
Report of the DIRECTOR OF RESOURCES

COMMITTEE: COUNCIL

Date: 20TH FEBRUARY 2008

Subject: COUNCIL TAX 2008/2009

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity ☐

Community Cohesion ☐

Narrowing the Gap ☐

1. INTRODUCTION

- 1.1 This section of the report sets out the background to the Council Tax to be levied in 2008/2009 in the Leeds Metropolitan area. Each householder pays a tax based on the capital value of the property at 1st April 1991. Properties have been placed in one of eight valuation bands by the Listing Officer of HM Revenues and Customs, 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

- 1.2 When the consultation paper relating to the 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. (For further details see the table in 3.3.1 below). Amounts of tax are calculated in the first

instance for households with two or more adults; single adult households will receive a 25% discount.

- 1.3 Section 30 of the Local Government Finance Act 1992 imposes upon the City Council the duty to set the Council Tax within its area. The proposed Leeds Council Tax elements for a two-adult household are shown below. The taxes for 2007/08 are shown for comparison. **The 2008/09 Council Taxes shown do not include the proposed precepts for the Police and Fire & Civil Defence authorities because, at the time of writing, their figures are still to be confirmed.**

	2007/08 £	2008/09 £
Band A	677.44	709.58
Band B	790.35	827.84
Band C	903.25	946.11
Band D	1,016.16	1,064.37
Band E	1,241.97	1,300.90
Band F	1,467.79	1,537.42
Band G	1,693.60	1,773.95
Band H	2,032.32	2,128.74

The proposed increase in the Leeds element is 4.7%.

- 1.4 **The Fire and Civil Defence Authority will meet on 15th February 2008 to finalise their budget and council tax. The equivalent meeting for the Police Authority will take place on 22nd February 2008.**
- 1.5 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 and the Police and Fire Authorities.
- 1.6 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 and the Police and Fire & Civil Defence authorities each calculate their own element of Council Tax and the billing authority then formally sets the overall tax by adding these elements together.
- 1.7 This report sets out how the Council Tax is calculated and makes recommendations regarding the calculation of the Leeds' and parish elements of the Council Tax and regarding the setting of the overall tax.

2. LOCAL GOVERNMENT FINANCE SETTLEMENT 2008/09

- 2.1 Information about the Local Government Finance Settlement was included in the "Revenue Budget and Council Tax 2008/09" report to Executive Board on 8th February. A copy of that report is included in the pack of papers supplied to councillors to facilitate consideration of the budget and related matters at this meeting.

3. CALCULATION & SETTING OF COUNCIL TAX

3.1. As explained in Paragraph 1.6 above, Leeds City Council and the Police and Fire & Civil Defence authorities are each responsible for calculating their own element of Council Tax and the City Council is then responsible for formally setting the overall level of Council Tax by adding these elements together. This section of the report sets out how these figures are calculated.

3.2. Steps in the Calculation of Leeds' Element of Council Tax

The various steps in this process are as follows:

- i) Calculate the "budget requirement". This is the sum of Leeds City Council's net budget (as reported on separately on this agenda) and Parish Precepts.
- ii) Deduct Formula Grant from the budget requirement. Also deduct any estimated surplus on the Collection Fund (or add any deficits). This gives the amount to be raised by the Leeds element of Council Tax.
- iii) Divide the above by the tax base (as agreed by Council on 16th January 2008) to give a Band D Tax that includes amounts for parishes.
- iv) Calculate separately the Band D Taxes for non-parished areas (by removing parish precepts) and for each parish.
- v) Calculate the taxes for each property band for non-parished areas and for parishes.

3.3 Levels of Tax

3.3.1 The following table sets out the main steps of the calculation described in 3.2 above including the proposed Fire and Civil Defence Authority Band D amounts. The Police Band D amount is not available at the time of writing:

	2007/08		2008/2009	
	TOTAL £	Per Band D Equivalent £ p	TOTAL £	Per Band D Equivalent £ p
Leeds City Council Revenue Estimates	505,223,000	2,195.54	540,509,000	2,317.76
Add:				
Parish Precepts	1,272,223	5.53	1,354,296 *	5.81
Budget Requirement	506,495,223	2,201.07	541,863,296	2,323.57
Less:				
Leeds RSG	38,999,956	169.48	35,700,417	153.09
Leeds NNDR	232,390,715	1,009.90	256,453,534	1,099.70
Total Formula Grant	271,390,671	1,179.38	292,153,951	1,252.79
Basic amount needed from Council tax	235,104,552	1,021.69	249,709,345 *	1,070.78
Less:				
Collection Fund Surpluses	0	0.00	139,365	0.60
TO BE RAISED FROM LEEDS ELEMENT OF COUNCIL TAX (Including Parishes)	235,104,552	1,021.69	249,569,980 *	1,070.18
Less:				
Parish Precepts	1,272,223	5.53	1,354,296 *	5.81
TO BE RAISED FROM LEEDS ELEMENT OF COUNCIL TAX (Excluding Parishes)	233,832,329	1,016.16	248,215,684	1,064.37
Add:				
Police Precept	27,157,361	118.02	Not Known	
Fire Precept	11,049,176	48.02	11,639,583	49.91
TOTAL BAND D TAX (Non Parished Areas)	272,038,866	1,182.20	Not Known	

* Figures include anticipated precept for Alwoodley (see paragraph 3.3.2)

NOTE

The taxbase for 2008/09, as agreed by Council on 16th January 2007, expressed as the number of Band D equivalent properties is 233,204.

- 3.3.2 Amounts of parish precepts for 2007/08 and 2008/09 are shown in Appendix I. That appendix includes an anticipated precept for a new parish of Alwoodley. However, at the time of writing the Department of Communities and Local Government have not yet made the necessary order to confirm the creation of the new parish.

4. SCHEDULE OF PAYMENTS FROM THE COLLECTION FUND

- 4.1 The amounts to be transferred or paid from the Collection Fund in respect of precepts to Leeds City Council and West Yorkshire Police and Fire Authorities have to be made in accordance with an agreed schedule and this is attached at Appendix II.

5. **RECOMMENDATIONS**

5.1. That it be noted that at the meeting on 16th January 2008, Council agreed the following amounts for the year 2008/09, in accordance with regulations made under Sections 33(5) and 34(4) of the Local Government Finance Act 1992:-

a) 233,204 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	TAXBASE
Aberford and District	781
Allerton Bywater	1,410
Arthington	288
Austhorpe	26
Bardsey cum Rigton	1,138
Barwick in Elmet and Scholes	2,018
Boston Spa	1,847
Bramham cum Oglethorpe	702
Bramhope and Carlton	1,801
Clifford	740
Collingham with Linton	1,600
Drighlington	1,879
Gildersome	1,943
Great and Little Preston	495
Harewood	1,814
Horsforth	6,878
East Keswick	583
Kippax	3,056
Ledsham	91
Ledston	164
Micklefield	574
Morley	9,674
Otley	4,897
Pool in Wharfedale	964
Scarcroft	667
Shadwell	947
Swillington	1,069
Thorner	741
Thorp Arch	363
Walton	120
Wetherby	4,609
Wothersome	7

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, on the assumption that the DCLG makes the necessary order, the following amount be now calculated for the year 2008/09 in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended):-

PARISH	TAXBASE
Alwoodley	3,672

being the amount calculated in accordance with Regulation 6 of the Regulations as the amount of its Council Tax base for the year for dwellings in that part of its area listed to which one or more special items relate, this amount being calculated in addition to those listed in 5.1(b) above.

5.3 That, assuming that the DCLG makes the necessary order for the creation of the new parish of Alwoodley, the following amounts be now calculated by the Council for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

- a) **£2,381,063,296.49** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.
- b) **£1,839,200,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.
- c) **£541,863,296.49** being the amount by which the aggregate at 5.3(a) above exceeds the aggregate at 5.3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- d) **£292,293,316** being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed Non-Domestic Rates and Revenue Support Grant, increased by the amount which the Council estimates will be transferred from its Collection Fund into its General Fund under Section 97(3) of the Local Government Finance Act 1988 and reduced by the amount which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charges) (England) Directions 1994.
- e) **£1,070.178816** being the amount at 5.3(c) above, less the amount at 5.2(d) above, all divided by the amount at 5.1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- f) **£1,354,296.49** being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- g) **£1,064.37** being the amount at 5.3(e) above, less the result given by dividing the amount at 5.3(f) 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.

h)

Parish	Band D £ p
Aberford and District	1,074.61
Allerton Bywater	1,075.72
Alwoodley	1,074.37
Arthington	1,071.31
Bardsey cum Rigton	1,086.51
Barwick in Elmet and Scholes	1,083.20
Boston Spa	1,081.97
Bramham cum Oglethorpe	1,090.01
Bramhope and Carlton	1,094.96
Clifford	1,091.40
Collingham with Linton	1,096.56
Drighlington	1,074.30
Gildersome	1,075.18
Great and Little Preston	1,078.51
Harewood	1,064.92
Horsforth	1,079.05
East Keswick	1,090.10
Kippax	1,079.18
Ledsham	1,090.19
Ledston	1,083.88
Micklefield	1,122.47
Morley	1,082.47
Otley	1,122.05
Pool in Wharfedale	1,095.75
Scarcroft	1,080.86
Shadwell	1,091.83
Swillington	1,080.91
Thorner	1,100.81
Thorp Arch	1,083.97
Walton	1,097.70
Wetherby	1,112.73

being the amounts given by adding to the amount at 5.3(g) 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 or, in the case of Alwoodley, the amount agreed in 5.2, 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.

i)

	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:	709.58	827.84	946.11	1,064.37	1,300.90	1,537.42	1,773.95	2,128.74
Parish of:								
Aberford and District	716.41	835.81	955.21	1,074.61	1,313.41	1,552.21	1,791.02	2,149.22
Allerton Bywater	717.15	836.67	956.20	1,075.72	1,314.77	1,553.82	1,792.87	2,151.44
Alwoodley	716.25	835.62	955.00	1,074.37	1,313.12	1,551.87	1,790.62	2,148.74
Arthington	714.21	833.24	952.28	1,071.31	1,309.38	1,547.45	1,785.52	2,142.62
Bardsey cum Rigton	724.34	845.06	965.79	1,086.51	1,327.96	1,569.40	1,810.85	2,173.02
Barwick in Elmet and Scholes	722.13	842.49	962.84	1,083.20	1,323.91	1,564.62	1,805.33	2,166.40
Boston Spa	721.31	841.53	961.75	1,081.97	1,322.41	1,562.85	1,803.28	2,163.94
Bramham cum Oglethorpe	726.67	847.79	968.90	1,090.01	1,332.23	1,574.46	1,816.68	2,180.02
Bramhope and Carlton	729.97	851.64	973.30	1,094.96	1,338.28	1,581.61	1,824.93	2,189.92
Clifford	727.60	848.87	970.13	1,091.40	1,333.93	1,576.47	1,819.00	2,182.80
Collingham with Linton	731.04	852.88	974.72	1,096.56	1,340.24	1,583.92	1,827.60	2,193.12
Drighlington	716.20	835.57	954.93	1,074.30	1,313.03	1,551.77	1,790.50	2,148.60
Gildersome	716.79	836.25	955.72	1,075.18	1,314.11	1,553.04	1,791.97	2,150.36
Great and Little Preston	719.01	838.84	958.68	1,078.51	1,318.18	1,557.85	1,797.52	2,157.02
Harewood	709.95	828.27	946.60	1,064.92	1,301.57	1,538.22	1,774.87	2,129.84
Horsforth	719.37	839.26	959.16	1,079.05	1,318.84	1,558.63	1,798.42	2,158.10
East Keswick	726.73	847.86	968.98	1,090.10	1,332.34	1,574.59	1,816.83	2,180.20
Kippax	719.45	839.36	959.27	1,079.18	1,319.00	1,558.82	1,798.63	2,158.36
Ledsham	726.79	847.93	969.06	1,090.19	1,332.45	1,574.72	1,816.98	2,180.38
Ledston	722.59	843.02	963.45	1,083.88	1,324.74	1,565.60	1,806.47	2,167.76
Micklefield	748.31	873.03	997.75	1,122.47	1,371.91	1,621.35	1,870.78	2,244.94
Morley	721.65	841.92	962.20	1,082.47	1,323.02	1,563.57	1,804.12	2,164.94
Otley	748.03	872.71	997.38	1,122.05	1,371.39	1,620.74	1,870.08	2,244.10
Pool in Wharfedale	730.50	852.25	974.00	1,095.75	1,339.25	1,582.75	1,826.25	2,191.50
Scarcroft	720.57	840.67	960.76	1,080.86	1,321.05	1,561.24	1,801.43	2,161.72
Shadwell	727.89	849.20	970.52	1,091.83	1,334.46	1,577.09	1,819.72	2,183.66
Swillington	720.61	840.71	960.81	1,080.91	1,321.11	1,561.31	1,801.52	2,161.82
Thorner	733.87	856.19	978.50	1,100.81	1,345.43	1,590.06	1,834.68	2,201.62
Thorp Arch	722.65	843.09	963.53	1,083.97	1,324.85	1,565.73	1,806.62	2,167.94
Walton	731.80	853.77	975.73	1,097.70	1,341.63	1,585.57	1,829.50	2,195.40
Wetherby	741.82	865.46	989.09	1,112.73	1,360.00	1,607.28	1,854.55	2,225.46

being the amounts given by multiplying the amounts at 5.3(g) and 5.3(h) 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.

5.4 That, in the event that the DCLG fails to make the necessary order for the creation of the new parish of Alwoodley, the following amounts be calculated by the Council for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

a) **£2,381,026,576.49** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.

b) **£1,839,200,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.

c) **£541,826,576.49**

being the amount by which the aggregate at 5.4(a) above exceeds the aggregate at 5.4(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.

d) **£292,293,316**

being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed Non-Domestic Rates and Revenue Support Grant, increased by the amount which the Council estimates will be transferred from its Collection Fund into its General Fund under Section 97(3) of the Local Government Finance Act 1988 and reduced by the amount which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charges) (England) Directions 1994.

e) **£1,070.021357**

being the amount at 5.4(c) above, less the amount at 5.4(d) above, all divided by the amount at 5.1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.

f) **£1,317,576.49**

being the aggregate amount of all special items referred to in Section 34(1) of the Act.

g) **£1,064.37**

being the amount at 5.4(e) above, less the result given by dividing the amount at 5.4(f) 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.

h) That the amounts shown in 5.3(h) above be calculated with the exception of the entry for the parish of Alwoodley

i) That the amounts shown in 5.3(i) above Be calculated with the exception of the amounts relating to the parish of Alwoodley.

5.5 That it be noted for the year 2008/09 that the West Yorkshire Fire and Civil Defence Authority **is expected to issue** the following precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below. **The Fire and Civil Defence Authority meet to finalise its budget and Council Tax on 15th February 2008.**

Precepting Authority	Band A £ p	Band B £ p	Band C £ p	Band D £ p	Band E £ p	Band F £ p	Band G £ p	Band H £ p
West Yorkshire Fire and Civil Defence Authority	33.274397	38.820130	44.365863	49.911596	61.003062	72.094527	83.185993	99.823192

The Police Authority will meet to set its budget and Council Tax on 22nd February 2008. Their proposed Council Tax figures were not available at the time of writing this report.

- 5.6 That, in accordance with Section 67(3) of the Local Government Finance Act 1992, the Council appoint a committee for the purpose of setting the council tax under Chapter III of that Act.

As respects the committee so appointed:

- the members shall be the members of the Executive Board of Leeds City Council
- its term of office will last only until such time as the Council Tax for 2008/09 has been set under Chapter III of that Act, the term to allow for the possibility of the Secretary of State designating or nominating Leeds City Council, West Yorkshire Police Authority or West Yorkshire Fire and Civil Defence Authority under Section 52B of that Act and substitute amounts having to be set as a result.

- 5.7 That the schedule of instalments for 2008/09 for payments to the principal authorities out of the Collection Fund be determined as set out in Appendix II of this report.

Background Papers

Local Government Finance Act 1992.

Local Government Finance 2008/09 RSG Settlement Information, DCLG, January 2008.

Leeds City Council Budget Report 2008/09.

APPENDIX I

PARISH PRECEPTS & COUNCIL TAX BAND D LEVIES 2008/09

Parish	2007/2008		2008/2009	
	Parish Precept	Parish Band D Council Tax	Parish Precept	Parish Band D Council Tax
	£	£ p	£	£ p
Aberford and District	8,000	10.38	8,000	10.24
Allerton Bywater	15,000	12.12	16,000	11.35
Alwoodley			36,720	10.00
Arthington	2,000	6.90	2,000	6.94
Austhorpe	0	0.00	0	0.00
Bardsey cum Rigton	24,000	21.15	25,200	22.14
Barwick in Elmet and Scholes	41,000	20.63	38,000	18.83
Boston Spa	31,500	17.18	32,500	17.60
Bramham cum Oglethorpe	18,000	25.42	18,000	25.64
Bramhope and Carlton	53,500	29.81	55,100	30.59
Clifford	19,500	26.64	20,000	27.03
Collingham with Linton	50,000	30.38	51,500	32.19
Drighlington	18,023	9.61	18,654	9.93
Gildersome	19,460	10.03	21,000	10.81
Great and Little Preston	6,500	13.74	7,000	14.14
Harewood	1,000	0.55	1,000	0.55
Horsforth	96,180	14.10	100,989	14.68
East Keswick	14,500	25.13	15,000	25.73
Kippax	43,800	14.33	45,250	14.81
Ledsham	2,250	24.19	2,350	25.82
Ledston	2,700	16.67	3,200	19.51
Micklefield	31,700	58.06	33,350	58.10
Morley	171,650	17.85	175,083	18.10
Otley	271,690	56.09	282,441	57.68
Pool in Wharfedale	27,450	28.39	30,250	31.38
Scarcroft	11,000	16.57	11,000	16.49
Shadwell	25,000	26.57	26,000	27.46
Swillington	17,334	16.29	17,681	16.54
Thornor	23,000	31.00	27,000	36.44
Thorp Arch	7,115	20.21	7,115	19.60
Walton	4,000	32.26	4,000	33.33
Wetherby	215,371	47.26	222,914	48.36
Wothersome	0	0.00	0	0.00
TOTAL	1,272,223		1,354,296	

* Precepts shown rounded to the nearest £.

APPENDIX II

LEEDS COLLECTION FUND

SCHEDULE OF INSTALMENTS OF PAYMENTS OR TRANSFERS TO PRINCIPAL AUTHORITIES 2008/09

15th April 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th May 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
16th June 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th July 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th August 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th September 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th October 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
17th November 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th December 2008	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
15th January 2009	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
16th February 2009	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority
16th March 2009	Transfer to Leeds City Council Payment to West Yorkshire Police Authority Payment to West Yorkshire Fire & Civil Defence Authority

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