



Meeting of the

Tower Hamlets Council

Supplemental Agenda

Wednesday, 28 February 2024 at 7.00 p.m.

VENUE

Council Chamber,
Whitechapel Town Hall
160 Whitechapel Road,
London E1 1BJ

Further information about this meeting is available in the main agenda.

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London Borough of Tower Hamlets

Council



Supplemental Agenda

Wednesday, 28 February 2024

7.00 p.m.

5. BUDGET AND COUNCIL TAX 2024/25

Pages 3 - 15

- Budget Amendment from the Labour Group
- Budget Amendment from Councillor Nathalie Bienfait
- Amendment - Appendix A of Annex 1 (Council Tax resolution) has been updated to amend Tower Hamlets' Band B Council Tax from £963.52 to £936.52.

6. DESIGNATION OF MONITORING OFFICER

Pages 17 - 19

To consider the report of the Chief Executive on the designation of the Monitoring Officer for the Council.



Budget 2024/25 – Labour Group Amendment

Alternative Savings

Reduce – Bengali Comms Team Growth (GRO/CEO/003/2024-25) to £120,000 instead of £505,000

Delete – Secretarial support for Chairs of committees (£114,000)

Delete – market supplements for Legal Services staff (GRO/CEO/001/2024-25) (£100,000)

Delete – Love Tower Hamlets promotion activity (GRO/CEO/004/2024-25) (£300,000)

Amend – Mayor’s Office restructure savings by adding an additional £1.4 million savings to the original target of £327,000, leaving a total budget of £468,000 (SAV/COP/003B/2024-25)

Alternative Expenditure

Delete – Replace Increase Council Tax by 3 per cent in 2024/25 with 1.5 per cent (£2 million)

Invest - £114,000 in providing Democratic Services support for additional Housing Scrutiny Sub-committee meetings and new Public Realm & Community Safety and Finance Sub-committees.

Reinvest £330,000 savings from lower Council Tax increase to extend the Council Tax Relief Scheme to the 2 per cent Adult Social Care increase.

Reinvest – the £100,000 for Legal Services in one-off funding for Tower Hamlets Community Advice Network (THCAN) to support residents affected by Social Security cuts and bad decisions by Tower Hamlets Council.

Invest – Use LBTH’s share of the £500 million additional funding for Social Care [announced on 24th January 2024](#) to cover the additional social care costs in the Budget and use the £3 million released from the General Fund in 2024/25 for an anti-poverty support for Tower Hamlets poorest residents, along the lines of the utilisation of the Government’s Household Support Fund in 2023/24, plus

- Adding £250,000 for an increase in the Standard Utilities Allowance used in the determination of Homecare charges from £5 a week to £15 a week;
- To allocate a sum of £250,000 to top-up the Discretionary Housing Payment funding pot to the same level as 2021/22 to support more tenants facing shortfalls;
- Set aside a total sum of £150,000 to award one-off grants to the voluntary food-banks operating in Tower Hamlets in 2022/23;
- Add a further £200,000 to LBTH’s own Residents Support Scheme pot to help those who are unable to afford essential white goods or utility bills;
- Allocate an additional sum of £150,000 to the School Uniform Grant funding to enable an increase in the £110 allowance per child agreed in 2019/20 and a second payment;

Housing Revenue Account (HRA)

Amend the 7.7 per cent increase in rents so that the maximum increase is capped at £10 a week to protect council tenants living in newly-built properties let at higher rent levels.

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLOR FRANCIS

The following sets out comments by the Section 151 Officer and the Monitoring Officer 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.

Comments of the Chief Financial Officer

The proposed amendments have been reviewed by the Chief Finance Officer.

The proposal to reduce the Bengali Media Team Growth Bid would reduce annual expenditure by £385k.

The proposal to delete secretarial support for Chairs of committees would reduce annual expenditure by £114k.

The proposed deletion of the growth for legal services will not eliminate the cost pressures in that area. The growth bid was to address market costs being experienced in the service.

The proposal to delete Love Tower Hamlets promotion activity would reduce annual expenditure by £300k in both 24/25 and 25/26. In 26/27 the reduction would be £234k.

The proposal to amend the Mayor's Office restructure savings by adding an additional £1.4 million to the original savings target of £327,000 would reduce expenditure by £1,400k in 24/25 and £1,247k in future years as an additional £153k saving is included in the MTFS from then.

The proposal to reduce the general Council Tax increase to 1.5% would reduce income by £1.6m a year (after adjusting for the Council Tax Cost of Living Fund). This is £4.8m over the three years.

The proposal to invest £114,000 in providing Democratic Services support for additional Housing Scrutiny Sub-committee meetings and new Public Realm & Community Safety and Finance Sub-committees would increase expenditure by £114k annually.

The proposal to reinvest £330,000 savings from lower Council Tax increase to extend the Council Tax Relief Scheme to the 2 per cent Adult Social Care increase would increase expenditure. Based on the budget in the MTFS a £658k fund for a 2.99% increase was required. Therefore, a fund to cover the 2% Adult Social Care increase would cost £439k.

The proposal to reinvest the £100,000 in one-off funding for Tower Hamlets Community Advice Network (THCAN) to support residents would increase expenditure by £100k in 24/25.

The proposal to release £3m to the General Fund by applying the additional Social Care grant would reduce the amount of funding available for social care in the budget. The amount has been set aside to offset the risk from increasing pressures in social care. These proposals would increase expenditure by £3m.

Whilst acceptable, the overall proposal does not meet the MTFS objective of producing a sustainable MTFS that does not rely on the use of reserves to fund ongoing expenditure.

The Council has a legal responsibility to set a HRA business plan that is balanced within its approved parameters across all 30 years. The rent cap of a £10 per week rent increase results in the business plan being out of balance from years 17 to 19 and in year 22. The cumulative loss of income is £14m. Therefore, further savings would need to be made within the HRA to accommodate the rent cap and deliver a balanced HRA business plan.

Proposal	24/25 £000	25/26 £000	26/27 £000
Reduce – Bengali Media Team Growth Bid to £120,000 instead of £505,000	(385)	(385)	(385)
Delete – Secretarial support for Chairs of committees	(114)	(114)	(114)
Delete – market supplements for Legal Services staff (cost pressures remains so no saving)	0	0	0
Delete – Love Tower Hamlets promotion activity	(300)	(300)	(264)
Amend – Mayor’s Office restructure savings by adding an additional £1.4 million	(1,400)	(1,247)	(1,247)
Replace Increase Council Tax by 3 per cent in 2024/25 with 1.5 per cent	1,961	2,109	2,274
Corresponding reduction in Council Tax Cost of Living Support Fund	(329)	(352)	(379)
Invest - £114,000 in providing Democratic Services support	114	114	114
Extend the Council Tax Cost of Living Scheme to the 2 per cent Adult Social Care increase	439	469	505
One-off funding for Tower Hamlets Community Advice	100	0	0
Social Care Grant Redistribution (needed to fund pressures in social care so no saving)	0	0	0
Household Support Fund & Other Proposals	3,000	3,000	3,000
Additional Cost of Amendments	3,086	3,294	3,504
MTFS Surplus after Approved Drawdown of Reserves	(6,915)	(10,218)	(2,023)
Budget Gap / (Surplus) after Amendments	(3,829)	(6,924)	1,481

Comments of the Monitoring Officer

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if any of the amendments are adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.

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Cllr Bienfait Green Budget Amendment 2024

Proposed: Cllr Nathalie Bienfait

Seconded: Cllr Peter Golds

Summary:

We are facing a climate and ecological crisis, as well as an air pollution crisis here in inner-London. The continued reliance of residents on cars to travel around the borough is contributing to these problems and should be actively disincentivised by the council. In addition, cars take up space which has a physical impact on our public realm. Given that space comes at a premium in Tower Hamlets, it is only just that car owners and drivers are prepared to contribute to the social cost of their car use on the general public. Currently, the charges to park a car in Tower Hamlets are relatively low and do not reflect the true cost of cars on our community.

Therefore, I have used a calculation developed by the Countryside Charity (CPRE London) which calculates the cost of parking in relation to the cost of real estate values in London. Using this calculation, we generate significantly more revenue for the council than we are currently getting from parking charges.

I have considered how we might use the difference to give back to the most vulnerable in our society and tackle climate issues at the same time. The proposals below do not come close to using the full amount generated, therefore it is clear just how much revenue the council is missing out on by significantly under-charging for parking in the borough.

Proposal 1: Increase parking charges in line with the CPRE London Parking Policy Benchmark Assessment Tool. They recommend a minimum charge of £150 per year for the lowest bands with differentiated levels for vehicles with larger engines. To apply this to Tower Hamlets would generate the following in the next 3 years for the parking reserve account:

- 2024-25 income generated (£m): £17.0m
- 2025-26 income generated (£m): £17.1m
- 2026-27 income generated (£m): £17.1m

Notes:

- The cheapest band for residents is for 'Electric Band 1 - Battery size 1-59 KWH'; £36 for 12 months. Raising this to £150 is a 317% increase. For the purpose of this calculation all other residents permit charges have been increased by 317%.
- Future year estimates assume no change in the number of permits, but the charges are adjusted for CPI based on forecasts by the OBR (Office for Budget Responsibility).
- Parking revenue is ring-fenced and must remain within the Highways budget; however it is calculated that parking funds can displace funding from the General Fund account in order to fund other projects of the council.

Proposal 2: Expand full council tax reduction scheme to include those households who are currently qualify for the tapered reduction scheme. This would include an additional 7,767 households and could be expanded further by changing the requirements for who is included. The number of households qualifying for council tax reduction has decreased since

last year, however those qualifying for tapered reduction has increased. We still have approximately 6% of the population of Tower Hamlets not able to afford their council tax bill. I am convinced that we as a council take steps to protect the most economically vulnerable from the current very high costs of living.

Expanding the tapered reduction scheme would be a maximum cost of £10 per week per claimant, so 7,767 x 521.43 per year (£10/7 * 365).

Total £3,179,776.76 per year assuming no change to eligibility requirements and £9,539,330.28 over 3 years.

Notes:

- Because parking revenue is ring-fenced for Highways spending, funding into Highways from the General Fund would need to be found to displace this council tax reduction scheme.
- It is also assumed that this is the very minimum of households who could benefit from this scheme. In total in Tower Hamlets there are currently 19,970 working-age claimants.

Proposal 3: install additional bike parking across Tower Hamlets with a particular emphasis on installing individual lockers on estates where residents are more likely to live in properties with limited room to store bicycles. Proposed additional 600 individual cycle lockers on estates and 200 additional on-street bike hangars each year for 3 years.

- 200 on-street bike hangars: £1m per year
- 600 individual cycle lockers on estates: £0.6m per year

Total: £1.6m per year and £4.8m over 3 years

Notes:

- Important to note that this is capital expenditure being funded from revenue generated by parking.
- Ring-fenced parking revenue can be spent on Highways and Asset Management projects, so no need to displace General Funds.

Proposal 4: finance Highways projects which were left unfunded during the budget year 2023-24 because TfL suspended LIP payments totalling £1.13m. This pot is used by the Highways team to finance projects such as traffic calming and pedestrian improvements to pavements. For the past year, the team has been stuck in the development stages of all their projects because TfL suspended the payment of the Local Infrastructure funding to Tower Hamlets last year. The Administration also did not see fit to properly fund this workstream in light of the suspension of this pot.

This year (2024-25), Tower Hamlets will be awarded around £372,000 by TfL, which is welcome, however does not address the historical shortfall in this vital area of council work. My proposal therefore seeks to bridge the gap in funding and highlight just how little money is needed to make significant changes to the public realm that our residents and visitors experience on a daily basis.

- Financing projects for the previous financial year costs in 2024-25: £1.13m
- 2025-6: no cost

- 2026-7: no cost

Notes:

- Seeing as the funding stream for this proposal (parking charge increases) comes from the Highways budget, there would be no need to displace General Fund funds to ensure budgets are properly ring-fenced.

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLOR BIENFAIT

The following sets out comments by the Section 151 Officer and the Monitoring Officer 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.

Comments of the Chief Financial Officer

The proposed amendments have been reviewed by the Chief Finance Officer.

The £17 million income estimates through increased parking charges assumes demand remains stable.

Changes to the Council Tax Reduction Scheme must follow the statutory process including a consultation. This can take place in 24/25 for implementation from 1st April 2025. £10/week would be the maximum cost if the £10 was the capped increase for those currently on a tapered rate.

The proposal to install bike parking would cost £1.6 million a year.

The proposed highways invest would cost £1.13 million in 2024/25.

Proposal	24/25 £000	25/26 £000	26/27 £000
Increase parking charges	(17,000)	(17,100)	(17,100)
Expanding the tapered reduction scheme	0	3,180	3,180
Install additional bike parking across Tower Hamlets	1,600	1,600	1,600
Finance Highways projects	1,130	1,130	1,130
Additional Net Income from Amendments	(14,270)	(11,190)	(11,190)
Surplus after Approved Drawdown of Reserves before Amendments	(6,915)	(10,218)	(2,023)
Budget Gap / (Surplus) after Amendments	(21,185)	(21,408)	(13,213)

Comments of the Monitoring Officer

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if

any of the amendments are adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 28 FEBRUARY 2024
COUNCIL TAX RESOLUTION**

1. That the revenue estimates for 2024-25 be approved.
2. That it be noted that, at its meeting on 3 January 2024, Cabinet agreed 114,747 as its **Council Tax base** for the year 2024-25 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
3. That the following amounts be now calculated by the council for the year 2024-25 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:
 - a) £1,477,223,042 Being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of The Act. [**Gross Expenditure**]
 - b) £1,339,055,032 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of The Act. [**Gross Income**]
 - c) £138,168,010 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 31A(4) of The Act, as its council tax requirement for the year. (Item R in the formula in Section 31B of The Act). [**Council Tax Requirement**]
 - d) £1,204.11 Being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of The Act, as the basic amount of its Council Tax for the year. [**Council Tax**]

4. Being the amount given by multiplying the amount at 3(d) 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. **Tower Hamlets Council Tax:**

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£802.74	£936.52	£1,070.32	£1,204.11	£1,471.70	£1,739.27	£2,006.85	£2,408.22

5. That it be noted that for the year 2024-25 the **Greater London Authority (GLA)** 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 dwellings shown below:


Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£314.27	£366.64	£419.02	£471.40	£576.16	£680.91	£785.67	£942.80

6. That, having calculated the aggregate in each case of the amounts at 4 and 5 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 2024-25** for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£1,117.01	£1,303.16	£1,489.34	£1,675.51	£2,047.86	£2,420.18	£2,792.52	£3,351.02

7. That the council hereby determines in accordance with Section 52ZB of the Local Government Finance Act 1992, that its relevant basic amount of Council Tax for 2024-25 is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Local Government Finance Act 1992. As the billing authority, the council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2024-25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

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Non-Executive Report of the: Council Wednesday 28 February 2024	 TOWER HAMLETS
Report of: Stephen Halsey, Chief Executive	Classification: Unrestricted
Designation of Monitoring Officer	

Originating Officer(s)	Matthew Mannion, Head of Democratic Services
Wards affected	All Wards

Special Circumstances Justifying Urgent Consideration

This report was not available at the time the agenda was published because it was not known at that time that the previous Director of Legal Services would have left the authority 's employment before this meeting of Council. The report should be taken at this meeting because, given the key role that the Monitoring Officer plays regarding governance and probity it is considered that Council should endorse the decision to designate a new Monitoring Officer at the earliest opportunity.

Executive Summary

The previous Director of Legal Services has recently left the Authority's employment. This means that the Council was left without a designated Monitoring Officer.

The Council therefore needed to designate a new Monitoring Officer at the earliest opportunity.

This report asks Council to endorse such a designation.

Recommendations:

The Council is recommended to:

1. Endorse Linda Walker's designation as Monitoring Officer for the Council.

1. REASONS FOR THE DECISION

- 1.1 The Council is required to designate an appropriate person to the role of Monitoring Officer. The Council's Constitution in Part B Section 25 sets out the statutory officer designations and the Director of Legal Services is designated as Monitoring Officer.

2. ALTERNATIVE OPTIONS

- 2.1 No alternative options are presented as the Council's Constitution provides for the designation of the Director of Legal Services as the Council's Monitoring Officer.

3. DETAILS OF THE REPORT

- 3.1 The position of Monitoring Officer (MO) is one that local authorities are required to have under the Local Government and Housing Act 1989.
- 3.2 The Council's Constitution sets out the main duties of the Monitoring Officer including around issues such as maintenance of the constitution; ensuring lawfulness and fairness of decision making; supporting the Standards Advisory Committee; and dealing with the Member Code of Conduct.
- 3.3 The Council's previous Director of Legal Services who was designated as Monitoring Officer, Janet Fasan, has recently left the Council's employment.
- 3.4 The role therefore fell vacant and needed to be filled.
- 3.5 The Chief Executive is intending to recruit permanently to the vacant Director of Legal Services post as soon as possible but in the interim, in line with his Constitutional powers governing appointments of up to six months (Section 38 Officer Employment Procedure Rules, Paragraph 5), he has undertaken a search for an appropriate individual with relevant experience to take on the role of Interim Director of Legal Services until that recruitment process has concluded.
- 3.6 He has appointed Linda Walker to this post who in line with the provision in the Council's Constitution should also be designated Monitoring Officer. Council is asked to endorse this designation.
- 3.7 Linda Walker has undertaken the role of Monitoring Officer at Slough, Cambridgeshire and Rother Councils and Deputy Monitoring Officer at Nottinghamshire.

4. EQUALITIES IMPLICATIONS

- 4.1 None specific to this report but the Monitoring Officer has an important role in ensuring the Council meets its equalities requirements.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 The Council is required to have a designated Monitoring Officer and would be failing in its Best Value and other statutory duties without such an appointment.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 There is a substantive budget for the post which will be used fund the costs of the appointment..

7. COMMENTS OF LEGAL SERVICES

7.1 The legal implications are set out in the body of this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- None.

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None.

Officer contact details for documents:

N/A

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