

Council Tax Setting Committee 2023

Friday 24 February 2023

9.30 am

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

Membership

Councillor Stephanie Cryan (Chair)
Councillor Jane Salmon (Vice-Chair)
Councillor Rachel Bentley
Councillor Dora Dixon-Fyle MBE
Councillor Catherine Rose
Councillor Martin Seaton
Councillor Kieron Williams

Reserves

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.

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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: 23 February 2023



Council Tax Setting Committee 2023

Friday 24 February 2023

9.30 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 2023-24	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.”

Date: 23 February 2023

Item No: 6.	Classification: Open	Date: 24 February 2023	Meeting Name: Council Tax Setting Committee
Report title:		Setting the Council Tax 2023-24	
Wards or Groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. To note the annual budget for 2023-24 for Southwark services agreed by council assembly on 22 February 2023, 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 22 February 2023 (appendix A); that the 2023-24 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 **£1,258.78** (appendix A and B).
3. To note the Greater London Authority (GLA) precept level for 2023-24 of **£434.14** for band D properties, agreed by the GLA on 23 February 2023.
4. That the total council tax for all bands of properties be set as shown in Appendix C.

	Band D			
	2023-24 £	2022-23 £	change %	Increase £
Southwark council tax	1,258.78	1,198.95	4.99%	59.83
GLA precept	434.14	395.59	9.74%	38.55
Total band D council tax	1,692.92	1,594.54	6.17%	98.38

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 2023-24. This must be completed before 11 March 2023. The Greater London Authority (GLA) intends to agree its precept on 23 February 2023.
6. Due to the timing of the GLA's consideration of its precept, council assembly on 22 February 2023 established a council tax setting committee for the purposes of setting the council tax and approving the formal

resolution for council taxes in 2023-24. 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 22 February 2023.
8. The Greater London Authority (GLA) set a precept of **£434.14** at band D on 23 February 2023.

KEY ISSUES FOR CONSIDERATION

Council tax for London borough of Southwark

9. The council has calculated its council tax requirement for the 2023-24 year as **£137,426,048**, being the difference between all anticipated expenditure and income in accordance with Section 31A of the Localism Act 2011.
10. 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 Greater London Authority announced its precept on 24 February 2022. The estimated amount required from Southwark is **£47,396,800** - a demand on the band D council tax of **£434.14**.

Council tax for Southwark in 2023-24

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

	Band D			
	2023-24 £	2022-23 £	change %	Increase £
Southwark council tax*	1,258.78	1,198.95	4.99%	59.83
GLA precept	434.14	395.59	9.74%	38.55
Total band D council tax	1,692.92	1,594.54	6.17%	98.38
*council tax including:				
Adult social care precept	165.65	141.67	2.00%	23.98
Southwark local element	1,093.13	1,057.28	2.99%	35.85
Total	1,258.78	1,198.95	4.99%	59.83

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

Differential council taxes

14. 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 22 February 2023 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, 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 2023-24 – revenue budget considered by council assembly on 22 February 2023.

Climate change implications

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

SUPPLEMENTARY ADVICE

Assistant Chief Executive – Governance and Assurance

17. On 22 February 2023, council assembly established a committee to set the council tax for 2023-24 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 2023-24. 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 2023-24 – Revenue Budget agreed by council assembly on 22 February 2023. 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 22 February 2023, to agree the revenue budget for 2023-24 including a Southwark council element 2.99% and adult social care precept of 2% council tax increase for 2023-24.
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 2023-24 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 2023-24 Cabinet 6 December 2022	160 Tooley Street London SE1 2QH	Jade Cheung 020 7525 3809
https://moderngov.southwark.gov.uk/documents/b50015070/Supplemental%20Agenda%20No.%201%20Tuesday%2006-Dec-2022%2011.00%20Cabinet.pdf?T=9		
Policy and Resources Strategy 2023-24	160 Tooley Street London SE1 2QH	Duncan Whitfield, Strategic Director of Finance and Governance
Cabinet 6 February 2023 https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=7343		
The Mayor's budget for 2023-24	Greater London Authority City Hall London SE1	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 2023-24 Council assembly 22 February 2023 Council tax setting committee 24 February 2023	160 Tooley Street London SE1 2QH	Jade Cheung 020 7525 3809
(Public Pack)Supplemental Agenda no. 1 Agenda Supplement for Council Assembly, 22/02/2023 19:00 (southwark.gov.uk)		
Prior year report: Agenda for Council Tax Setting Committee 2022 on Friday 25 February 2022, 10.00 am - Southwark Council		

APPENDICES

No.	Title
Appendix A	2023-24 formal resolution for Southwark council
Appendix B	2023-24 Southwark council tax changes (excluding preceptors)
Appendix C	2023-24 Southwark council tax changes (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, Accountant, Corporate Finance	
Version	Final	
Dated	23 February 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Assistant Chief Executive Governance and Assurance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member for Communities, Equalities and Finance	Yes	Yes
Date final report sent to Constitutional Team		23 February 2023

APPENDIX A

2023-24 FORMAL RESOLUTION

- 1 That it be noted that at its meeting on 6 December 2022 Cabinet calculated the following amounts for the year 2023-24 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992.

(a) **109,174** 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 **12,509**
(special expense area)

Former parish of St. Saviour's **1,262**
(special expense area)

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 2023-24 is:

£137,426,048

- 3 That, the following amounts now be calculated by the council for the year 2023-24 in accordance with Sections 3 to 36 of the Local Government Finance Act 1992.

(a) **£1,147,962,866**
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) **-£1,010,536,819**
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) **£137,426,048**
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
£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) **£137,426,048**
being the amount by which the council tax requirement at 3(c) above is now replaced (after adding the items 3(d) above);
- (f) **£1,258.78**
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 year;
- (g) **£0**
being the aggregate amount of all special items referred to in Section 34(1) of the Act;
- (h) **£1,258.78**
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	£1,258.78
St. Saviour's	£1,258.78
(Special expense areas)	

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

council tax band	Former parish of St. Mary Newington	Former parish of St Saviour's	All other parts of the council's area
	£	£	£
A	839.18	839.18	839.18
B	979.06	979.06	979.06
C	1,118.92	1,118.92	1,118.92
D	1,258.78	1,258.78	1,258.78
E	1,538.50	1,538.50	1,538.50
F	1,818.24	1,818.24	1,818.24
G	2,097.96	2,097.96	2,097.96
H	2,517.56	2,517.56	2,517.56

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.

- 4 That it be noted for the year 2023-24 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	289.43
B	337.66
C	385.90
D	434.14
E	530.62
F	627.09
G	723.57
H	868.28

APPENDIX B

2023-24 SOUTHWARK COUNCIL TAX CHANGES (EXCLUDING PRECEPTORS)

BAND	VALUATION £	NUMBER OF BAND D EQUIVALENT PROPERTIES	D WELLINGS BAND %	2022-23 CONSTITUENT ELEMENTS OF SOUTHWARK COUNCIL TAX			2023-24 CONSTITUENT ELEMENTS OF SOUTHWARK COUNCIL TAX			CHANGE	
				ADULT SOCIAL CARE 2022-23 £	SOUTHWARK (excluding ASC) 2022-23 £	TOTAL SOUTHWARK 2022-23 £	ADULT SOCIAL CARE 2023-24 £	SOUTHWARK (excluding ASC) 2023-24 £	TOTAL SOUTHWARK 2023-24 £	CHANGE £	CHANGE %
				A-	Under 40,000	1	0.0				
A	Under 40,000	5,525	4.9	94.44	704.86	799.30	102.67	736.51	839.18	39.88	4.99%
B	40,001 to 52,000	21,325	19.0	110.19	822.33	932.52	119.79	859.27	979.06	46.54	4.99%
C	52,001 to 68,000	24,515	21.8	125.92	939.81	1,065.73	136.90	982.02	1,118.92	53.19	4.99%
D	68,001 to 88,000	22,381	20.0	141.67	1,057.28	1,198.95	154.01	1,104.77	1,258.78	59.83	4.99%
E	88,001 to 120,000	20,573	18.3	173.15	1,292.23	1,465.38	188.23	1,350.27	1,538.50	73.12	4.99%
F	120,001 to 160,000	9,464	8.4	204.63	1,527.19	1,731.82	222.46	1,595.78	1,818.24	86.42	4.99%
G	160,001 to 320,000	7,005	6.2	236.11	1,762.14	1,998.25	256.68	1,841.28	2,097.96	99.71	4.99%
H	Over 320,000	1,530	1.4	283.34	2,114.56	2,397.90	308.02	2,209.54	2,517.56	119.66	4.99%
TOTAL		112,319	100								

APPENDIX C

2023-24 SOUTHWARK COUNCIL TAX CHANGES (INCLUDING PRECEPTORS)¹

BAND	VALUATION £	NUMBER OF BAND D EQUIVALENT PROPERTIES	D WELLINGS IN BAND %	2022-23 CONSTITUENT ELEMENTS OF SOUTHWARK COUNCIL TAX			2023-24 CONSTITUENT ELEMENTS OF SOUTHWARK COUNCIL TAX			CHANGE	
				SOUTHWARK (including ASC) 2022-23 £	GLA PRECEPT 2022-23 £	TOTAL SOUTHWARK 2022-23 £	SOUTHWARK (including ASC) 2023-24 £	GLA PRECEPT 2023-24 £	TOTAL SOUTHWARK 2023-24 £	CHANGE £	CHANGE %
				A-	Under 40,000	1	0.0				
A	Under 40,000	5,525	4.9	799.30	263.73	1,063.03	839.18	289.43	1,128.61	65.58	6.17%
B	40,001 to 52,000	21,325	19.0	932.52	307.68	1,240.20	979.06	337.66	1,316.72	76.52	6.17%
C	52,001 to 68,000	24,515	21.8	1,065.73	351.64	1,417.37	1,118.92	385.90	1,504.82	87.45	6.17%
D	68,001 to 88,000	22,381	20.0	1,198.95	395.59	1,594.54	1,258.78	434.14	1,692.92	98.38	6.17%
E	88,001 to 120,000	20,573	18.3	1,465.38	483.50	1,948.88	1,538.50	530.62	2,069.12	120.24	6.17%
F	120,001 to 160,000	9,464	8.4	1,731.82	571.41	2,303.23	1,818.24	627.09	2,445.33	142.10	6.17%
G	160,001 to 320,000	7,005	6.2	1,998.25	659.32	2,657.57	2,097.96	723.57	2,821.53	163.96	6.17%
H	Over 320,000	1,530	1.4	2,397.90	791.18	3,189.08	2,517.56	868.28	3,385.84	196.76	6.17%
TOTAL		112,319	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 2023-24 for Southwark services agreed by council assembly.
2. To note the formal resolution for Southwark council tax in 2023-24.
3. To note the Greater London Authority precept level for 2023-24.
4. As a consequence, to set an amount of council tax for the financial year 2023-24.
5. To agree the formal resolution for council taxes in 2023-24.

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 2023.
2. This committee is proposed to be established by council assembly on 24 February 2023; 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 22 February 2023 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.

COMMITTEE: COUNCIL TAX SETTING COMMITTEE 2023 (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
<p>COUNCILLORS</p> <p>Cllr Stephanie Cryan (chair) 1</p> <p>Cllr Jane Salmon (vice chair) 1</p> <p>Cllr Rachel Bentley 1</p> <p>Cllr Dora Dixon-Fyle 1</p> <p>Cllr Catherine Rose 1</p> <p>Cllr Martin Seaton 1</p> <p>Cllr Kieron Williams 1</p>	<p>FINANCE AND GOVERNANCE</p> <p>Duncan Whitfield 1</p> <p>Timothy Jones 1</p> <p>Geraldine Chadwick 1</p> <p>Jade Cheung 1</p>
<p>RESERVES</p> <p>--</p>	
<p>GOVERNANCE AND ASSURANCE</p> <p>Doreen Forrester-Brown 1</p>	<p>Total Print Run:</p>
<p>CONSTITUTIONAL TEAM</p> <p>Virginia Wynn-Jones 1</p> <p>Chidi Agada 1</p>	<p>By email</p>
	<p>List Updated: 25 February 2022</p>