoidance cases but also the risk posed to our office-based business community that will see further reductions in transitional relief (to offset some of the increase in rateable values they experienced in the 2023 revaluation) and a number will also see the multiplier increase impact their bills for 25/26 too with very few likely to be eligible for retail, hospitality and leisure relief and limited other national reliefs they may be entitled to in order to reduce their charges.

4.14. Despite the ongoing risk facing the business community, whilst we expect overall collection to reach 97% for the charges set for 2025/26, we expect that the current economic uncertainty could result in collection falling short of that amount by 31 March 2025 and the residual amount collect in the 26/27 financial year. Increasing the expected income from business rates above 97% overall for next year financial year, with the ongoing economic impact on our business community would result in a likely overstated income expected for the 2025/26 financial year and result in significant shortfall in income as we are unlikely to see improvements back to pre-pandemic collection levels for some time.

Timing and uncertainty around Valuation Office rateable values and appeals and major refurbishments of business premises

4.15. Unlike council tax, business rates can be subject to large and unexpected changes in the forecast amount, because the yield is in the hands of others. Developers will decide how quickly they move building works along, according to market conditions and interest from prospective occupiers, which is a key obvious risk in the current economic climate. The Valuation Office will decide what rates are payable for every new building along with upholding any appeals against the rateable values they have assigned in the rating list which can see large reductions backdated several years which can see large refunds being issued by the Council as a result.

4.16. Finally, major refurbishments of business premises are commonplace, (particularly office type premises), and whilst under refurbishment owners often appeal to the Valuation Office Agency to remove the property from rating until the works are complete which means no rates are collectible. Again, the speed of the completion of the work may be determined by market factors and owners holding off final fitting out elements until such time as a new occupier is found to avoid paying business rates until then. There are robust accounting provisions in place to deal with these eventualities and the Council regularly reviews both historic provisions held back along with future year provisions needed which are particularly key due to the increased risk posed by the frequency of revaluations increasing from 5 years to 3 years currently which means higher risk of the Valuation Office Agency incorrectly assessing the rateable values between lists and higher challenges nationally as a result.

5. CONSULTATION/ENGAGEMENT

5.1. There is no legal requirement to consult on the Council Tax Base and given the factual and technical nature of the content, no consultation has been carried out. However, there are principles that define what constitutes excessive Council tax as set out in paragraph 6.5.

5.2. In January 2025, the Finance Department will carry out its annual Camden Business Community Consultation with business ratepayers about the budget proposals for next year. Ratepayers will be invited to comment on the overall budget process and planned expenditure, of which income from business rates plays a key part. Any comments received will be considered in the context of the overall budget and included in the budget report.

6. LEGAL IMPLICATIONS

Council Tax

6.1. Section 31B(1) Local Government Finance Act 1992 imposes a duty on a billing authority such as Camden to calculate its council tax by applying a formula laid down in that Section. This relies on a Billing Authority separately calculating a figure for the council tax base for the year. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, which apply to financial years beginning on or after 1 April 2013, require a billing authority to use a given formula to calculate this council tax base. This is the formula set out and followed in Appendix 1 to the report.

6.2. If there are special items to be taken into account relating to part of the billing authority's area, a separate calculation using a slightly different formula must be made once the council tax base has been calculated. This is the formula used for Fitzroy, Gordon and Mecklenburgh Squares.

6.3. Regulation 8 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 places a duty on the Council to calculate the council tax base for the year within the “prescribed period” which is the period beginning on 1st December and ending on the following 31st January in the financial year preceding that for which the calculation of the council tax base is made.

6.4. The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered as excessive council tax, including proposed limits.

6.5. The principles are subject to approval by the House of Commons. Since 2013, any council that wishes to raise its Council Tax above the limits that apply to them will have to hold a referendum, the result of which will be binding. On 28 November, the Ministry for Housing, Communities and Local Government published a policy statement on the 2025/26 local government finance settlement. The policy statement confirmed that Councils will be able to increase council tax by up to 3% with an additional 2% for Council's with responsibility for adult social care, without a local referendum. The policy statement also states that the government will require local authorities to adjust the presentation of the adult social care precept on council tax bills from 2025-26, so that they show a single line for the council tax increase set by social care authorities. It states that this is designed not only simplify bills received by billpayers but also provide clarity on council tax increases set by local authorities.

Business rates

6.6. Section 1 of the Local Government Finance Act 2012 amended the Local Government Finance Act 1988 so as to allow for local retention of business rates, enabling local authorities to retain a proportion of the non-domestic rates generated in their area. The Council is required, by 31 January each year, to estimate the total income which it will collect from business rates in the forthcoming year, and to notify both the Greater London Authority and the Secretary of State of this amount.

6.7. This will be done via a form known as NNDR1. The Government has set out the process for this in the Non Domestic Rating (Rates Retention) Regulations 2013. A delegation is also included to enable the Executive Director Corporate Services to fulfil the notification requirements described above. If an authority fails to comply with the requirement to provide such an estimate in accordance with the Regulations or if the Secretary of State believes any of the amounts notified are not likely to have been estimated or calculated in accordance with the Regulations the Secretary of State may make an estimate or calculation of the amount or amounts. In such cases the Secretary of State is required to notify the authority and any relevant precepting authority of the amount or amounts estimated or calculated and the reason for making the substitute estimate or calculation.

6.8. Section 31A of the Local Government Finance Act 1992 places a duty on a local authority to calculate its budget requirement for each financial year. The budget requirement includes the revenue costs, which result from the capital investment decisions of the authority. These costs include capital financing costs (interest and loan repayment provision) and running costs. Section 31B of the Act requires the local authority to set a council tax sufficient to meet its expenditure taking into account other sources of income such as government grants and non-domestic rates. The business rate outturn has a direct bearing on the Council's budget and the Council Tax set for 2025-2026. The approval of the business rates yield is therefore an important element in ensuring the Councils meets its statutory duty to balance its budgets.

7. RESOURCE IMPLICATIONS

7.1. The Council Tax and Business Rates base form a key part of the Council's financial planning. The assumed level of Council Tax and Business Rates to be collected by the Council in 2025/26 will be used to estimate the level of resources available to the Council to support the delivery of the objectives set out in We Make Camden. All service budgets will need to be funded from a combination of the government funding provided as part of the ‘Local Government Financial Settlement’ and retained income from Council Tax and Business Rates, along with fees and charges raised for specific Council services.

7.2. As detailed in paragraph 2.2 of the report the tax base for Council Tax in 2025/26 is 95,769. This means that for every £1 in Council Tax that the Council levies it would expect to receive £95,769 in total Council Tax. The Council Tax base for 2025/26 has expanded (increased) compared to the taxbase estimated for the current 2024/25 financial year, solely due to the new second home levy charge which offsets the increasing cost of our Council Tax Support scheme.

7.3. The Council Tax Base also forecasts that the Council Tax Support Scheme will reduce the collectable Council tax by c£32.7m (c£1.7m more than the 24/25 taxbase estimate). This is based on the current Council Tax charges in 2024/25. Any increases in Council Tax charged for 2025/26 will increase the cost of the Council Tax Support Scheme.

7.4. Business Rates are a complex national system with each local authority collecting Business Rates on behalf of the government and only retaining a proportion of the rates collected based on a needs assessment carried out by the government. The level of business rates that the Council will retain is based on a ‘Spending Baseline’ that is set up the government each year. The Spending Baseline is the amount the government assume the Council will retain when calculating the Council’s ‘Core Spending Power’ as part of the Local Government Financial Settlement. While the Council expects to collect c£696m of business rates, it will only retain approximately 16% of rates it collects to fund Council services, with the rest redistributed across the country.

7.5. The assumed collection rate of 97% for both Council Tax and Business Rates represents the total percentage of tax due that the Council expects to collect. In practice it may take a number of years to reach this collection target. For each, the Council would expect to collect approximately 95% of the tax due in the year it is due (2025/26), with the remainder being collected in future years. The assumed level of tax eventually collected is used by the Council to estimate the level of resources available to it to fund Council services.

8. ENVIRONMENTAL IMPLICATIONS

8.1 These proposals have no environmental impacts.

9. TIMETABLE FOR IMPLEMENTATION

9.1. If agreed at the Council meeting on 20 January 2025, the Council Tax Base will be used to calculate the band D council tax put forward in the budget setting report to full council dated 3 March 2025. The band D level will then be used to Calculate the council tax bills sent out on the 6 March 2025.

9.2. If agreed at the Council meeting on 20 January 2025, the Business Rates Base will be used to calculate the budget requirement put forward in the budget setting report dated 26 February 2025.

10. APPENDICES

APPENDIX 1	Council Tax Base for the whole of Camden
APPENDIX 2	Council Tax Base for the garden squares
APPENDIX 3	Business Rates Base

REPORT ENDS

APPENDIX 1

TAXBASE CALCULATION 2025-2026 - ALL AREAS

	% discount	BAND A		BAND B		BAND C		BAND D		BAND E		BAND F		BAND G		BAND H		TOTAL	
		Number																	
Number of dwellings			3,334		12,244		20,740		26,493		19,746		12,933		13,149		4,930		113,569
Number of exempt dwellings			-306		-1,146		-1,378		-1,797		-1,312		-842		-622		-176		-7,579
Number of dwellings to reduced band for disabled relief			0		-7		-33		-32		-64		-72		-62		-23		-293
Number of dwellings from higher band for disabled relief			7		33		32		64		72		62		23		0		293
Number of chargeable dwellings H			**3,035**		**11,124**		**19,361**		**24,728**		**18,442**		**12,081**		**12,488**		**4,731**		**105,990**
Reduction due to 25% discounts	25%	1,923	-481	6,102	-1,526	9,960	-2,490	10,651	-2,663	6,578	-1,645	3,524	-881	2,858	-715	683	-171	42,279	-10,570
Reduction due to 50% discounts	50%	0	0	6	-3	7	-4	23	-12	26	-13	22	-11	22	-11	24	-12	130	-65
Reduction due to second home discounts	0%	419	0	1,168	0	826	0	1,041	0	850	0	713	0	570	0	227	0	5,814	0
Reduction due to class D discounts	25%	6	-2	9	-2	15	-4	23	-6	32	-8	16	-4	63	-16	32	-8	196	-49
Reduction due to class C discounts 1st month only	100%	3	-3	18	-18	37	-37	46	-46	54	-54	34	-34	27	-27	5	-5	224	-224
Reduction due to discounts Q			**-485**		**-1,549**		**-2,534**		**-2,726**		**-1,720**		**-930**		**-768**		**-196**		**-10,908**
Empty homes premium (100%)	100%	29	29	70	70	109	109	89	89	73	73	33	33	39	39	49	49	491	491
Empty homes premium (200%)	200%	3	6	8	16	17	34	41	82	22	44	27	54	15	30	11	22	144	288
Empty homes premium (300%)	300%	0	0	0	0	0	0	0	0	1	3	2	6	2	6	0	0	5	15
Second Homes levy (April 25 onwards)	100%	168	168	467	467	330	330	416	416	340	340	285	285	228	228	91	91	2,326	2,326
Addition due to empty homes premium E			**203**		**553**		**473**		**587**		**460**		**378**		**303**		**162**		**3,120**
Number of new dwellings expected			0		27		7		202		138		42		5		4		425
Number of dwellings to be demolished			-12		-33		-48		-16		0		0		0		0		-109
Number of successful appeals			0		-5		-15		-32		-30		-25		-15		-5		-127
Gain from successful appeals			5		15		32		30		25		15		5		0		127
Expected changes to exemptions and discounts			-2		-7		-11		-14		-7		-7		-3		-62		-113
Forecast changes to property base and reductions J			**-9**		**-3**		**-35**		**170**		**126**		**25**		**-8**		**-63**		**203**
SUB TOTAL H-Q+E+J			**2,743**		**10,125**		**17,265**		**22,759**		**17,309**		**11,554**		**12,015**		**4,634**		**98,405**
Council tax reduction scheme		825,894	616	4,574,084	2,925	7,622,166	4,264	9,099,589	4,525	5,696,752	2,318	2,923,915	1,007	1,787,820	533	137,585	34	32,667,805	16,222
Reduction due to council tax reduction scheme Z			**616**		**2,925**		**4,264**		**4,525**		**2,318**		**1,007**		**533**		**34**		**16,222**
TOTAL ((H-Q+E+J)-Z)			**2,127**		**7,201**		**13,001**		**18,234**		**14,991**		**10,548**		**11,481**		**4,600**		**82,182**
Band D equivalent A = TOTAL x (F/G)		x 6/9	**1,418.19**	x 7/9	**5,600.67**	x 8/9	**11,556.32**	x 9/9	**18,234.20**	x 11/9	**18,321.85**	x 13/9	**15,235.35**	x 15/9	**19,135.51**	x 18/9	**9,199.68**		**98,701.76**
Collection rate expected B			97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%
TAX BASE A x B			**1,375.64**		**5,432.65**		**11,209.63**		**17,687.17**		**17,772.20**		**14,778.28**		**18,561.44**		**8,923.69**		**95,740.71**
MoD contributions			0		0		0		28.29		0		0		0		0		28.29
FINAL TAX BASE			**1,375.64**		**5,432.65**		**11,209.63**		**17,715.46**		**17,772.20**		**14,778.28**		**18,561.44**		**8,923.69**		95,769.00

TAXBASE CALCULATION 2025-2026 - GORDON SQUARE APPENDIX 2

	BAND A		BAND B		BAND C		BAND D		BAND E		BAND F		BAND G		BAND H		TOTAL	
Number of dwellings		2		0		5		3		8		3		0		1		22
Number of exempt dwellings		0		0		0		0		-1		0		0		0		-1
Number of dwellings to reduced band for disabled relief		0		0		0		0		-1		0		0		0		-1
Number of dwellings from higher band for disabled relief		0		0		0		1		0		0		0		0		1
Number of chargeable dwellings H		**2**		**0**		**5**		**4**		**6**		**3**		**0**		**1**		**21**
Reduction due to 25% discounts (Number of cases x 25%)	0	0.00	0	0.00	2	-0.50	0	0.00	1	-0.25	1	-0.25	0	0.00	0	0.00	4	-1.00
Reduction due to 50% discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction due to second home discounts	0	0.00	0	0.00	0	0.00	0	0.00	1	0.00	0	0.00	0	0.00	0	0.00	1	0.00
Reduction due to class D discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction due to class C discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction in respect of discounts Q		**0.00**		**0.00**		**-0.50**		**0.00**		**-0.25**		**-0.25**		**0.00**		**0.00**		**-1.00**
Addition due to empty homes prem	0	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0	0
Addition due to second homes premium		0.00		0.00		0.00		0.00		0.40		0.00		0.00		0.00		0
Number of new dwellings expected		0		0		0		0		0		0		0		0		0
Number of dwellings to be demolished		0		0		0		0		0		0		0		0		0
Number of successful appeals		0		0		0		0		0		0		0		0		0
Gain from successful appeals		0		0		0		0		0		0		0		0		0
Expected changes to exemptions and discounts		0		0		0				2		0		0		0		2
Net adjustments J		**0**		**0**		**0**		**0**		**2**		**0**		**0**		**0**		**2**
SUB TOTAL H-Q+E+J		**2.00**		**0.00**		**4.50**		**4.00**		**8.15**		**2.75**		**0.00**		**1.00**		**22.40**
Reduction due to council tax reduction scheme Z		0		0		0		0		0		0		0		0		0
TOTAL ((H-Q+E+J)-Z)		**2.00**		**0.00**		**4.50**		**4.00**		**8.15**		**2.75**		**0.00**		**1.00**		**22.40**
Band D equivalent A = TOTAL x AF	x 6/9	**1.33**	x 7/9	**0.00**	x 8/9	**4.00**	x 9/9	**4.00**	x 11/9	**9.96**	x 13/9	**3.97**	x 15/9	**0.00**	x 18/9	**2.00**		**25.27**
Collection rate expected B		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%
TAX BASE A x B		**1.29**		**0.00**		**3.88**		**3.88**		**9.66**		**3.85**		**0.00**		**1.94**		**24.51**
MoD contributions		0		0		0		0.0		0		0		0		0		0.0
FINAL TAX BASE		**1.29**		**0.00**		**3.88**		**3.88**		**9.66**		**3.85**		**0.00**		**1.94**		24.51

TAXBASE CALCULATION 2025-2026 - FITZROY SQUARE

	BAND A		BAND B		BAND C		BAND D		BAND E		BAND F		BAND G		BAND H		TOTAL	
Number of dwellings		0		1		1		0		2		6		12		14		36
Number of exempt dwellings		0		0		0		0		0		0		0		0		0
Number of dwellings to reduced band for disabled relief		0		0		0		0		0		0		0		0		0
Number of dwellings from higher band for disabled relief		0		0		0		0		0		0		0		0		0
Number of chargeable dwellings H		**0**		**1**		**1**		**0**		**2**		**6**		**12**		**14**		**36**
Reduction due to 25% discounts (Number of cases x 25%)	0	0.00	1	-0.25	0	0.00	0	0.00	1	-0.25	2	-0.50	2	-0.50	4	-1.00	10	-2.50
Reduction due to 50% discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction due to second home discounts	0	0.00	0	0.00	1	0.00	0	0.00	0	0.00	2	0.00	2	0.00	1	0.00	6	0.00
Reduction due to class D discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction due to class C discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction in respect of discounts Q		**0.00**		**-0.25**		**0.00**		**0.00**		**-0.25**		**-0.50**		**-0.50**		**-1.00**		**-2.50**
Addition due to empty homes pre	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.50	1	1
Addition due to second homes premiu		0.00		0.00		0.40		0.00		0.00		0.80		0.80		0.40		2.40
Number of new dwellings expected		0		0		0		0		0		0		0		0		0
Number of dwellings to be demolished		0		0		0		0		0		0		0		0		0
Number of successful appeals		0		0		0		0		0		0		0		0		0
Gain from successful appeals		0		0		0		0		0		0		0		0		0
Expected changes to exemptions and discounts		0		0		0		0		0		-1		0		0		-1
Net adjustments J		**0**		**0**		**0**		**0**		**0**		**-1**		**0**		**0**		**-1**
SUB TOTAL H-Q+E+J		**0.00**		**0.75**		**1.40**		**0.00**		**1.75**		**5.30**		**12.30**		**13.90**		**35.40**
Reduction due to council tax reduction scheme Z		0		0		0		0		0		0		0		0		0
TOTAL ((H-Q+E+J)-Z)		**0.00**		**0.75**		**1.40**		**0.00**		**1.75**		**5.30**		**12.30**		**13.90**		**35.40**
Band D equivalent A = TOTAL x A	x 6/9	**0.00**	x 7/9	**0.58**	x 8/9	**1.24**	x 9/9	**0.00**	x 11/9	**2.14**	x 13/9	**7.66**	x 15/9	**20.50**	x 18/9	**27.80**		**59.92**
Collection rate expected B		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%
TAX BASE A x B		**0.00**		**0.57**		**1.21**		**0.00**		**2.07**		**7.43**		**19.89**		**26.97**		**58.12**
MoD contributions		0		0		0		0.0		0		0		0		0		0.0
FINAL TAX BASE		**0.00**		**0.57**		**1.21**		**0.00**		**2.07**		**7.43**		**19.89**		**26.97**		$\boxed{58.12}$

TAXBASE CALCULATION 2025-2026 - MECKLENBURGH SQUARE

		BAND A		BAND B		BAND C		BAND D		BAND E		BAND F		BAND G		BAND H		TOTAL
Number of dwellings		0		0		1		41		7		36		21		2		108
Number of exempt dwellings		0		0		0		0		-1		-4		-1		-1		-7
Number of dwellings to reduced band for disabled relief		0		0		0		0		0		-1		0		0		-1
Number of dwellings from higher band for disabled relief		0		0		0		0		1		0		0		0		1
Number of chargeable dwellings H		**0**		**0**		**1**		**41**		**7**		**31**		**20**		**1**		**101**
Reduction due to 25% discounts (Number of cases x 25%)	0	0.00	0	0.00	0	0.00	5	-1.25	3	-0.75	9	-2.25	5	-1.25	0	0.00	22	-5.50
Reduction due to 50% discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction due to second home discounts	0	0.00	0	0.00	0	0.00	30	0.00	1	0.00	16	0.00	0	0.00	0	0.00	47	0.00
Reduction due to class D discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Reduction due to class C discounts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	-1.00	0	0.00	1	-1.00
Reduction in respect of discounts Q		**0.00**		**0.00**		**0.00**		**-1.25**		**-0.75**		**-2.25**		**-2.25**		**0.00**		**-6.50**
Addition due to empty homes premium E		0.00		0.00		0.00	0	0.00		0.00		0.00		0.00		0.00		0
Addition due to second homes premium E		0.00		0.00		0.00		12.00		0.40		6.40		0.00		0.00		18.80
Number of new dwellings expected		0		0		0		0		0		0		0		0		0
Number of dwellings to be demolished		0		0		0		0		0		0		0		0		0
Number of successful appeals		0		0		0		0		0		0		0		0		0
Gain from successful appeals		0		0		0		0		0		0		0		0		0
Expected changes to exemptions and discounts		0		0		0		-9		-2		-5		-2		0		-18
Net adjustments J		**0**		**0**		**0**		**-9**		**-2**		**-5**		**-2**		**0**		**-18.00**
SUB TOTAL H-Q+E+J		**0.00**		**0.00**		**1.00**		**42.75**		**4.65**		**30.15**		**15.75**		**1.00**		**95.30**
Reduction due to council tax reduction scheme Z		0		0		0		2		0		0		0		0		2
TOTAL ((H-Q+E+J)-Z)		**0.00**		**0.00**		**1.00**		**40.75**		**4.65**		**30.15**		**15.75**		**1.00**		**93.30**
Band D equivalent A = TOTAL x AF	x 6/9	**0.00**	x 7/9	**0.00**	x 8/9	**0.89**	x 9/9	**40.75**	x 11/9	**5.68**	x 13/9	**43.55**	x 15/9	**26.25**	x 18/9	**2.00**		**119.12**
Collection rate expected B		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%		97.00%
TAX BASE A x B		**0.00**		**0.00**		**0.86**		**39.53**		**5.51**		**42.24**		**25.46**		**1.94**		**115.55**
MoD contributions		0		0		0		0.0		0		0		0		0		0.0
FINAL TAX BASE		**0.00**		**0.00**		**0.86**		**39.53**		**5.51**		**42.24**		**25.46**		**1.94**		$\boxed{115.55}$

NATIONAL NON DOMESTIC RATES YIELD 2025-2026		APPENDIX 3
1	Number of properties as at 31 December 2024	18,278
2	Rateable value of these properties	1,561,688,575
3	Revised rateable value of these properties	1,561,688,575
	Charges	£
4	Gross rates payable	854,355,614
5	Changes to gross rates payable due to new and demolished property	18,556,000
6	Loss in rates payable for the 24/25 financial year due to appeals of £0	0
	Reliefs	
7	Cost of small business relief	-6,452,270
8	Mandatory charity relief	-92,789,704
9	Relief for partly occupied properties	-404,862
10	Relief for empty premises	-53,615,108
11	Retail relief	0
12	Discretionary charity relief	-439,398
13	Funded discretionary reliefs:	-458,660
	Other allowances	
14	Costs of collecting business rates	-1,207,541
15	Losses due to non payment	-21,544,071
	Net rates yield	
16	Final rates yield	696,000,000
	Transitional Relief	-615,914