

64366 Financial Modelling for Council Tax Premiums

The spreadsheet, calculation or other financial model used to forecast the revenue from the 300% premium considered by Council on 27 August 2026.

Where this exists as a spreadsheet, please provide it in its original electronic format, including formulas where available.

Please find spreadsheet attached.

Please note that the “incremental resistance factor” takes as its starting point the actual collection rates in respect of the existing 100% premium. As the premium applied increases, resulting behavioural change is also assumed to increase, reducing the level of additional income generated, up to the point at which a “tipping point” is reached such that overall Council Tax revenues begin to reduce.

Given that councils have not previously had the ability to vary Council Tax premiums in the way modelled, the figures presented were indicative of anticipated behavioural impacts. As with all aspects of the budget, these are subject to on-going review.

Please note that, as the analysis was prepared as part of the 2026/27 budget-setting process, the additional income figures shown relate to a full financial year.

Please identify:

The forecast additional Council Tax revenue for the 2026/27 financial year, given the January 2027 implementation date.

£1m.

The forecast additional revenue for a full 12-month year thereafter.

£4m, subject to on-going monitoring of the ensuing behavioural impacts.

Whether the approximately £4 million figure reported in connection with the policy is a gross or net additional-revenue figure.

A net figure.

Please provide the recorded assumptions incorporated into that financial model concerning the number or percentage of second homes and long-term empty homes expected to:

Remain subject to the 300% premium.

Cease to be subject to the premium because they are sold, let long-term or become somebody's sole or main residence.

Otherwise cease to attract the full premium.

Before the increase, properties subject to the existing 100% premium pay 200% of ordinary Council Tax. A property remaining subject to the new 300% premium will pay 400%.

However, if the policy causes a property to be sold, let long-term or otherwise become somebody's sole or main residence, its liability would normally fall from 200% to 100%.

Please provide the recorded calculation or assumption showing whether this loss of existing Council Tax revenue from properties moving from 200% to 100% was included when calculating the forecast additional revenue.

Given both the range of relevant influencing factors and newly created nature of the flexibilities, income projections were estimated at an overall level and not based on particular categories of liability.

Please provide the number of second homes and long-term empty homes included in the model and either:

Their Council Tax band distribution (A–H).

The average standard Council Tax liability per property used in the calculation.

The calculation took as its basis the existing number of respective second and long-term empty homes. As of August 2026, these were comprised as follows:

Second
Homes

Band	Number
A	22
B	125
C	219
D	251
E	343
F	233
G	167
H	46
Total	1,406

Long Term Empties

Band	Number
A	180
B	343
C	302
D	307
E	297
F	132
G	98
H	48
Total	1,707