



## **TABLED DOCUMENTS**

### **EXTRAORDINARY BUDGET COUNCIL MEETING**

**TUESDAY 8<sup>TH</sup> MARCH 2011**

### **AMENDMENTS NOTIFIED IN ACCORDANCE WITH COUNCIL PROCEDURE RULES**

#### **AGENDA ITEM NO. 4 – 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.**

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# Agenda Item 4

## Agenda item 4: BUDGET AND COUNCIL TAX 2011/12

Amendment proposed by: Councillor Helal Abbas

Seconded by: 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.
4. Assurances that after school childcare provision (formerly part of the Junior Youth Service) can be maintained in nine schools, open to working and non-working parents with no increase in charges and with no reduction in the number of places, can be provided at a total cost to the Council of £180,000.

### **This Council believes:**

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

### **This Council welcomes:**

1. The inclusion in the Mayor's revised budget motion of those Labour Group amendments which he accepted at the budget meeting on 23 February.
2. The additional 21 police officers proposed to be funded by the Community Safety Fund allocated to the borough by the Greater London Authority, drugs action funding and Metropolitan Police Authority funding allocated by the Borough Police Commander, but notes that these additional police should be seen in the context of:
  - The Joint Enforcement Teams comprising 20 police officers that the Council paid for in 2009/10 and 2010/11 coming to an end on 31 March 2011
  - The comment in the letter from the London Deputy Mayor for Policing that "... the Home Office has identified that the Community Safety Funding will reduce further for 2012/13 meaning a 60% reduction in total on the 2010/11 baseline"
  - Reports that there may be a reduction in the number of Police Sergeants in Safer Neighbourhood Teams across London including Tower Hamlets
  - Reports that there has been a fall in the number of police officers in post over the last two years.

**This Council resolves** to amend the Independent Mayor's revised budget motion as follows:

1. To include funding of £180,000 for after school childcare provision in the budget on an ongoing basis, rather than as seed funding in 2011/12 only.

2. East End Life - in line with the Government's Local Authority Publicity Code to reduce publication to quarterly with a saving of £200,000.
3. 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 net saving in 2011/12 of £25,000 and a net saving in 2012/13 of £180,000. The Mayor to investigate whether the cost of paying for the additional police officers can be reduced by making use of the "buy one, get one free" offer from the Metropolitan Police Authority.
- 4 Invest £25,000 in children's play projects.
5. Confirm a Council Tax for Tower Hamlets of £885.52 at Band D for 2011/12, which is no increase on 2010/11.

This Council further resolves:

1. That the use of funding for the employment initiatives proposal accepted by the Mayor should be the subject of detailed plans in respect of outputs and providers as a part of his Employment Strategy. The Strategy should be brought to the Overview and Scrutiny Committee for review and to the Full Council for agreement.
2. That the buy-back element of affordable housing proposal accepted by the Mayor should be subject to an appraisal of whether buy-backs represent the best value for money as a way of increasing the supply of family-sized or other affordable housing, and if they do not represent best value, make use of other options for increasing affordable housing.
3. 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.
4. 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.

**PROPOSED AMENDMENTS TO THE MAYORS REVISED BUDGET MOTION BY THE LABOUR GROUP**

		£m
Budget Requirement (as per pack)		310.960
	Budget increases	Budget reductions (funding)
Invest in Childrens Play Projects	0.025	
Community Safety		0.025
Net change		0.000
Revised budget requirement		310.960
Formula Grant		-229.673
Collection Fund		-2.549
	Council Tax Requirement	78.738
	Council Tax Base	88917
Council Tax	Band A	590.35
	Band B	688.74
	Band C	787.13
	Band D	885.52
	Band E	1082.30
	Band F	1279.08
	Band G	1475.87
	Band H	1771.04

**BUDGET COUNCIL**

**8<sup>th</sup> March 2011**

**BUDGET REQUIREMENT & COUNCIL TAX 2011/12**

**BUDGET AMENDMENT FROM COUNCILLOR HELAL ABBAS**

**“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;

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

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

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	<hr/> 1,195.34 <hr/>

- (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: -

<b>BAND</b>	<b>PROPERTY VALUE</b>		<b>RATIO TO BAND D</b>	<b>LBTH</b>	<b>GLA</b>	<b>TOTAL</b>
	<b>FROM</b>	<b>TO</b>				
A	0	40,000	<sup>6</sup> / <sub>9</sub>	£590.35	£206.55	£796.90
B	40,001	52,000	<sup>7</sup> / <sub>9</sub>	£688.74	£240.97	£929.71
C	52,001	68,000	<sup>8</sup> / <sub>9</sub>	£787.13	£275.40	£1,062.53
D	68,001	88,000	<sup>9</sup> / <sub>9</sub>	£885.52	£309.82	£1,195.34
E	88,001	120,000	<sup>11</sup> / <sub>9</sub>	£1,082.30	£378.67	£1,460.97
F	120,001	160,000	<sup>13</sup> / <sub>9</sub>	£1,279.08	£447.52	£1,726.60
G	160,001	320,000	<sup>15</sup> / <sub>9</sub>	£1,475.87	£516.37	£1,992.24
H	320,001	and over	<sup>18</sup> / <sub>9</sub>	£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 12<sup>th</sup> 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) £987,921,000 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) £676,961,000 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)	<b>VALUATION BAND</b>	<b>LBTH £</b>
	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.

<b>VALUATION BAND</b>	<b>GLA £</b>
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:-

<b>VALUATION</b>	<b>TOTAL COUNCIL TAX</b>
<b>BAND</b>	<b>£</b>
A	£796.60
B	£929.71
C	£1,062.53
D	£1,195.34
E	£1,460.97
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H	£2,390.68

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## OFFICER COMMENTS ON LABOUR GROUP AMENDMENT

The financial elements of the amendment represent a lawful and balanced budget amendment. Detailed comments on the items included in the amendment have been provided in previous Budget Council papers.

All four items under the heading "The Council further resolves" should not be considered part of the budget and should be considered merely as recommendations to the Mayor. In the case of Item 3, any report made by the Overview & Scrutiny Committee under the Constitution would be made to the Cabinet.

The proposal to require the Employment Strategy to be brought to the Full Council for agreement will require a change to the Council's Budget and Policy Framework and should therefore be referred for consideration by the Constitution Working Party.

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# Conservative Group Budget Amendment

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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 the Town Hall continues to waste money;
3. That residents have not been consulted over the budget proposals;
4. That the 34 residents who attended focus groups on the budget were concerned by the cost of East End Life.

## **This Council will:**

5. Discontinue East End Life, and carry out statutory advertising through other newspapers. Compared to the Mayor's amended plans, this will provide a further saving of £50,000 in 2011/12.
6. Provide an additional 17 police officers, 1 for each ward. Under Mayor Boris Johnson's recently announced 'Buy One Get One Free' scheme for police officers, he would provide match funding for these posts and therefore provide an additional 17 police officers. This would lead to a total of 34 new police officers for Tower Hamlets. To fund the Council's new police officers, we would end the Tower Hamlets Enforcement Officer programme. This would provide a budget saving of £25,000 in 2011/12.
7. Spend the £75,000 savings on road repairs, in particular on mending pot holes, to take account of the high wear and tear caused by the hard winter.

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**PROPOSED AMENDMENTS TO THE MAYORS REVISED BUDGET MOTION BY THE CONSERVATIVE GROUP**

		£m
Budget Requirement (as per pack)		310.960
	Budget increases	Budget reductions (funding)
Invest in Road Repair	0.075	
East End Life		0.050
Community Safety		0.025
Net change		0.000
Revised budget requirement		310.960
Formula Grant		-229.673
Collection Fund		-2.549
	Council Tax Requirement	78.738
	Council Tax Base	88917
Council Tax	Band A	590.35
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**BUDGET COUNCIL**

**8<sup>th</sup> March 2011**

**BUDGET REQUIREMENT & COUNCIL TAX 2011/12**

**BUDGET AMENDMENT FROM COUNCILLOR DAVID SNOWDON**

**“That Council: -**

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G	£1,992.24
H	£2,390.68

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## **OFFICER COMMENTS ON CONSERVATIVE GROUP AMENDMENT**

The financial elements of the amendment represent a lawful and balanced budget amendment.

Comments on the additional proposal included in the amendment are attached.

**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**

Adding an extra £75,000 to Road Repairs

**Corporate Director's Comments**

There are a range of options for which an additional £75,000 added to the Highways Maintenance Budget for Road Repairs could be utilised, a selection of these is set out below:

1. Resurface whole carriageway in approx 5 residential streets of 75 - 100m in Length.  
Or
2. Repave entire footways in 2 streets of similar length  
Or
3. Catch up with the backlog of patching potholes and footway defects - permanent spot fixes to 150 of the worst minor potholes/cracked paving.

**Any additional comments of the Chief Finance Officer**

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

### 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	
<b>CHANGES TO A SERVICE</b>		
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	

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