Open Agenda



Council Tax Setting Committee 2024

Friday 23 February 2024 10.00 am Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

Membership

Reserves

Councillor Stephanie Cryan (Chair)
Councillor Rachel Bentley (Vice-Chair)
Councillor Natasha Ennin
Councillor Sarah King
Councillor Martin Seaton
Councillor Irina Von Wiese
Councillor Kieron Williams

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

Access

The council is committed to making its meetings accessible. For details on building access, translation, provision of signers or any other requirements for this meeting, please contact the person below.

Contact

Virginia Wynn-Jones on 020 7525 7055 or email: virginia.wynn-jones@southwark.gov.uk

Members of the committee are summoned to attend this meeting **Althea Loderick**

Chief Executive

Date: 22 February 2024





Council Tax Setting Committee 2024

Friday 23 February 2024 10.00 am Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

Order of Business

Item No. Title Page No.

1. APOLOGIES

To receive any apologies for absence.

2. MEMBERSHIP AND TERMS OF REFERENCE

To note the membership set out in the summons and the terms of reference in Appendix D of item 6.

3. CONFIRMATION OF VOTING MEMBERS

A representative of each political group will confirm the voting members of the committee.

4. NOTIFICATION OF ANY ITEMS OF BUSINESS THE CHAIR DEEMS URGENT

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

5. DECLARATIONS OF INTEREST

Members to declare any personal interests and dispensations in respect of any item of business to be considered at this meeting.

6. SETTING THE COUNCIL TAX 2024-25

1 - 14

EXCLUSION OF THE PRESS AND PUBLIC

The following motion should be moved, seconded and approved if the sub-committee wishes to exclude the press and public to deal with reports revealing exempt information:

"That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure rules of the Constitution."

Date: 22 February 2024

Item No: 6.	Classification: Open	Date: 23 February 2024	Meeting Name: Council Tax Setting Committee		
Report tit	le:	Setting the Council Tax 2024-25			
Wards or	Groups affected:	All			
From:		Strategic Director of Finance			

RECOMMENDATIONS

- 1. To note the annual budget for 2024-25 for Southwark services agreed by council assembly on 21 February 2024, including a 2.99% council tax increase and adult social care precept of 2% (4.99% total increase).
- 2. To note the formal resolution for Southwark council tax agreed by council assembly on 21 February 2024 (Appendix A); that the 2024-25 Southwark element of the council tax for band D properties in Southwark, including an increase of 2.99% and the adult social care precept of 2%, be set at £1,321.58 (Appendix A and B).
- 3. To note the Greater London Authority (GLA) precept level for 2024-25 of **£471.40** for band D properties, agreed by the GLA on 22 February 2024.
- 4. That the total council tax for all bands of properties be set as shown in Appendix C.

	Band D						
	2024-25 2023-24 change Increase						
	£	£	%	£			
Southwark council tax	1,321.58	1,258.78	4.99%	62.80			
GLA precept	471.40	434.14	8.58%	37.26			
Total band D council tax	1,792.98	1,692.92	5.91%	100.06			

BACKGROUND INFORMATION

- 5. Under the Local Government Finance Act 1992, the council is required to determine the level of council taxes in the borough for 2024-25. This must be completed before 11 March 2024. The Greater London Authority (GLA) intends to agree its precept on 22 February 2024.
- 6. Due to the timing of the GLA's consideration of its precept, council assembly on 21 February 2024 established a council tax setting committee for the purposes of setting the council tax and approving the formal

- resolution for council taxes in 2024-25. The terms of reference for this committee agreed by council assembly is at Appendix D.
- 7. The continuation of the local war widow/widowers' scheme for housing benefits and council tax was agreed by council assembly on 21 February 2024.
- 8. The Greater London Authority (GLA) set a precept of £471.40 at band D on 22 February 2024.

KEY ISSUES FOR CONSIDERATION

Council tax for London borough of Southwark

- 9. The council has calculated its council tax requirement for the 2024-25 year as £148,236,342, being the difference between all anticipated expenditure and income in accordance with Section 31A of the Localism Act 2011.
- The council's total requirement, however, has to include the amount required by the preceptor, and the council has no control over the level of this precept.

Preceptors requirements

11. The GLA announced its precept on 22 February 2024. The amount required from Southwark is £52,875,052 - a demand on the band D council tax of £471.40.

Council tax for Southwark in 2024-25

12. The council tax for a band D property is as follows:

	Band D						
	2024-25	2023-24	change	Increase			
	£	£	%	£			
Southwark council tax*	1,321.58	1,258.78	4.99%	62.80			
GLA precept	471.40	434.14	8.58%	37.26			
Total band D council tax	1,792.98	1,692.92	5.91%	100.06			
*council tax including:							
Adult social care precept	190.82	165.65	2.00%	25.17			
Southwark local element	1,130.76	1,093.13	2.99%	37.63			
Total	1,321.58	1,258.78	4.99%	62.80			

13. Full details of council tax levels for all property bands are shown in Appendices B and C.

Differential council taxes

14. There is a special fund in the borough. Under the council tax legislation, surpluses on special funds can be used to reduce the level of council taxes. This was considered by council assembly on 21 February 2024 and no discount was agreed for the former parish of St. Mary Newington - Walworth Common Estate.

Community, equalities (including socio-economic) and health impacts

15. The community impact implications of both the budget requirement and the increase in council tax levels were addressed in the Policy and Resources Strategy 2024-25 – revenue budget considered by council assembly on 21 February 2024.

Climate change implications

16. There are no direct climate change implications arising directly from this report.

SUPPLEMENTARY ADVICE

Assistant Chief Executive – Governance and Assurance (CM 22.02.2024)

- 17. On 21 February 2024, council assembly established a committee to set the council tax for 2024-25 pursuant to section 67(3) of the Local Government and Finance Act 1992 ("the 1992 Act"), and agreed terms of reference and membership. Section 67(3) contains a power enabling an authority to appoint a committee of members to carry out the function of determining the amount of council tax.
- 18. The committee is being asked to set the council tax for 2024-25. Section 30 of the 1992 Act requires that the council sets an amount of council tax for each financial year and for each category of dwellings in its area. The amount is calculated by taking the aggregate of the calculations made by the authority under sections 31A, 31B and 34 to 36 of the 1992 Act, together with the precept issued to the authority by the Greater London Authority. Preceptors must issue their precepts before 1 March preceding the financial year to which they relate.
- 19. Once the authority has set the amount of council tax relating to the different geographical areas of the borough, the amounts for each valuation band are then calculated according to the ratios set out in section 5 of the 1992 Act.
- 20. Section 25 of the Local Government Act 2003 requires the chief finance officer (strategic director of finance and governance) to report to the authority when it is making the calculations required by sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 on

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

That information is set out in the Policy and Resources Strategy 2024-25 – Revenue Budget agreed by council assembly on 21 February 2024. The authority is required to have regard to the chief financial officer's report when making decisions about the calculations.

- 21. The committee should note the recommendation of council assembly on 21 February 2024, to agree the revenue budget for 2024-25 including a Southwark council element 2.99% and adult social care precept of 2% council tax increase for 2024-25.
- 22. The committee should take account of the public sector equality duty in section 149 Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, advance equality of opportunity, and to foster good relations between people with protected characteristics and others when exercising its functions. The Policy and Resources Strategy 2024-25 includes an analysis of equality issues to be taken into account in determining the council budget which is also relevant to the setting of the council tax.

Restrictions on Voting Under Section 106 of the Local Government Finance Act 1992

- 23. Section 106 of the 1992 Act applies at any time to a member of an authority, if at that time the member is due to pay council tax payments which have remained unpaid for at least two months.
- 24. The payments to which the section applies are any type of either sole or joint and several liability for council tax, and any failure to pay any agreed sum of council tax. Therefore members are advised that this section is likely to apply to them if they are currently two months in arrears of any amounts of council tax, even if they have made any special contractual arrangement with the council to pay off the arrears.
- 25. If this section applies to any member present at a relevant meeting they must as soon as practicable after its commencement, disclose the fact that the section applies and not vote on any question with respect to this matter.
- 26. The relevant meetings are those at which any of the following are the subject of consideration, namely:
 - (a) Any calculation required by chapter III, IV, IVZA or IVA of Part 1 of the 1992 Act.

The only relevant calculations in this context are those under Chapter III of Part 1 of the 1992 Act, (Chapter IV relates to precepting, IVZA to referendums and Chapter IVA to limitations on council tax (i.e. capping). The Chapter III calculations include the calculation of the council tax requirement, the additional requirements because of any special items, the calculation of the tax for the different valuation bands and the basic amount of council tax to be set under Section 31B.

(b) Any recommendation, resolution or other decision which might affect the making of any such calculation.

This is an extremely wide wording and would extend well beyond merely setting the budget. It applies to virtually any matter where the financial implications directly or indirectly might affect the calculations concerning the council tax. It would therefore apply to decisions concerning the level or extent of services as well as the expenditure, receipt or forgoing of any money.

(c) The exercise of any function under Schedules 2-4 of the Local Government Finance Act 1988 ("the 1988 Act") and the 1992 Act.

The functions under either the 1988 or 1992 Acts concern the administration and the enforcement of community charge and council tax respectively.

27. Section 106 of the 1992 Act makes it a criminal offence for a member to vote when prohibited from doing so or to fail to make the necessary disclosure. There is a statutory defence, with the onus of proof on the member, to prove that he did not know that the section applied to him or her at the time of the meeting or that the matter in question was the subject of consideration at the meeting. Prosecutions shall not be instituted except by or on behalf of the Director of Public Prosecutions.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council tax base 2024-25	160 Tooley Street	Humphrey
	London	Thompson,
	SE1 2QH	Divisional
		Accountant
		(Corporate
		Finance)
Cabinet 5 December 2023		
https://moderngov.southwark.gov.	uk/ieListDocuments.as <mark>r</mark>	ox?Cld=302&Mld=76
<u>80&Ver=4</u>		
Policy and Resources Strategy	160 Tooley Street	Tim Jones,
2024-25	London	Director of
	SE1 2QH	Corporate
		Finance
Cabinet 6 February 2024		
https://moderngov.southwark.gov.	<u>uk/ieListDocuments.as</u> r	ox?Cld=302&Mld=76
<u>82&Ver=4</u>		
The Mayor's budget for 2024-25	Greater London	Enquiries 020
The Mayor's budget for 2024-25	Authority	7983 4100
	City Hall	7 903 4 100
	London E16	
https://www.london.gov.uk/about-	London L 10	
us/londonassembly/meetings/ieLis	etDocuments asny?Cld-	-183&MId-7345
us/fortacinassembly/meetings/feets	stDocuments.aspx: Old-	<u>-100ama-7040</u>
Council tax setting 2024-25	160 Tooley Street	Humphrey
3	London	Thompson,
Council assembly 21 February	SE1 2QH	Divisional
2024		Accountant
 -		(Corporate
Council tax setting committee 23		Finance)
February 2024		1
https://moderngov.southwark.gov.	 uk/ieListDocuments asr	0x2Cld=132&Mld=769
0&Ver=4	and to Elot Documento. do	5X. 514-1024MI4-700

APPENDICES

No.	Title
Appendix A	2024-25 formal resolution for Southwark council
Appendix B	2024-25 Southwark council tax changes (excluding preceptors)
Appendix C	2024-25 Southwark council tax changes (including preceptors)
Appendix D	Terms of reference for the council tax setting committee

AUDIT TRAIL

Lead Officer	Clive Palfreyman				
	Strategic Director	of Finance			
Report Author	Humphrey Thomp	oson, Divisional Accou	ntant, Corporate		
	Finance				
Version	Final				
Dated	22 February 2024				
Key Decision?	Yes				
CONSULTATI	ON WITH OTHER	OFFICERS / DIRECT	ORATES /		
	CABINET	MEMBER			
Officer Title		Comments Sought	Comments		
			included		
Assistant Chief Exe	ecutive	Yes	Yes		
Governance and A	Governance and Assurance				
Strategic Director of	of Finance	Yes	Yes		
Cabinet Member for	or Communities,	Yes	Yes		
Democracy and Finance					
Date final report s	sent to Constitution	onal Team	22 February 2024		

APPENDIX A

2024-25 FORMAL RESOLUTION

- 1 That it be noted that at its meeting on 5 December 2023 Cabinet calculated the following amounts for the year 2024-25 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992.
 - (a) 112,166 being the amount calculated by the Council in accordance with regulation 3 of the Local Authorities (Calculation of the Council Tax Base) Regulations 2012, as its Council Tax Base for the year.

(b) Part of the Council's Area

Former parish of St. Mary Newington (special expense area)

12,881

Being the amounts calculated by the council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in that parts of the area to which one or more special items relate.

2 To calculate that the council tax requirement for the council's own purposes for 2024-25 is:

£148,236,342

- That, the following amounts now be calculated by the council for the year 2024-25 in accordance with Sections 3 to 36 of the Local Government Finance Act 1992.
 - (a) £1,167,474,374

being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) (a) to (f) of the Act;

(b) **-£1,019,238,032**

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) £148,236,342

being the amount by which the aggregate of 3(a) above exceeds the aggregate at 3(b) above, calculated by the council in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;

(d) £0 credit - parish of St Mary Newington being the amount of net income which the council estimates for these special expense areas (item (g) below).

(e) £148,236,342

being the amount by which the budget requirement at 3(c) above is now replaced (after adding the items 3(d) above);

(f) £1,321.58

being the amount at 3(e) divided by the amount at 1(a) above calculated by the council, in accordance with Section 31B of the Act as the basic amount of its council tax for the vear:

(g) £0

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

(h) £1,321.58

being the amount at 3(f) above less the result given by dividing the amount at 3(g) above by the amount at 1(a) above, calculated in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for the dwellings in those parts of its area to which no special item relates;

(i) Part of the council's area

St. Mary Newington (Special Expense Area £1,321.58

being the amounts given by adding to the amount at 3(h) above the amounts of the special items or items relating to dwellings in those parts of the council's area mentioned above divided by the amounts at 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;

(j) Parts of the council's area

		All other
Council	Parish of	parts
Tax	St. Mary	of the
band	Newington	council's
		area
	£	£
Α	881.06	881.06
В	1,027.90	1,027.90
С	1,174.74	1,174.74
D	1,321.58	1,321.58
E	1,615.26	1,615.26
F	1,908.95	1,908.95
G	2,202.64	2,202.64
Н	2,643.16	2,643.16

being the amounts given by multiplying the amounts at 3(h) and 3(i) 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 a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation B and 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.

That it be noted for the year 2024-25 the Greater London Authority stated the following amounts of precepts issued to the council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Council Tax band	GLA £
Α	314.27
В	366.64
С	419.02
D	471.40
E	576.16
F	680.91
G	785.67
Н	942.80

That having calculated the aggregate in each case of the amounts at 3(j) and 4 above, the council, in accordance with section 30(2) of the Local Government Finance Act 1992, hereby sets the following as the amounts of council tax for the year 2023-24 for each of the categories of dwellings shown below:

Council Tax Band	Parish of St. Mary Newington	All other parts of the council's area
	£	£
Α	1,195.33	1,195.33
В	1,394.54	1,394.54
С	1,593.76	1,593.76
D	1,792.98	1,792.98
E	2,191.42	2,191.42
F	2,589.86	2,589.86
G	2,988.31	2,988.31
l н	3.585.96	3.585.96

APPENDIX B
2024-25 SOUTHWARK COUNCIL TAX CHANGES (EXCLUDING PRECEPTORS)

				2023-24 CONSTIT	UENT ELEMENTS (OF SOUTHWARK	2024-25 CONSTIT	UENT ELEMENTS (OF SOUTHWARK	СНА	NGE
BAND	VALUATION	NUMBER OF BAND D EQUIVALENT	DWELLINGS BAND %	ADULT SOCIAL CARE 2023-24	SOUTHWARK (excluding ASC) 2023-24	TOTAL SOUTHWARK 2023-24	ADULT SOCIAL CARE 2024-25	SOUTHWARK (excluding ASC) 2024-25	TOTAL SOUTHWARK 2024-25	CHANGE	CHANGE
	£	PROPERTIES		£	£	£	£	£	£	£	%
A-	Under 40,000	2	0.0	92.03	607.29	699.32	106.01	628.20	734.21	34.89	4.99%
А	Under 40,000	5,509	4.8	110.43	728.76	839.19	127.21	753.85	881.06	41.87	4.99%
В	40,001 to 52,000	21,317	18.5	128.84	850.21	979.05	148.42	879.48	1,027.90	48.85	4.99%
С	52,001 to 68,000	24,965	21.6	147.23	971.69	1,118.92	169.60	1,005.14	1,174.74	55.82	4.99%
D	68,001 to 88,000	23,347	20.3	165.65	1,093.13	1,258.78	190.82	1,130.76	1,321.58	62.80	4.99%
Е	88,001 to 120,000	21,601	18.7	202.46	1,336.05	1,538.51	233.22	1,382.04	1,615.26	76.75	4.99%
F	120,001 to 160,000	9,919	8.6	239.27	1,578.97	1,818.24	275.63	1,633.32	1,908.95	90.71	4.99%
G	160,001 to 320,000	7,157	6.2	276.08	1,821.89	2,097.97	318.03	1,884.61	2,202.64	104.67	4.99%
Н	Over 320,000	1,580	1.4	331.30	2,186.26	2,517.56	381.64	2,261.52	2,643.16	125.60	4.99%
TOTAL		115,397	100								

APPENDIX C
2024-25 SOUTHWARK COUNCIL TAX CHANGES (INCLUDING PRECEPTORS)¹

				2023-24 CONSTITU	JENT ELEMENTS COUNCIL TAX	OF SOUTHWARK	2024-25 CONSTITU	IENT ELEMENTS COUNCIL TAX	OF SOUTHWARK	СНА	NGE
		NUMBER OF BAND D	DWELLINGS IN	SOUTHWARK (including ASC)	GLA PRECEPT	TOTAL SOUTHWARK	SOUTHWARK (including ASC)	GLA PRECEPT	TOTAL SOUTHWARK		
BAND	VALUATION	EQUIVALENT	BAND	2023-24	2023-24	2023-24	2024-25	2024-25	2024-25	CHANGE	CHANGE
	£	PROPERTIES	%	£	£	£	£	£	£	£	%
A-	Under 40,000	2	0.0	699.32	241.19	940.51	734.21	261.89	996.10	55.59	5.91%
Α	Under 40,000	5,509	4.8	839.19	289.43	1,128.62	881.06	314.27	1,195.33	66.71	5.91%
В	40,001 to 52,000	21,317	18.5	979.05	337.66	1,316.71	1,027.90	366.64	1,394.54	77.83	5.91%
С	52,001 to 68,000	24,965	21.6	1,118.92	385.90	1,504.82	1,174.74	419.02	1,593.76	88.94	5.91%
D	68,001 to 88,000	23,347	20.3	1,258.78	434.14	1,692.92	1,321.58	471.40	1,792.98	100.06	5.91%
Е	88,001 to 120,000	21,601	18.7	1,538.51	530.62	2,069.13	1,615.26	576.16	2,191.42	122.29	5.91%
F	120,001 to 160,000	9,919	8.6	1,818.24	627.09	2,445.33	1,908.95	680.91	2,589.86	144.53	5.91%
G	160,001 to 320,000	7,157	6.2	2,097.97	723.57	2,821.54	2,202.64	785.67	2,988.31	166.77	5.91%
н	Over 320,000	1,580	1.4	2,517.56	868.28	3,385.84	2,643.16	942.80	3,585.96	200.12	5.91%
TOTAL		115,397	100								

¹ The A- band is a notional band used to enable qualifying properties already in band A to receive a disabled band reduction. The reduction equates to an additional 1/9th of council tax at band D

APPENDIX D

COUNCIL TAX SETTING COMMITTEE

Role and functions

This committee is established under section 67 of the Local Government Finance Act 1992 with the following role and functions:

- 1. To note the annual budget 2024-25 for Southwark services agreed by council assembly.
- 2. To note the formal resolution for Southwark council tax in 2024-25.
- 3. To note the Greater London Authority precept level for 2024-25.
- 4. As a consequence, to set an amount of council tax for the financial year 2024-25.
- 5. To agree the formal resolution for council taxes in 2024-25.

Matters reserved for decision

The matters reserved for decision to this committee are as set out in the roles and functions.

Notes:

- 1. The term of office for the committee shall be fixed at no later than 11 March 2024.
- 2. This committee is proposed to be established by council assembly on 21 February 2024 with a membership of seven councillors. The political composition of the committee is:
 - Labour 5 places;
 - Liberal Democrats 2 places

Each political group is entitled to nominate a number of reserve/substitute members in accordance with council assembly procedure rule 4.5(1)¹

¹ In establishing this committee, council assembly on 21 February 2024 is invited to agree the membership of the committee to enable the committee to meet in accordance with the proposed timetable. Otherwise wherever an appointment of a member of a committee falls to be made in accordance with the wishes of a political group to whom the seat has been allocated, council assembly procedure rule 4.6(2) states that all appointments to the membership of committees must be submitted in writing to the monitoring officer. A minimum of five clear working days notice normally must elapse from the date of receipt of such notices before any appointments become effective.

MUNICIPAL YEAR 2023-24

COMMITTEE: COUNCIL TAX SETTING COMMITTEE 2024 (OPEN AGENDA)

NOTE: Original held in Constitutional Team; all amendments/queries to Virginia Wynn-Jones,
Constitutional Team on 020 7525 7055 or virginia.wynn-jones@southwark.gov.uk

COPIES BY EMAIL		COPIES BY EMAIL	
COUNCILLORS Cllr Stephanie Cryan (chair) Cllr Rachel Bentley (vice chair) Cllr Natasha Ennin Cllr Sarah King Cllr Martin Seaton Cllr Irina von Wiese Cllr Kieron Williams	1 1 1 1 1 1	FINANCE AND GOVERNANCE Clive Palfreyman Timothy Jones Geraldine Chadwick Humphrey Thompson	1 1 1
RESERVES GOVERNANCE AND ASSURANCE Doreen Forrester-Brown CONSTITUTIONAL TEAM Virginia Wynn-Jones Chidi Agada	1 1 1	Total Print Run:	By email
		List Updated: 22	February 2024