



Meeting of the

# **TOWER HAMLETS COUNCIL**

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## **BUDGET MEETING**

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**Wednesday, 4 March 2009 at 7.30 p.m.**

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### **A G E N D A**

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#### **VENUE**

**Council Chamber, 1<sup>st</sup> Floor,  
Town Hall, Mulberry Place,  
5 Clove Crescent,  
London E14 2BG**

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

John S Williams, Service Head, Democratic Services  
Tel: 020 7364 4204, E-mail: [johns.williams@towerhamlets.gov.uk](mailto:johns.williams@towerhamlets.gov.uk)



Chief Executive's  
Directorate

Democratic Services  
Tower Hamlets Town Hall  
Mulberry Place  
5 Clove Crescent  
London E14 2BG

Tel       020 7364 4204  
Fax       020 7364 3232

[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

**TO THE MAYOR AND COUNCILLORS OF THE LONDON BOROUGH OF TOWER  
HAMLETS**

You are summoned to attend a meeting of the Council of the London Borough of Tower Hamlets to be held in **THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON, E14 2BG** at **7.30 p.m.** on **WEDNESDAY, 4 MARCH 2009**

Martin Smith  
**Chief Executive**

# LONDON BOROUGH OF TOWER HAMLETS

## COUNCIL

WEDNESDAY, 4 MARCH 2009

7.30 p.m.

### 1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 2. DECLARATIONS OF INTEREST

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Chief Executive.

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

### 4. TO RECEIVE ANY DEPUTATIONS OR PETITIONS

No requests for deputations or petitions to the meeting had been received at the time of agenda despatch.

Details of any valid deputations or petitions received before the deadline set out in the Council's Constitution will be circulated to Members before the meeting. To be taken at the Budget Meeting a deputation or petition must relate to the Council's budget or to the setting of the Council Tax.

### 5. BUDGET AND COUNCIL TAX 2009/10

#### 5.1 Report of the Cabinet Meeting of 11th February 2009

To consider the proposals of the Executive in relation to the Budget and Council Tax 2009/10.

**The Budget 2009/2010 Document Pack (Document Pack 1)** was circulated to all Councillors in advance of the Cabinet Meeting of 11<sup>th</sup> February and **Members are asked to bring their copy of this pack to the Council Meeting.**

Further documents including the report of the Cabinet Meeting of 11<sup>th</sup> February; the Budget Motion from the Lead Member for Resources and Performance; and additional appendices circulated for the Cabinet Meeting, are contained in **Document Pack 2** which is circulated with this

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agenda.

For ease of reference an index to the items contained in Document Packs 1 and 2 is included in agenda item 5.1 attached.

## **6. OTHER BUSINESS**

### **6 .1 Scheme of Members' Allowances 2009/10 7 - 16**

To adopt the Scheme of Members' Allowances for 2009/10 as set out in the attached report of the Assistant Chief Executive.

### **6 .2 The Local Authorities (Functions and Responsibilities) Regulations: Local Area Agreements 17 - 20**

To agree the allocation of responsibility for functions relating to the Council's Local Area Agreement as set out in the attached report of the Assistant Chief Executive.

# Agenda Item 2

## DECLARATIONS OF INTERESTS - NOTE FROM THE CHIEF EXECUTIVE

This note is guidance only. Members should consult the Council's Code of Conduct for further details. Note: Only Members can decide if they have an interest therefore they must make their own decision. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending at a meeting.

### Declaration of interests for Members

Where Members have a personal interest in any business of the authority as described in paragraph 4 of the Council's Code of Conduct (contained in part 5 of the Council's Constitution) then s/he must disclose this personal interest as in accordance with paragraph 5 of the Code. Members must disclose the existence and nature of the interest at the start of the meeting and certainly no later than the commencement of the item or where the interest becomes apparent.

You have a **personal interest** in any business of your authority where it relates to or is likely to affect:

- (a) An interest that you must **register**
- (b) An interest that is not on the register, but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of your authority more than it would affect the majority of inhabitants of the ward affected by the decision.

Where a personal interest is declared a Member may stay and take part in the debate and decision on that item.

**What constitutes a prejudicial interest?** - Please refer to paragraph 6 of the adopted Code of Conduct.

**Your personal interest will also be a prejudicial interest in a matter if (a), (b) and either (c) or (d) below apply:-**

- (a) A member of the public, who knows the relevant facts, would reasonably think that your personal interests are so significant that it is likely to prejudice your judgment of the public interests; AND
- (b) The matter does not fall within one of the exempt categories of decision listed in paragraph 6.2 of the Code; AND EITHER
- (c) The matter affects your financial position or the financial interest of a body with which you are associated; or
- (d) The matter relates to the determination of a licensing or regulatory application

The key points to remember if you have a prejudicial interest in a matter being discussed at a meeting:-

- i. You must declare that you have a prejudicial interest, and the nature of that interest, as soon as that interest becomes apparent to you; and
- ii. You must leave the room for the duration of consideration and decision on the item and not seek to influence the debate or decision unless (iv) below applies; and

- iii. You must not seek to improperly influence a decision in which you have a prejudicial interest.
- iv. If Members of the public are allowed to speak or make representations at the meeting, give evidence or answer questions about the matter, by statutory right or otherwise (e.g. planning or licensing committees), you can declare your prejudicial interest but make representations. However, you must immediately leave the room once you have finished your representations and answered questions (if any). You cannot remain in the meeting or in the public gallery during the debate or decision on the matter.

# Agenda Item 5.1

COMMITTEE <b>Council (Budget Meeting)</b>	DATE <b>4 March 2009</b>	CLASSIFICATION <b>Unrestricted</b>	REPORT NO.	AGENDA NO.
REPORT OF: <b>Assistant Chief Executive</b>	TITLE: <b>Budget and Council Tax 2009/10</b>			
ORIGINATING OFFICER(S): <b>John Williams, Service Head, Democratic Services</b>	Ward(s) Affected: All			

## 1. Summary

1.1 The papers relating to the proposals of the Executive for the Authority's Budget and Council Tax 2009/10 are set out in two Document Packs as follows:

- **Document Pack 1:** This pack contains the reports of the Corporate Director Resources to the Cabinet on the General Fund Revenue Budget and Medium Term Financial Plan 2009/10 – 2011/12; Capital Programme 2009/10 to 2011/12; Prudential Indicators 2009/10 and Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2009/10.

Document Pack 1 was circulated to all Councillors in advance of the meetings of the Overview and Scrutiny Committee (10<sup>th</sup> February 2009) and Cabinet (11<sup>th</sup> February 2009) and Members are asked to bring their copy with them to the Council meeting. If you require a further copy of the pack please contact the Service Head, Democratic Services on x 4204.

- **Document Pack 2:** This pack includes the report of the Cabinet Meeting of 11<sup>th</sup> February 2009; the Budget Motion from the Lead Member for Resources and Performance; and additional appendices circulated for the Cabinet Meeting. Document Pack 2 is circulated with the agenda for the Council Meeting.

1.2 For ease of reference an **index** to the items contained in Document Packs 1 and 2 is set out overleaf.

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**INDEX TO BUDGET PAPERS COMPRISING  
REPORT FROM CABINET MEETING OF 11<sup>TH</sup> FEBRUARY 2009**

<b>Budget Paper Name</b>	<b>Document Pack 1</b>	<b>Document Pack 2</b>
• <b>Report from the Cabinet</b> meeting of 11 <sup>th</sup> February 2009	-	<b>Page 1</b>
• <b>Appendix 1</b>		
○ Budget Motion from Councillor Peck, Lead Member Resources and Performance	-	<b>Page 17</b>
○ Appendix A to the Motion above Statutory Calculations of the Authority's Budget Requirement in 2009/10	-	<b>Page 22</b>
• <b>Appendix 2</b>		
○ General Fund Budget and Medium Term Financial Plan 2009/10 – 2011/12 (CAB 120/089)	<b>Page 1</b>	
○ Appendix A Results of Public Consultation	-	<b>See Appendix 3 below</b>
○ Appendix B Area Based Grants	<b>Page 31</b>	
○ Appendix C Directorate General Fund Provisional Budgets 2009/10	<b>Page 37</b>	
○ Appendix D Provisional General Fund Targets 2009/10	<b>Page 63</b>	
○ Appendix E1 Committed Growth Summary	<b>Page 65</b>	
○ Appendix E2 Committed Growth proformas	<b>Page 67</b>	
○ Appendix F1 Budget Savings 2009/10 Summary	<b>Page 103</b>	
○ Appendix F2 Savings 2009/10 proformas	<b>Page 105</b>	
○ Appendix G1 Service Improvement Growth – London Living Wage	<b>Page 125</b>	
○ Appendix G2 Service Improvement Growth – for consideration	<b>Page 127</b>	
○ Appendix G3 Service Improvement Growth Proformas	<b>Page 129</b>	
○ Appendix H Medium Term Financial Projections	-	<b>Page 25</b>
○ Appendix I Strategic & Corporate Risks	<b>Page 137</b>	
○ Appendix J Reserves & Balances	<b>Page 153</b>	
○ Appendix K General reserves	<b>Page 161</b>	
• <b>Appendix 3</b>		
○ General Fund Budget and Medium Term Financial Plan 2009/10 – 2011/12 Addendum [containing Appendix A previously marked "To Follow" (CAB 127/089)]	-	<b>Page 27</b>

Budget Paper Name	Document Pack 1	Document Pack 2
<b>• Appendix 4</b>		
○ Capital Programme 2009/10 to 2011/12 (CAB 121/089)	<b>Page 163</b>	
○ Appendix 1 Revised Draft Capital Strategy	<b>Page 175</b>	
○ Appendix 2 Proposed Mainstream Capital Programme 2009/10 to 2011/12	<b>Page 197</b>	
○ Appendix 3 Advice on the use of Reserves and additional funding	<b>Page 199</b>	
○ Appendix 4 Local Priority Programme – schemes previously approved for 2009/10 and later years	<b>Page 203</b>	
○ Appendix 5 Local Priority Programme – schemes which are unavoidable or difficult to avoid	<b>Page 205</b>	
○ Appendix 6 Local Priority Programme – proposed additional schemes	<b>Page 207</b>	
<b>• Appendix 5</b>		
○ 2009/10 Prudential Indicators (CAB 122/089)	<b>Page 209</b>	
<b>• Appendix 6</b>		
○ Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2009/10 (CAB 123/089)	<b>Page 219</b>	
○ Appendix 1 Definition of Credit Ratings	<b>Page 231</b>	

**LONDON BOROUGH OF TOWER HAMLETS**

**COUNCIL MEETING**

**WEDNESDAY 4<sup>th</sup> MARCH 2009**

**MEMBERS' ALLOWANCES SCHEME 2009/10**

**REPORT OF THE ASSISTANT CHIEF EXECUTIVE**

1. **SUMMARY**

- 1.1 Part 6 of the Council's Constitution sets out the Scheme of Members' Allowances which provides for a Basic Allowance payable to all Councillors, Special Responsibility Allowances for specified member roles, Dependants' Carers' and Travel/Subsistence Allowances and an attendance allowance for voting co-opted members of the Standards and Overview and Scrutiny Committees.
- 1.2 Under the relevant legislation the Council must agree a Scheme of Members' Allowances annually, before the start of the financial year to which it applies. This report invites the Council to agree the scheme as currently adopted to continue into the new financial year, subject to one amendment in relation to the Deputy Mayor's Allowance as set out below. Any further changes to the Scheme that may be proposed as part of the annual review of the Constitution currently under way will be reported to the Council in April 2009 for discussion as part of the Constitution Working Party's overall package of recommendations.

2. **RECOMMENDATIONS**

- 2.1 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. 21<sup>st</sup> May 2008.
- 2.2 That the London Borough of Tower Hamlets Members' Allowances Scheme 2009 be adopted as set out at Appendix 'A' to this report.

### **3. BACKGROUND**

- 3.1 In accordance with Statutory Instrument (SI 1021/2003) the Council is required to agree a Scheme of Members' Allowances on an annual basis.
- 3.2 The current scheme is included at Part 6 of the Council's Constitution and it is proposed that this should be re-adopted for 2009/10 as set out at Appendix 'A' to this report.
- 3.3 The Scheme includes provision for indexing of the Basic, Special Responsibility and Dependants' Carers' Allowances from 1<sup>st</sup> April each year in line with the local government pay settlement. The pay settlement for 2008 has not yet been finally agreed so the attached appendix currently shows the figures payable during 2007/08 along with a note regarding the indexation provision.

### **4. DEPUTY MAYOR'S ALLOWANCE**

- 4.1 The Council Meeting on 21<sup>st</sup> May 2008 received a report from the Constitution Working Party which recommended that the Special Responsibility Allowance payable to the Mayor should increase from £4,770 p.a. to £8,069 p.a. (the same as a non-executive committee Chair) to reflect more adequately the demands of the position. The Council agreed this proposal, but no change was made at the time to the Deputy Mayor's Allowance which remains at £2,650 p.a.
- 4.2 It is proposed that this anomaly should now be addressed and the allowance payable to the Deputy Mayor be restored to 50% of the Mayor's Allowance (i.e. £4,034 p.a.), payable from 21<sup>st</sup> May 2008. The Constitution Working Party has discussed this matter and is in support of the proposal.
- 4.3 If the Council is minded to agree to this proposal it will be necessary to make the change at the current meeting as the Members Allowances Regulations provide for an amended entitlement to payment to apply from the beginning of the year in which the amendment is made.

### **5. FURTHER REVIEW**

- 5.1 The recommendations in this report are presented at this stage to satisfy the legal requirement to adopt the scheme prior to the start of the financial year and thereby enable Members' allowances to be paid from April 2009.
- 5.2 However, the Constitution Working Party is currently undertaking the annual review of the Constitution to ensure continued best practice. Should the Working Party make any further recommendations for changes to the Members' Allowances Scheme these will come forward

as part of the overall package of proposed constitutional amendments for discussion at the Council Meeting on 22<sup>nd</sup> April 2009.

## **6. THE INDEPENDENT REMUNERATION PANEL**

- 6.1 In agreeing a Scheme of Members' Allowances the Council must have regard to (but is not required to adopt in full) the recommendations of the Independent Remuneration Panel. Tower Hamlets, in common with many London boroughs uses the Panel established by London Councils. Currently Tower Hamlets' rates of Special Responsibility Allowances are significantly below those recommended by the Independent Panel in its most recent report (December 2006) but are around the median for London.
- 6.2 In relation to the Deputy Mayor's Allowance, the Independent Panel's 2006 report recommends that the post of Deputy Civic Mayor (described as 'Vice-Chair of Council Business') should attract a 'Band One' Special Responsibility Allowance of between £2,227 and £8,323 p.a. or 20-30% pro-rata of the Panel's recommended remuneration for a Council Leader. Officer research has found that allowances paid to Deputy Civic Mayors by other London Boroughs during 2008-09 range from £1,485 to £9,324 p.a.. Tower Hamlets' proposed figure is therefore just below the middle of this range.
- 6.3 No other changes are currently proposed to the Tower Hamlets scheme for 2009/10 and the London Councils Independent Remuneration Panel has not issued further recommendations since the Council last reviewed its scheme in May 2008.

## **7. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 7.1 The scheme includes provision for indexing Members' Allowances in line with the local government pay settlement. Costs arising from this will be met from within the existing budgets.

## **8. COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES AND STANDARDS)**

- 8.1 Legal comments have been incorporated within the body of the report.

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### **LOCAL GOVERNMENT ACT, 2000 (SECTION 97) LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT**

Brief description of "background paper"	Name/telephone number of holder
None.	

## **APPENDIX 'A'**

### **London Borough of Tower Hamlets: Members' Allowances Scheme**

#### **(Part 6 of the Council's Constitution)**

This Scheme is made by the London Borough of Tower Hamlets in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 as amended.

1. This Scheme shall be called The London Borough of Tower Hamlets Members' Allowances Scheme 2009 and it shall come into effect on 1 April 2009.

#### **Basic Allowance**

2. Subject to paragraph 8, a basic allowance of £9,698\* shall be paid to each Councillor for each year.
3. The basic allowance of £9,698\* shall be payable with effect from 1 April 2009.

*[\*Note: The figures shown are those applying during 2007/08. In accordance with Paragraph 11 of this scheme these amounts will be adjusted with effect from 1<sup>st</sup> April 2008 and again from 1<sup>st</sup> April 2009 to reflect the annual pay settlements for local government when these are agreed.]*

#### **Special Responsibility Allowance**

4. Subject to paragraphs 5-8, a special responsibility allowance shall be paid for each year to those Councillors who hold a position of special responsibility as specified in Schedule 1.
5. The amount of each such allowance shall be the amount specified against the respective special responsibility in Schedule 1 and it shall be payable with effect from 1 April 2009.
6. Any special responsibility allowance payable under paragraphs 4 and 5 shall be in addition to the basic allowance payable under paragraph 2 above.
7. Any Councillor who holds more than one position of special responsibility shall receive only one special responsibility allowance which shall be at the higher level.

#### **Part-Year Entitlement**

8. If, in the course of the year, this scheme is amended or a Councillor's entitlement changes, the relevant basic and/or special responsibility

allowance shall be calculated and paid pro-rata during the particular month in which the scheme amendment or entitlement change occurs.

### **Dependants' Carers' Allowance**

9. A maximum of £7.00\* per hour shall be paid to those councillors who necessarily incur expense in arranging for the care of their children or other dependants to enable them to undertake any of the activities specified in Schedule 2 to this Scheme.
10. The following conditions shall apply:
  - payments shall be claimable for children aged 15 or under or for other dependants where there is medical or social work evidence that care is required;
  - only one weekly payment shall be claimable for the household of each Councillor, unless the Council's Standards Committee considers there are special circumstances;
  - the allowance shall be paid as a re-imbusement of incurred expenditure against receipts;
  - the allowance shall not be payable to a member of the claimant's own household;
  - any dispute as to entitlement and any allegation of abuse shall be referred to the Council's Standards Committee for adjudication.

### **Indexation**

11. The Basic, Special Responsibility and Dependants' Carers' Allowances shall be adjusted annually to reflect the annual pay settlement for local government. The adjustment shall take effect on 1 April in each year, or the date on which the settlement takes effect, if later.

### **Travel and Subsistence Allowance**

12. An allowance shall be paid to any Councillor for travelling and subsistence undertaken outside the Borough in connection with any of the duties specified in Schedule 2.
13. An allowance shall be paid to a co-opted member of a Committee, Sub-Committee or Panel of the Council for travelling and subsistence in connection with any of the duties specified in Schedule 2, irrespective of whether the meeting or duty is inside or outside the Borough.
14. The amounts payable shall be the amounts which are for the time being payable to officers of the Council for travelling and subsistence undertaken in the course of their duties.

### **Co-optees' Allowance**

15. Subject to paragraph 16, a co-opted member of the Standards Committee, the Overview and Scrutiny Committee or the Health Scrutiny Panel may claim a co-optees' allowance of £117 and the Independent Chair of the Standards Committee may claim a co-optees' allowance of £240, for attendance at any meeting of the Committee or the Panel or attendance at any conference or training event, where attendance is on behalf of and authorised by the Council.
16. A claim for co-optees' allowance shall be made in writing within two months from the date of attendance at the meeting, conference or training event.
17. Where a member is suspended or partially suspended from his or her responsibilities or duties as a co-opted member under Part III of the Local Government Act 2000, any co-optees' allowance payable to him or her for the period for which he or she is suspended or partially suspended, may be withheld by the Council.

### **Suspension of Allowances**

18. Where a Councillor is suspended or partially suspended from his or her responsibilities or duties as a member of the Council under Part III of the Local Government Act 2000, or Regulations made under that Part, the part of the basic and special responsibility allowance or any travelling or subsistence allowance payable to him or her for the period for which he or she is suspended or partially suspended, may be withheld by the Council.

### **Recovery of Allowances Paid**

19. Any allowance that has been paid to a Councillor whilst on suspension or after he or she has ceased to be a member of the Council, or is for some other reason not entitled to receive the allowance for a specified period, may be recovered.

### **Claims and Payments**

20. Subject to paragraph 22, payments shall be made for basic and special responsibility in instalments of one-twelfth of the amounts respectively specified in this Scheme, paid on the last working day of each month.
21. Where a payment of one-twelfth of the amount specified in this Scheme for a basic or special responsibility allowance will result in the Councillor receiving more than the amount to which he or she is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.



22. A claim for travelling and subsistence or dependants' carers' allowance;
- shall be made in writing within two months from the date of the performance of the duty for which the claim is made;
  - shall be accompanied by receipts and/or any relevant evidence of the costs incurred.
  - shall be subject to such validation and accounting procedures as the Council's Corporate Director Resources may from time to time prescribe.
23. Travelling and subsistence and dependants' carers' allowance shall be paid on the last working day of each month for any claim received not less than 14 days before that date.

### **Pensions**

24. Any Councillor under the age of 75 shall be entitled to join the London Borough of Tower Hamlets Local Government Pension Scheme. Both basic and special responsibility allowances shall be treated as pensionable pay for the purposes of the scheme.

### **Records of Allowances and Publications**

25. The Council shall keep a record of payments made by it under this Scheme, including the name of the recipients of the payment and the amount and nature of each payment.
26. The record of the payments made by the Council under this Scheme shall be available at all reasonable times for inspection at no charge. A copy shall also be supplied to any person who requests it on payment of a reasonable fee.
27. As soon as reasonably practicable after the end of the year to which this Scheme relates, the Council shall make arrangements to publish the total sums paid by it to each recipient for each different allowance.
28. A copy of the Scheme shall be supplied to any person who requests it on payment of a reasonable fee.

### **Renunciation**

29. A member may at any time and for any period, by notice in writing given to the Chief Executive, elect to forego any part of his/her entitlement to an allowance under this Scheme.

## **Interpretation**

**30.** In this scheme:

- “Councillor” means an elected member of the London Borough of Tower Hamlets who is a councillor;
- ‘Member’ means any person who is either a councillor or a co-opted member;
- “Co-opted member” means any person who is not a Councillor but who sits on a Committee, Sub-Committee or Panel of the Council.
- “Year” means the 12 months ending on 31 March in any year;

## **Revocation**

**31.** The London Borough of Tower Hamlets Members’ Allowance Scheme 2008 is hereby revoked.

## SCHEDULE 1

### ***Special Responsibility Allowance***

The following are specified as the special responsibilities for which special responsibility allowances are payable and the amounts of those allowances:

	£
Leader of the Council	28,563 *
Deputy Leader of the Council	15,898 *
Leader of Group with over 6 Councillors	7,320 *
Leader of Group with up to 6 Councillors (subject to having at least 10% of the Council)	3,960 *
Cabinet/Lead Members (x8)	13,652 *
Chair of Overview and Scrutiny	10,863 *
Chair of Health Scrutiny Panel	8,069 *
Lead Member for Scrutiny (x5)	8,069 *
Chair of Development, Licensing and Appeals Committees (x3)	8,069 *
Chair of General Purposes Committee	8,069 *
Mayor	8,069 *
Deputy Mayor	4,034 *

*[\*Note: The figures shown are those applying during 2007/08. In accordance with Paragraph 11 of this scheme these amounts will be adjusted with effect from 1<sup>st</sup> April 2008 and again from 1<sup>st</sup> April 2009 to reflect the annual pay settlements for local government when these are agreed.]*

## SCHEDULE 2

### ***Dependants' Carers' and Travelling and Subsistence Allowances***

The duties for which these allowances are payable include:

- the attendance at a meeting of the Council or of any committee or sub-committee of the Council or of any other body to which the Council makes appointments or nominations, or of any committee or sub-committee of such a body;
- the attendance at any other meeting, the holding of which is authorised by the Council, or a committee or sub-committee of the Council, or a joint committee of 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that –
- where the Council is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or
- if the Council is not so divided, it is a meeting to which at least two members of the Council have been invited
- the attendance at a meeting of any association of authorities of which the Council is a member;
- the attendance at a meeting of the Cabinet or a meeting of any of its committees, where the Council is operating executive arrangements;
- the performance of any duty in pursuance of any standing order under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- the performance of any duty in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises.
- the performance of any duty in connection with arrangements made by the Council for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools); and
- the carrying out of any other duty approved by the Council, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Council or any of its committees or sub-committees.

## LONDON BOROUGH OF TOWER HAMLETS

### COUNCIL MEETING

WEDNESDAY 4<sup>th</sup> MARCH 2009

#### LOCAL AUTHORITIES (FUNCTIONS AND RESPONSIBILITIES) REGULATIONS: LOCAL AREA AGREEMENTS

#### REPORT OF THE ASSISTANT CHIEF EXECUTIVE

### 1. PURPOSE OF REPORT

- 1.1 This report informs the Council of amendments made by Statutory Instrument to the Local Authorities (Functions and Responsibilities) Regulations 2000. The effect of these amendments is that local authorities may decide how responsibility for functions in relation to Local Area Agreements will be allocated within the authority.
- 1.2 The report proposes that in Tower Hamlets functions relating to Local Area Agreements under Part 5 of the Local Government and Public Involvement in Health Act 2007 should be the responsibility of the Executive.

### 2. RECOMMENDATIONS

- 2.1 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
- 2.2 That Part 3.2.2 of the Council's Constitution be amended accordingly.

### 3. BACKGROUND

- 3.1 Part 5 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act') introduced a new duty for responsible local authorities to draft and submit to the Secretary of State a Local Area Agreement (LAA). An LAA is an agreement between Central Government and the Local Authority to deliver an agreed level of improvement across a range of national and local priority performance indicators. In effect the LAA is the recognised delivery

vehicle for the objectives identified in the borough's sustainable community strategy (the Tower Hamlets Community Plan 2020).

- 3.2 Tower Hamlets' LAA 2008-2011 was developed alongside the Community Plan and approved by the Council on 11<sup>th</sup> June 2008. At the time it was the Government's intention that the LAA would be a three year agreement and the 35 targets negotiated and included in the LAA would be used to judge performance in 2011. However, due to delays in the national performance framework, it was subsequently confirmed that year 1 of the agreement would be a transition year, with the opportunity for an LAA 'refresh' focussing on setting targets where baseline performance information was not available in June 2008.
- 3.3 Discussions with partner agencies and central government on the refresh of the LAA are now underway. A report will be submitted to the Cabinet on 11<sup>th</sup> March and the Government Office for London (GoL) has requested that the approved LAA be submitted by 27<sup>th</sup> March 2009.

#### **4. LOCAL AREA AGREEMENTS – A 'LOCAL CHOICE' FUNCTION**

- 4.1 The Government's original intention as set out in the draft statutory guidance 'Creating strong, safe and prosperous communities' (November 2007) was that the LAA would be approved by the full council. However during consultation on the draft guidance, many respondents including the Local Government Association argued strongly that decisions on responsibility for this function should be left to authorities' discretion.
- 4.2 The Government has accepted this argument and now agrees that it is not necessary to stipulate that full Council approval is required. The reason for this is that the LAA is the delivery agreement for the sustainable community strategy and as such, the objectives in the LAA will already have been subject to approval by full Council as part of the strategy. The Government therefore now accepts that it is not necessary for the LAAs to undergo again the same procedures that apply to the Plans and strategies that make up the Council's Budget and Policy Framework. Furthermore, the LAAs are subject to timetabling requirements set by central government and the flexibility of local discretion will enable local authorities to manage their own arrangements as they see fit to meet these.
- 4.3 To put this into effect the Government has, in the Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2008 (SI 2008/516) and the Local Authorities (Functions and Responsibilities) (England) Amendment No.2) Regulations 2008 (SI 2008/744), inserted the functions in relation to LAAs into Schedule 2 of the Functions and Responsibilities Regulations 2000 (functions which may be (but need not be) the responsibility of an authority's executive).

- 4.4 This makes functions under the following sections of the 2007 Act 'local choice' functions and the Council must now decide whether or not to allocate responsibility for these functions to the Executive:-

Section 106 – Duty to prepare and submit the draft of an LAA

Section 110 – Revision and addition of targets;

Section 111 – Designated targets: revision proposals; and

Section 113 - Duty to publish information about an LAA

- 4.5 For the reasons outlined at 4.2 above the Council is recommended to agree that the functions specified should be Executive Functions and should be inserted into Part 3.2.2 of the Council's Constitution accordingly. The Constitution Working Party has discussed this matter and is in support of the proposal.

- 4.6 In relation to the current refresh of the LAA, should the Council agree the above proposal, this will enable the Cabinet on 11<sup>th</sup> March to agree the revised LAA in accordance with the 27<sup>th</sup> March deadline set by GoL.

## **5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES AND STANDARDS)**

- 5.1 The legal position is set out in the main body of the report.

## **6. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 6.1 There are no significant financial implications arising directly from the recommendations in this report. Allocation of the LAA functions to the Executive will avoid the possibility of additional costs which could otherwise arise should an extraordinary Council meeting be required at any time to discharge the LAA responsibilities in accordance with a deadline set by government.

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LOCAL GOVERNMENT ACT 1972 SECTION 100D (AS AMENDED)

### **LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT**

<b>Brief description of "background paper"</b>	<b>Name and telephone number of holder</b>
Local Government & Public Involvement in Health Act 2007 plus explanatory notes	John S Williams Service Head, Democratic Services 020 7364 4204
Local Authorities (Functions & Responsibilities) Regulations plus Amendments and explanatory notes.	as above

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