

## Ward based analysis of Council Tax and Business Rates income that was due to be collected in 2021/22.

Date: 25<sup>th</sup> July 2022

Report of: Chief Officer – Financial Services

Report to: Scrutiny Board (Strategy & Resources)

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- Executive Functions that fall within the remit of the Scrutiny Board (Strategy and Resources) include:
  - Ensuring and administering effective financial management and controls
  - Setting, supporting and monitoring the Council's policies and procedures for budgets
- For this reason, the Scrutiny Board has a standing commitment to monitor financial health and performance throughout the financial year, to identify emerging issues and to bring forward any appropriate recommendations to the Executive in this regard.
- The level of income receivable from both Business Rates and Council Tax contribute significantly to the level of resources that are available to the Council for it to deliver the range of services that it provides to the citizens of Leeds.
- In 2021/22 the gross charge for Council Tax was £547.3m but after taking account of exemptions, discounts and Council Tax Support the net amount payable is £420.2m. The analysis by ward of where this income will be realised is detailed in Table 1 below.

**Table 1: Analysis of Council Tax receivable by ward in 2021/22**

WARD	Gross Council Tax	Net Payable
Adel & Wharfedale	£18,746,562.62	£16,321,549.62
Alwoodley	£18,537,215.87	£15,401,567.62
Ardsley & Robin Hood	£15,592,436.83	£13,212,137.84
Armley	£15,289,544.23	£10,847,737.54
Beeston & Holbeck	£17,168,857.00	£12,679,374.18
Bramley & Stanningley	£14,467,602.77	£10,481,275.80
Burmantofts & Richmond Hill	£16,366,867.10	£10,494,632.57
Calverley & Farsley	£16,632,600.80	£14,037,480.92
Chapel Allerton	£15,853,803.42	£11,332,369.65
Cross Gates & Whinmoor	£16,176,050.19	£12,698,892.19

Farnley & Wortley	£15,618,371.72	£11,836,127.72
Garforth & Swillington	£14,596,415.08	£12,371,207.46
Gipton & Harehills	£14,027,637.58	£9,197,134.27
Guiseley & Rawdon	£18,634,127.46	£16,204,903.24
Harewood	£18,272,092.56	£16,497,763.56
Headingley & Hyde Park	£15,486,682.84	£8,168,219.30
Horsforth	£18,330,127.74	£15,708,377.80
Hunslet & Riverside	£18,102,664.47	£13,248,141.27
Killingbeck & Seacroft	£15,220,506.32	£10,188,800.26
Kippax & Methley	£15,246,761.71	£12,725,004.65
Kirkstall	£13,467,133.03	£9,493,396.96
Little London & Woodhouse	£24,241,807.28	£9,920,999.34
Middleton Park	£16,288,894.09	£11,330,852.57
Moortown	£16,038,926.41	£13,249,642.21
Morley North	£16,451,002.75	£13,738,023.28
Morley South	£16,586,320.06	£13,356,266.85
Otley & Yeadon	£17,593,034.56	£14,314,610.47
Pudsey	£17,125,112.35	£13,738,280.09
Rothwell	£14,445,624.49	£11,888,404.57
Roundhay	£16,782,817.43	£14,130,688.73
Temple Newsam	£14,830,622.09	£11,904,699.47
Weetwood	£15,739,996.97	£12,734,581.04
Wetherby	£19,353,581.28	£16,754,621.01
<b>Total</b>	<b>£547,311,801.10</b>	<b>£420,207,764.05</b>

- In 2021/22 the gross charge for Business Rates was £361.4m but after taking account of discounts, reliefs and exemptions the net amount payable is £318.3m. The analysis by ward of where this income will be realised is detailed in Table 2 below.

**Table 2: Analysis of Business Rates receivable by ward in 2021/22**

WARD	Gross Business Rates	Net Payable
Adel & Wharfedale	£2,075,420.94	£1,828,300.50
Alwoodley	£2,546,884.28	£2,243,626.68
Ardsley & Robin Hood	£1,145,999.54	£1,009,545.34
Armley	£5,777,471.55	£5,089,547.82
Beeston & Holbeck	£30,087,741.90	£26,505,193.45
Bramley & Stanningley	£2,914,836.25	£2,567,766.60
Burmantofts & Richmond Hill	£12,779,172.17	£11,257,555.70
Calverley & Farsley	£3,354,867.99	£2,955,403.74
Chapel Allerton	£4,254,861.40	£3,748,234.91
Cross Gates & Whinmoor	£4,904,585.22	£4,320,596.09
Farnley & Wortley	£6,262,771.45	£5,517,063.04
Garforth & Swillington	£8,912,738.75	£7,851,498.64
Gipton & Harehills	£6,012,452.87	£5,296,549.90
Guiseley & Rawdon	£5,898,091.41	£5,195,805.46
Harewood	£1,627,524.47	£1,433,735.08
Headingley & Hyde Park	£3,093,730.36	£2,725,359.78
Horsforth	£5,290,831.25	£4,660,851.79
Hunslet & Riverside	£58,316,070.93	£51,372,374.38

Killingbeck & Seacroft	£8,724,734.33	£7,685,879.92
Kippax & Methley	£1,618,859.71	£1,426,102.03
Kirkstall	£6,550,695.66	£5,770,704.10
Little London & Woodhouse	£93,619,677.35	£82,472,379.18
Middleton Park	£2,312,773.46	£2,037,391.45
Moortown	£2,354,066.67	£2,073,767.87
Morley North	£23,265,921.45	£20,495,647.39
Morley South	£11,741,855.03	£10,343,751.95
Otley & Yeadon	£8,596,129.65	£7,572,588.20
Pudsey	£8,322,365.18	£7,331,420.87
Rothwell	£3,706,228.63	£3,264,927.86
Roundhay	£3,493,964.83	£3,077,938.32
Temple Newsam	£9,218,041.57	£8,120,449.05
Weetwood	£3,185,314.03	£2,806,038.58
Wetherby	£9,404,141.81	£8,284,390.32
<b>Total</b>	<b>£361,370,822.09</b>	<b>£318,342,386.00</b>

- This position is summarised in Table 3 below which shows the gross (£908.7m) and net amount (£738.5m) of both Council Tax and Business Rates collectable from each ward in 2021/22.

**Table 3: Analysis of total Council Tax and Business Rates receivable by ward in 2021/22**

<b>WARD</b>	<b>Total Gross Council Tax &amp; Business Rates</b>	<b>Total Net Council Tax &amp; Business Rates</b>
Adel & Wharfedale	£20,821,983.56	£18,149,850.12
Alwoodley	£21,084,100.15	£17,645,194.30
Ardsley & Robin Hood	£16,738,436.37	£14,221,683.18
Armley	£21,067,015.78	£15,937,285.36
Beeston & Holbeck	£47,256,598.90	£39,184,567.63
Bramley & Stanningley	£17,382,439.02	£13,049,042.40
Burmantofts & Richmond Hill	£29,146,039.27	£21,752,188.27
Calverley & Farsley	£19,987,468.79	£16,992,884.66
Chapel Allerton	£20,108,664.82	£15,080,604.56
Cross Gates & Whinmoor	£21,080,635.41	£17,019,488.28
Farnley & Wortley	£21,881,143.17	£17,353,190.76
Garforth & Swillington	£23,509,153.83	£20,222,706.10
Gipton & Harehills	£20,040,090.45	£14,493,684.17
Guisley & Rawdon	£24,532,218.87	£21,400,708.70
Harewood	£19,899,617.03	£17,931,498.64
Headingley & Hyde Park	£18,580,413.20	£10,893,579.08
Horsforth	£23,620,958.99	£20,369,229.59
Hunslet & Riverside	£76,418,735.40	£64,620,515.65
Killingbeck & Seacroft	£23,945,240.65	£17,874,680.18
Kippax & Methley	£16,865,621.42	£14,151,106.68
Kirkstall	£20,017,828.69	£15,264,101.06
Little London & Woodhouse	£117,861,484.63	£92,393,378.52
Middleton Park	£18,601,667.55	£13,368,244.02
Moortown	£18,392,993.08	£15,323,410.08
Morley North	£39,716,924.20	£34,233,670.67
Morley South	£28,328,175.09	£23,700,018.80

Otley & Yeadon	£26,189,164.21	£21,887,198.67
Pudsey	£25,447,477.53	£21,069,700.96
Rothwell	£18,151,853.12	£15,153,332.43
Roundhay	£20,276,782.26	£17,208,627.05
Temple Newsam	£24,048,663.66	£20,025,148.52
Weetwood	£18,925,311.00	£15,540,619.62
Wetherby	£28,757,723.09	£25,039,011.33
<b>Total</b>	<b>£908,682,623.19</b>	<b>£738,550,150.05</b>

- The Council does not account for expenditure on a ward-based basis or equate expenditure to areas from where income is generated from. When providing the Council with resources the Government assess what is needed to carry out its statutory responsibilities. The Government undertakes this assessment of the Council's relative needs and resources at a city-wide level rather than an individual ward level. This assessment includes making a judgement about both the amount of council tax the Council can raise and the spending needs of the Council as a whole. This ultimately determines how much in business rates the Council can retain and how much Revenue Support Grant it will receive. This exercise compares authority with authority and redistributes funding across England on a district-by-district basis and does not attempt either to equate spend to individual wards or the level of resources such as council tax or business rates that can be generated from individual wards. Therefore, it is not possible to allocate the combined general funding of Revenue Support Grant, business rates and council tax between wards in the city.
- The Council does not currently budget or account for the expenditure it incurs on a ward basis. If it was required to account for expenditure and income in this way, it would require a significant piece of work, with consequent resource implications, to review the Council's revenue budget and allocate and apportion expenditure on a ward-by-ward basis. Such an exercise would require extensive data on cost drivers, particularly for city-wide services that are not delivered on an individual ward level, data that in most cases is not readily available to inform how this is to be done.
- All residents within Leeds City Council's area should receive the same level and quality of service regardless of where they live. To start to analyse income via wards and compare this to the services provided would create disparity of service provision across these wards and drive the wrong behaviours.
- Income from Business Rates and Council Tax are consolidated along with other resources available into both the Council's Medium Term Financial Strategy and it's the Annual Revenue Budget which supports the delivery of the Best City Ambition. These strategic ambitions can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. This is the primary purpose of the Medium-Term Financial Strategy which then provides the framework for the determination of Council's annual revenue budget.
- Members have previously identified the robustness and long-term sustainability of the Council's revenue budget as key priorities for the Council's Strategy and Resources Scrutiny Board. The Medium-Term Financial Strategy, Annual Revenue Budget, Financial Health and Financial Outturn reports are examples of several items of business, scheduled throughout the municipal year, that provide clear opportunities to examine these themes

with senior officers and Executive members. The 2022/23 work schedule reflects the fact that Scrutiny Board will should once again consider such items of business.

- In recent years, the role of scrutiny as a ‘critical friend’ on financial performance and management has supported the Best Council ambition to be an efficient and enterprising organisation. Looking to the future, the Scrutiny Board will consider these issues in the context of the priorities set out in the recently adopted Best City Ambition.

## Recommendations

Members are asked to:

- a) Note the ward-based analysis of Business Rates and Council Tax income receivable by the Council in 2021/22.

## Why is the proposal being put forward?

- 1 The Scrutiny Board (Strategy and Resources) has several key financial functions within its remit. These include ensuring effective financial management and controls; setting, supporting and monitoring the Council’s policies and procedures for budgets; administering effective financial management and controls; and setting, supporting and monitoring the Council’s financial strategy.
- 2 Income from both Business Rates and Council are consolidated along with other resources available into both the Council’s Medium Term Financial Strategy and the Annual Revenue Budget which supports the delivery of the Best City Ambition.
- 3 At the meeting of Scrutiny Board (Strategy and Resources) on the 21<sup>st</sup> of June 2021 consideration was given to potential sources of work which could include how “Council Tax collection and expenditure varies across the city.” This report provides the ward-based analysis of both Council Tax and Business Rates and provides a commentary as to why expenditure cannot and should not be analysed on a similar basis.

## What impact will this proposal have?

**Wards Affected:** Please state the specific wards affected here. If city-wide, state “All” for clarity.

Have ward members been consulted?      Yes      No

- 4 This report will provide an awareness to Scrutiny Board (Strategy and Resources) as to the level of Council Tax and Business Rates income that is collected from each ward. It also explains that the Government undertakes its assessment of the Council’s relative needs and resources at a city-wide level rather than an individual ward level and that the Council does not currently budget or account for the expenditure it incurs on a ward basis.
- 5 In line with the Scrutiny Board Procedure Rules, all Scrutiny Boards also continue to ensure that equality and diversity/cohesion and integration are considered in decision making and policy formulation.

## What consultation and engagement has taken place?

- 6 Through its work programme the Scrutiny Board maintains regular dialogue with both senior officers and the Executive in relation to matters of financial health and performance.

### **What are the resource implications?**

7 All resource implications are incorporated into this report.

### **What are the legal implications?**

8 This report has no specific legal implications.

### **What are the key risks and how are they being managed?**

9 This report has no specific risk management implications.

### **Does this proposal support the council's 3 Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

10 The terms of reference of the Scrutiny Boards continue to promote a strategic and outward looking Scrutiny function that focuses on the Best Council Plan.

11 Having a robust and sustainable budgetary position will enable the Council to deliver against its priorities including the three key pillars set out above.

### **Appendices**

12 None

### **Background papers**

13 None