



TABLED DOCUMENTS

BUDGET COUNCIL MEETING

WEDNESDAY 23rd FEBRUARY 2011

AMENDMENTS NOTIFIED IN ACCORDANCE WITH BUDGET MEETING PROCEDURE RULES

AGENDA ITEM NO. 5.1 – BUDGET AND COUNCIL TAX 2011/12

Documents attached:

- 1. AMENDMENT PROPOSED BY COUNCILLOR HELAL ABBAS AND SECONDED BY COUNCILLOR DAVID EDGAR (ON PINK PAPER) PLUS OFFICER COMMENTS ON THE PROPOSED AMENDMENT.**
- 2. AMENDMENT PROPOSED BY COUNCILLOR DAVID SNOWDON AND SECONDED BY COUNCILLOR ZARA DAVIS (ON BLUE PAPER) PLUS OFFICER COMMENTS ON THE PROPOSED AMENDMENT.**
- 3. AMENDMENT PROPOSED BY COUNCILLOR STEPHANIE EATON AND SECONDED BY COUNCILLOR FOZOL MIAH (ON YELLOW PAPER) PLUS OFFICER COMMENTS ON THE PROPOSED AMENDMENT.**

This page is intentionally left blank

Agenda Item 5.1

BUDGET COUNCIL MEETING - 23RD FEBRUARY 2011

AMENDMENT TO AGENDA ITEM 5.1: BUDGET AND COUNCIL TAX 2011/12

Proposed: Councillor Helal Abbas

Seconded: Councillor David Edgar

This Council notes:

1. The scale of the cuts imposed on public services, families and individuals by the Conservative-led government and their Liberal Democrat partners.
2. That Tower Hamlets Council is facing cuts of £72million over the next three years.
3. The decision of the Cabinet under the previous Labour administration that the priority in responding to the government's cuts be protecting the delivery of frontline services by reducing layers of management, cutting agency staff, tougher deals with suppliers, using fewer buildings, and other measures.

This Council believes:

1. The government is cutting too fast and too deeply with damaging consequences for the people of Tower Hamlets.

This Council resolves:

To amend the Independent Mayor's budget as follows:

Delete the following savings:

	2011/12 £'000
AHWB/1 Housing Link	252
CE/2 Democratic Services	243
CSF/5 Extended schools services	753
	<hr/>
	1,248

Replace with the following savings:

	2011/12 £'000
AHWB/1 Housing Link provides an important service for people with a mental health problems who are going through a housing crisis and who may be at risk of homelessness or tenancy breakdown. Maintain this service with a 25% reduction in funding and a requirement to work with the Council including the Supporting People team to review caseloads, costs and the interaction with other services.	78
CE/2 Support to the Mayor and Councillors - in order to allow Councillors to represent effectively residents and others who raise issues with them, the following support be maintained - responses to enquiries to be sent to the resident concerned; enquiries to housing associations, the police and others to continue; "Streetline" enquiries to continue to be dealt with whenever the response to the telephone helpline is not satisfactory; surgeries to be supported at the same level. Councillors to continue to receive paper copies of agendas for committees where they request them in order to scrutinise effectively on behalf of residents the decisions and work of the Council and Mayor.	82

CE/2	In recognition of the cuts being made across the Council's budget, freeze the Councillor's Basic Allowances and Mayor's salary at the current level for 2011/12; cut Special Responsibility Allowances by 5%; provide suitable transport for civic and ceremonial functions within London only for the sole use of the Chair and Deputy Chair of Council.	
CE/2	In recognition of the substantial contributions that local residents make to the life of the borough and the desirability of publicly recognising this, maintain a Civic Awards scheme but combine it with the Mayor's Community Safety Awards and limit any refreshments at the ceremony to those funded by sponsorship. The above give a non-staff saving of £82,000.	
CE/2	Support to the Mayor and Councillors - recognising the full access to the resources of the Council that the Mayor has and the need to balance appropriately the level of support to the Mayor and Executive with that available to other 46 councillors, cap the cost of staff support to the Mayor and Executive to £271,000. Any new appointments to be subject to the Council's redeployment procedures. The above give a staff saving, including that to the committee section, of £230,000.	230
CSF/5	The Junior Youth Service provides valued after school childcare for the children of many working and non-working parents. This service to be continued in at least eight schools for working and non-working parents at the current level of charges. The Council to agree with schools whether this service is provided directly by the Council or school-run provision is subsidised by the Council, the aim being to maximise the number of places provided. The funding for this provision to be £406,000.	347
LEAN/2	Make a further saving of £60,000 from the senior staff budget in Communications and reallocate the funding to the adventure play facilities (CLC/4) at Bartlett Park and Whitehorse Road to increase by £60,000 the amount available to commission provision from the third sector.	
	East End Life - in line with the Government's Local Authority Publicity Code to reduce publication to quarterly with a saving of £200,000.	200
	Community Safety - add 17 police officers - one per ward - to the Safer Neighbourhood Teams, meeting with local residents at Ward Panels, to replace the current team of Tower Hamlets Enforcement Officers with effect from 1 July at a net saving in 2011/12 of £25,000 and a net saving in 2012/13 of £180,000.	25

Reduce the contribution to reserves by £286,000.

Note that as a result of these proposals the Tower Hamlets Council Tax at Band D for 2011/12 will remain at £885.52

This Council further resolves:

1. To carry out reviews of the impact of the following savings proposals on service users (involving their families, advocates and friends where appropriate) and report to the

Overview and Scrutiny Committee and full Council by the end of October 2011 in time for the results of the reviews to influence the budget setting process for 2012/13:

- Promoting independence and reducing demand for domiciliary care through reablement
 - Better use of supported housing
 - Modernising learning disability day services
 - Redesign and integration of early years and children's centres management.
2. To ensure that the equalities impact assessments for the impact of the budget savings are kept under review and updated and that the proposed Fairness Commission includes cross party representatives and reports in time for its conclusions to influence the budget setting process for 2012/13.

BUDGET COUNCIL

23rd February 2011

BUDGET REQUIREMENT & COUNCIL TAX 2011/12

CAPITAL PROGRAMME 2011/12

BUDGET MOTION (AMENDMENT) BY COUNCILLOR HELAL ABBAS

I propose the following motion in relation to Agenda item ? "Report of the Cabinet meeting held on 9th February 2011":-

"That Council: -

General Fund Revenue Budget Requirement and Council Tax 2011/2012

1. Agree a total Budget Requirement for Tower Hamlets in 2011/12 of £310,960,000.
2. Agree a Council Tax for Tower Hamlets in 2011/12 of £885.52 at Band D, as detailed in the table below: -

	2011/12 - As per Budget Motion	2011/12 - As per Amendment
	£	£
Adults Health & Wellbeing	97,003,000	97,177,000
Children's Schools and Families	75,241,000	75,647,000
Development and Renewal	17,276,000	17,276,000
Communities, Localities and Culture	69,302,000	69,337,000
Resources	10,213,000	10,213,000
Chief Executive's	12,280,000	11,951,000
Corporate/Capital	19,885,000	19,885,000
Total Directorate Budgets	301,200,000	301,486,000
Corporate Contingency	8,451,000	8,451,000
Provision for Future Growth	7,700,000	7,700,000
Contribution to Investment Reserve	2,900,000	2,900,000
Local Public Service Agreement	-700,000	-700,000
Parking Control Account	-6,333,000	-6,333,000
Efficiency Reserve	689,000	689,000
Funding for Accelerated Delivery Programme	-343,000	-343,000
Insurance Fund	500,000	500,000
Area Based Grant income	0	0
Contribution to General Balances	3,000,000	2,714,000
Council Tax Freeze Grant	-1,961,000	-1,961,000
Transitional Grant	-4,143,000	-4,143,000
Council Net Budget	310,960,000	310,960,000
Formula Grant	-229,672,580	-229,672,580
Council Net Budget After Formula Grant	81,287,420	81,287,420
Collection Fund (Surplus)/Deficit	-2,549,420	-2,549,420
Net Budget Requirement	78,738,000	78,738,000
Council Tax Base	88,917	88,917
COUNCIL TAX AT BAND D	£885.52	885.52

- a) Resulting in a Council Tax for all other band taxpayers, before any discounts, and excluding the GLA precept¹, 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

¹ The GLA precept is the amount of money that the Greater London Authority (GLA) has to contribute to the council's budget. It is based on the council's budget for the financial year 2015/16. The GLA precept is £1,771.04 per household.

3. Agree that for the London Borough of Tower Hamlets in 2011/12:-

(a) 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	1,195.34

(b) 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

- 4 Approve the statutory calculations of this Authority's total Budget requirement in 2011/12, detailed in **Appendix A** to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 32 to 36 of the Local Government Finance Act 1992.
- 5 Approve the Capital Programme, Treasury Management Strategy, and Investment Strategy as set out in the Document Pack.

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA

1. That the revenue estimates for 2011/2012 be approved.
2. That it be noted that, at its meeting on 12th January 2011, Cabinet calculated 88,917 as its Council Tax base for the year 2011/2012 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
3. That the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:
 - (a) £982,545,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of The Act. [Gross Expenditure]
 - (b) £671,585,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of The Act. [Gross Income]
 - (c) £310,960,000 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of The Act, as its budget requirement for the year. [Budget Requirement]
 - (d) £232,222,000 Being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant and additional grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988 and reduced by the amount of any sum which the council estimates will be transferred from its general fund to its collection fund pursuant to the Collection Fund (Community Charges) directions under Section 98(5) of the Local Government Finance Act 1988. [Government Grants and Collection fund Adjustments]
 - (e) £885.52 Being the amount at 3(c) above, less the amount at 3(d) above, all divided by the amount at 2 above, calculated by the Council, in accordance with Section 33(1) of The Act, as the basic amount of its Council

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

Tax for the year. [Council Tax]

(f)	VALUATION BAND	LBTH £
	A	£590.35
	B	£688.74
	C	£787.13
	D	£885.52
	E	£1,082.30
	F	£1,279.08
	G	£1,475.87
	H	£1,771.04

Being the amount given by multiplying the amount at 3(e) 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 36(1) of The Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2011/12 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below.

VALUATION BAND	GLA £
A	206.55
B	240.97
C	275.40
D	309.82
E	378.67
F	447.52
G	516.37
H	619.64

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

5. That, having calculated the aggregate in each case of the amounts at 3(f) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	£796.60
B	£929.71
C	£1,062.53
D	£1,195.34
E	£1,460.97
F	£1,726.60
G	£1,992.24
H	£2,390.68

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

To reduce the Housing Link service by 25% as opposed to 100%.

Corporate Director's Comments

- 1) The proposal to reduce the service by 25% would still leave excess capacity in the service and offer poor value for money. A 25% reduction would result in an FTE reduction of 2 FTE (7 FTE to 5 FTE). This would still involve compulsory redundancy and/or redeployment for some staff.
- 2) Based on historical patterns of activity, the service would need to reduce by 50% to match demand. i.e. reduction to 3.5 FTE. However the service at this level is not considered viable and management arrangements would need to be reviewed.
- 3) If the service continues, albeit in a reduced form, there will need to be a sustained focus on improving productivity and value for money. This will need to include increasing case loads and reducing the days lost to the service through sickness absence. These measures would make the service more cost effective, but it is still unlikely to match that achieved through other Floating Support Services.
- 4) Similar Floating Support Services are commissioned through Supporting People for all client groups (Older People, Learning Disabilities, Mental Health and Physical Disabilities). There would be a continued duplication of service under this proposal and work will be needed to review eligibility and referral pathways to clarify and simplify access for service users.
- 5) If there continues to be excess capacity we would need to explore whether the team could be re-skilled to deliver a more generic service as opposed to just mental health and if possible where they would operationally be based. This would also need to include considering integration with third sector providers to ensure value for money.
- 6) The Housing Link staff are seconded to the East London Foundation NHS Trust for provision of the service. Any change in the service will need to be negotiated with the Foundation Trust. The existing notice that has been given should accommodate the proposed amendment.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

Any staffing implications will need to be dealt with in accordance with Council HR Policies.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	The change would leave sufficient resources available to provide general and specialist floating support for expected levels of need.
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	Access to the service would still be through referral from community mental health services.
Does the change involve revenue raising?	No	The Council does not charge for community based support services for adults with mental health needs.
Does the change alter who is eligible for the service?	No	Eligibility for floating support for people with mental health needs in Tower Hamlets would remain the same.
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	Not in its current form. However, if the recommendation to retain 5 fte staff is accepted, officers in AWHB will consider how best to make this approach effective. One recommendation may be to merge provision with an external provider.

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	Yes	From 7 to 5 fte.
Does the change involve a redesign of the roles of staff?	Potentially	If the service were to be redesigned to work alongside or to merge with external provision then some staff roles would change. However, the staff would continue to provide floating support to adults with mental health needs.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Support to the Mayor and Councillors (CE/2): Retention of certain support services for Members currently proposed for deletion; Freeze Basic and Mayor's Allowances and reduce SRAs by 5%; Provide suitable transport for civic functions solely for Chair and Deputy Chair of Council; Maintain Civic Awards (combined with Mayor's Community Safety Awards and with any refreshments funded by sponsorship); and cap the cost of staff support to the mayor and Executive to £271k. p.a.

Corporate Director's Comments

A review of the Democratic Services reorganisation proposals that are currently the subject of consultation with staff will be required, in particular to confirm whether it is possible to provide the necessary support for the Mayor and Executive from within the proposed funding 'cap'. Any revised proposals will need to be subject to consultation in accordance with the 'Managing Organisational Change' procedure.

Subject to this, the amended proposal would enable the services specified to be maintained, although work should still continue, in consultation with Members, to reduce printing costs and improve the efficiency of the Members' Enquiries process over time.

The changes to Members' Allowances can be implemented upon the decision of the Council. However the proposal to freeze the Basic and Mayor's Allowances at the current level will not in itself give rise to a saving as the existing budget proposals do not include any provision for an increase.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

The legal comments are included in the body of the comments.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	Yes	Subject to consultation and finalization of detailed job descriptions for posts that are part of the Democratic Services review, in accordance with the Managing Organizational Change procedure.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

The Junior Youth Service provides valued after school childcare for the children of many working and non-working parents. This service to be continued in at least eight schools for working and non-working parents at the current level of charges. The Council to agree with schools whether this service is provided directly by the Council or school-run provision is subsidised by the Council, the aim being to maximise the number of places provided. The funding for this provision to be £406,000.

Corporate Director's Comments

All schools will continue to provide out of schools hours learning free of charge for all pupils eg. homework clubs, sport, music, drama, art.

We have sign up from 9 schools who are very committed to operating after school childcare services. These schools have been assisted with a specialist business planner to put in place a robust plan which demonstrates the viability of the service in term time between 4 and 6pm. The alternative directly provided in-house service would be expensive and is not considered value for money in light of the willingness of schools to offer this service with little or no subsidy.

In any case, the decision about how services are provided, by whom and at what level of fees, is not a matter for the Council, but one for the schools governing body.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	This proposal is designed to ensure after school childcare remains at prevailing rates during 2011/12.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
CHANGES TO STAFFING		

Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Lean/2 Staff budget reduction of 60k for senior staff

Corporate Director's Comments

The service is nearing completion of a restructure to reduce the number of posts working across the council on communications from 45 posts to 30 releasing £500k of savings. The number of PO8 posts has also reduced from 5 to 2 with one post at SM1. Given the recent consultation, redundancy and competitive interview process for the reduced number of posts there would need to be further, additional consultation. While this may impact on staff morale, the most certain outcome is that this saving won't be realised until midway through 2011/12. Reducing the staff salary budget without deleting a post would require a re-evaluation of job descriptions.

However given the forthcoming Review of East End Life there may well be opportunities to examine the senior staffing structure of the service as part of that review.

Any additional comments of the Chief Finance Officer

Given that this proposal will need to follow the Councils Handling Organisational Change procedure it is unlikely that any saving will be realised until midway through 2011/12. There may also be redundancy costs that would also need to be accounted for, before a saving is realised.

Any additional comments of the Assistant Chief Executive (Legal Services)

Any staffing implications would be required to be dealt with in accordance with the councils adopted human resources procedures

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	The communications team is responsible for ensuring council information about community cohesion and equality are communicated to residents. Reducing staff further would begin to impact on our ability to fulfill this role.
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Reducing staff potentially has the impact of reducing capacity to encourage access to services. Services need to communicate how they operate and who is entitled to a service if take up is to be equitable.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	Yes	Reduction in the staff budget would either require a cut in staff and/or a redesign of staff roles.
Does the change involve a redesign of the roles of staff?	Yes	Reduction in the staff budget would either require a cut in staff and/or a redesign of staff roles.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Move to quarterly publication of East End Life

Corporate Director's Comments

There is an ongoing Review of East End Life which is due to report by May 2011 and as part of this work the financial impact and effect on Council services of alternative approaches is being assessed. These figures are therefore based on a number of assumptions.

Currently East End Life provides a medium which assists in achieving the Council's duty to inform and also provides advertising space for the Council, including unavoidable advertising of statutory notices and highly desirable marketing of Council services, including housing opportunities.

The saving of £200,000 assumes that East End Life would be delivered at a much lower cost as a quarterly publication but that the majority of external advertising revenue would be lost. It allows for the Council to set aside £265,000 in the General Fund budget to pay for statutory advertising and a small amount for other desirable advertising. This is about half of the amount that Council departments currently spend on advertising in East End Life and thus the proposal assumes that Directorates would review and reduce their advertising spending as a result of no longer having East End Life available to them. Part of the Mayor's review will need to look at how feasible or desirable it is for the Council to reduce its level of advertising in print media in this way.

With the exception of statutory notices, which under current law must be published in print, there are alternative cheaper marketing routes available, notably the internet, although it is arguable that increasing use of the internet over print media would tend to exclude people without access to technology from access to Council services.

In addition, current rate cards for alternative print media in the Tower Hamlets area suggest that if East End Life was discontinued, there is a risk that the cost of advertising for the Council could rise considerably. This risk is not reflected in the figures used in the proposal. No other publication in Tower Hamlets currently reaches as many people as East End Life, so achieving the same 'reach' is likely to involve advertising in more than one newspaper; again that would tend to increase costs.

Members need to be aware, therefore, that if they wish the same level of publicity for services with the same reach as currently achieved by East End Life the cost to the Council will almost certainly be higher than the status quo position.

Finally there would be one-off redundancy costs to consider which could be in excess of £300k.

Any additional comments of the Chief Finance Officer

The financial implications are set out above. At this stage of the Mayor's review remains considerable uncertainty about the assumptions used to work up the various cost options set out in this proposal. As the review finalises, these numbers will need to be validated and as a result of this validation, the numbers may change. What is very clear, at this stage, is that the respective cost/savings models associated with the status quo, fortnightly, monthly, quarterly or ending publication are very close and small changes in assumptions either way can have a considerable impact on the value for money assessment and bottom-line cost. For example, costs for the external publication of statutory notices will not be fully known until a tendering exercise is completed and contracts awarded.

Members need also to be aware that the above figures have been calculated on the basis of a very minimal approach to external advertising. It means, for example, that notices, such as the Housing Choices adverts, will not be published in the same form or with the reach as currently achieved through East End Life. If Members wish to continue with the prevailing approach and coverage for these items, the costs will be considerably more than set out in this proposal.

This proposals ask Council to reduce the communications budget on the assumption that £20K can be saved from publishing East End Life on a quarterly basis. If, as a consequence of completing the review, it is clear that this saving cannot be achieved, or that an alternative option is better value for money, this is something the Mayor will need to consider in the context of spending within budget during 2011/12 and future years

Members also need to be advised that redundancy costs associated with this proposal have been estimated to be £300,000. These would need to be accounted for either before the saving could be taken by the Council (i.e. no saving in 2011/12 and a part year effect in 2012/13) or would be a call on general fund balances. This would have the effect of reducing general balances below that which is recommended to Council in the budget report pps 305-307.

Any additional comments of the Assistant Chief Executive (Legal Services)

The legal implications would relate to redundancy of staff that would be dealt with under the councils agreed procedures

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	East End Life is used by the council to promote access to services
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Without regular provision of information to the housing list some vulnerable residents could miss the opportunity to apply for vacant properties. East End Life also advertises Council services which might not come to the attention of people who could potentially benefit from them.
Does the change involve revenue raising?	Yes	By implication – the council would need to advertise in other sources for statutory notices and this would result in a net cost to the council thus requiring identification of alternative revenue sources.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	Yes	Reducing frequency of East End Life would lead to a reduction in staff numbers.
Does the change involve a redesign of the roles of staff?	Yes	Reducing frequency of East End Life would lead to a reduction in staff numbers and a redesign of roles for remaining staff.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Community Safety – Add 17 Police Officers – One Per Ward – to Safer Neighbourhood Teams, meeting with local residents at Ward Panels, to replace the current team of THEO's with effect from 1 July at a net saving in 2011/12 of £25,000 and a net saving in 2012/13 of £180,000.

Corporate Director's Comments

The proposal to replace THEO's with Police Officers would result in the potential compulsory redundancy of 16 staff.

THEO's are accredited by the Police and have a very wide generic scheme of delegation. This has been developed to enhance service provision with the Council's partners. The removal of THEO's from the structure is likely to create a void that the police service will be unable to fill and the accredited powers that have been so effective in managing asb issues will be lost.

The police are currently undertaking their own savings reviews, part of which is to refocus and manage their own core business. Ultimately they will not be dealing with issues they clearly identify as council responsibilities, as a result replacement of THEO's with police officers may dilute rather than improve responsiveness to local residents concerns.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

This will need legal agreement with Met Police.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	The removal of the enforcement officers would result in the end of joint tasking and the partners coordinated response to ASB issues.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	Yes	Would result in potential redundancy of 16 staff
Does the change involve a redesign of the roles of staff?	No	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Reduce allocation to General Reserves by £286,000

Corporate Director's Comments (Corporate Director- Resources)

Officers advice is that General Reserves need to be held at a level around the upper end of the policy range, 7.5% of budget requirement, because of the increased risks facing the Council as a result of funding cuts and other economic pressures. The allocation of an additional £3m to the reserve would meet this target and would ensure that General Reserves are replenished. Appendix F in the Budget Pack (pps 305-307) sets out this advice in detail.

This proposal would the budget allocation to the reserve to £2.714m. This would increase the risk to the budget.

Any additional comments of the Chief Finance Officer

The advice of the Chief Officer as set out at pages 303 – 307 is that the General Fund Reserves should be maintained at the top of the upper range and not reduce.

There are potential costs that have not been identified in the Labour Party proposals that may lead to the call on reserves being higher. These relate to redundancy payments that may result from the proposal in respect of East End Life (estimated at £300K) and slippage on the implementation of the saving from the Communications budget (part year effect in 2011/12). If these costs were to manifest the reduced allocation to reserves would be £556,000, not £286,000.

Any additional comments of the Assistant Chief Executive (Legal Services)

None



Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING**Does the change
involve a
reduction in staff?****NO****Does the change
involve a redesign
of the roles of
staff?****NO**

Conservative Group Budget Amendment

Amendment proposed by: Councillor David Snowdon

Amendment seconded by: Councillor Zara Davis

This Council notes:

1. The financial black hole inherited from Labour both at a national level and at the Council level;
2. That Tower Hamlets Council has accumulated £354million of debt and is paying £22 million each year on debt interest alone;
3. That this debt pile is the legacy of years of fiscal irresponsibility from the previous Labour administrations;
4. That the Town Hall continues to waste money through propaganda, consultants, advertising and Council subscriptions;
5. That residents have not been consulted over the budget proposals;
6. That the 34 residents who attended focus groups on the budget were concerned by the cost of East End Life and wanted to see greater joint service provision across neighbouring boroughs.

This Council will:

7. Implement the following recurring spending reductions:

Budget Line	Description	2011/12 Budget Saving												
East End Life	Discontinue East End Life. Carry out statutory advertising through other newspapers.	£250,000												
Senior Staff Salaries	Reduce the salaries budget of the Council, with a clear emphasis on the highest paid staff. For example: <ul style="list-style-type: none"> • Staff earning over £170k to receive a 10% reduction in salary • Staff earning over £100k to receive a 5% reduction in salary 	Total saving £112,800 comprising: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Salary without costs (£)</th> <th>No of posts</th> <th>Total cost (£)</th> <th>Saving (£)</th> </tr> </thead> <tbody> <tr> <td>>170k</td> <td>1</td> <td>224k</td> <td>22.4k</td> </tr> <tr> <td>>100k</td> <td>13</td> <td>1,808k</td> <td>90.4k</td> </tr> </tbody> </table>	Salary without costs (£)	No of posts	Total cost (£)	Saving (£)	>170k	1	224k	22.4k	>100k	13	1,808k	90.4k
Salary without costs (£)	No of posts	Total cost (£)	Saving (£)											
>170k	1	224k	22.4k											
>100k	13	1,808k	90.4k											
Staff Salaries Settlement	Remove the provision for a National Pay increase of £250 per worker now that the local government employers have offered a 0% increase	£750,000												
Special Responsibility Allowances	Abolish Special Responsibility Payments for: <ul style="list-style-type: none"> • Chair of Licensing 	Total saving £47,157, comprising: £7,955												

	<ul style="list-style-type: none"> • Chair of Appeals • Chair of General Purposes • Chair of Audit • Chair of Human Resources • Chair of Pensions Committee • Olympics Ambassador 	<p>£7,955</p> <p>£7,955</p> <p>£5,823</p> <p>£5,823</p> <p>£5,823</p> <p>£5,823</p>
Language Extension Classes, also known as 'Mother Tongue Classes'	<p>Set up a private trading company to provide extra-curricular language classes to make service cost neutral and protect it into the long-term.</p> <p>Expand coverage of world languages covered by these classes e.g. Russian, Portuguese, Italian.</p> <p>See Annex I</p>	£750,000
Single Person Discount on Council Tax	The Council is already using data checking to reduce the number of people fraudulently claiming the single person discount on Council Tax. We will substitute a reduction to 33% of households claiming Single Person Discount with a reduction to 32.75%	£74,629
Events	<p>Savings comprising of:</p> <p>Reducing the budgetary impact of the annual fireworks display. Inviting Hackney to contribute to the event, to make it a joint production. Or failing Hackney taking up their share of the responsibility, ensure more "bang for our buck".</p> <p>Halve the Tower Hamlets Council contribution to the Greenwich and Docklands International Festival</p> <p>Halve the Tower Hamlets contribution to the Spitalfields Music Festival</p>	<p>Total saving £98,070 comprising:</p> <p>£73,070</p> <p>£12,500</p> <p>£12,500</p>
Consultants	Reduce spending by 20%	£260,000
Conferences	Reduce spending by 20%	£44,000
Advertising	Reduce spending by 10% including no further lamp-post column advertising or bus shelter posters	£165,000

Communications	Cut 'in the news'	£7,500
Film Officer	Film Officer to make a contribution to main budget of £48,000 (represents leveraging in an additional 25% of funding through film location contracts)	£48,000
Council Subscriptions to Organisations	Leave various organisations to which the Council has subscribed: <ul style="list-style-type: none"> the Local Government Information Unit the New Local Government Network 	Total saving £27,100 comprising of: £15,100 £12,000
Subscriptions to newspapers	Reduce spending on subscriptions to newspapers, magazines and periodicals by 5%	£4,897
Pot plants	Reduction in facilities management budget, with saving to be primarily achieved through ending all spending on buying and maintaining pot plants.	£18,696
Total Additional Revenue Savings		£2,657,849

8. Implement the following recurring expenditure increases:

Title	Description	Spending
Police	Provide an additional 17 police officers, one extra per ward.	£680,000
ESOL	Provide an additional gross 500 places to clear the waiting lists for ESOL courses.	£300,000 This cost is based on the Skills Funding Agency cost per ESOL student.
Road Maintenance	Double the Council's spend on road repairs in 2011/12 to take account of the high wear and tear caused by the hard winter	£283,000
Wapping Road Maintenance	Repairs to Wapping Wall and Wapping High Street including repairing the sinking road, potholes and cobbles.	£95,000
Litter/Dog / Park Wardens	Provide additional Dog Wardens (x2), Litter Wardens (x2) and Park Wardens	£232,000

	(x2)	
Total Additional Revenue Expenditure		£1,590,000

9. Implement the following non-recurring spending / capital spending for 2011/12:

Mudchute Children's Centre, Isle of Dogs	Provide capital funding to expand the buildings. This will enable the nursery provision to be doubled from 18 to 36 baby places, the playgroup provision to be doubled from 16 to 32 places, it will provide an additional 20 places for children at the breakfast club, an additional 20 places in the after school club, and allow the centre to take in up to 20 children each day during school holidays under an emergency holiday scheme. They have enough children on their waiting to immediately fill all new places that become available.	£590,750
Docklands Heritage Boards, Isle of Dogs	Fund to CLC to repair existing boards from the LDDC at £600 each. Leverage in additional funding from business and educational groups for a schools' local history programme, and a local heritage trail, potentially working with the Museum of London Docklands	£20,000
Contingency	Contingency fund, in case of overspend/efficiencies coming in lower than forecast	£457,099
Total Additional Capital Expenditure		£1,067,849

10. Take the following action with regards to reserves:

Reserves	Move £1 million of the £3 million 2011/12 allocation to reserves into a ring-fenced 'Fund to Repay Debt With Excessive Interest Payments' (See Annex II)	£1,000,000
-----------------	--	------------

11. Give the requisite one year's notice to withdraw from the Local Government Association. This will save the Council the subscription fee of £44,860 in 2012/13 and future years.

12. Sell the Renault site at 535-593 Commercial Road as it is no longer required as a car pound. The sale of this site on the open market will produce a significant profit for the Council as a result of the marriage value of the recently acquired leasehold and the freehold. A desktop valuation by Council officers places the value of the Renault site at £5 million. The receipts from this would be used to pay off the LBTH debt pile – through the Special Fund outlined in Annex II - and therefore reduce debt interest payments in future years.
13. Request that the Boundary Commission reduces the number of Councillors from 3 Councillors per ward to 2 per ward. This would produce direct savings of £171,105 per annum (workings are 17 x Basic Allowance = £171,105).
14. Outsource all communications work within the Council to WestCo, which currently carries out the communications functions for other London Boroughs.
15. Investigate shared procurement, for example on electricity. The Council notes that Kent County Council already co-ordinates electricity for many Councils including for other London Boroughs.
16. Investigate joining the Redbridge Culture and Leisure Trust, which would be responsible for the day-to-day management of all sports and leisure services, events, libraries and parks & open spaces in the borough. Tower Hamlets Council would retain its strategic decision-making role for these services, but would be able to achieve substantial financial savings as a result of sharing these back-office functions with Redbridge and other Councils.
17. Investigate sharing services with other Councils on:
 - a. Legal services
 - b. Call centre
 - c. Organisational development and training
 - d. Audit
 - e. Payroll
 - f. Recruitment Services
18. Investigate sharing the borough's planning, development and licensing functions with neighbouring boroughs.

Annex I

Language Extension Classes, also known as Mother Tongue Classes

Mother tongue classes are a major item in the Council's budget, costing three quarters of a million pounds a year. Amid the need to find savings across the Council, mother tongue classes must be one of the areas on which costs are reduced.

We believe that if Tower Hamlets Council wishes to continue providing language lessons to local children, a long term framework is necessary. As such we propose creating a private trading company for Childhood Language Learning. This body would aim to be entirely self funding, and provide language learning at no cost to Tower Hamlets Council.

We note that Council Officers have already priced up both the per hour cost of the Mother Tongue programme (£2.50) and have investigated how much ESOL learners would be willing to pay.

Therefore, we suggest imposing a £2.50 cost-price hourly charge for children attending mother tongue. This sum is considerably cheaper than comparable private sector teaching

The Council's private trading company for childhood language learning would be able to:

- Increase the number of languages it teaches, to include world languages for all communities, as well as European language not currently taught in local schools, for example Portuguese, Italian and Russian;
- Seek opportunities in other Boroughs to teach languages to children. This would take advantage of Tower Hamlets expertise in the area, whilst the funds generated from these ventures could then be used to subsidise teaching in Tower Hamlets, or even return funding to the main Tower Hamlets budget.

Annex II

Fund to Repay Debt Borrowed at Excessive Interest Rates

Tower Hamlets has accumulated a debt pile of £354million, and with the interest rates on this debt varying from 7.8% to 1.1%. The average interest rate for the £354 million of debt is 6.4%. Starting to pay down this amount of debt would result in significant ongoing savings from reduced debt interest payments. We propose to create a ringfenced 'Fund to Repay Debt Borrowed at Excessive Interest Rates' to paydown debt with excessive interest rates as and when opportunities arise. All accrued interest to stay in the fund.

BUDGET COUNCIL

23rd February 2011

BUDGET REQUIREMENT & COUNCIL TAX 2011/12

CAPITAL PROGRAMME 2011/12

BUDGET MOTION (AMENDMENT) BY COUNCILLOR DAVID SNOWDON

I propose the following motion in relation to Agenda item 5.1 "Report of the Cabinet meeting held on 9th February 2011":-

"That Council: -

General Fund Revenue Budget Requirement and Council Tax 2011/2012

1. Agree a total Budget Requirement for Tower Hamlets in 2011/12 of £310,960,000.
2. Agree a Council Tax for Tower Hamlets in 2011/12 of £885.52 at Band D, as detailed in the table below: -

	2011/12 - As per Budget Motion	2011/12 - As per Amendment
	£	£
Adults Health & Wellbeing	97,003,000	97,303,000
Children's Schools and Families	75,241,000	75,081,750
Development and Renewal	17,276,000	17,277,304
Communities, Localities and Culture	69,302,000	69,813,930
Resources	10,213,000	10,213,000
Chief Executive's	12,280,000	11,927,343
Corporate/Capital	19,885,000	19,857,900
Total Directorate Budgets	301,200,000	301,474,227
Corporate Contingency	8,451,000	8,158,099
Provision for Future Growth	7,700,000	7,700,000
Contribution to Investment Reserve	2,900,000	2,900,000
Local Public Service Agreement	-700,000	-700,000
Parking Control Account	-6,333,000	-6,333,000
Council Wide Savings	0	-661,326
Council Wide Growth	0	680,000
Efficiency Reserve	689,000	689,000
Funding for Accelerated Delivery Programme	-343,000	-343,000
Insurance Fund	500,000	500,000
Contribution to General Balances	3,000,000	2,000,000
Debt Repayment Reserve	0	1,000,000
Council Tax Freeze Grant	-1,961,000	-1,961,000
Transitional Grant	-4,143,000	-4,143,000
Council Net Budget	310,960,000	310,960,000
Formula Grant	-229,672,580	-229,672,580
Council Net Budget After Formula Grant	81,287,420	81,287,420
Collection Fund (Surplus)/Deficit	-2,549,420	-2,549,420
Net Budget Requirement	78,738,000	78,738,000
Council Tax Base	88,917	88,917
COUNCIL TAX AT BAND D	£885.52	885.52

a) Resulting in a Council Tax for all other band taxpayers, before any discounts, and excluding the GLA precept¹, 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

¹ The GLA precept is a charge levied on local authorities by the Government to fund the Greater London Authority. It is a charge on the ratepayers of the local authority and is included in the Council Tax bill.

3. Agree that for the London Borough of Tower Hamlets in 2011/12:-

(a) 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	1,195.34

(b) 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

- 4 Approve the statutory calculations of this Authority's total Budget requirement in 2011/12, detailed in **Appendix A** to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 32 to 36 of the Local Government Finance Act 1992.
- 5 Approve the Capital Programme, Treasury Management Strategy, and Investment Strategy as set out in the Document Pack.

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA

1. That the revenue estimates for 2011/2012 be approved.
2. That it be noted that, at its meeting on 12th January 2011, Cabinet calculated 88,917 as its Council Tax base for the year 2011/2012 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
3. That the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:
 - (a) £982,545,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of The Act. [Gross Expenditure]
 - (b) £671,585,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of The Act. [Gross Income]
 - (c) £310,960,000 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of The Act, as its budget requirement for the year. [Budget Requirement]
 - (d) £232,222,000 Being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant and additional grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988 and reduced by the amount of any sum which the council estimates will be transferred from its general fund to its collection fund pursuant to the Collection Fund (Community Charges) directions under Section 98(5) of the Local Government Finance Act 1988. [Government Grants and Collection fund Adjustments]
 - (e) £885.52 Being the amount at 3(c) above, less the amount at 3(d) above, all divided by the amount at 2 above, calculated by the Council, in accordance with Section 33(1) of The Act, as the basic amount of its Council

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

Tax for the year. [Council Tax]

(f)	VALUATION BAND	LBTH £
	A	£590.35
	B	£688.74
	C	£787.13
	D	£885.52
	E	£1,082.30
	F	£1,279.08
	G	£1,475.87
	H	£1,771.04

Being the amount given by multiplying the amount at 3(e) 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 36(1) of The Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2011/12 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below.

VALUATION BAND	GLA £
A	206.55
B	240.97
C	275.40
D	309.82
E	378.67
F	447.52
G	516.37
H	619.64

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

5. That, having calculated the aggregate in each case of the amounts at 3(f) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	£796.60
B	£929.71
C	£1,062.53
D	£1,195.34
E	£1,460.97
F	£1,726.60
G	£1,992.24
H	£2,390.68

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Discontinue East End Life and carry out statutory advertising through other newspapers releasing £250k of saving.

Corporate Director's Comments

There is an ongoing Review of East End Life which is due to report by May 2011 and as part of this work the financial impact and effect on Council services of alternative approaches is being assessed. These figures are therefore based on a number of assumptions.

Currently East End Life provides a medium which assists in achieving the Council's duty to inform and also provides advertising space for the Council, including unavoidable advertising of statutory notices and highly desirable marketing of Council services, including housing opportunities.

The saving of £250,000 assumes the full costs of East End Life net of external advertising revenue would be saved, and it allows for the Council to set aside £265,000 in the General Fund budget to pay for statutory advertising and a small amount for other desirable advertising. This is about half of the amount that Council departments currently spend on advertising in East End Life and thus the proposal assumes that Directorates would review and reduce their advertising spending as a result of no longer having East End Life available to them. Part of the Mayor's review will need to look at how feasible or desirable it is for the Council to reduce its level of advertising in print media in this way.

With the exception of statutory notices, which under current law must be published in print, there are alternative cheaper marketing routes available, notably the internet, although it is arguable that increasing use of the internet over print media would tend to exclude people without access to technology from access to Council services.

In addition, current rate cards for alternative print media in the Tower Hamlets area suggest that if East End Life was discontinued, there is a risk that the cost of advertising for the Council could rise considerably. This risk is not reflected in the figures used in the proposal.. No other publication in Tower Hamlets currently reaches as many people as East End Life, so achieving the same 'reach' is likely to

involving advertising in more than one newspaper; again that would tend to increase costs. Members need to be aware, therefore, that if they wish the same level of publicity for services with the same reach as currently achieved by East End Life the cost to the Council will almost certainly be higher than the status quo position

Finally there would be one-off redundancy costs to consider which could be in excess of £300k.

Any additional comments of the Chief Finance Officer

At this stage of the Mayor's review there remains considerable uncertainty about the assumptions used to work up the various cost options set out in this proposal. As the review finalises, these numbers will need to be validated and as a result of this validation, the numbers may change. What is very clear, at this stage, is that the respective of cost/savings models associated with the status quo, fortnightly, monthly, quarterly or ending publication are very close and small changes in assumptions either way can have a considerable impact on the value for money assessment and bottom-line cost. For example, costs for the external publication of statutory notices will not be fully known until a tendering exercise is completed and contracts awarded.

Members need also to be aware that the above figures have been calculated on the basis of a very minimal approach to external advertising. It means, for example, that notices, such as the Housing Choices adverts, will not be published in the same form or with the reach as currently achieved through East End Life. If Members wish to continue with the prevailing approach and coverage for these items, the costs will be considerably more than set out in this proposal.

This proposals ask Council to reduce the communications budget on the assumption that £250K can be saved from ceasing publication of East End Life. If, as a consequence of completing the review, it is clear that this saving cannot be achieved, or that an alternative option is better value for money, this is something the Mayor will need to consider in the context of spending within budget during 2011/12.

Members also need to be advised that redundancy costs associated with this proposal have been estimated to be £300,000. These would need to be accounted for either before the saving could be taken by the Council (i.e. no saving in 2011/12 and a part year effect in 2012/13) or would be a call on general fund balances. This would have the effect of reducing general balances below that which is recommended to Council in the budget report pps 305-307 ..

Any additional comments of the Assistant Chief Executive (Legal Services)

The councils HR procedures would need to be followed

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	East End Life is used by the council to promote access to services. In particular access to statutory notices and Housing Choices notices will be significantly reduced unless alternative budget provision is made elsewhere in the budget for the provision of these services
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Without regular provision of information to the housing list some vulnerable residents could miss the opportunity to apply for vacant properties. East End Life also advertises Council services which might not come to the attention of people who could potentially benefit from them.
Does the change involve revenue raising?	Yes	The council will need to advertise in other sources for statutory notices and this could result in a net cost to the council thus requiring identification of alternative revenue sources.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	Yes	Discontinuing East End Life would lead to a reduction in staff numbers.
Does the change involve a redesign of the roles of staff?	Yes	Discontinuing East End Life would lead to a reduction in staff numbers and a redesign of roles for remaining staff.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Reduce Senior Staff Salaries

Corporate Director's Comments (Corporate Director- Resources)

If the saving was delivered in the manner indicated the saving would be made.

However the Council cannot unilaterally change a person's contract of employment and at this stage we could not predict the outcome of negotiations. If the Council wanted to enforce the changes, it may be necessary to enter a change process that could result in severance payments to officers.

There is a risk that the saving would not be delivered with effect from 1st April and in that case only a part-year effect would be realised. In that event savings would need to be found in other ways or the balance would fall to reserves as an overspend at the end of the year.

Any additional comments of the Chief Finance Officer

See above

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	NO	The effect of the proposal would be a reduction in the salaries of certain senior staff.
Does the change involve a redesign of the roles of staff?	NO	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Staff Salaries Settlement

Corporate Director's Comments (Corporate Director- Resources)

The cost of a £250 pay rise to staff earning under £21,000 would be approximately £750,000 and if there is no pay award to staff this year (which is subject to a national agreement) the contingency would not be required for this purpose.

There are two main risks around this;

- Although the Local Government Employers Organisation has made no pay offer to the staff side, this is a matter for negotiation over which the Council has no direct control.
- Inflation generally is currently running at a rate much higher than the 2% allowed for in the contingency.

It is therefore possible that this contingency may be required to cover the costs of pay awards or inflation. If the saving is taken, this budget pressure would need to be funded in other ways, if necessary through additional savings.

Any additional comments of the Chief Finance Officer

See above

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Special Responsibility Allowances: Abolish Special Responsibility Payments for Chairs of Licensing, Appeals, General Purposes, Audit, Human Resources Committees and the Olympics Ambassador. Saving proposed = £47,157

Corporate Director's Comments

The proposals are lawful and can be implemented on the decision of the Council.

The abolition of the SRAs listed would yield the savings figure shown in a full year.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

The proposal is lawful if decided by full council.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING**Does the change
involve a
reduction in staff?****NO****Does the change
involve a redesign
of the roles of
staff?****NO**

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Language Extension Classes, also known as 'Mother Tongue Classes'

Set up a private trading company to provide extra-curricular language classes to make service cost neutral and protect it in the long-term.

Expand coverage of world languages covered by these classes eg. Russian, Portuguese, Italian.

Corporate Director's Comments

In theory it would be possible to set up an arms length management company, but this would bring with it management costs and considerable set up time and running costs which would be an additional burden on resources.

Although it is possible in theory, the business case would not likely be viable as we would need to make the staff redundant, with the additional cost of this, and there would be no guarantee of buy back to sustain a trading company.

One of the strengths of the current service is the close links with local community groups, which both host and sometimes staff the service. This has great advantages in terms of cohesion as well as language development which might be lost in an arms length company.

The additional languages listed above are already provided as mother tongue classes.

Any additional comments of the Chief Finance Officer

The proposal would require a fully worked up business case before agreement.

Any additional comments of the Assistant Chief Executive (Legal Services)

Any staffing implications will need to be dealt with in accordance with Council HR Policies.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	The change might reduce resources by introducing charges to a previously free of charge service
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Yes it might as above
Does the change involve revenue raising?	Yes	It is unlikely that charges to pupils would ever meet the full costs of staffing
Does the change alter who is eligible for the service?	Yes	Children from poorer families might have problems in accessing
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	Yes	As above
CHANGES TO STAFFING		
Does the change involve a	Yes	TUPE would apply but there may not be full level buy back

reduction in staff?		
Does the change involve a redesign of the roles of staff?	Yes	This is possible with an arms length company running the service

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Single Person's Discount on Council Tax

Corporate Director's Comments (Corporate Director- Resources)

The proposal in the pack on page 208 (IO/4 Improved income collection, debt management and fraud prevention) involves a stretch target to reduce the rate of claims for single person discount to 33% in 2011/12, moving down to 30% by 2013/14. Officers believe the target indicated is achievable in the longer term and the risk will be that the further stretch will not be achieved in 2011/12.

The target can only be achieved if there are sufficient people currently mistakenly or fraudulently claiming single person discount and the Council can identify and deal with these cases.

Any additional comments of the Chief Finance Officer

This proposal can be included in the budget but for the reasons set out above there is a considerable risk of non – achievement which will increase the likelihood of an overspend in 2011/12.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	YES	The proposal would recover additional Council Tax income from residents who are currently erroneously or fraudulently claiming a Single Person discount in contravention of Council Tax legislation.
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Events - Savings comprising of:

Reducing the budgetary impact of the annual fireworks display. Inviting Hackney to contribute to the event, to make it a joint production. Or failing Hackney taking up their share of the responsibility, ensure more "bang for our buck".

Halve the Tower Hamlets Council contribution to the Greenwich and Docklands International Festival

Halve the Tower Hamlets contribution to the Spitalfields Music Festival

Corporate Director's Comments

Fireworks - Approaches have been made to Hackney in the past and they have steadfastly refused to contribute to the annual fireworks event in Victoria Park.

50% cuts to Greenwich and Docklands and Spitalfields Festivals for 2011 - 12. - In keeping with the Council's third sector strategy both these organisations are on three year SLA's which cover next financial year. The notice required to terminate or alter contract sum is six months, so for 2011-12 they should have been notified before the end of September 2010.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Failure to receive contribution from Hackney could result in reduced or cancelled fireworks event
Does the change involve revenue raising?	Yes	From London Borough Hackney
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
CHANGES TO STAFFING		

Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Consultants

Corporate Director's Comments (Corporate Director- Resources)

The use of consultants is currently increasing and is likely to increase further over the next few years as the authority seeks to implement large scale and complex solutions to cost reduction that are outside the capacity of officers and in some cases require specialist skills and knowledge that the Council doesn't possess in-house. These costs would need to be met from such places as invest to save reserves and contingencies if not from existing budgets.

Any additional comments of the Chief Finance Officer

The Majority of Consultants spend in the Council is funded from non re-occurring sources of funding such as Capital or Grants. Examples include the BSF programme and the Councils major regeneration Scheme. It is unlikely therefore that there is ongoing revenue saving that can arise from this proposal. Members should be assured that Consultants spend in recent years has been less than 0.05% of Council Spend.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Conferences, Advertising, Newspapers and Periodicals

Corporate Director's Comments (Corporate Director- Resources)

The proposal on page 183 of the pack (ALL/1 Directorate Supplies and Services Efficiency) involves reducing discretionary expenditure such as for conferences and advertising by applying a target to each Directorate's budget. Officers believe this is a challenging target, especially in the context of other similar exercises in previous years. Any additional savings over and above add to the risk that the targets will not be achievable.

Advertising enables the Council to raise awareness of its services, draw attention to consultations and other matters of importance to local residents and advertise employment vacancies. Some advertising is statutory and cannot be avoided.

Staff attendance at conferences is often useful in enabling learning and development and networking that benefits the Council.

Any additional comments of the Chief Finance Officer

See above

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	YES	A reduction in advertising could feasibly reduce awareness of Council services and thus reduce access to service for individuals without access to other sources of information.
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Cut 'In The News' to release savings of £7,500

Corporate Director's Comments

'In The News' is a weekly electronic copy of coverage received by the council in the local, regional, national and trade media which is circulated to councillors. It is a by-product of the council's analyses of how service information and the council's corporate priorities are conveyed in the media to residents.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Film Officer -Film Officer to make a contribution to main budget of £48,000 (represents levering in an additional 25% of funding through film location contracts)

Corporate Director's Comments

Films location income - The income derived from film locations is dependant upon the levels of activity taking place in the borough. There is little scope for increasing charges as it is likely we would lose income to other competing boroughs. It is therefore difficult to set increased income targets as the business is market dependant and will fluctuate up and down each year. The contractor does market the borough and this is reviewed regularly, Tower Hamlets is already one of the busiest boroughs for filming in London.

Any additional comments of the Chief Finance Officer

For the reasons set out above, members can set this as an aspirational target however there are significant risks that it won't be achieved.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	Additional income from organisations utilizing facilities
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING

Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Council Subscriptions to Organisations

Corporate Director's Comments (Corporate Director- Resources)

The Council can make a decision to withdraw from these organisations if it wishes.

The Local Government Information Unit (LGIU) is an organisation which provides policy advice, learning and development programmes, events and conferences, consultancy and other resources to its members and other organisations.

The New Local Government Network campaigns for a more devolved constitutional settlement in the UK, to drive forward the localism agenda and press for further decentralisation of power from Whitehall. It provides independent research, events and advocacy to central and local government partners.

Any additional comments of the Chief Finance Officer

No Comments

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Pot Plants – Reduction in Facilities Management budget, with savings to be primarily achieved through ending all spending on buying and maintaining pot plants.

Corporate Director's Comments

There is a long term fixed value contract for the provision of pot plants in administrative buildings. That contract (which is for some £80k over 4 years) does not expire until 2012/13.

If LBTH were to withdraw from the contract then it is likely that a significant proportion of the remaining contract amount (i.e approximately £ 52,200) would still be payable as a LBTH's outstanding obligation under the contract terms. It might be possible to dispute this sum but, again, any legal costs that might be incurred in doing so could possibly outweigh any benefit to be gained from early contract termination.

Any additional comments of the Chief Finance Officer

This saving could be pursued but for the reasons set out above there is a considerable risk of non achievement.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING**Does the change involve a reduction in staff?****No****Does the change involve a redesign of the roles of staff?****No**

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Provide an Additional 17 Police Officers

Corporate Director's Comments

17 police officers would require £680k for each year (minimum contract period 2 years). It would also require the agreement of the Borough Commander.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

It will require renegotiation of a contract with Met Police.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING**Does the change involve a reduction in staff?****No****Does the change involve a redesign of the roles of staff?****No**

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

ESOL - Provide an additional gross 500 places to clear the waiting lists for ESOL courses.

Corporate Director's Comments

The funding proposed would contribute to reducing waiting lists for ESOL. The unit cost proposed is reasonable.

Any additional comments of the Chief Finance Officer

No additional comment

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Provides more opportunity for accessing service
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
CHANGES TO STAFFING		

Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Road Maintenance -Double the Council's spend on road repairs in 2011/12 to take account of the high wear and tear caused by the hard winter

Corporate Director's Comments

Funding would be targeted at repairing damage caused by severe weather experienced earlier this winter.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING**Does the change
involve a
reduction in staff?****No****Does the change
involve a redesign
of the roles of
staff?****No**

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Wapping Road Maintenance - Repairs to Wapping Wall and Wapping High Street including repairing the sinking road, potholes and cobbles.

Corporate Director's Comments

Funding would be targeted at repairs and remedial works to those areas of the road in most urgent need of attention.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Provide additional Dog Wardens (x2), Litter Wardens (x2) and Park Warden(X2)

Corporate Director's Comments

Streetcare Officers operating to a generic job specification and from localised offices will in future undertake the roles of litter and park wardens. Additional funding would be utilised to supplement the existing staffing compliment as it would be to supplement animal warden resources.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	Provides more resources, increases options for service users
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING**Does the change
involve a
reduction in staff?****No****Does the change
involve a redesign
of the roles of
staff?****No**

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Mudchute Children's Centre, Isle of Dogs

Provide capital funding to expand the buildings. This will enable the nursery provision to be doubled from 18 to 36 baby places, the playgroup provision to be doubled from 16 to 32 places, it will provide an additional 20 places for children at the breakfast club, an additional 20 places in the after school club, and allow the centre to take in up to 20 children each day during school holidays under an emergency holiday scheme. They have enough children on their waiting to immediately fill all new places that become available.

Capital spending for 2011-12: £590,750

Corporate Director's Comments

Mudchute was included in the capital round of the Early Years funding from the DfE in July 2010. The DfE withdrew £1.7m of capital funding for private and voluntary Early Years capital mainly for schemes such as Mudchute, which had not got to final contract close.

While there is undoubtedly need for additional places all settings need to be mindful of the additional revenue costs associated with expansion and the viability in the future of the provision.

There is no capital in CSF for this type of non-statutory provision.

To date there have been no announcements from the DfE of future funding for private and voluntary sector early years providers. Officers would advise members to consider the needs of the whole borough before deciding to fund this particular centre.

Any additional comments of the Chief Finance Officer

The Chief Financial officer would advise members to consider the needs of the whole borough before deciding to fund this particular centre.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	Proposal provides additional places which could mean additional resources to address inequality, but a further appraisal of provision for the whole borough would determine whether this proposal optimises the increase from an equalities perspective.
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	As above
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Docklands Heritage Boards

Corporate Director's Comments (Corporate Director- Resources)

It is estimated that each board would cost £600 to replace on a like for like basis.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE CONSERVATIVE PARTY**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Increase Contingency by £457,099

Corporate Director's Comments (Corporate Director- Resources)

The Council can make a decision to increase contingencies and this would increase the Councils capacity to deal with risk. This would offset some of the risks to which attention has been drawn in other comments relating to this amendment.

Any additional comments of the Chief Finance Officer

See above

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING**Does the change
involve a
reduction in staff?****NO****Does the change
involve a redesign
of the roles of
staff?****NO**

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Move £1m from General Reserves to a Reserve to Repay Debt With Excessive Interest Payments.

Corporate Director's Comments (Corporate Director- Resources)

The Council's overall debt is not particularly high compared with other similar authorities. However the Council does hold some debt at high interest and currently the HRA Subsidy rules mean it is not in the Council's financial interests to redeem that debt. When the HRA Subsidy is abolished, which is expected to be in 2012/13, the opportunity will be available to reduce costs by redeeming high interest debt. One way of signalling the Council's intention to do this would be by putting money aside in a reserve such as this.

Officers advice is that General Reserves need to be held at a level around the upper end of the policy range, 7.5% of budget requirement, because of the increased risks facing the Council as a result of funding cuts and other economic pressures. The allocation of an additional £3m to the reserve would meet this target and would ensure that General Reserves are replenished. Appendix F in the Budget Pack (pps 305-307) sets out this advice in detail.

However moving £1m of this money to a reserve to pay off debt would retain it for the Council and it would be available for other purposes if required, subject to a Cabinet decision.

Any additional comments of the Chief Finance Officer

See above

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	NO	
Does the change involve a redesign of the roles of staff?	NO	

Budget Motion moved by Cllr Stephanie Eaton (Liberal Democrat) seconded by Cllr Fozol Miah (Respect)

A. This Council notes that:

1. Tower Hamlets is required to reduce its budget by £72 million over 3 years.
2. Nonetheless the government has granted Tower Hamlets a special transition grant of £4.143 million.
3. The government has also introduced a pupil premium which will be worth approximately £9 million to support the education of the most deprived children in the Borough.
4. The government has also increased the ability of the Council to manage its finances efficiently and effectively with the removal of ring-fenced budgets.
5. Tower Hamlets Homes has been granted £95.4 million to improve the Borough's council housing stock.
6. The Mayor has stated his intention to review East End Life by May 2011.
7. Under the previous Labour administration the Council wasted funds on publicity photographs by millionaire fashion photographer Rankin; held a Senior Management Team awayday in a hotel in Greenwich; paid for expensive celebrity guest speakers at staff awards ceremonies; and presided over an inflated communications department.

B. This Council notes that the proposals put forward by the Mayor and Cabinet will ensure that:

1. Every children's centre will remain open.
2. Out-of-school hours activities will remain available for every child.
3. Homecare services for eligible residents will continue to be free; and Tower Hamlets will be the only local authority in the country to provide these services free.
4. Resident parking permits, visitor Scratch cards and short stay parking charges will be frozen at 2010/11 levels.

5. There will be no reductions to concessions at leisure centres and no increases above the rate of inflation in 'on the door' pay and play charges for sports and leisure facilities.
6. There will be no increases above the rate of inflation for hire of premises run by the arts and events team, e.g. for the Brady Centre.
7. Fees and charges will remain the same for street and market traders for 2011/12 for the third successive year.
8. Council tax will not increase in 2011/2012

C. This Council:

1. Supports the goals of the Mayor and Cabinet to protect front line services, and minimise job losses.
2. Supports the Mayor and Cabinet's approach to General Fund reserves, recognising that it is prudent to place additional resources in the General Fund reserves due to strategic financial risks.
3. Confirms that young people, employment and housing are among this Council's highest priorities.

D. This Council amends the budget put forward by the Mayor as follows:

1. To use previously unallocated capital funding of £2.9 million pounds in order to increase social housing, and release the following 'earmarked' reserves for the immediate benefit of the Borough:

Single status reserve £1 million

Chief Executive's reserve £0.7 million

This comprises a total of £4.6 million to be put to immediate use in major funding initiatives to reflect the Council's priorities of young people, employment and housing.

E. This Council resolves:

1. To apply £1.04million to support apprenticeships, leadership training and new graduate employment initiatives over 3 years. That the Corporate Directors of Development and Renewal and Children's Services bring forward proposals to be included the Mayor's forthcoming employment strategy.

A total of £1.04 million to develop apprenticeships, leadership training and new graduate employment initiatives in the borough.

2. To offer additional school subsidy for the Junior Youth Service and extended schools provision at the level of 2011/12. To do this by offering a ninth school £15K start up funding on the same basis as the Mayor's budget proposal and an additional £5K per school on the basis that they maintain prevailing charging policies for 2011/12. In so doing this Council will continue to support working and non working families who require after school childcare. The proposal is to support this service with a total of £0.06 million pounds in 2011/12.

A total of £0.06 million of support to families and schools for the provision of after school childcare and youth services.

3. To allocate £3.5 million of capital to increase affordable housing in the Borough. Measures to include but not limited to:

- knock-through of apartments to provide larger family sized accommodation – number to be determined by demand, suitability of site, and cost.
- Leaseholder buy-backs
- Development of new housing schemes (see below at 4.)

A total of £3.5 million to increase the supply of affordable housing in the Borough.

4. To make available the site at 585 - 593 Commercial Road E1 0HJ for development with the aim of maximizing the provision of high quality social rented housing

- The practice of removing and storing illegally parked vehicles at the car pound on 585 - 593 Commercial Road is to be discontinued. Therefore, the site will no longer be required for that use, and the land is available for development. The value of the land is approximately £5 million. Subject to planning permission and with the support of a development partner, making the site available for redevelopment provides an opportunity for substantial numbers of new homes in the Borough.

Approx £5.0 million land value to develop high quality social housing to provide a maximum number of social rented homes on the site of the former car pound at 585 - 593 Commercial Road.

F. This Council notes:

that as a result of these proposals the Tower Hamlets Council Tax at Band D for 2011/12 will remain at £885.52 and the Local Priorities Capital Programme for 2010/11 - 2013/14 will increase to £50.690m.

BUDGET COUNCIL

23rd February 2011

BUDGET REQUIREMENT & COUNCIL TAX 2011/12

BUDGET MOTION (AMENDMENT) FROM COUNCILLOR STEPHANIE EATON

“That Council: -

General Fund Revenue Budget Requirement and Council Tax 2011/2012

1. Agree a total Budget Requirement for Tower Hamlets in 2011/12 of £310,960,000.
2. Agree a Council Tax for Tower Hamlets in 2011/12 of £885.52 at Band D, as detailed in the table below: -

	As per Budget Motion	Revised
	2011/12	2011/12
	£	£
Adults Health & Wellbeing	97,003,000	97,003,000
Children's Schools and Families	75,241,000	75,301,000
Development and Renewal	17,276,000	17,276,000
Communities, Localities and Culture	69,302,000	69,302,000
Resources	10,213,000	10,213,000
Chief Executive's	12,280,000	12,280,000
Corporate/Capital	19,885,000	19,885,000
Total Directorate Budgets	301,200,000	301,260,000
Corporate Contingency	8,451,000	8,451,000
Provision for Apprenticeships, Leadership Training and Graduate Employment Initiatives		1,040,000
Funding from Reserves		-1,100,000
Provision for Future Growth	7,700,000	7,700,000
Contribution to Investment Reserve	2,900,000	2,900,000
Local Public Service Agreement	-700,000	-700,000
Parking Control Account	-6,333,000	-6,333,000
Efficiency Reserve	689,000	689,000
Funding for Accelerated Delivery Programme	-343,000	-343,000
Insurance Fund	500,000	500,000
Area Based Grant income	0	0
Contribution to General Balances	3,000,000	3,000,000
Council Tax Freeze Grant	-1,961,000	-1,961,000
Transitional Grant	-4,143,000	-4,143,000
Council Net Budget	310,960,000	310,960,000
	-	-
Formula Grant	229,672,580	229,672,580
Council Net Budget After Formula Grant	81,287,420	81,287,420
Collection Fund (Surplus)/Deficit	-2,549,420	-2,549,420
Net Budget Requirement	78,738,000	78,738,000
Council Tax Base	88,917	88,917
COUNCIL TAX AT BAND D	£885.52	£885.52

a) Resulting in a Council Tax for all other band taxpayers, before any discounts, and excluding the GLA precept¹, 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

¹ The GLA precept is a charge levied on local authorities by the Greater London Authority (GLA) to fund the Mayor of London's budget. It is a charge on the ratepayers of the local authority and is not a charge on the Mayor of London.

3. Agree that for the London Borough of Tower Hamlets in 2011/12:-

(a) 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	1,195.34

(b) 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

- 4 Approve the statutory calculations of this Authority's total Budget requirement in 2011/12, detailed in **Appendix A** to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 32 to 36 of the Local Government Finance Act 1992.
- 5 Approve the Capital Programme, Treasury Management Strategy, and Investment Strategy as set out in the Document Pack.

SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA

1. That the revenue estimates for 2011/2012 be approved.
2. That it be noted that, at its meeting on 12th January 2011, Cabinet calculated 88,917 as its Council Tax base for the year 2011/2012 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
3. That the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:

- | | | |
|-----|--------------|---|
| (a) | £984,694,000 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of The Act. [Gross Expenditure] |
| (b) | £673,734,000 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of The Act. [Gross Income] |
| (c) | £310,960,000 | Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of The Act, as its budget requirement for the year. [Budget Requirement] |
| (d) | £232,222,000 | Being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant and additional grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988 and reduced by the amount of any sum which the council estimates will be transferred from its general fund to its collection fund pursuant to the Collection Fund (Community Charges) directions under Section 98(5) of the Local Government Finance Act 1988. [Government Grants and Collection fund Adjustments] |
| (e) | £885.52 | Being the amount at 3(c) above, less the amount at 3(d) above, all divided by the amount at 2 above, calculated by the Council, in accordance with Section 33(1) of The Act, as the basic amount of its Council Tax for the year. [Council Tax] |

(f) **VALUATION** **LBTH**

BAND	£
A	£590.35
B	£688.74
C	£787.13
D	£885.52
E	£1,082.30
F	£1,279.08
G	£1,475.87
H	£1,771.04

Being the amount given by multiplying the amount at 3(e) 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 36(1) of The Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2011/12 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below.

VALUATION BAND	GLA £
A	206.55
B	240.97
C	275.40
D	309.82
E	378.67
F	447.52
G	516.37
H	619.64

5. That, having calculated the aggregate in each case of the amounts at 3(f) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	£796.60
B	£929.71
C	£1,062.53
D	£1,195.34
E	£1,460.97
F	£1,726.60
G	£1,992.24
H	£2,390.68

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLORS EATON & FOZOL MIAH

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Use of unallocated capital funding and earmarked reserves

Corporate Director's Comments (Corporate Director- Resources)

The £2.9m in available capital funding is set out in the Budget Pack on page 327 (paragraph 9.4). £2.340m of this is set aside for housing purposes.

Earmarked reserves are held for various purposes against identified risks or future expenditure. Appendix F in the Budget Pack (pps 305- 310) sets out general advice on reserves.

In relation to these specific reserves;

- The Single Status reserve was established to pay backfunded costs of the single status agreement reached with the staff side in 2007. As time goes by the risk of further calls on the reserve diminishes and is now considered to be fairly low. If this reserve is utilised then any funding required for the Single Status agreement would need to be found from other sources; most likely General Fund Reserves.
- The Chief Executive's Reserve has been held by successive Chief Executives as against the risk of unforeseen circumstances requiring urgent action by the Chief Executive. (An example might be a serious case of child death requiring an urgent investigation). The allocation proposed here would reduce the size of the reserve by half but would leave sufficient resources for most imaginable situations.

Any use of reserves can only be seen as providing temporary one-off funding and again the proposals are consistent this. Using reserves of any kind diminishes the Council's capacity to deal with risk and to allocate funding in emergencies and therefore increases the risk profile of the budget.

Any additional comments of the Chief Finance Officer

See above

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING**Does the change involve a reduction in staff?****NO****Does the change involve a redesign of the roles of staff?****NO**

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY COUNCILLORS EATON & FOZOL MIAH**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

To apply 1.04 million earmarked reserves to support apprenticeships, leadership training and new graduate employment initiatives over 3 years. That the Corporate Directors of Development and Renewal and Children's Services bring forward proposals to be included the Mayor's forthcoming employment strategy

Corporate Director's Comments

Proposals to utilise this resource in the manner set out in the motion will be brought forward alongside publication of the councils employment strategy no later than the end of the first quarter of 2011/12.

Any additional comments of the Chief Finance Officer

Any use of reserves can only be seen as providing temporary one-off funding and again the proposals are consistent this. Using reserves of any kind diminishes the Council's capacity to deal with risk and to allocate funding in emergencies and therefore increases the risk profile of the budget.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	yes	It increases the likelihood that we will be able to support people out of work, into a job.
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING**Does the change involve a reduction in staff?****No****Does the change involve a redesign of the roles of staff?****No**

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY COUNCILLORS EATON & FOZOL MIAH**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

To offer additional school subsidy for the Junior Youth Service and extended schools provision at the level of 2011/12. To do this by offering a ninth school £15K start up funding on the same basis as the Mayor's budget proposal and an additional £5K per school on the basis that they maintain prevailing charging policies for 2011/12. In so doing this Council will continue to support working and non working families who require after school childcare. The proposal is to support this service with a total of £0.06 million pounds in 2011/12.

Corporate Director's Comments

We have sign up from 9 schools who are very committed to operating after school childcare services. These schools have been assisted with a specialist business planner to put in place a robust plan which demonstrates the viability of the service in term time between 4 and 6pm. We have also given schools training on how to claim the Working Families Tax Credit to which families on low incomes can have recourse for help with fees. Informal discussions with two Schools has indicated that with the additional proposed subsidy of 5K they would be prepared to offer the service at prevailing fees to working and non working parents in 2011/12.

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

None

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
CHANGES TO A SERVICE		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	This proposal is designed to ensure after school childcare remains at prevailing rates during 2011/12.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
CHANGES TO STAFFING		
Does the change involve a	No	

reduction in staff?		
Does the change involve a redesign of the roles of staff?	No	

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY COUNCILLORS EATON & FOZOL MIAH**

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

To allocate £3.5 million of capital to increase affordable housing in the borough

Corporate Director's Comments

All the potential measures are achievable if funding is available.

Knock – through ----these are determined not only by demand but also be availability i.e. where there are voids, drying rooms etc. that can be utilised, and any engineering or building control/planning constraints

Any additional comments of the Chief Finance Officer

None

Any additional comments of the Assistant Chief Executive (Legal Services)

Knock through require legal agreements.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	This proposal should help reduce poor quality and overcrowded property in the Borough
CHANGES TO A SERVICE		
Does the change alter access to the service?	Yes	This proposal should help reduce poor quality and overcrowded property in the Borough
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

CHANGES TO STAFFING		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLORS EATON & FOZOL MIAH

The following sets out comments by officers on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Proposal

Alternative use of 585-589 Commercial Road (former Renault Garage)

Corporate Director's Comments

This site is owned by the Council and a desktop valuation has been undertaken that it is worth approximately £5m on the current market.

The site is currently in use as a car pound, used for storing vehicles which have been removed from the streets until they can be reclaimed by their owners. The intention is to change the policy on removing vehicles unless they present a danger or obstruction to the highway. A smaller site will need to be identified to securely store this smaller number of vehicles. Once this has been done the Commercial Road pound will no longer be required, and it should be possible to release it to other purposes during 2011/12.

Making the land available as part of a housing development is a potential use for the land.

Any additional comments of the Chief Finance Officer

The sale or transfer of the land will need to be the subject of a separate Cabinet decision as part of the approval of a housing scheme. Any further financial implications would need to be set out in that report.

Any additional comments of the Assistant Chief Executive (Legal Services)

The sale of land is subject to S123 of Local Government Act 1970 to achieve best consideration.

Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
CHANGES TO A SERVICE		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	YES	The sale of the land would generate a capital receipt for the authority which could be used as part of a housing scheme or for other purposes.
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

CHANGES TO STAFFING**Does the change
involve a
reduction in staff?****NO****Does the change
involve a redesign
of the roles of
staff?****NO**