

Calculation of the Council Tax and Business Rates Tax Bases for 2024/25

Date: 17th January 2024

Report of: Chief Officer - Financial Services

Report to: Full Council

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Each year, under the Local Government Finance Act 1992, Leeds City Council is required to calculate a council tax base for Leeds and for each parish or town council within the Council's area. These tax bases are used to calculate the council tax to be levied in Leeds and in each parish/town council for the year.

There is also a requirement for the Council to prepare an estimate of business rates income it will collect in the coming year.

The Council is required to finalise the council tax bases for 2024/25 (for Leeds and the parish/town councils) and the business rates estimates by 31st January 2024.

The 2024/25 council tax base for Leeds and the parish/town councils are set out in this report. This report also provides an indicative business rates share for 2024/25. These items are used to identify the Council's Net Revenue Budget to be presented to Executive Board and Full Council in February 2024. The calculation of the Council Tax Base will also allow the Council to set a legal Council Tax in 2024/25.

The 2024/25 council tax base includes a proposal that the Long Term Empty Premium of 100% shall be levied on dwellings that have remained empty and unfurnished for more than one year, in accordance with the new Levelling Up and Regeneration Act 2023.

Recommendations

Members are requested to:

- a) Agree that the authority shall make a determination such that the Long-Term Empty Premium of 100% shall be applied to dwellings that have been empty and substantially unfurnished for a period of more than one year, rather than the current period of two years, in accordance with the Local Government Finance Act 1992, Section 11B (as amended).

- b) Agree that, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by the Council as its council tax base for the year 2024/25 shall be **242,591.4** for Leeds, as detailed in **Appendix 2**, and for each parish as detailed in **Appendix 2**.
- c) Note the indicative business rates shares set out in **Appendix 1**, and delegate authority to the Chief Officer – Financial Services to make detailed calculations and to submit the final figures to the Department of Levelling Up, Housing and Communities on or before 31st January 2024.

What is this report about?

- 1 The purpose of this report is to:
 - a) seek agreement to the proposal that a Long-Term Empty Premium of 100% be levied on dwellings that have remained empty and unfurnished for more than one year rather than the current two years.
 - b) seek agreement to the 2024/25 council tax bases for Leeds and the parish/town councils set out in the report
 - c) provide indicative business rates shares for 2024/25 and to request Council to give delegated authority to the Chief Officer – Financial Services to finalise the shares and to submit them in the National Non-Domestic Rates 1 Return 2024/25 on or before 31st January 2024.
- 2 The Council Tax Base and business rates share for Leeds for 2024/25 are used to identify the Council’s Net Revenue Budget, that is, the core locally generated resources to support the 2024/25 Revenue Budget which will be presented to Full Council in February 2024. The 2024/25 budget will target resources towards the Council’s policies and priorities as set out in the Best City Ambition.
- 3 The figures are further explained in **Appendix 1** and set out in detail in **Appendix 2** to this report, but the headline amounts for 2024/25 are as follows:

Leeds Council Tax Base:	242,591.4
Business Rates:	
Amount to be retained by Leeds under the Rates Retention Scheme:	£172,420,000
Amount to be paid to Central Government:	£175,939,000
Amount to be passed to West Yorkshire Fire and Rescue Authority:	£3,519,000

- 4 The Council Tax Bases for the 33 parish and town councils have been calculated as shown in **Table 1** and detailed in **Appendix 2**.

What impact will this proposal have?

- 5 The 2024/25 council tax bases for Leeds and the parish/town councils set out in this report, alongside the indicative business rates share for 2024/25, will be used to identify the Council’s Net Revenue Budget for 2024/25, which will support the 2024/25 Revenue Budget and the setting of a legal Council Tax for 2024/25. The budget proposals that will be contained in the 2024/25 Revenue Budget will be, where appropriate, the subject of the Council’s Equality Impact Assessment process and mitigating measures put in place or planned where appropriate. As such, an Equality Impact Assessment will be provided alongside the 2024/25

Revenue Budget and Council Tax Report to be presented to Executive Board and Full Council in February 2024.

- 6 The Equality Act 2010 requires the Council to have “due regard” to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay due regard be demonstrated in the decision-making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show due regard.
- 7 The Council is fully committed to ensuring that equality and diversity are given proper consideration when we develop policies and make decisions. 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. Equality impact assessments also ensure that we make well informed decisions based on robust evidence.

Table 1: Parish and Town Council Tax bases 2023/24 and 2024/25

PARISH OF	Taxbase Numbers 2023/24	Taxbase Numbers 2024/25
Aberford and District	780.9	779.6
Allerton Bywater	1,483.6	1,466.6
Alwoodley	3,643.5	3,642.5
Arthington	288.9	295.5
Austhorpe	61.8	74.6
Bardsey cum Rigton	1,145.5	1,144.4
Barwick in Elmet and Scholes	2,002.5	2,001.9
Boston Spa	2,005.3	1,990.2
Bramham cum Oglethorpe	743.8	741.8
Bramhope and Carlton	2,127.1	2,187.6
Clifford	847.9	849.5
Collingham with Linton	1,715.7	1,755.9
Drighlington	2,004.8	2,077.0
East Keswick	588.5	590.4
Gildersome	1,903.1	1,867.9
Great and Little Preston	615.7	613.0
Harewood	1,840.1	1,853.6
Horsforth	7,431.3	7,494.9
Kippax	3,097.5	3,096.5
Ledsham	98.7	100.8
Micklefield	906.5	1,030.6
Morley	11,406.9	11,442.3
Otley	5,081.4	5,093.6
Pool in Wharfedale	971.6	969.1
Rawdon	2,772.9	2,785.6
Scarcroft	874.4	923.2
Shadwell	969.6	969.1
Swillington	958.4	949.5
Thorner	750.9	745.0
Thorp Arch	484.5	508.0
Walton	117.6	117.8
Wetherby	5,074.9	5,046.7
Wothersome	8.6	8.5

- 8 The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration (Appendix 3) and a full strategic analysis and assessment will be undertaken on the 2024/25 Revenue Budget and Council Tax report which will be considered by Executive Board and subsequently by Full Council in February 2024. Specific equality impact assessments will also be undertaken on all budget decisions identified as relevant to equality as they are considered during the decision-making process in 2024/25.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 9 The Best City Ambition is the Council's strategic plan which sets out its ambitions, outcomes and priorities for the City of Leeds and for the Local Authority. The Three Pillars of inclusive growth, health and wellbeing and the climate change emergency underpin this vision and these 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 the Council's annual revenue budget.
- 10 This report needs to be seen in context of the requirement for the Council to be financially sustainable and deliver a balanced budget position in 2024/25 so that resources can continue to be targeted at the Council's priorities.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 11 The calculations presented in this report are made in accordance with the Local Government Finance Act 1992 and are not subject to consultation.
- 12 The Council Tax Base and business rates share for Leeds for 2024/25 are used to identify the Council's Net Revenue Budget, that is, the core locally generated resources to support the 2024/25 Revenue Budget to be presented to Full Council in February 2024.
- 13 The Authority's financial strategy is driven by its ambitions and priorities as set out in the Best City Ambition. This was adopted by Council in February 2022 following consultation with members and officers throughout its development, with additional extensive stakeholder consultation carried out on the range of supporting plans and strategies. The Best City Ambition is currently being refreshed and final proposals will be presented to Executive Board and Full Council in February 2024.
- 14 The Council's Medium Term Financial Strategy 2024/25 – 2028/29, received at Executive Board in September 2023, was informed by the public consultation exercise carried out between December and January 2023 on the Council's 2023/24 budget proposals. Whilst the consultation covered the key 2023/24 proposals, it also included the principles of how we should be funded, proposed changes to Council Tax and how we plan to spend the revenue budget. Further questions included satisfaction with how the Council runs things overall, and ideas for opportunities for the Council to do things in more modern and efficient ways. This

supplemented the ongoing process of consultation through which residents are consulted on a variety of issues throughout the year.

- 15 The public consultation on the Proposed Budget for 2024/25 was carried out through an online survey: with the public via the council's website, social media and Citizen's Panel; with staff through the intranet; and with stakeholders, including representatives from the Third Sector. The consultation began once the Proposed Budget report was initially agreed on 13th December 2023 and lasted four weeks, with its findings timetabled to be reported at the following meeting of Executive Board on 15th January 2024, prior to finalisation of the Budget.

What are the resource implications?

- 16 This report requests that Council approve the 2024/25 council tax base for Leeds and the parish/town councils set out in the report. This report also provides an indicative business rates share for 2024/25. These items are used to identify the Council's Net Revenue Budget for 2024/25 which supports the 2024/25 Revenue Budget and allows the Council to set a legal Council Tax for 2024/25.

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

- 17 A key risk to the calculated Council Tax Base remains the collection rate the Council can apply to the total number of band D equivalents in the city. The ongoing effect of the cost-of-living crisis saw a reduction in collection rates in 2022/23 from a forecast 99.0% to a forecast 98.5% in the fullness of time for that year. However, following actions taken by the team in the latter half of the 2022/23 financial year and the ability to resume a greater proportion of normal collection activity as access to the courts improved in the wake of the COVID-19 pandemic the forecast for 2023/24 and 2024/25 has returned to the historic average of 99.0% in the fullness of time.
- 18 The local council tax support scheme figures used in the calculation of the tax base reflect the high levels of employment currently being experienced in the city. The labour market in the city remains strong limiting the number of claimants of working-age support, however in the longer-term pressure may be placed on the local scheme's budget if the cost-of-living crisis and its economic impacts adversely affects that labour market.
- 19 However, the reported forecast does not reflect the potential effects of any further impacts of the cost-of-living crisis and the resultant economic impacts on council taxpayers' ability to continue to pay council tax, which could impact on these financial projections. The continuing cost-of-living situation poses a significant risk to these forecasts and the collection rates and demand for local council tax support will be closely monitored in the coming months.
- 20 Further risks associated with the council tax base and the business rates estimates will be assessed as part of the budget-setting process and will be included in the budget proposals to be considered by Executive Board and Council in February 2024.

What are the legal implications?

- 21 The decisions requested in this report will enable the City Council to fulfil its responsibilities under the Local Government Finance Act 1992 and Local Government Finance Act 2012 in relation to council tax discounts and exemptions. The decisions relating to council tax bases and business rates estimates will enable the Council to finalise its budget and set a legal council tax for 2024/25.

Options, timescales and measuring success

What other options were considered?

22 Not applicable.

How will success be measured?

23 Not applicable.

What is the timetable and who will be responsible for implementation?

24 The statutory deadline for a billing authority to approve its council tax base for 2024/25 and inform any local or major preceptors of relevant council tax bases in its area is 31st January 2024.

25 The statutory deadline for a billing authority to forecast its Non-Domestic Rating Income for 2024/25 and submit this forecast to central government and any major preceptor in its area is 31st January 2024.

Appendices

26 **Appendix 1** – background information, detailed narrative regarding the calculated Council Tax Base for Leeds for 2024/25 and the indicative business rates shares for 2024/25

27 **Appendix 2** – Detailed calculations of the Tax Base for the purpose of calculating council tax 2024/25

28 **Appendix 3** – Equalities Impact Assessment for the Council Tax Base Report to Council on 17th January 2024

Background papers

29 None