

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE COUNCIL (BUDGET MEETING)

HELD AT 7.30 P.M. ON WEDNESDAY, 4 MARCH 2009

**THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5
CLOVE CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Helal Abbas	Councillor Denise Jones
Councillor Ohid Ahmed	Councillor Dr. Emma Jones
Councillor Rofique U Ahmed	Councillor Azizur Rahman Khan
Councillor Anwara Ali	Councillor Rania Khan
Councillor Shahed Ali	Councillor Abdul Matin
Councillor M. Shahid Ali	Councillor Abjol Miah
Councillor Tim Archer	Councillor Fozol Miah
Councillor Abdul Asad	Councillor Harun Miah
Councillor Philip Briscoe	Councillor Tim O'Flaherty
Councillor Alibor Choudhury	Councillor Ahmed Adam Omer
Councillor Stephanie Eaton	Councillor Joshua Peck
Councillor Rupert Eckhardt	Councillor Lutfur Rahman
Councillor Marc Francis	Councillor Oliur Rahman
Councillor Peter Golds	Councillor M. Mamun Rashid
Councillor Fazlul Haque	Councillor Muhammad Abdullah Salique
Councillor Shafiqul Haque	Councillor A A Sardar
Councillor Carli Harper-Penman	Councillor Rachael Saunders
Councillor Clair Hawkins	Councillor David Snowdon
Councillor Alexander Heslop	Councillor Bill Turner
Councillor Shirley Houghton	Councillor Dulal Uddin
Councillor Ahmed Hussain	Councillor Abdal Ullah
Councillor Sirajul Islam	Councillor Salim Ullah
Councillor Waiseul Islam	Councillor Motin Uz-Zaman
Councillor Ann Jackson	

The Mayor, Councillor Muhammad Abdullah Salique, in the Chair

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Rajib Ahmed, Lutfu Begum, Shiria Khatun and Mohammed Abdul Munim and for lateness from Councillors Fozol Miah and Motin Uz-Zaman.

RESOLVED

That the apologies for absence and lateness be noted.

2. DECLARATIONS OF INTEREST

Councillors made declarations of interest in items included on the agenda as follows:

Councillor	Item	Type of interest	Reason
Ahmed Omer	6.1	Personal and Prejudicial	Deputy Mayor

3. TO RECEIVE ANNOUNCEMENTS FROM THE MAYOR, LEADER OF THE COUNCIL, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE

(i) New Corporate Director, Development and Renewal

Councillor Lutfur Rahman, Leader of the Council, welcomed Mr. Aman Dalvi, the new Corporate Director, Development and Renewal, to the Council and to his first Council meeting.

(ii) CPA Assessment and Beacon Awards

Councillor Lutfur Rahman, Leader of the Council, said that he was proud to announce that the Council had once again achieved a four star CPA Assessment and the Audit Commission had judged that the Council was improving well. In addition Tower Hamlets had received two Beacon Awards for the Council's outstanding work in the positive engagement of older people and preventing child poverty. The Leader congratulated Members and staff for helping to achieve these results.

(iii) Bethnal Green Tube Disaster Memorial Appeal

Councillor Lutfur Rahman, Leader of the Council, said that he had attended the memorial service at St John's Church for the 173 people who died in the 1943 Bethnal Green Air Raid Disaster, many of whom were women and children.

Last year, the then Mayor, Cllr Ann Jackson, raised over £30,000 for the Memorial Trust but the campaign remained short of its target. Over the past few days Councillor Joshua Peck had been working with council officers to identify potential sources of funding and Labour councillors had agreed unanimously to commit a sum of £100,000 to the campaign. A proposal to this effect would be brought forward to a future meeting and Councillors would also support the campaign in other ways, such as introducing local businesses and encouraging other public bodies and the National Lottery to play their part in ensuring this tragedy is never forgotten.

4. TO RECEIVE ANY DEPUTATIONS OR PETITIONS

There were no deputations or petitions.

5. BUDGET AND COUNCIL TAX 2009/10

5.1 Report of the Cabinet Meeting of 11th February 2009

The Council considered the report of the Cabinet meeting on 11th February 2009 containing the proposals of the Executive for the Council's Budget and Council Tax for 2009/10.

Two amendments had been notified in advance in accordance with the Council Procedure Rules and these amendments, together in each case with officer comments, were circulated to the meeting in the pack of tabled documents.

MOVED by Councillor Joshua Peck and **SECONDED** by Councillor Lufur Rahman, that the recommendations contained in the 11th February 2009 report of the Cabinet be agreed.

MOVED as an amendment by Councillor Timothy Archer, **SECONDED** by Councillor David Snowdon, that the motion be amended as per the tabled motion from Councillor Archer (attached at Appendix A).

MOVED as a further amendment by Councillor Stephanie Eaton, **SECONDED** by Councillor Tim O'Flaherty, that the motion be amended as per the tabled motion from Councillor Eaton (attached at Appendix B).

Following debate, the amendment **MOVED** by Councillor Timothy Archer was first put to the meeting and was **DEFEATED**.

The amendment **MOVED** by Councillor Stephanie Eaton was then put to the meeting and was **DEFEATED**.

The original motion **MOVED** by Councillor Joshua Peck was then put to the meeting and it was

RESOLVED

1. **General Fund Revenue Budget and Medium Term Financial Plan 2009/10 to 2011/12 (CAB 120/089, CAB 127/089)**

- a) To agree a total Budget Requirement for Tower Hamlets in 2009/10 of £297,926,000.
- b) To agree a Council Tax for Tower Hamlets in 2009/10 of £885.52 at Band D, as detailed in the table below:-

	2008/09	2009/10
	£	£
Adults Health & Wellbeing	90,166,427	89,547,000
Children's Services	90,298,089	96,795,000
Development and Renewal	16,030,500	17,702,000
Communities, Localities and Culture	72,391,081	74,499,000
Resources	11,183,807	15,904,000
Chief Executive's	11,497,412	10,871,000
Corporate/Capital	19,156,000	14,174,000
	310,723,315	319,492,000
Corporate Contingency	584,000	-
Local Public Service Agreement	(610,000)	(660,000)
Parking Control Account	(2,685,000)	(3,040,000)
Housing Choice Earmarked Reserve	1,978,000	-
Efficiency Reserve	689,000	689,000
Asset Management Reserve	500,000	-
Insurance Fund	500,000	500,000
Area Based Grant income	(17,381,316)	(19,055,000)
General Balances	1,200,000	0
	295,498,000	297,926,000
RSG	(27,493,996)	(42,909,651)
NNDR	(197,502,810)	(185,906,640)
	70,501,194	69,109,709
Collection Fund Surplus/Deficit	(1,505,000)	2,000,000
	68,996,194	71,109,709
Council Tax Base	79,705	80,303
COUNCIL TAX AT BAND D	£865.64	£885.52

Resulting in a Council Tax for all other band taxpayers, before any discounts, and excluding the GLA precept, as set out in the Table below:-

BAND	PROPERTY VALUE		RATIO TO BAND D	LBTH COUNCIL TAX FOR EACH BAND £
	FROM	TO		
A	0	40,000	$\frac{6}{9}$	£590.35
B	40,001	52,000	$\frac{7}{9}$	£688.74
C	52,001	68,000	$\frac{8}{9}$	£787.13
D	68,001	88,000	$\frac{9}{9}$	£885.52
E	88,001	120,000	$\frac{11}{9}$	£1,082.30
F	120,001	160,000	$\frac{13}{9}$	£1,279.08
G	160,001	320,000	$\frac{15}{9}$	£1,475.87
H	320,001	and over	$\frac{18}{9}$	£1,771.04

c) To agree that for the London Borough of Tower Hamlets in 2009/2010:-

(i) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be £1,195.34 as shown below: -.

	£ (Band D, No Discounts)
LBTH	885.52
GLA	309.82
Total	<hr/> 1,195.34 <hr/>

- (ii) The Council Tax for taxpayers in all other bands, before any discounts, and including the GLA precept, shall be as detailed in the table below: -

BAND	PROPERTY VALUE		RATIO TO BAND D	LBTH £	GLA £	TOTAL £
	FROM	TO				
A	0	40,000	$\frac{6}{9}$	£590.35	£206.55	£796.90
B	40,001	52,000	$\frac{7}{9}$	£688.74	£240.97	£929.71
C	52,001	68,000	$\frac{8}{9}$	£787.13	£275.40	£1,062.53
D	68,001	88,000	$\frac{9}{9}$	£885.52	£309.82	£1,195.34
E	88,001	120,000	$\frac{11}{9}$	£1,082.30	£378.67	£1,460.97
F	120,001	160,000	$\frac{13}{9}$	£1,279.08	£447.52	£1,726.60
G	160,001	320,000	$\frac{15}{9}$	£1,475.87	£516.37	£1,992.24
H	320,001	and over	$\frac{18}{9}$	£1,771.04	£619.64	£2,390.68

- d) To approve the statutory calculations of this Authority's total Budget requirement in 2009/2010, detailed in Appendix A to the motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 32 to 36 of the Local Government Finance Act 1992, and referred to in paragraphs 20.3-20.6 of the report 'General Fund Revenue Budget and Medium Term Financial Plan 2009/10 to 2011/12' (CAB 120/089).

2. Capital Programme 2009/10 to 2011/12 (CAB 121/089)

- (a) To approve the allocation of resources, provided by the Government and other funding bodies for specific purposes, to support Directorate Mainstream Capital Programmes, as set out in Appendix 2 to the report (CAB 121/089) and summarised in the table below:-

	£ million
Adults, Health & Wellbeing	0.387
Children's Services	17.730
Communities, Localities & Culture	2.456
Development & Renewal	43.417
TOTAL	63.990

- (b) To approve the formal inclusion of the Local Priority schemes for 2009/10 and later years previously agreed by the Cabinet, as set out at Appendix 4; and unavoidable and risk items set out at Appendix 5 of the report (CAB 121/089) in the Capital Programme.
- (c) To approve the additional proposals for the Local Priorities Capital Programme 2009/10 and capital forecasts for 2010/11 and 2011/12, as set out at Appendix 6 of the report (CAB 121/089)

3. 2009/10 Prudential Indicators (CAB 122/089)

- a) To adopt the following Operational Boundaries for External Debt:-

Operational Boundaries for External Debt	
2009/10	£508.000 M
2010/11	£556.000 M
2011/12	£556.000 M

- b) To adopt the following Authorised Limits for External Debt:-

Authorised limits for External Debt	
2009/10	£528.000 M
2010/11	£576.000 M
2011/12	£626.000 M

- c) To note the following financial indicators, as required under the Prudential Borrowing Code:-

Financial Indicators	Actual 2007/08	Estimate 2008/09	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12
Ration of financing costs to Net Revenue Stream	2.22%	2.50%	2.88%	3.06%	3.30%
Impact of Capital Investment Decisions on Annual Band D Council Tax	£ 20.13	£ 14.72	£ 16.11	£ 8.95	£ 11.64
Capital Expenditure (£million)	£ 61.932	£ 70.417	£ 91.194	£ 68.716	£ 49.993
Capital Financing Requirement (£million)	£ 458.419	£ 482.190	£ 508.371	£ 535.021	£ 562.930

4. Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2009/10 (CAB 123/089)

To adopt the Treasury Management Strategy Statement (at sections 4-9), the Annual Investment Strategy (at section 10) and the Minimum Revenue Provision Policy Statement (at section 11 as set out in the report 'Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2009/10' (CAB 123/089).

6. OTHER BUSINESS

6.1 Scheme of Members' Allowances 2009/10

Councillor Lutfur Rahman **MOVED** and Councillor Joshua Peck **SECONDED** the recommendations as set out in the report.

The recommendations were put to the vote and were **agreed**. Accordingly it was

RESOLVED

1. That the Members' Allowances Scheme at Part 6 of the Constitution be agreed for 2009/10, subject to:-

(a) indexing of the amounts payable for the basic, special responsibility and dependants' carers' allowances as set out in paragraph 11 of the scheme; and

(b) An increase in the Special Responsibility Allowance in respect of the post of Deputy Mayor from £2,650 p.a. to £4,034 p.a., payable from

the implementation date of the current Members' Allowances Scheme, i.e. 21st May 2008.

2. That the London Borough of Tower Hamlets Members' Allowances Scheme 2009 be adopted as set out at Appendix 'A' to the report 'Scheme of Members' Allowances 2009/10'.

[Note: Councillor Ahmed Omer declared a personal and prejudicial interest in the above agenda item as the Deputy Mayor and left the meeting during consideration of the item.]

6.2 The Local Authorities (Functions and Responsibilities) Regulations: Local Area Agreements

Councillor Ohid Ahmed **MOVED** and Councillor Lutfur Rahman **SECONDED** the recommendations as set out in the report.

The recommendations were put to the vote and were **agreed**. Accordingly it was

RESOLVED

1. That the Authority's functions under sections 106, 110, 111 and 113 of the Local Government and Public Involvement in Health Act 2007, including functions relating to the preparation, submission and modification of a Local Area Agreement, be the responsibility of the Council's Executive; and
2. That Part 3.2.2 of the Council's Constitution be amended accordingly.

The meeting ended at 9.15 pm

Councillor Muhammad Abdullah Salique,
The Mayor

COUNCIL 4TH MARCH 2009

BUDGET REQUIREMENT & COUNCIL TAX 2009/10

CAPITAL PROGRAMME 2009/10

**AGENDA ITEM 5.1 REPORT OF THE CABINET MEETING HELD ON
11TH FEBRUARY 2009**

**AMENDMENT PROPOSED BY: COUNCILLOR TIM ARCHER
AMENDMENT SECONDED BY: COUNCILLOR DAVID SNOWDON**

This Council

1. Notes that in the current economic environment Councils across London are trying to minimise the impact of the recession on residents by keeping Council Tax rises as low as possible. As a result the London average increase is just 1.2% (London Councils figure). The proposed LBTH increase is 2.3%
2. That the London Mayor Boris Johnson has proposed a zero increase in the Mayor's precept this year, leading to an overall proposed increase for Tower Hamlets residents of 1.69%.
3. The concerns of the Home Secretary that crime rates will rise further as the country suffers its worst recession since the 1930s.
4. That there are some 23,000 people on the Tower Hamlets housing waiting list, a figure that is rising not falling.
5. Of the shared ownership homes that have been built in the borough since April 2006, some 523 homes remain empty and unsold (44%).
6. Notes the budget proposals recommended by the Cabinet and amends them as set out below.
7. That the following additional savings be implemented;

Budget	Description of saving	2009/10 budget saving implication (£)
East End Life	Discontinue publication of East End Life and request officers to negotiate with other local newspaper to provide pre-booked pages at lower cost.	673,000
Press Office	Reduce the size of the press office	278,852

	to the minimum level.	
Members' Allowances	Scrap the planned inflation rise and cut by 1%	26,985
Lead Members	Reduce the number of Cabinet Members from 10 to 9 by merging the roles of Lead Member for Housing & Development and lead Member for Regeneration, Localisation and Community Partnerships.	14,300
Deputy Mayor	Scrap the planned increase for the Deputy Mayor role	2,000
Senior Officers	Merge the roles of Chief Executive and Chief Finance Officer	215,000
Senior Officers	Half the number of Assistant Chief Executives.	195,000
Subscriptions	Cancel membership of the Local Government Association and the Local Government Information Unit.	67,000
Recycling	Scrap the recycling advertising campaign	20,000
Recruitment	Freeze recruitment and screen all vacancies Committee comprising the Chief Executive and Leader to reduce new recruitment by an expected 18 roles	540,000
Contractors and agency staff	All contractors and agency staff to take a 10% pay cut, except those on living wage.	500,000
Advertising	Reduce advertising budget by 20%	90,000
Communications	Scrap the 'In the news' press cuttings service	7,500
Travel costs	10% saving on all staff travel costs.	35,000
Conferences	End all attendance at conferences	167,000
Food costs	Discontinue the serving of food at Council meetings save for Civic functions	15,000
Administrative support	Delete the post of Leaders executive assistant	46,827
Administrative support	Delete the posts of the political advisors	76,742
Administrative support	Remove administrative support to Lead Members	93,452
Fines	As a result of investment in more Animal wardens and litter wardens, increase revenue generated from fines	10,000

Asset Management	Request officers to outsource asset management, with a view to containing the cost within existing budgets, removing the need for growth included in the Cabinet's budget.	300,000
Total additional savings		3,373,658

4. That the following additional growth be agreed;

Special Constables	Apply a 50% Council Tax discount for all Special Constables paying Council Tax in the Borough	44,000
Community Safety	Engage a further 17 Police Officers in addition to those announced, increasing the allocation to the equivalent of 2 per ward.	600,000
Wardens	Provide an additional 2 dog wardens, 2 park wardens and 2 litter wardens in the Borough	260,000
Use of Reserves	Provide in the budget for the loss of investment income as a result of using £5.5m in Reserves (see 5 below)	165,000
Recycling	Introduce a scheme to make pink recycling bags available at local shops	10,000
Total additional growth		1,079,000

5. That the Capital Programme be increased by £5.5m as follows;

Scheme	Description	Amount 2009/10 £
CCTV	Double the allocation for investment in CCTV to £1m.	500,000
Social Housing	Scheme to assist RSLs to bring intermediate housing into use as social rented housing.	5,000,000
		5,500,000

6. That, noting the advice of the Corporate Director, Resources, £5.5m be set aside from General Fund balances in 2009/10 to fund the proposed capital schemes above.
7. That in consequence of the above changes, the budget requirement for 2009/10 be amended to £295,632,000
8. The remaining amount £2,292,000 be used to reduce the proposed increase in Council Tax, so that the Council Tax for Tower Hamlets for 2009/10 is £856.95 at Band D, a decrease of 1%.

COUNCIL MEETING 4TH MARCH 2009**BUDGET REQUIREMENT AND COUNCIL TAX 2009/10
CAPITAL PROGRAMME 2009/10****AGENDA ITEM 5.1: REPORT OF THE CABINET MEETING HELD ON
11TH FEBRUARY 2009****AMENDMENT PROPOSED BY: COUNCILLOR STEPHANIE EATON
AMENDMENT SECONDED BY: COUNCILLOR TIM O'FLAHERTY****1. This Council notes that:**

Liberal Democrats have identified the following priorities for the budget of the London Borough of Tower Hamlets in 2009/2010

- A. Reducing overcrowding
- B. Raising GCSE results (especially for looked after children)
- C. Reducing levels of unemployment
- D. Tackling crime and the fear of crime
- E. Reducing the generation of waste
- F. Tackling childhood obesity

Liberal Democrats have listened to residents and propose a 0% increase in Council tax with no reduction in services or financial reserves. This motion makes no amendment to the Cabinet proposals for the capital programme.

In relation to the Cabinet's proposals and our priorities:

- A. Liberal Democrats know that living in grossly overcrowded housing affects many people directly and indirectly, and we believe that the current level of overcrowding in Tower Hamlets is unacceptable. We welcome the substantial additional investment that this budget proposes to tackle this problem.
- B. Despite improvements we are still failing to meet our targets for GCSE results and increased resources in this area are needed and welcome. The results for looked after children are a concern, and we would ensure there is an increased focus on academic support for this small but vulnerable group of young people.
- C. Liberal Democrats have listened to residents' demands for a more visible police presence in public spaces and a faster and more reliable system of response to residents' calls – both emergency and non emergency. We consider that this requires more than the purchase of additional officers and more CCTV provision, welcome

though these are. Liberal Democrats believe that in order to reduce crime and fear of crime this Council should work with partners to increase informal and recreational contact between people of different ages. Reducing the fear of crime is not achieved just through having more police or CCTV cameras – it is achieved through the creation of communities where people know and trust each other and are not afraid of challenging inappropriate behaviour.

- D. Liberal Democrats believe that the Cabinet's priority of reducing levels of *youth* unemployment is unjustified, uneconomic and discriminatory. An unemployed person of any age deserves this Council's support as much as a young person entering the job market for the first time. Liberal Democrats would ensure that Council efforts to reduce unemployment are targeted at residents of all age groups.
- E. This Council is spending a great deal of time, effort and money in its efforts to raise levels of recycling. That is admirable and we support this continued effort. But recycling is not the best thing we can do to support the environment as recycling requires resources of transport and energy which contribute to global warming. It is much better to reduce the amount of waste that is generated in the first place. Liberal Democrats would re-direct this Council's attention towards making Tower Hamlets the London borough that produces the least amount of waste.
- F. Liberal Democrats recognise that there is ongoing work with partners in the NHS to address the crisis that we are facing with obesity. Through medium term financial planning we would investigate the opportunities for creating a healthier community by exercising controls on the licensing of fast food outlets, exploring the potential of providing free school meals for all secondary students, supporting parents who are obese to prevent their children from becoming obese, increasing natural activity (walking to shops, schools, etc.) and encouraging physical activity that is not competitive sport (e.g. dance and climbing).

2. This Council proposes:

In addition to the proposals of the Cabinet;

- I. To provide funding for the Skillsmatch programme from the Working Neighbourhoods Fund contingency instead of from the Council's Budget Requirement, saving £428,000.
- II. Subject to a separate Council decision, to freeze all Members Allowances and to reduce all Special Responsibility Allowances by 50%, saving £156,000.

- III. To promote existing social enterprise organisations operating locally who facilitate the exchange, repair and re-use of electrical and other office equipment, household furniture and other items. To ask officers to investigate the feasibility of establishing a commercial and/or domestic re-use centre to reduce the amount of waste generated in the borough thus reducing the amount and cost of waste that is recycled or sent to landfill.

3. This Council proposes:

In place of the proposals of the Cabinet;

- IV. To set the inflation amount for 2009/10 at £5.209m, representing a 2% inflationary increase on all budgets (except for Children's Services non-pay budgets which, at the Director of Children's Services recommendation, under savings proposal SAV/CS/03 (Running Costs) is already set at 0% for 2009/10).
- V. In consequence of the above, to set the Budget Requirement at £296,329,000 and the Council Tax at band D at £865.64 for 2009/10, with no increase in the Council Tax for 2008/09.