

Council Tax Setting Committee 2021

Friday 26 February 2021

10.00 am

Online/Virtual; contact constitutional.team for details.

Membership

Councillor Rebecca Lury (Chair)
Councillor Jane Salmon (Vice-Chair)
Councillor Jasmine Ali
Councillor William Hougbo
Councillor Alice Macdonald
Councillor Johnson Situ
Councillor Kieron Williams

Reserves

Councillor Adele Morris

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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Access

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Contact

Virginia Wynn-Jones email: virginia.wynn-jones@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Eleanor Kelly

Chief Executive

Date: 25 February 2021



Council Tax Setting Committee 2021

Friday 26 February 2021
10.00 am

Online/Virtual; contact constitutional.team for details.

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 WHICH 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 AND DISPENSATIONS	
	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 2021-22	1 - 13

Item No.

Title

Page No.

EXCLUSION OF 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.”

Item No: 6.	Classification: Open	Date: 26 February 2021	Meeting Name: Council Tax Setting Committee
Report title:		Setting the Council Tax 2021-22	
Wards or Groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. To note the annual budget for 2021-22 for Southwark services agreed by council assembly on 24 February 2021 of **£293,127,095**, including a 1.99% council tax increase and adult social care precept of 3%.
2. To note the formal resolution for Southwark council tax agreed by council assembly on 24 February 2021 that the 2021-22 Southwark element of the council tax for band D properties in Southwark, including an increase of 1.99% and the adult social care precept of 3%, be set at **£1,164.14**.
3. To note the Greater London Authority (GLA) precept level for 2021-22 of **£363.66** for band D properties, agreed by the GLA on 25 February 2021.
4. To note that the total council tax for all band D properties will be set at **£1,527.80**.

	Band D			
	2021-22 £	2020-21 £	change %	Increase £
Southwark council tax	1,164.14	1,108.81	4.99%	55.33
GLA precept	363.66	332.07	9.51%	31.59
Total band D council tax	1,527.80	1,440.88	6.03%	86.92

5. That the formal resolution for council taxes in 2021-22 (shown in appendix A) be approved.

BACKGROUND INFORMATION

6. Under the Local Government Finance Act 1992, the council is required to determine the level of council taxes in the borough for 2021-22. This must be completed before 11 March 2021. The Greater London Authority (GLA) intends to agree its precept on 25 February 2021.
7. Due to the timing of the GLA's consideration of its precept, council assembly on 24 February 2021 established a council tax setting

committee for the purposes of setting the council tax and approving the formal resolution for council taxes in 2021-22. A copy of the terms of reference of the committee agreed by council assembly is at appendix D.

8. The continuation of the local war widow/widowers' scheme for housing benefits and council tax was agreed by council assembly on 24 February 2021.
9. The Greater London Authority (GLA) set a precept of **£363.66** at band D on 25 February 2021.

KEY ISSUES FOR CONSIDERATION

Council tax for London borough of Southwark

10. Based upon a net budget requirement in 2021-22 of **£293,127,095**, the council tax required for Southwark services only would be **£123,023,987** at band D.
11. 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

12. The Greater London Authority announced its precept on 25 February 2021. The estimated amount required from Southwark is **£38,430,861** - a demand on the band D council tax of **£363.66**.

Council tax for Southwark in 2021-22

13. The council tax for a band D property would therefore be:

	Band D			
	2021-22 £	2020-21 £	change %	Increase £
Southwark council tax*	1,164.14	1,108.81	4.99%	55.33
GLA precept	363.66	332.07	9.51%	31.59
Total band D council tax	1,527.80	1,440.88	6.03%	86.92
*council tax including:				
Adult social care precept	130.03	96.77	3.00%	33.26
Southwark local element	1,034.11	1,012.04	1.99%	22.07
Total	1,164.14	1,108.81	4.99%	55.33

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

Differential council taxes

15. There are special funds in two areas of 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 24 February 2021 and no discount was agreed for the former parish of St. Mary Newington - Walworth Common Estate or the former parish of St. Saviours - Borough Market.

Community impact statement

16. The community impact implications of both the budget requirement and the increase in council tax levels were addressed in the Policy and Resources Strategy 2021-22 – revenue budget considered by council assembly on 24 February 2021.

Consultation

17. The council consults with relevant stakeholders with regards to the wider policy and resources strategy process. The council has complied with the requirements of Section 65 of the Local Government Finance Act 1992 by consulting with business rate payers on spending plans for the forthcoming year.

SUPPLEMENTARY ADVICE

Director of Law and Governance

18. The report notes that the Greater London Authority set a precept level of £363.66 at band D for 2021-22. The committee is also required, by formal resolution to set the council tax for 2021-22.
19. On 24 February 2021, council assembly resolved to establish a committee to set the council tax for 2021-22 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.
20. The committee is being asked to agree the formal resolution setting the council tax for 2021-22. 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 32 to 36, 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.

21. 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. That budget calculation (required by sections 32 to 37) is also to be agreed by the committee.
22. 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 2021-22 – Revenue Budget agreed by council assembly on 24 February 2021. The authority is required to have regard to the chief financial officer’s report when making the calculations.
23. The committee should note the recommendation of council assembly on 24 February 2021, to agree the revenue budget for 2021-22 including a total 4.99% council tax increase for 2021-22.

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

24. 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.
25. 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.
26. If this section applies to any member, he/she at the relevant meeting and as soon as practicable after its commencement, must disclose the fact that the section applies and not vote on any question with respect to this matter.
27. 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, V of Part 1 of the 1992 Act.

The only calculations likely to be made by this authority are those under Chapter III of Part 1 of the 1992 Act, (Chapter IV relates to precepting and Chapter V limitations on council tax (i.e. capping). The Chapter III calculations include the calculation of the budget

requirement, basic amount of tax, the additional requirements because of the special trust funds, the calculation of the tax for the different valuation bands and the basic amount of council tax to be set under Section 30.

- (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 1992 Act.

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

REASONS FOR URGENCY

28. The council is required to set a lawful budget by 11 March 2021. The GLA precept is due for approval on 25 February 2021.

REASONS FOR LATENESS

29. On 4 February 2021, the government published the final Local Government Finance Settlement. The final settlement debate and vote was held in the House of Commons on 10 February 2021. The meeting of the council tax setting committee established by council assembly is scheduled for 26 February 2021.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council Tax Base for 2021-22 Cabinet 8 December 2020	160 Tooley Street London	Jade Cheung 020 7525 3809

Background Papers	Held At	Contact
	SE1 2QH	
http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6664		
Policy and Resources Strategy 2021-22	160 Tooley Street London SE1 2QH	Duncan Whitfield, Strategic Director of Finance and Governance
Cabinet 2 February 2021		
http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6666		
Council assembly 24 February 2021		
http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&MId=6774		
The Mayor's budget for 2021-22	Greater London Authority City Hall The Queen's Walk More London London SE1 2AA	enquiries 020 7983 4100 minicom 020 7983 4458
https://www.london.gov.uk/about-us/governance-and-spending/spending-money-wisely/mayors-budget?source=vanityurl		
Council tax setting 2021-22 Council assembly 24 February 2021	160 Tooley Street London SE1 2QH	Jade Cheung 020 7525 3809
http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&MId=6774		

APPENDICES

No.	Title
Appendix A	2021-22 formal resolution for Southwark council tax
Appendix B	2021-22 council tax changes (Southwark council excluding preceptors)
Appendix C	2021-22 council tax changes (Southwark council including preceptors)
Appendix D	Terms of reference for the council tax setting committee

AUDIT TRAIL

Lead Officer	Duncan Whitfield Strategic Director of Finance and Governance	
Report Author	Jade Cheung, Corporate Finance	
Version	Final	
Dated	15 February 2021	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		15 February 2021

APPENDIX A

2021-22 FORMAL RESOLUTION

1 That it be noted that at its meeting on 8 December 2020, Cabinet calculated the following amounts for the year 2021-22 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992.

(a) **105,678** being the amount calculated by the Council in accordance with regulation 3 of the Local Authorities (Calculation of the Council Tax Base) Regulations 1992, as its Council Tax Base for the year.

(b) Part of the Council's Area

Former parish of St. Mary Newington (special expense area)	11,896
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Former parish of St. Saviour's (special expense area)	1,246
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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 2021-22 is:

£123,023,987

3 That, the following amounts now be calculated by the council for the year 2021-22 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992.

(a) **£1,028,866,817**
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) **-£905,842,830**
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) **£123,023,987**
being the amount by which the aggregate of 2(a) above exceeds the aggregate at 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) **£0** credit - parish of St Mary Newington
£0 credit - parish of St. Saviour's

being the amount of net income which the council estimates for these special expense areas (item (g) below)

- (e) **£123,023,987**
being the amount by which the budget requirement at 2(c) above is now replaced (after adding the items 2(d) above);
- (f) **£1,164.14**
being the amount at 2(e) divided by the amount at 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;
- (g) **£0**
being the aggregate amount of all special items referred to in Section 34(1) of the Act;
- (h) **£1,164.14**
being the amount at 2(f) above less the result given by dividing the amount at 2(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	£1,164.14
St. Saviour's	£1,164.14
(Special Expense Areas)	

being the amounts given by adding to the amount at 2(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

council tax band	Parish of St. Mary Newington	Parish of St Saviour's	All other parts of the council's area
	£	£	£
A	776.09	776.09	776.09
B	905.44	905.44	905.44
C	1,034.79	1,034.79	1,034.79
D	1,164.14	1,164.14	1,164.14
E	1,422.84	1,422.84	1,422.84
F	1,681.54	1,681.54	1,681.54
G	1,940.23	1,940.23	1,940.23
H	2,328.28	2,328.28	2,328.28

being the amounts given by multiplying the amounts at 2(h) and 2(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.

- 4 That it be noted for the year 2021-22 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 £
A	242.44
B	282.85
C	323.25
D	363.66
E	444.47
F	525.29
G	606.10
H	727.32

- 5 That having calculated the aggregate in each case of the amounts at 2(j) and 3 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 2021-22 for each of the categories of dwellings shown below:

council tax band	Parish of St. Mary Newington	Parish of St Saviour's	All other parts of the council's area
	£	£	£
A	1,018.53	1,018.53	1,018.53
B	1,188.29	1,188.29	1,188.29
C	1,358.04	1,358.04	1,358.04
D	1,527.80	1,527.80	1,527.80
E	1,867.31	1,867.31	1,867.31
F	2,206.83	2,206.83	2,206.83
G	2,546.33	2,546.33	2,546.33
H	3,055.60	3,055.60	3,055.60

APPENDIX B

2021-22 SOUTHWARK COUNCIL TAX CHANGES (EXCLUDING PRECEPTORS)

BAND	VALUATION £	DWELLINGS	DWELLINGS	2020-21 CONSTITUENT ELEMENTS OF SOUTHWARK COUNCIL TAX			2021-22 CONSTITUENT ELEMENTS OF SOUTHWARK COUNCIL TAX			CHANGE	
		BAND	BAND	ADULT	SOUTHWARK	TOTAL	ADULT	SOUTHWARK	TOTAL	CHANGE	CHANGE
		No.	%	SOCIAL CARE	(excluding ASC)	SOUTHWARK	SOCIAL CARE	(excluding ASC)	SOUTHWARK		
				2020-21	2020-21	2020-21	2021-22	2021-22	2021-22	£	%
				£	£	£	£	£	£	£	%
A-	Under 40,000	3	0.003								
A	Under 40,000	4,976	4.5	64.51	674.70	739.21	86.68	689.41	776.09	36.88	4.99%
B	40,001 to 52,000	20,503	18.9	75.27	787.14	862.41	101.14	804.30	905.44	43.03	4.99%
C	52,001 to 68,000	24,198	22.2	86.01	899.60	985.61	115.57	919.22	1,034.79	49.18	4.99%
D	68,001 to 88,000	21,629	19.9	96.77	1,012.04	1,108.81	130.03	1,034.11	1,164.14	55.33	4.99%
E	88,001 to 120,000	19,594	18.0	118.27	1,236.94	1,355.21	158.92	1,263.92	1,422.84	67.63	4.99%
F	120,001 to 160,000	9,212	8.5	139.78	1,461.83	1,601.61	187.82	1,493.72	1,681.54	79.93	4.99%
G	160,001 to 320,000	7,041	6.5	161.28	1,686.74	1,848.02	216.71	1,723.52	1,940.23	92.21	4.99%
H	Over 320,000	1,566	1.4	193.54	2,024.08	2,217.62	260.06	2,068.22	2,328.28	110.66	4.99%
TOTAL		108,722	100								

APPENDIX C

2021-22 SOUTHWARK COUNCIL TAX CHANGES (INCLUDING PRECEPTORS)¹

BAND	VALUATION £	DWELLINGS	DWELLINGS	2020-21 CONSTITUENT ELEMENTS OF COUNCIL TAX			2021-22 CONSTITUENT ELEMENTS OF COUNCIL TAX			CHANGE	
		IN	IN	SOUTHWARK	GLA	TOTAL	SOUTHWARK	GLA	TOTAL	CHANGE	CHANGE
		BAND	BAND	(including ASC)	PRECEPT	SOUTHWARK	(including ASC)	PRECEPT	SOUTHWARK		
		NO.	%	2020-21	2020-21	2020-21	2021-22	2021-22	2021-22	£	%
				£	£	£	£	£	£		
A-	Under 40,000	3	0.003								
A	Under 40,000	4,976	4.5	739.21	221.38	960.59	776.09	242.44	1,018.53	57.94	6.03%
B	40,001 to 52,000	20,503	18.9	862.41	258.28	1,120.69	905.44	282.85	1,188.29	67.60	6.03%
C	52,001 to 68,000	24,198	22.2	985.61	295.17	1,280.78	1,034.79	323.25	1,358.04	77.26	6.03%
D	68,001 to 88,000	21,629	19.9	1,108.81	332.07	1,440.88	1,164.14	363.66	1,527.80	86.92	6.03%
E	88,001 to 120,000	19,594	18.0	1,355.21	405.86	1,761.07	1,422.84	444.47	1,867.31	106.24	6.03%
F	120,001 to 160,000	9,212	8.5	1,601.61	479.66	2,081.27	1,681.54	525.29	2,206.83	125.56	6.03%
G	160,001 to 320,000	7,041	6.5	1,848.02	553.45	2,401.47	1,940.23	606.10	2,546.33	144.86	6.03%
H	Over 320,000	1,566	1.4	2,217.62	664.14	2,881.76	2,328.28	727.32	3,055.60	173.84	6.03%
TOTAL		108,722	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 the 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 2021-22 for Southwark services agreed by council assembly.
2. To note the formal resolution for Southwark council tax in 2021-22.
3. To note the Greater London Authority precept level for 2021-22.
4. As a consequence, to set an amount of council tax for the financial year 2021-22.
5. To agree the formal resolution for council taxes in 2021-22.

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 2021.
2. This committee is proposed to be established by council assembly on 24 February 2021; 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 24 February 2021 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.

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COMMITTEE: COUNCIL TAX SETTING COMMITTEE 2021 (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**COUNCILLORS**

Councillor Rebecca Lury (Chair)	By email
Councillor Jane Salmon (Vice Chair)	By email
Councillor Jasmine Ali	By email
Councillor William Hougbo	By email
Councillor Alice Macdonald	By email
Councillor Johnson Situ	By email
Councillor Kieron Williams	By email

RESERVES

Councillor Adele Morris	By email
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LAW AND DEMOCRACY

Norman Coombe	By email
Doreen Forrester-Brown	By email

CONSTITUTIONAL TEAM

Virginia Wynn-Jones	By email
Chidi Agada	By email

FINANCE AND GOVERNANCE

Duncan Whitfield	By email
Rob Woollatt	By email
Jade Cheung	By email

Total Print Run:	0
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List Updated: 22 February 2021