

Report of the Deputy Chief Executive

Agenda Item 6 (ii)

Report to Council

Date: 25th February 2015

Subject: Council Tax 2015/16

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Section 30 of the Local Government Act 1992 imposes on the City Council a duty to set council taxes within its area. This report sets out the background to the calculations, the various steps in the process and the proposed council taxes for 2015/16 including the precepts issued by the West Yorkshire Police and Crime Commissioner, the West Yorkshire Fire and Rescue Authority and the parish and town councils within the Leeds area.
2. It is proposed that Leeds City Council's element of the Band D council tax charge be increased by 1.99% to £1,168.80. At the time of writing the precepts for the Police and Crime Commissioner and the West Yorkshire Fire & Rescue Authority were not available. Also the charges for Ledston Parish Council are subject to confirmation. Finalised figures will be made available to members at the meeting of Council.
3. The financial year 2015/16 is the third year since major changes to the funding arrangements for local government came into effect¹. The changes affected the way the council tax bases were calculated and removed certain discounts and exemptions and replaced them with discretionary powers to give discounts and charge a premium on long term empty properties.

¹ Introduced in the Local Government Finance Act 2012

Recommendations

4. Members are requested to approve the recommendations set out in Section 5 of this report.

1 Introduction

- 1.1 This report sets out how the council tax is calculated and makes recommendations regarding Leeds' council tax requirement, the calculation of Leeds' and parish elements of council tax and the setting of the overall level of council tax for Leeds for 2015/16.

2 Context

- 2.1 Section 30 of the Local Government Finance Act 1992 requires the City Council to set the council tax within its area. The amounts paid are based upon the capital values of each dwelling and are calculated by reference to their values at 1st April 1991 prices.
- 2.2 Properties are placed in one of eight valuation bands by the Listing Officer of the Valuation Office Agency as follows:

Value at 1st April 1991	
Band A	Not exceeding £40,000
Band B	Over £ 40,000 but not exceeding £ 52,000
Band C	Over £ 52,000 but not exceeding £ 68,000
Band D	Over £ 68,000 but not exceeding £ 88,000
Band E	Over £ 88,000 but not exceeding £120,000
Band F	Over £120,000 but not exceeding £160,000
Band G	Over £160,000 but not exceeding £320,000
Band H	Exceeding £320,000

Table 1

- 2.3 When the consultation paper relating to council tax was first issued by the Government in April 1991, it was estimated that the average property value in England was about £80,000. Such a property would be in Band D and as a result, many of the calculations are carried out by reference to Band D. For example, when the level of council tax is calculated, a Band D Tax is calculated initially and the taxes for the other bands are then calculated as proportions of that. Amounts of council tax are calculated in the first instance for households with two or more adults; single adult households receive a 25% discount.

3. Main issues

3.1 Council Taxes and the Collection Fund

- 3.1.1 The City Council has its budgeted net expenditure requirement met by a payment from the Leeds Collection Fund. The Collection Fund is a separate account from the City Council's General Fund and was set up in accordance with S89 of the Local Government Finance Act 1988. The Collection Fund is a receptacle for council tax and pays out the demands and precepts made upon it by the City Council, the Police and Crime Commissioner and the Fire and Rescue Authority.
- 3.1.2 Leeds City Council is a "billing authority". This means that the Council is responsible for maintaining the Collection Fund, setting the council tax, sending out council tax bills and collecting council tax. Leeds City Council, the Police and Crime Commissioner and the Fire and Rescue Authority each calculate their own element of council tax and Leeds as the billing authority then formally sets the overall tax by adding these elements together.
- 3.1.3 A 1.99% council tax increase is proposed to the Leeds element of the tax as shown in the table below. **At the time of writing the Police and Crime Commissioner and the Fire & Rescue Authority had not yet agreed their final precepts. The final figures will be available for Council on 25th February.**

	2014/15 £	2015/16 £
Band A	763.93	779.20
Band B	891.25	909.07
Band C	1,018.57	1,038.93
Band D	1,145.89	1,168.80
Band E	1,400.53	1,428.53
Band F	1,655.17	1,688.27
Band G	1,909.82	1,948.00
Band H	2,291.78	2,337.60

Table 2

- 3.1.4 For 2015/16 the Secretary of State for Communities and Local Government has again determined "principles" that will require local authorities that wish to increase their council taxes beyond set limits to hold local referendums. The limit this year is 2.0%. The council taxes proposed for the Leeds area as set out in Table 2 will not exceed the referendum limits set by the Secretary of State.

3.2 Calculation and Setting of Council Tax

- 3.2.1 The changes introduced in 2013/14 did not alter the actual process of calculating and setting council tax. The stages remain as follows:
- i) Calculate the "council tax requirement" following the steps set out in Section 31A of the Local Government Finance Act 1992. This takes the Council's

gross budget and gross income as a starting point and is shown in abbreviated form in Table 3.

- ii) Divide the council tax requirement by the tax base (as agreed by Council on 14th January 2015) to give a Band D Tax that includes amounts for parishes.
- iii) Calculate separately the Band D Taxes for non-parished areas (by removing parish precepts) and for each parish.
- iv) Calculate the taxes for each property band for non-parished areas and for parishes.

3.2.2 Table 3 does not include precepts and Band D amounts for the Police and Crime Commissioner, the Fire and Rescue Authority as these were unavailable at the time of writing. The total of parish precepts is also not finalised.

	2014/15		2015/16	
	TOTAL £	Per Band D Equivalent £ p	TOTAL £	Per Band D Equivalent £ p
Leeds City Council				
Gross Expenditure (inc. trans. to reserves)	2,003,834,000		2,068,338,000	
Less:				
Gross Income (inc. trans. From reserves)	1,435,824,013		1,544,554,000	
Net Budget *	568,009,987	2,682.24	523,784,000	2,449.71
Add:				
Parish Precepts	1,489,802	7.03	1,536,369	7.18
	569,499,789	2,689.27	525,320,369	2,456.89
Less:				
Leeds RSG	172,318,720	813.72	124,308,126	581.38
Leeds Business Rates	182,320,039	860.95	186,846,047	873.87
	214,861,030	1,014.60	214,166,196	1,001.64
Add:				
Tariff to Central Government	32,260,437	152.34	32,876,878	153.76
Basic amount needed from Council Tax	247,121,467	1,166.94	247,043,074	1,155.40
Adjust for:				
Business Rates Collection Fund (Surplus)/Deficit	-541,002	-2.55	6,428,100	30.06
Council Tax Collection Fund (Surplus)/Deficit	-2,429,000	-11.47	-2,028,000	-9.48
COUNCIL TAX REQUIREMENT (Including Parishes)	244,151,465	1,152.92	251,443,174	1,175.98
Less:				
Parish Precepts	1,489,802	7.03	1,536,369	7.18
COUNCIL TAX REQUIREMENT (Excluding Parishes)	242,661,663	1,145.89	249,906,805	1,168.80
Add:				
Police Precept	29,266,009	138.20	n/a	
Fire Precept	12,155,432	57.40	n/a	
TOTAL BAND D TAX (Non Parished Areas)	284,083,104	1,341.49	249,906,805	1,168.80
Total including parishes	285,572,906	1,348.52	251,443,174	1,175.98

* The 2014/15 Net Budget has been adjusted to include the Levy to the LCR Pool which is included in the 2015/16 Net Budget

Table 3

Notes:

- The council tax base for 2015/16 as agreed by Council on 14th January 2015 and expressed as the number of Band D equivalent properties is 213,814.7.
- The precepts for individual parish and town councils and their parish Band D council taxes are set out in Appendix I.
- “Per Band D equivalents” shown in the table may not add due to rounding.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The setting of council taxes is the final step in a budget setting process which has been underway for a number of months. Leeds City Council's initial budget proposals have been the subject of extensive consultation with key stakeholders as set out in section 4 of the Revenue Budget and Council Tax 2015/16 report.

4.2 Equality and Diversity/Cohesion and Integration

4.2.1 The Council is fully committed to assessing and understanding the impact of its decisions on equality and diversity issues. In order to achieve this, the Council has an agreed process in place and has particularly promoted the importance of the process when taking forward key policy or budgetary changes.

4.2.2 A specific Equality Impact Assessment of the budget at a strategic level has been carried out and this is attached to the Revenue Budget and Council Tax 2015/16 report included in the pack of papers available at this meeting. Separate equality impact assessments have been undertaken in respect to specific actions included in the budget where appropriate and a summary of the position is also included.

4.2.3 A view from colleagues in Legal Services has been sought on the process adopted for equality impact assessing the budget and the associated decisions. Their considered view is that the process developed is robust and evidences that 'due regard' has been given to equality related issues.

4.3 Council policies and City Priorities

4.3.1 The council tax recommendations detailed in this report have been developed to ensure that appropriate financial resources are provided to support Council policies and city priorities, as set out in the Revenue Budget and Council Tax 2015/16 report referred to earlier.

4.4 Resources and value for money

4.4.1 This is a financial report and the financial implications are outlined in main body of the report and set out in detail in the Revenue Budget and Council Tax 2015/16 report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 In accordance with the Council's Budget and Policy Framework decisions as to the Council's budget and council tax are reserved to Council. Agreement of the recommendations contained in this report implies the Council's agreement to the actions necessary to deliver the budget described in the Revenue Budget and Council Tax 2015/16 report.

4.6 Risk Management

- 4.6.1 A full assessment of budget risks both at directorate level and corporately has been made and is explained in paragraph 9.3 of the Revenue Budget and Council Tax 2015/16 report.

5. Recommendations

- 5.1. That it be noted that at the meeting on 14th January 2015, Council agreed the following amounts for the year 2015/16, in accordance with regulations made under Sections 31B(3) and 34(4) of the Local Government Finance Act 1992:-

- a) 213,814.7 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) as its council tax base for the year.
- b)

PARISH OF	Taxbase Numbers 2015/16
Aberford and District	753.5
Allerton Bywater	1,303.6
Alwoodley	3,613.3
Arthington	286.5
Austhorpe	25.4
Bardsey cum Rigton	1,091.1
Barwick in Elmet and Scholes	1,946.7
Boston Spa	1,910.3
Bramham cum Oglethorpe	717.4
Bramhope and Carlton	1,799.4
Clifford	726.3
Collingham with Linton	1,674.1
Drighlington	1,795.7
East Keswick	585.7
Gildersome	1,778.4
Great and Little Preston	514.5
Harewood	1,815.7
Horsforth	6,658.0
Kippax	2,834.4
Ledsham	95.5
Ledston	158.1
Micklefield	494.2
Morley	10,053.0
Otley	4,602.9
Pool in Wharfedale	939.3
Rawdon	2,658.0
Scarcroft	801.9
Shadwell	959.0
Swillington	935.3
Thornor	749.1
Thorp Arch	364.7
Walton	117.1
Wetherby	4,446.3
Wothersome	8.5

being the amounts calculated by the Council in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

- 5.2 That the following amounts be now calculated by the Council for the year 2014/15 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:-
- a) **£2,109,179,347.39** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act.
 - b) **£1,857,736,172.99** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
 - c) **£251,443,174.40** being the amount by which the aggregate at 5.2(a) above exceeds the aggregate at 5.2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its **council tax requirement** for the year.
 - d) **£1,175.986377** being the amount at 5.2(c) above, divided by the amount at 5.1(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the **basic amount of its council tax for the year**.
 - e) **£1,536,369.00** being the aggregate amount of all special items referred to in Section 34(1) of the Act.
 - f) **£1,168.80** being the amount at 5.2(d) above, less the result given by dividing the amount at 5.2(e) above by the amount at 5.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the **basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates**.

g)

Parish	Band D £ p
Aberford and District	1,186.72
Allerton Bywater	1,192.58
Alwoodley	1,178.96
Arthington	1,175.78
Bardsey cum Rigton	1,197.67
Barwick in Elmet and Scholes	1,187.88
Boston Spa	1,187.65
Bramham cum Oglethorpe	1,196.68
Bramhope and Carlton	1,199.59
Clifford	1,197.71
Collingham with Linton	1,199.56
Drighlington	1,186.06
East Keswick	1,197.83
Gildersome	1,180.61
Great and Little Preston	1,189.21
Harewood	1,169.35
Horsforth	1,184.42
Kippax	1,183.29
Ledsham	1,201.46
Ledston	1,189.04
Micklefield	1,259.59
Morley	1,187.96
Otley	1,233.12
Pool in Wharfedale	1,209.71
Rawdon	1,183.83
Scarcroft	1,195.74
Shadwell	1,200.08
Swillington	1,198.26
Thornor	1,204.84
Thorp Arch	1,201.70
Walton	1,217.65
Wetherby	1,221.20

being the amounts given by adding to the amount at 5.2(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 5.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

Members are asked to note that the band D charge for Ledston Parish Council is subject to confirmation.

h)

	Band A £ p	Band B £ p	Band C £ p	Band D £ p	Band E £ p	Band F £ p	Band G £ p	Band H £ p
LEEDS EXCEPT PARTS BELOW:	779.20	909.07	1,038.93	1,168.80	1,428.53	1,688.27	1,948.00	2,337.60
Parish of:								
Aberford and District	791.15	923.00	1,054.86	1,186.72	1,450.44	1,714.15	1,977.87	2,373.44
Allerton Bywater	795.05	927.56	1,060.07	1,192.58	1,457.60	1,722.62	1,987.63	2,385.16
Alwoodley	785.97	916.97	1,047.96	1,178.96	1,440.95	1,702.94	1,964.93	2,357.92
Arthington	783.85	914.50	1,045.14	1,175.78	1,437.06	1,698.35	1,959.63	2,351.56
Bardsey cum Rigton	798.45	931.52	1,064.60	1,197.67	1,463.82	1,729.97	1,996.12	2,395.34
Barwick in Elmet and Scholes	791.92	923.91	1,055.89	1,187.88	1,451.85	1,715.83	1,979.80	2,375.76
Boston Spa	791.77	923.73	1,055.69	1,187.65	1,451.57	1,715.49	1,979.42	2,375.30
Bramham cum Oglethorpe	797.79	930.75	1,063.72	1,196.68	1,462.61	1,728.54	1,994.47	2,393.36
Bramhope and Carlton	799.73	933.01	1,066.30	1,199.59	1,466.17	1,732.74	1,999.32	2,399.18
Clifford	798.47	931.55	1,064.63	1,197.71	1,463.87	1,730.03	1,996.18	2,395.42
Collingham with Linton	799.71	932.99	1,066.28	1,199.56	1,466.13	1,732.70	1,999.27	2,399.12
Drighlington	790.71	922.49	1,054.28	1,186.06	1,449.63	1,713.20	1,976.77	2,372.12
East Keswick	798.55	931.65	1,064.74	1,197.83	1,464.01	1,730.20	1,996.38	2,395.66
Gildersome	787.07	918.25	1,049.43	1,180.61	1,442.97	1,705.33	1,967.68	2,361.22
Great and Little Preston	792.81	924.94	1,057.08	1,189.21	1,453.48	1,717.75	1,982.02	2,378.42
Harewood	779.57	909.49	1,039.42	1,169.35	1,429.21	1,689.06	1,948.92	2,338.70
Horsforth	789.61	921.22	1,052.82	1,184.42	1,447.62	1,710.83	1,974.03	2,368.84
Kippax	788.86	920.34	1,051.81	1,183.29	1,446.24	1,709.20	1,972.15	2,366.58
Ledsham	800.97	934.47	1,067.96	1,201.46	1,468.45	1,735.44	2,002.43	2,402.92
Ledston	792.69	924.81	1,056.92	1,189.04	1,453.27	1,717.50	1,981.73	2,378.08
Micklefield	839.73	979.68	1,119.64	1,259.59	1,539.50	1,819.41	2,099.32	2,519.18
Morley	791.97	923.97	1,055.96	1,187.96	1,451.95	1,715.94	1,979.93	2,375.92
Otley	822.08	959.09	1,096.11	1,233.12	1,507.15	1,781.17	2,055.20	2,466.24
Pool in Wharfedale	806.47	940.89	1,075.30	1,209.71	1,478.53	1,747.36	2,016.18	2,419.42
Rawdon	789.22	920.76	1,052.29	1,183.83	1,446.90	1,709.98	1,973.05	2,367.66
Scarcroft	797.16	930.02	1,062.88	1,195.74	1,461.46	1,727.18	1,992.90	2,391.48
Shadwell	800.05	933.40	1,066.74	1,200.08	1,466.76	1,733.45	2,000.13	2,400.16
Swillington	798.84	931.98	1,065.12	1,198.26	1,464.54	1,730.82	1,997.10	2,396.52
Thornor	803.23	937.10	1,070.97	1,204.84	1,472.58	1,740.32	2,008.07	2,409.68
Thorp Arch	801.13	934.66	1,068.18	1,201.70	1,468.74	1,735.79	2,002.83	2,403.40
Walton	811.77	947.06	1,082.36	1,217.65	1,488.24	1,758.83	2,029.42	2,435.30
Wetherby	814.13	949.82	1,085.51	1,221.20	1,492.58	1,763.96	2,035.33	2,442.40

being the amounts given by multiplying the amounts at 5.2(f) and 5.2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Members are asked to note that the charges for Ledston Parish Council are subject to confirmation.

- 5.3 That it be noted for the year 2015/16 that the Police and Crime Commissioner and the West Yorkshire Fire & Rescue Authority precepts were not available at the time of writing but will be available at Council on 25th February.
- 5.4 That, in accordance with section 52ZB of the Local Government Finance Act 1992, following the principles set out by the Secretary of State and in the Referendums Relating to Council Tax Increases (Principles) (England) Report 2015/16, it be

determined that Leeds City Council's relevant basic amount of council tax for the year 2015/16 is not excessive.

- 5.5 That the schedule of instalments for 2015/16 for transfers to Leeds City Council and payments to the Police and Crime Commissioner and the Fire and Rescue Authority out of the Collection Fund be determined as set out in Appendix II of this report.

6. Background documents

- 6.1 There are no background documents associated with this report.

APPENDIX I

PARISH PRECEPTS & COUNCIL TAX BAND D CHARGES 2014/15

Parish	2014/15		2015/16	
	Parish Precept	Parish Band D Council Tax	Parish Precept	Parish Band D Council Tax
	£	£ p	£	£ p
Aberford and District	12,500.00	16.58	13,500.00	17.92
Allerton Bywater	27,597.00	21.53	31,000.00	23.78
Alwoodley	36,720.00	10.20	36,720.00	10.16
Arthington	2,000.00	6.99	2,000.00	6.98
Austhorpe	0.00	0.00	0.00	0.00
Bardsey cum Rigton	30,900.00	28.80	31,500.00	28.87
Barwick in Elmet and Scholes	37,148.00	19.06	37,148.00	19.08
Boston Spa	35,500.00	19.23	36,000.00	18.85
Bramham cum Oglethorpe	20,000.00	27.93	20,000.00	27.88
Bramhope and Carlton	55,000.00	30.80	55,410.00	30.79
Clifford	21,000.00	28.49	21,000.00	28.91
Collingham with Linton	51,500.00	30.67	51,500.00	30.76
Drighlington	26,000.00	14.64	31,000.00	17.26
East Keswick	17,000.00	29.01	17,000.00	29.03
Gildersome	21,000.00	11.87	21,000.00	11.81
Great and Little Preston	8,570.00	18.71	10,500.00	20.41
Harewood	1,000.00	0.55	1,000.00	0.55
Horsforth	104,000.00	15.72	104,000.00	15.62
Kippax	41,284.00	14.64	41,060.00	14.49
Ledsham	2,618.85	27.86	3,119.00	32.66
Ledston	3,200.00	20.38	3,200.00	20.24
Micklefield	43,756.00	89.30	44,869.00	90.79
Morley	192,591.00	19.62	192,591.00	19.16
Otley	264,956.00	57.98	296,039.00	64.32
Pool in Wharfedale	38,426.00	40.79	38,426.00	40.91
Rawdon	40,000.00	15.04	39,950.00	15.03
Scarcroft	21,202.00	26.94	21,603.00	26.94
Shadwell	29,463.00	30.75	30,000.00	31.28
Swillington	27,206.00	29.16	27,550.00	29.46
Thorner	27,000.00	36.05	27,000.00	36.04
Thorp Arch	12,000.00	33.15	12,000.00	32.90
Walton	5,700.00	47.90	5,720.00	48.85
Wetherby	232,964.00	52.79	232,964.00	52.40
Wothersome	0.00	0.00	0.00	0.00
TOTAL	1,489,801.85		1,536,369.00	

Members are asked to note that the precept for Ledston Parish Council is subject to confirmation.

LEEDS COLLECTION FUND**SCHEDULE OF INSTALMENTS OF PAYMENTS OR TRANSFERS 2015/16**

15th April 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th May 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th June 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th July 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
17th August 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th September 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th October 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
16th November 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th December 2015	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th January 2016	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th February 2016	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority
15th March 2016	Transfer to Leeds City Council Payment to Police & Crime Commissioner West Yorkshire Payment to West Yorkshire Fire & Rescue Authority

The amount of each instalment will be the amount of the billing authority's undischarged liability, divided by the number of instalments remaining to be paid or transferred.