

Merton Council

Cabinet

19 February 2024

Supplementary Agenda – Amended Item 6

6 Budget 2024/25 and MTFS 2024-28

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Committee: Cabinet

Date: 19 February 2024

Agenda item:

Wards: All

Subject: Budget 2024/25 and Medium Term Financial Strategy 2024-28

Lead officer: Asad Mushtaq, Executive Director of Finance & Digital

Lead member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services

Key Decision Reference Number: This report is written and any decisions taken are within the Budget and Policy Framework Procedure Rules as laid out in Part 4-C of the Constitution.

The Council has now been informed of the Wimbledon and Putney Commons Conservators levy for 2024/25 and is now able to update Recommendation 2 and the relevant text and tables as follows.

Updated Recommendation:

2. That the Cabinet resolves that, having considered all of the information in this report and noted the positive assurance statement given by the Executive Director, Finance and Digital based on the proposed Council Tax strategy, the maximum Council Tax in 2024/25, equating to a Band D Council Tax of £1,521.98, which is an increase of below 5% be approved and recommended to Council for approval.

UPDATED TABLES , NARRATIVE AND RESOLUTIONS:

15. Other Levies

15.1 The Council is required by statute to pay certain levies to the organisations listed below. All of the levies for 2024/25 have now been confirmed and the latest position is as set out in the following table:-

Table 38: Other Levies

	2023/24 £000	2024/25 £000	2024/25 Change %
London Pension Fund Authority	25	25	0%
Lee Valley Regional Park	197	202	2.4%
Environment Agency	184	186	1.4%

15.2 Wimbledon and Putney Commons Conservators (WPCC)

15.2.1 A separate precept is levied in respect of those residents of properties bordering the Wimbledon and Putney Commons. The amount is calculated on the basis of the amount levied by the Commons Conservators and the Band D Council Tax in respect of the WPCC precept in 2024/25 will be £461,263, an increase of £38,315 (9.1%) from the 2023/24 levy of £422,948.

Table 39: Wimbledon and Putney Commons Conservators Precept

	2023/24 £000	2024/25 £000	Change %
Wimbledon & Putney Commons Conservators	423	461	9.1%

15.2.2 The average Band D cost to a council taxpayer in the WPCC area has changed from £35.96 in 2023/24 to £39.15 (8.9%) in 2024/25.

15.2.3 Any increase in the WPCC precept in excess of the referendum limit of 5% will impact on the level of council tax increase that the Council can make without triggering a local referendum.

15.2.4 Based on the WPCC increase from £35.96 to £39.15 (8.9%) Merton will have to reduce its Council Tax Requirement by c. £18k to avoid exceeding the Referendum Principles.

Table 40: Average Band D Council Tax

Average Council Tax Calculation at Band D	2023/24 £m	2024/25 £m
Budget Requirement	182.545	201.857
Settlement funding Assessment inc. Section 31 Grant	(45.344)	(50.431)
New Homes Bonus	(0.732)	(0.152)
PFI Grant	(4.797)	(4.797)
Adult Social Care Improved BCF	(5.010)	(5.010)
Social Care Grant	(10.430)	(13.747)
Collection Fund – (Surplus)/Deficit	0.673	(3.241)
ASC Market Sustainability and Improvement Fund	(1.751)	(3.272)
ASC Discharge Fund	(0.702)	(1.171)
Services Grant	(1.397)	(0.229)
Funding Guarantee	0	(0.239)
Council Tax Requirement	113.055	119.568
Council Tax Base	77,694.3	78,257.8
Average Council Tax*	1,455.13	1,527.88

NB The calculation of the average council tax is subject to Government verification via the submission of a return – Council Tax Requirement Form CTR1.

16.5 The calculation of Band D council tax for properties outside the Wimbledon and Putney Commons Conservators area is as follows:

Table 41: Council Tax calculation

Council Tax Calculation at Band D	2023/24 £m	2024/25 £m
Budget Requirement	182.545	201.857
WPCC	(0.423)	(0.461)
Settlement funding Assessment inc. Section 31 Grant	(45.344)	(50.431)
New Homes Bonus	(0.732)	(0.152)
PFI Grant	(4.797)	(4.797)
Adult Social Care Improved BCF	(5.010)	(5.010)
Social Care Grant	(10.430)	(13.747)
Collection Fund – (Surplus)/Deficit	0.673	(3.241)
ASC Market Sustainability and Improvement Fund	0	(3.272)
ASC Discharge Fund	(1.751)	(1.171)
Services Grant	(0.702)	(0.229)
Funding Guarantee	(1.397)	(0.239)
Balance to be met from Council Tax	112.632	119.107
Council Tax Base	77,694.3	78,257.8
Council Tax (Band D)	1,449.68	1,521.98

16.6 The implications for the level of Council Tax on a Band D property, including the GLA precept are set out as follows:-

Table 42: Band D Council Tax

Council Tax at Band D	2023/24 £	2024/25 £	% change from 2023/24
Merton (exc. WPCC)	1,449.68	1,521.98	5.0%
GLA Precept (Provisional)	434.14	471.40	8.6%
Implied Council Tax at Band D	1,883.82	1,993.38	5.8%

DRAFT RESOLUTIONS**Revenue Report:**

1. Members consider the views of the Overview and Scrutiny Commission set out in a separate report on the agenda (Item _), and approve the proposed budget for 2024/25 set out in Section 1 of the revenue report, together with the proposed Council Tax levy in 2024/25.
2. That it be noted that at its meeting on 15 January 2024 the Council calculated its **Council Tax Base for the year as 78,257.8** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012(SI 2012: 2914).
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 11,782.4** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
 - a) 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

	£m
Gross Revenue Expenditure of Service Committees	651.142
Corporate Provisions	(3.649)
Amounts Payable to the Levying Bodies	0.875
Contribution to/(from) Financial Reserves	(6.761)
Gross Expenditure	641.607

- b) 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

	£m
Gross Income	522.039

- c) being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31(4) of the Act, as its Council Tax Requirement for the year

	£m
Council Tax Requirement for the Council's own purposes for 2024/25 (including special expenses re WPCC)	119.568

- d) being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of revenue support grant, and baseline funding (NNDR) to constitute the Council's Settlement Funding Assessment

	£m
Revenue Support Grant including Transition Grant	6.513
Baseline funding NNDR inc. top-up Grant	39.214
Settlement Funding Assessment	45.727

- e) being the amount at 4(c) above, divided by the amount for Council Tax Base at 2 above, calculated by the Council above, in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including special items (WPCC)).

	£
Merton's General Band D Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area)	1,527.88

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

	£
Wimbledon and Putney Commons Conservators Special Levy	461,263

- g) being the amount at 4(e) above, less the result given by dividing the amount at 4(f) above by the amount of the Council Tax Base at 2 above in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items (WPCC special levy) relates.

	£
Merton's General Band D Council Tax Levy (excluding WPCC)	1,521.98

- h) being the amounts given by adding to the amount at 4(g) above, the amounts of the special item or items relating to dwellings in the area of Wimbledon and Putney Commons Conservators (WPCC) mentioned above at 4(f) divided by the amount at 3 above, calculated in accordance with Section 34(1) of the Act, as the basic amounts of its Council Tax for the year for dwellings in the area of WPCC.

	£
Wimbledon and Putney Commons Conservators Band D	1,561.13

- i) being the amounts given by multiplying the amounts at 4(g) and 4(h) 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 valuation band D, calculated by the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Part of the Councils Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Councils Area	1,014.65	1,183.76	1,352.87	1,521.98	1,860.20	2,198.42	2,536.63	3,043.96
Parts inc. WPCC	1,040.75	1,214.21	1,387.67	1,561.13	1,908.05	2,254.97	2,601.88	3,122.26

5. To note that the Greater London Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below, and that the Council agrees the Council Tax levy for 2024/25 by taking the aggregate of 4(i) above and the Greater London Authority precept.

Precepting Authority	Valuation Bands							
	A	B	C	D	E	F	G	H
Precepting Authority	£314.27	£366.64	£419.02	£471.40	£576.16	£680.91	£785.67	£942.80

For information purposes this would result in the following Council Tax Levy for Merton residents:-

Part of the Council's Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Council's Area	1,328.92	1,550.40	1,771.89	1,993.38	2,436.36	2,879.33	3,322.30	3,986.76
Parts inc. WPCC	1,355.02	1,580.85	1,806.69	2,032.53	2,484.21	2,935.88	3,387.55	4,065.06

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