

# Council

24 February 2026



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| <b>Title</b>  | Council Tax Setting 2026/27   |
| <b>Purpose of the report</b>  | To make a key decision  |
| <b>Report status</b>  | Public report   |
| <b>Executive Director/<br/>Statutory Officer<br/>Commissioning Report</b> | Darren Carter, Director of Finance  |
| <b>Report author</b>  | Chloe Hennessy, Acting Strategic Financial Planning Manager   |
| <b>Lead Councillor</b>  | Councillor Terry, Leader of the Council   |
| <b>Corporate priority</b>   | Our Foundations   |
| <b>Recommendations</b>  | <p><b>That Council approve:</b></p> <p>1. The following amounts that have been calculated for the year 2026/27 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:</p> <p>(i) £532,709,000 <b>Gross Revenue Expenditure</b><br/>(being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act);</p> <p>(ii) £398,533,000 <b>Gross Revenue Income</b><br/>(being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act);</p> <p>(iii) £134,176,400 <b>Net Revenue Expenditure</b><br/>(being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated in accordance with Section 31A (4) of the Act, as the Council's Council Tax Requirement for the year. (Item R in the formula in section 31A (4) of the Act));</p> <p>(iv) £2,223.18 <b>Reading Borough Council band D Council Tax</b><br/>(being the amount at (iii) above (Item R) divided by the Council's tax base 60,353.38 (Item T) calculated in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. This represents an increase of 4.99% in the Council's own tax).</p> |

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|  | <p><b>That Council notes:</b></p> <ol style="list-style-type: none"> <li>2. That the net tax base of 60,353.38 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2026/27 was agreed by Full Council on 27<sup>th</sup> January 2026;</li> <li>3. That the band D Council Tax for Reading Borough Council is £2,223.18 as shown in Table 2 of the report;</li> <li>4. That including the Fire and Police authority precepts; the Overall Council Tax by property valuation band is as set out in Table 3 of the report.</li> </ol> |
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## 1. Summary

- 1.1. The purpose of this report is to approve the calculations for determining the Council's Council Tax requirement for the year 2026/27 in accordance with the Local Government Finance Act 1992.
- 1.2. The report also sets out the Council Tax amounts for each property valuation band in the Borough including precepts notified from the Office of the Police & Crime Commissioner for Thames Valley and the Royal Berkshire Fire & Rescue Service.
- 1.3. This report has been prepared with reference to the following documents:
  - Local Government Finance Act 1992;
  - Approval of The Local Council Tax Support Scheme and the Council Tax Base for 2026/27 Report - approved by Council on 27<sup>th</sup> January 2026;
  - Referendums Relating to Council Tax Increases (Principles) (England) Report 2026/2027;
  - The 2026/27 Budget & Medium Term Financial Strategy 2026/27 - 2028/29 Report - approved by Policy Committee on 16<sup>th</sup> February 2026.

## 2. Policy Context

- 2.1. The Local Government Finance Act 1992 sets out the specific amounts to be calculated and approved when setting the Council Tax. This report allows the Council to meet its legislative duty to set the Council Tax for each property band.
- 2.2. Council at its meeting on 27<sup>th</sup> January 2026 approved the Council Tax Base for 2026/27 as 60,353.38 band D equivalent properties for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the "Act")].

## 3. The Proposal

### Council Tax Calculations

- 3.1. The calculation of Council Tax involves several stages, and the Local Government Finance Act 1992 requires figures to be calculated including and excluding precepts. The following tables set out the required calculations.
- 3.2. The Council, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, sets its own band D amount by dividing its Council Tax requirement (as set out in Appendix 1 of the budget report which appears elsewhere on the agenda) by the agreed number of band D equivalent properties (its Tax Base) as shown in Table 1 below:

**Table 1. Calculation of Reading Borough Council's band D Council Tax 2026/27**

|  |                     |
|--|---------------------|
| (i) Council Tax Requirement                                      | <b>£134,176,400</b> |
| (ii) Tax Base (Number of band D equivalent properties)           | <b>60,353.38</b>    |
| (iii) Basic Amount of Council Tax (band D) – (i) divided by (ii) | <b>£2,223.18</b>    |

3.3. Reading's basic amount of Council Tax for a band D property for 2026/27 is £2,223.18 which represents an overall increase of 4.99% on the 2025/26 figure of £2,117.52; an increase of £105.66 (approximately £2.03 per week).

3.4. In accordance with Sections 31 to 36 of the Local Government Finance Act 1992, the Council's basic amount of Council Tax by property valuation band for 2026/27 is as shown in Table 2 below:

**Table 2. Reading Borough Council - Council Tax by Property Valuation Band 2026/27**

| Valuation Band | A               | B               | C               | D               | E               | F               | G               | H               |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                | £               | £               | £               | £               | £               | £               | £               | £               |
| <b>Council</b> | <b>1,482.12</b> | <b>1,729.14</b> | <b>1,976.16</b> | <b>2,223.18</b> | <b>2,717.22</b> | <b>3,211.26</b> | <b>3,705.30</b> | <b>4,446.36</b> |

3.5. Local Authorities can increase Council Tax in 2026/27 by a core amount of up to 3.0%, without holding a local referendum. In addition, councils with Adult Social Care responsibilities can increase their Council Tax by a further 2.0%, on top of the core amount, provided it is spent exclusively on Adult Social Care.

3.6. The Council's basic amount of Council Tax for 2026/27 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

### Major Preceptors

3.7. The Office of the Police and Crime Commissioner for the Thames Valley and The Royal Berkshire Fire & Rescue Service set their precepts for 2026/27 at their respective meetings on 23<sup>rd</sup> January 2026 and 23<sup>rd</sup> February 2026.

3.8. The Police Precept is £18.002m and the Fire precept £5.511m, in accordance with Section 40 of the Local Government Finance Act 1992.

3.9. The basic amounts of Council Tax by property valuation band for 2026/27 of each of the respective precepting authorities are set out in Table 3 below together with the overall Council Tax charge per property band (before any exemptions or discounts that may be applied):

**Table 3. Overall Council Tax Including Major Preceptors 2026/27**

| Valuation Band | A               | B               | C               | D               | E               | F               | G               | H               |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                | £               | £               | £               | £               | £               | £               | £               | £               |
| Council        | 1,482.12        | 1,729.14        | 1,976.16        | 2,223.18        | 2,717.22        | 3,211.26        | 3,705.30        | 4,446.36        |
| Police         | 198.85          | 232.00          | 265.14          | 298.28          | 364.56          | 430.85          | 497.13          | 596.56          |
| Fire           | 60.87           | 71.02           | 81.16           | 91.31           | 111.60          | 131.89          | 152.18          | 182.62          |
| <b>Total</b>   | <b>1,741.84</b> | <b>2,032.16</b> | <b>2,322.46</b> | <b>2,612.77</b> | <b>3,193.38</b> | <b>3,774.00</b> | <b>4,354.61</b> | <b>5,225.54</b> |

3.10. The overall band D charge for 2026/27 (including major preceptors) of £2,612.77 represents an increase of £125.66 (5.05%) on 2025/26 – the constituent elements are set out in Table 4 below:

**Table 4. Change in Overall band D Council Tax Charge**

| Major Preceptor | 2025/26         | 2026/27         | Change        | Percentage   | Overall      |
|-----------------|-----------------|-----------------|---------------|--------------|--------------|
|                 | £               | £               | £             | %            | %            |
| Council         | 2,117.52        | 2,223.18        | 105.66        | 4.99%        | 4.25%        |
| Police          | 283.28          | 298.28          | 15.00         | 5.30%        | 0.60%        |
| Fire            | 86.31           | 91.31           | 5.00          | 5.79%        | 0.20%        |
| <b>Total</b>    | <b>2,487.11</b> | <b>2,612.77</b> | <b>125.66</b> | <b>5.05%</b> | <b>5.05%</b> |

#### 4. Contribution to Strategic Aims

- 4.1. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website. These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.
- 4.2. Council Tax is levied to fund service delivery as laid out in the 2026/27 Budget & Medium-Term Financial Strategy 2026/27-2028/29 report.

#### 5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency in February 2019, with the intention of achieving a carbon neutral Reading by 2030, which will require further financial commitment to achieve. Reading has cut its carbon emissions by 57% since 2005 and the Council has cut its own carbon footprint by 73.4% since 2008. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 5.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

#### 6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 18<sup>th</sup> December 2025 until 17<sup>th</sup> January 2026. The feedback from this engagement is set out in Appendix 11 of the 2026/27 Budget & Medium-Term Financial Strategy 2026/27-2028/29 Report elsewhere on the agenda. The results of the Residents Survey carried out in the summer of 2025 was published online and can be viewed [here](#).
- 6.2. The highest proportion of properties in Reading are classed as band C and below, with approximately 40% of properties classed as band C. The Reading element of the Council Tax for this band for 2026/27 will be £1,976.16, an increase of approximately £1.80 per week. The overall Council Tax charge for this band (including Police and Fire) will be £2,322.46.
- 6.3. The number of properties in each valuation band is set out in Table 5 below:

**Table 5. Number and Distribution of Properties by Council Tax Banding**

| Band         | Number of Properties in Band | Proportion    | Amount Payable as a Proportion of band D |
|--------------|------------------------------|---------------|--|
| A            | 7,239                        | 9.4%          | 6/9                                      |
| B            | 15,009                       | 19.4%         | 7/9                                      |
| C            | 31,526                       | 40.7%         | 8/9                                      |
| D            | 12,258                       | 15.8%         | 9/9                                      |
| E            | 5,941                        | 7.7%          | 11/9                                     |
| F            | 3,398                        | 4.4%          | 13/9                                     |
| G            | 1,908                        | 2.5%          | 15/9                                     |
| H            | 100                          | 0.1%          | 18/9                                     |
| <b>Total</b> | <b>77,379</b>                | <b>100.0%</b> |  |

## **7. Equality Implications**

- 7.1. An equality impact assessment has been undertaken for the budget proposals set out in the Medium-Term Financial Strategy report.
- 7.2. As well as the Council's current Council Tax Reduction Scheme there are statutory discounts and exemptions available to residents who may otherwise struggle to pay their Council Tax, details are available on the Council's website.

## **8. Other Relevant Considerations**

- 8.1. There are none.

## **9. Legal Implications**

- 9.1. Section 30 of the Local Government Act 1992 places a duty on the Council, as the billing authority, to set the Council Tax for all the property bands for 2026/27. Any amount must be set before 11<sup>th</sup> March in the financial year preceding that for which it is set but is not invalid merely because it is set on or after that date.

## **10. Financial Implications**

- 10.1. The financial implications are set out in the main body of the report.
- 10.2. The 2.00% increase to Council Tax in respect of the Adult Social Care Levy will raise £2.556m in Council Tax income that will contribute towards the increased budget provision for Adult Social Care as set out within the 2026/27 Budget and 2026/27-2028/29 Medium-Term Financial Strategy Report.

## **11. Timetable for Implementation**

- 11.1. Council Tax Bills for 2026/27 are scheduled to be issued from 4<sup>th</sup> March 2026 (electronic bills) and 9<sup>th</sup> March 2026 (postal bills).

## **12. Background Papers**

- 12.1. There are none.