

LONDON BOROUGH OF TOWER HAMLETS

DECISIONS OF THE COUNCIL

HELD AT 7.30 P.M. ON WEDNESDAY, 22 FEBRUARY 2012

THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5
CLOVE CRESCENT, LONDON, E14 2BG

1. APOLOGIES FOR ABSENCE

No apologies for absence were received.

2. DECLARATIONS OF INTEREST

Please see minutes.

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

No announcements were made at the meeting.

4. TO RECEIVE ANY PETITIONS

No petitions were received at the meeting.

5. BUDGET AND COUNCIL TAX 2012/13

5.1 Report of the Cabinet Meeting of 8th February 2012

Mayor Lutfur Rahman introduced, and Councillor Alibor Choudhury moved, the revised budget proposals of the Mayor and Executive. Councillor Ohid Ahmed seconded the proposals.

Three amendments were tabled and moved as follows:

- (i) Amendment proposed by Councillor Anwar Khan and seconded by Councillor Carlo Gibbs;
- (ii) Amendment proposed by Councillor David Snowdon and seconded by Councillor Zara Davis;
- (iii) Amendment proposed by Councillor Kabir Ahmed and seconded by Councillor Maium Miah.

Following debate Councillor Alibor Choudhury moved, and Councillor Ohid seconded, a further amendment without notice on the subject of (i) Special Responsibility Allowances; and (ii) Events in Parks.

The Speaker adjourned the meeting at 9.10 p.m. so that officers' advice could be sought. The meeting reconvened at 9.30 p.m.

Following the adjournment, the Monitoring Officer advised the Council that the part of the proposed amendment that related to Events in Parks was an executive matter and therefore out of scope for the Council meeting. The proposal in relation to Special Responsibility Allowances was in order but represented a new amendment which could only be accepted for debate by a majority vote of the Council. The Speaker then put to the vote the proposal that section (i) of Councillor Choudhury's amendment be accepted for debate and this was **defeated**.

Following further debate, the Speaker adjourned the meeting at 9.35 p.m. at the request of the Mayor, to enable consideration of the tabled amendments. The meeting reconvened at 9.50 p.m.

Following the adjournment the Mayor amended his budget proposals (i) by accepting in full the amendment proposed by Councillors Kabir Ahmed and Maium Miah; and (ii) by accepting some elements of the amendment proposed by Councillors Anwar Khan and Carlo Gibbs. The full list of changes accepted by the Mayor is attached at Appendix 1 to this Decision Sheet.

In relation to the some other elements of the amendment proposed by Councillors Anwar Khan and Carlo Gibbs, which the Mayor was not able to include in his revised budget proposal, he nevertheless indicated further that he intended to:-

- Request the Interim Corporate Director, Children, Schools and Families and the Corporate Director, Communities, Localities and Culture, to deliver the feasibility study for afterschool patrols within existing resources.
- Undertake a review of insulation and fuel poverty issues in partnership with Labour Councillors.
- Give further consideration to the proposals in relation to the Register of Landlords, and the use of the New Homes Bonus for Decent Homes works, and ask officers to bring a paper on these matters to the next Cabinet meeting.
- Investigate further the proposal regarding internships for local residents and how this might be delivered through the PCOP process.
- Ask officers to look further into the concerns raised by the Labour Group around parking permits and the CLC budget for bulk waste collection, rat control and charges to business for external furniture and signage, and bring a report to the next Cabinet meeting on these matters.

- Ask officers also to submit a report to the next Cabinet meeting to clarify matters on Domiciliary Care Services, about which the Mayor believed there was a misunderstanding.

Finally, the Mayor stated that he did not accept any elements of the amendment proposed by Councillors David Snowdon and Zara Davis.

The Speaker adjourned the meeting at 10.02 p.m. at the request of the Group Leaders to enable consideration of the Mayor's statement. The meeting reconvened at 10.20 p.m.

Following the adjournment, Councillor Joshua Peck indicated that in the light of the changes made by the Mayor to his budget proposals, the amendment proposed by Councillors Anwar Khan and Carlo Gibbs was withdrawn and replaced by a new amendment, moved by Councillor Peck and seconded by Councillor Carlo Gibbs, as follows:

“This Council Notes:

The Mayor has accepted the vast majority of Labour amendments to protect the vulnerable and welcomes these changes.

This Council Further Notes:

That residents are often forced to refuse much needed new homes in Car Free developments because they need a car.

This Council Resolves:

To call on the Mayor to implement extended car free developments to one and two bedroom properties.”

At this point, Councillor Alibor Choudhury moved and Councillor Ohid Ahmed seconded, a procedural motion – “That under Procedural Rule 14.1.10 the question be now put.” The procedural motion was put to the vote and was **agreed**.

Following the Mayor's right of reply, the tabled amendment proposed by Councillors David Snowdon and Zara Davis was put to the vote and was **defeated**.

The further amendment proposed by Councillors Joshua Peck and Carlo Gibbs as set out above was then put to the vote and was **agreed**.

Finally, the Mayor's budget proposals as amended were put to the vote and were **agreed**.

The Monitoring Officer informed the Council of advice from the Section 151 Officer that the decisions taken by the Council would have the effect of reducing the General Reserves by £762,000.

DECISION

A. General Fund Revenue Budget and Council Tax Requirement 2012/13

1. That the revised budget proposals of the Mayor and Executive, included in the Budget 2012/13 Document Pack, amended as set out in the report of the Mayor in Cabinet of 8th February and further amended as at Appendix 1 to this Decision Sheet, be agreed.
2. That a General Fund revenue budget of £292.265m and a total Council Tax Requirement for Tower Hamlets in 2012/13 of £80.43m be agreed as set out in the table below:-

Service	Revised Base 2011-12 £'000	Savings		Growth £'000	Earmarked Reserves £'000	Total Budget 2012-13 £'000
		Approved £'000	New £'000			
Adults Health & Wellbeing	99,463	(3,329)	(801)	1,213	(1,100)	95,446
Children, Schools and Families	60,812	(2,627)	(150)	285	(618)	57,702
Communities, Localities and Culture	61,437	(4,355)	(1,075)	2,358	(1,017)	57,348
Development & Renewal	31,359	(1,228)	(165)	74	(30)	30,010
Resources	21,948	(858)	(2,630)	10	(10)	18,460
Chief Executives	8,535	(348)	(303)	55	(464)	7,475
Net Service Costs	283,554	(12,745)	(5,124)	3,995	(3,239)	266,441
Other Net Costs						
Capital Charges	11,055		(1,445)	400		10,010
Levies	2,415					2,415
Pensions	12,151			1,250		13,401
Other Corporate Costs	8,269	(1,125)	(217)	360	2,154	9,441
Total Other Net costs	33,890	(1,125)	(1,662)	2,010	2,154	35,267
Core Grants	(10,391)		(3,647)			(14,038)
Reserves						
General Fund	3,000		(3,000)			-
Earmarked	907				1,188	2,095
General Fund (Smoothing)	-				(1,600)	(1,600)
Inflation	-			4,100		4,100
Total Financing Requirement	310,960	(13,870)	(13,433)	10,105	(1,497)	292,265
Formula Grant	(229,673)			17,838		(211,835)
Council Tax	(81,287)	(725)		1,582		(80,430)
Total Financing	(310,960)	(725)	-	19,420	-	(292,265)

3. That a Council Tax be agreed for Tower Hamlets in 2012/13 of £885.52 at Band D 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	$\frac{6}{9}$	£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

4. That for the London Borough of Tower Hamlets in 2012/13:-
- (a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be £1,192.24 as shown below:-

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	306.72
Total	1,192.24

- (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	204.48	794.83
B	40,001	52,000	$\frac{7}{9}$	688.74	238.56	927.30
C	52,001	68,000	$\frac{8}{9}$	787.13	272.64	1,059.77
D	68,001	88,000	$\frac{9}{9}$	885.52	306.72	1,192.24
E	88,001	120,000	$\frac{11}{9}$	1,082.30	374.88	1,457.18
F	120,001	160,000	$\frac{13}{9}$	1,279.08	443.04	1,722.12
G	160,001	320,000	$\frac{15}{9}$	1,475.87	511.20	1,987.07
H	320,001	and over	$\frac{18}{9}$	1,771.04	613.44	2,384.48

5. That the statutory calculations of this Authority's Council Tax Requirement in 2012/13, as undertaken by the Chief Financial Officer in accordance with the requirements of Sections 31 to 36 of the Local Government Finance Act 1992, be agreed as attached at Appendix 2 to this Decision Sheet.
6. That the Treasury Management Strategy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement be approved as presented to Cabinet on 8th February 2012 and contained in the supplementary agenda pack for the Budget Council meeting on 22nd February 2012.
7. That the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2012-2015 as amended by the alternative options agreed by the Mayor in Cabinet on 8th February and as further amended at Appendix 1 to this Decision Sheet, be approved as summarized in the tables below:-

Summary Draft Medium Term Financial Plan 2012-15

	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000
Net Service Costs	335,048	320,444	309,426	294,462
Growth Savings	9,787	5,645	4,734	3,745
Approved	(28,870)	(14,595)	(12,102)	0
New	0	(9,786)	(13,681)	(6,427)
Inflation	4,479	4,100	7,100	6,400
Core Grants	(10,391)	(14,038)	(14,070)	(16,070)
Earmarked Reserves	907	2,095	(300)	0
General Fund Reserves	0	(1,600)	8,306	(8,963)
Total Funding Requirement	<u>310,960</u>	<u>292,265</u>	<u>289,413</u>	<u>273,147</u>
Formula Grant	(229,673)	(211,835)	(209,411)	(191,077)
Council Tax	(81,287)	(80,430)	(80,002)	(82,070)
Total Funding	<u>(310,960)</u>	<u>(292,265)</u>	<u>(289,413)</u>	<u>(273,147)</u>

Detailed analysis of the Medium Term Financial Plan by service area 2012/13 to 2014/15

Service	Base	Savings		Growth	Earmarked	Total	Savings		Growth	Earmarked	Total	Savings		Growth	Earmarked	Total
	2011-12	Approved	New		Reserves	2012-13	Approved	New		Reserves	2013-14	Approved	New		Reserves	2014-15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults Health & Wellbeing	99,463	(3,329)	(801)	1,213	(1,100)	95,446	(2,529)	(2,205)	1,452	(200)	91,964		(900)	1,600	(300)	92,364
Children, Schools and Families	60,812	(2,627)	(150)	285	(618)	57,702	(1,810)	(5)	(180)		55,707		(960)	(100)		54,647
Communities, Localities and Culture	61,437	(4,355)	(1,075)	2,358	(1,017)	57,348	(3,757)	(1,495)	1,232	(860)	52,468	(150)	(200)	1,245	(565)	52,798
Development & Renewal	31,359	(1,228)	(165)	74	(30)	30,010	(2,716)	(2,701)	(20)	(475)	24,098		(1,534)			22,564
Resources	21,948	(858)	(2,630)	10	(10)	18,460	(299)	(907)			17,254		(230)			17,024
Chief Executives	8,535	(348)	(303)	55	(464)	7,475	(187)	(100)			7,188		(100)			7,088
Net Service Costs	283,554	(12,745)	(5,124)	3,995	(3,239)	266,441	(11,298)	(7,413)	2,827	(1,535)	248,603	(150)	(3,924)	2,745	(865)	246,485
Other Net Costs																
Capital Charges	11,055		(1,445)	400		10,010			1,000		11,010			1,000		12,010
Levies	2,415					2,415					2,415					2,415
Pensions	12,151			1,250		13,401			1,250		14,651					14,651
Other Corporate Costs	8,269	(1,125)	(217)	360	2,154	9,441	(125)	(1,434)	(360)		7,522		(2,503)			5,019
Total Other Net costs	33,890	(1,125)	(1,662)	2,010	2,154	35,267	(125)	(1,434)	1,890		35,598		(2,503)	1,000		34,095
Core Grants Reserves	(10,391)		(3,647)			(14,038)		(32)			(14,070)		(2,000)			(16,070)
General Fund	3,000		(3,000)			-					-					-
Earmarked General Fund (Smoothing)	907				1,188	2,095		(3,400)		1,005	(300)				300	-
Inflation	-			4,100	(1,600)	(1,600)				9,203	8,306				(17,269)	(8,904)
Total Financing Requirement	310,960	(13,870)	(13,433)	10,105	(1,497)	292,265	(11,423)	(12,279)	12,177	8,673	289,413	(150)	(8,427)	10,145	(17,834)	273,147
Formula Grant	(229,673)			17,838		(211,835)			2,424		(209,411)			18,334		(191,077)
Council Tax	(81,287)	(725)		1,582		(80,430)	(554)		982		(80,002)			(2,068)		(82,070)
Total Financing	(310,960)	(725)	-	19,420	-	(292,265)	(554)	-	3,406	-	(289,413)	-	-	16,266	-	(273,147)

8. That the Council notes the Mayor has accepted the vast majority of Labour amendments to protect the vulnerable and welcomes these changes.
9. That the Council further notes that residents are often forced to refuse much needed new homes in Car Free developments because they need a car.
10. That the Council resolves to call on the Mayor to implement extended car free developments to one and two bedroom properties.

APPENDIX 1

BUDGET AMENDMENTS – 2012/13 BUDGET COUNCIL MEETING**Proposals accepted by the Mayor from tabled amendment (i)**

Savings	Saving in 2012/13
Reduce refreshments at meetings	£2,400
Delete Olympics Ambassador SRA after Olympics	£3,880
Delete funding (earmarked reserves) for feasibility study for afterschool patrols and complete study using existing officer time	£10,000
Reduce discretionary spend on taxis for officers	£15,000
Reduce all spend on taxis for members (leaving £6,000 to fund a lease car for use of the Speaker and Deputy Speaker on official visits)	£9,000
Reduce communications spend by D&R and CLC	£30,000
Reduce funding on award ceremonies and staff conferences by holding them at council facilities	£30,000

Spend	Costs 2012/13
Commission debt support and advice for 150 cases (NB: provider to be sourced through normal procurement process)	(£24,000)
Restore funding to Greenwich & Docklands festival	(£25,000)
Fund a 0.5 FTE Mental health worker for care leavers	(£25,000)
Live streaming of council meetings	(£25,000)
Fund a "Violence Against Women and Girls" worker	(£50,000)
Give a one off staff award of £250 for low paid council staff	(£115,000)
Give a £50 Council Tax rebate to pensioners	(£245,000)

Proposals accepted by the Mayor from tabled amendment (iii)

- To allocate £260,000 to support a Mayor's Aim Higher Scheme for 1 year, with a commitment to find funds for it to be an ongoing provision.
- To allocate a one-off sum of £20,000 to support the development of a London Living Rent Accreditation scheme.
- To double the Service Level Agreements for Mudchute Farm and Tower Hamlets Cemetery Park next year, with a commitment to find funds for this to be an ongoing process. [Note: Budgetary effect in 2012/13 = £63k.]

Use of General Reserves contribution consequent on the above:
£762,000 (rounded)

APPENDIX 2

LONDON BOROUGH OF TOWER HAMLETS
COUNCIL FEBRUARY 2012
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS

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

1. That the revenue estimates for 2012/2013 be approved.
2. That it be noted that, at its meeting on 11th January 2012, Cabinet calculated 90,828 as its Council Tax base for the year 2012/2013 [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 2012/13 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) £1,185,721,000 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) £1,105,291,000 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) £80,430,000 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 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) £885.52 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]

(e)	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(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.

4. That it be noted that for the year 2012/13 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	204.48
B	238.56
C	272.64
D	306.72
E	374.88
F	443.04
G	511.20
H	613.44

5. That, having calculated the aggregate in each case of the amounts at 3(d) 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 2012/13 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	794.83
B	927.30
C	1,059.77
D	1,192.24
E	1,457.18
F	1,722.12
G	1,987.07
H	2,384.48

6. New government regulation now requires a local authority to conduct a referendum where if compared with the previous year, they set council tax increases that are “excessive”. Under current legislation and in accordance with principles approved under Section 52ZB Local Government Finance Act 1992, the Council tax set by the London Borough of Tower Hamlets for 2012/13 is not deemed to be excessive.

The meeting ended at 10.30 p.m.