



Meeting of the

# **TOWER HAMLETS COUNCIL**

---

## **BUDGET MEETING**

---

**Wednesday, 23 February 2011 at 7.30 p.m.**

---

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

---

#### **VENUE**

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

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

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



Chief Executive's  
Directorate

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

Tel       **020 7364 4204**  
Fax       **020 7364 3232**

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

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

You are summoned to attend a meeting of the Council of the London Borough of Tower Hamlets to be held in **THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON, E14 2BG** at **7.30 p.m.** on **WEDNESDAY, 23 FEBRUARY 2011**

Kevan Collins  
**Chief Executive**

# LONDON BOROUGH OF TOWER HAMLETS

## BUDGET COUNCIL MEETING

WEDNESDAY, 23 FEBRUARY 2011

7.30 p.m.

PAGE  
NUMBER

### 1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 2. DECLARATIONS OF INTEREST

1 - 2

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

### 3. TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE CHAIR OF COUNCIL OR THE CHIEF EXECUTIVE

### 4. TO RECEIVE PETITIONS

3 - 4

The Council's constitution provides for the Budget Council Meeting to receive a maximum of three petitions, which must relate to the Council's budget or the setting of the Council Tax.

The deadline for submission of petitions for this meeting is Noon on Thursday 17<sup>th</sup> February 2011. Details of the petitions that were received before agenda despatch are set out in the attached report. Any further valid petitions that may be received by the deadline will be notified to Members before the meeting.

### 5. BUDGET AND COUNCIL TAX 2011/12

#### 5.1 Report of the Cabinet Meeting of 9th February 2011

5 - 8

To consider the proposals of the Mayor and Executive in relation to the Council's Budget and Council Tax 2011/12.

**The Budget Council Meeting Document Pack** is circulated with this agenda. The pack includes the report of the Cabinet Meeting of 9<sup>th</sup> February 2011; the Budget Motion from the Cabinet Member for Resources; the report of the Corporate Director, Resources as submitted to the Overview and Scrutiny Committee and the Cabinet; and supporting documents updated in accordance with the Cabinet's recommendations. For ease of reference an index to the items contained in the Budget Council Meeting Document Pack is attached.



# Agenda Item 2

## DECLARATIONS OF INTERESTS - NOTE FROM THE CHIEF EXECUTIVE

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

### Declaration of interests for Members

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

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

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

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

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

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

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

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

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

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

**LONDON BOROUGH OF TOWER HAMLETS**

**COUNCIL BUDGET MEETING**

**WEDNESDAY 23<sup>rd</sup> FEBRUARY 2011**

**PETITIONS**

**REPORT OF THE SERVICE HEAD,  
DEMOCRATIC SERVICES**

## **SUMMARY**

1. The Council's constitution as amended provides that a maximum of three petitions are received at any meeting. These are taken in order of receipt. This report sets out the valid petition(s) submitted for presentation at the Council's Budget Meeting on Wednesday 23<sup>rd</sup> February 2011. Petitions to the Budget Meeting must relate to the Council's Budget or the setting of the Council Tax.
2. The deadline for receipt of petitions for this meeting is noon on Thursday 17<sup>th</sup> February 2011. Any further valid petitions received by the deadline will be notified to Members before the meeting.
3. In each case the petitioners may address the meeting for no more than three minutes. Members may then question the petitioners for a further four minutes. Finally, the relevant Cabinet Member or Chair of Committee may respond to the petition for up to three minutes.
4. Any outstanding issues will be referred to the relevant Corporate Director for attention who will respond to those outstanding issues in writing within 28 days.
5. Members should confine their contributions to questions and answers and not make statements or attempt to debate.

**5.1 Petition from Mr. Terry McGreenera and others regarding the Council's budget strategy:-**

"We, the undersigned, are petitioning that the Council change its strategy to reduce the deficit imposed by the Government."



# Agenda Item 5.1

COMMITTEE	DATE	CLASSIFICATION	REPORT NO.	AGENDA NO.
<b>Council (Budget Meeting)</b>	<b>23<sup>rd</sup> February 2011</b>	<b>Unrestricted</b>		
REPORT OF: <b>Assistant Chief Executive (Legal Services)</b>	TITLE: <b>Budget and Council Tax 2011/12</b>			
ORIGINATING OFFICER(S): <b>John Williams, Service Head, Democratic Services</b>	Ward(s) Affected: All			

## 1. Summary

- 1.1 The papers relating to the proposals of the Mayor and Executive for the Authority's Budget and Council Tax 2011/12 are set out in the Budget Council Meeting Document Pack circulated with the agenda for the Council Meeting.
- 1.2 The Document Pack includes the report of the Cabinet Meeting of 9<sup>th</sup> February 2011; the Budget Motion from the Cabinet Member for Resources; the report of the Corporate Director, Resources as submitted to the Overview and Scrutiny Committee and the Cabinet; and supporting documents updated in accordance with the Cabinet's recommendations.
- 1.3 For ease of reference an index to the items contained in the Budget Council Meeting Document Pack is set out overleaf.

## 2. Recommendations

- 2.1 The Council is asked to consider the recommendations of the Cabinet meeting of 9<sup>th</sup> February 2011 and the Budget Motion as set out in the attached Document Pack.

This page is intentionally left blank

**INDEX TO BUDGET DOCUMENT PACK COMPRISING  
REPORT FROM CABINET MEETING OF 9<sup>th</sup> FEBRUARY 2011**

<b>Budget Document</b>	<b>Document Pack page number</b>
<b>Report from the Cabinet</b> meeting of 9 <sup>th</sup> February 2011	<b>Page 1</b>
<b>• Annex 1</b>	
○ Budget Motion from Councillor Alibor Choudhury, Cabinet Member for Resources	<b>Page 11</b>
○ Appendix A to the Motion above: Budget and Council Tax Statutory Calculations	<b>Page 16</b>
<b>• Annex 2</b>	
○ General Fund Revenue Budget and Medium Term Financial Plan 2011/12 – 2013/14: Report of the Corporate Director, Resources	<b>Page 19</b>
○ Appendix A: Base Budget and Base Directorate Targets 2011/12	<b>Page 47</b>
○ Appendix B: Potential Committed Growth 2011/12 – 2013/14	<b>Page 49</b>
○ Appendix C: Medium Term Financial Plan 2011/12 – 2013/14	<b>Page 51</b>
○ Appendix D: Savings summary and detail	<b>Page 53</b>
○ Appendix E: Strategic and Corporate Risks	<b>Page 291</b>
○ Appendix F: Reserves & Balances	<b>Page 305</b>
○ Appendix G: General Fund Reserves	<b>Page 311</b>
○ Appendix H: Budget Consultation	<b>Page 313</b>
○ Appendix I: Overview and Scrutiny Committee advice and comments	<b>Page 317</b>
<b>• Annex 3</b>	
○ Capital Programme 2011/12 to 2013/14: Report of the Corporate Director, Resources	<b>Page 321</b>
○ Appendix 1: Mainstream Capital Programme 2010/11 to 2013/14	<b>Page 333</b>
○ Appendix 2: Local Priorities Programme 2010/11 to 2013/14	<b>Page 339</b>
<b>• Annex 4</b>	
○ Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2011/12: Report of the Corporate Director, Resources	<b>Page 343</b>
○ Appendix 1: Prudential and Treasury Indicators	<b>Page 357</b>
○ Appendix 2: Definition of Credit Ratings	<b>Page 359</b>
○ Appendix 3: Adoption of the revised CIPFA Treasury Management Code of Practice 2009	<b>Page 361</b>
○ Appendix 4: Treasury Management Policy Statement	<b>Page 362</b>
○ Appendix 5: Treasury Management Scheme of Delegation	<b>Page 363</b>
○ Appendix 6: Treasury Management Reporting Arrangement	<b>Page 364</b>

