

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE COUNCIL (SECOND BUDGET MEETING)

HELD AT 7.30 P.M. ON THURSDAY, 6TH MARCH 2014

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

Members Present:

Mayor Lutfur Rahman	Councillor Aminur Khan
Councillor Helal Abbas	Councillor Anwar Khan
Councillor Kabir Ahmed	Councillor Rabina Khan
Councillor Ohid Ahmed	Councillor Rania Khan
Councillor Rajib Ahmed	Councillor Shiria Khatun
Councillor Rofique U Ahmed	Councillor Md. Maium Miah
Councillor Shahed Ali	Councillor Harun Miah
Councillor Tim Archer	Councillor Fozol Miah
Councillor Abdul Asad	Councillor M. A. Mukit MBE
Councillor Craig Aston	Councillor Lesley Pavitt
Councillor Lutfa Begum	Councillor Joshua Peck
Councillor Alibor Choudhury	Councillor John Pierce
Councillor Zara Davis	Councillor Zenith Rahman
Councillor Stephanie Eaton	Councillor Oliur Rahman
Councillor David Edgar	Councillor Gulam Robbani
Councillor Marc Francis	Councillor Rachael Saunders
Councillor Judith Gardiner	Councillor David Snowdon
Councillor Carlo Gibbs	Councillor Gloria Thienel
Councillor Amy Whitelock Gibbs	Councillor Bill Turner
Councillor Peter Golds	Councillor Kosru Uddin
Councillor Shafiqul Haque	Councillor Helal Uddin
Councillor Sirajul Islam	Councillor Abdal Ullah
Councillor Ann Jackson	Councillor Motin Uz-Zaman
Councillor Denise Jones	

The Speaker of the Council, Councillor Lesley Pavitt, in the Chair

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Khaled Uddin Ahmed, Dr Emma Jones, Ahmed Omer and Carli Harper-Penman.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

No declarations of Disclosable Pecuniary Interests were made.

3. TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE SPEAKER OF THE COUNCIL OR THE HEAD OR PAID SERVICE

There were no announcements from the Head of Paid Service or from the Speaker of the Council.

Councillor Rachael Saunders referred to statements made by Councillor Alibor Choudhury at the last meeting that related to Councillor Ann Jackson.

Councillor Alibor Choudhury apologised to Councillor Ann Jackson for the statements he had made and any distress caused.

4. TO RECEIVE PETITIONS

There were no petitions.

5. BUDGET AND COUNCIL TAX 2014/15

The Mayor's response to the budget amendments agreed by the Council at the Budget Meeting on 26th February were tabled.

Mayor Lutfur Rahman introduced, and Councillor Alibor Choudhury **moved**, the budget proposals of the Mayor and Executive as set out in the tabled report. Councillor Ohid Ahmed **seconded** the proposals. The Mayor stated that he and the Executive were unable to accept any of the amendments proposed by Council on 26th February 2014, with the reasons set out in the tabled report.

Councillor Carlo Gibbs **moved** and Councillor Sirajul Islam **seconded**, the Council's amended budget proposals as agreed at the meeting on 26 February 2014 and set out in the agenda.

During debate, Councillor Rachael Saunders **moved** and Councillor Bill Turner **seconded** a procedural motion 'that under Procedure Rule 15.11.4, the question be now put'. The procedural motion was put to the vote and was **defeated**.

Following further debate the Council's amended budget proposals were put to the vote. They did not achieve the necessary two-thirds majority of those present and voting as required by the regulations, with 22 Members voting in favour, 18 against and 6 abstentions as set out below:-

Councillor	For	Against	Abstain	Notes
Helal Abbas	X			
Kabir Ahmed		X		
Khales Uddin Ahmed				Absent
Ohid Ahmed		X		
Rajib Ahmed	X			
Rofique Uddin Ahmed		X		
Shahed Ali		X		

Timothy Archer			X		
Abdul Asad		X			
Craig Aston			X		
Lutfia Begum		X			
Mizan Chaudhury					Absent
Alibor Choudhury		X			
Zara Davis			X		
Stephanie Eaton		X			
David Edgar	X				
Marc Francis	X				
Judith Gardiner	X				
Carlo Gibbs	X				
Peter Golds			X		
Shafiqul Haque		X			
Carli Harper-Penman					Absent
Sirajul Islam	X				
Ann Jackson	X				
Denise Jones	X				
Dr Emma Jones					Absent
Aminur Khan		X			
Anwar Khan		X			
Rabina Khan		X			
Rania Khan		X			
Shiria Khatun	X				
Fozol Miah		X			
Harun Miah		X			
Maium Miah		X			
Mohammed Abdul Mukit	X				
Ahmed Omer					Absent
Lesley Pavitt	X				
Joshua Peck	X				
John Pierce	X				
Oliur Rahman		X			
Zenith Rahman	X				
Gulam Robbani		X			
Rachael Saunders	X				
David Snowdon			X		
Gloria Thienel			X		
Bill Turner	X				
Helal Uddin	X				
Kosru Uddin	X				
Abdal Ullah	X				
Motin Uz-Zaman	X				
Amy Whitelock Gibbs	X				
Total Votes	22	18	6	5	51

The Mayor and Executive's budget proposals were therefore **adopted**. Accordingly it was:-

RESOLVED

General Fund Revenue Budget and Council Tax 2014/15; Capital Programme and Medium Term Finance Plan 2014-2017; Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2014/15

1. To agree a General Fund revenue budget of £293.933m and a total Council Tax Requirement for Tower Hamlets in 2014/15 of £66,396,000 as set out in the table below.

Service	Revised Base 2013-14 £'000	Savings		Growth £'000	Adjustments £'000	Total Budget 2014-15 £'000
		Approved £'000	New £'000			
Education, Social Care and Wellbeing	195,442	(2,010)	0	1,105	(7,005)	187,532
Communities, Localities and Culture	79,471	(350)	0	1,654	(1,591)	79,184
Development & Renewal	19,648	(1,534)	0	(2,062)	(1,365)	14,687
Resources	6,795	(230)	0	19	(36)	6,548
Chief Executives	9,760	0	0	13	(381)	9,392
Public Health	29,982	0	0	0	0	29,982
Net Service Costs	341,098	(4,124)	0	728	(10,378)	327,324
Other Net Costs						
Capital Charges	9,444	0	0	1,845	0	11,289
Levies	1,661	0	0	0	0	1,661
Pensions	14,393	0	0	2,599	0	16,992
Other Corporate Costs	(6,230)	(2,568)	0	1,447	4	(7,347)
Total Other Net costs	19,268	(2,568)	0	5,891	4	22,595
Public Health	(31,382)	0	(879)	0	0	(32,261)
Core Grants	(23,452)	(3,408)	(2,265)	2,286	0	(26,839)
Reserves						
General Fund	0	0	0	0	0	0
Earmarked	(9,799)	0	0	(239)	9,809	(229)
General Fund (Smoothing)	0	0	0	0	0	0
Inflation	-	0	(1,500)	6,342	0	4,842
Total Financing Requirement	295,732	(10,100)	(4,644)	15,008	(565)	293,933
Government Funding	(150,670)	0	(82)	28,172	0	(122,580)
Retained Business Rates	(100,800)	0	(2,016)	0	0	(102,816)
Council Tax	(63,343)	0	(3,053)	0	0	(66,396)
Collection Fund Surplus	(1,645)	0	0	1,645	0	0
Total Financing	(316,458)	0	(5,151)	29,817	0	(291,792)

2. To agree a Council Tax for Tower Hamlets in 2014/15 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

3. To agree that for the London Borough of Tower Hamlets in 2014/15:-

(a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be £1,184.52 as shown below: -

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	299.00
Total	1,184.52

(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	199.33	789.68
B	40,001	52,000	$\frac{7}{9}$	688.74	232.56	921.30
C	52,001	68,000	$\frac{8}{9}$	787.13	265.78	1,052.91
D	68,001	88,000	$\frac{9}{9}$	885.52	299.00	1,184.52
E	88,001	120,000	$\frac{11}{9}$	1,082.30	365.44	1,447.74
F	120,001	160,000	$\frac{13}{9}$	1,279.08	431.89	1,710.97
G	160,001	320,000	$\frac{15}{9}$	1,475.87	498.33	1,974.20
H	320,001	and over	$\frac{18}{9}$	1,771.04	598.00	2,369.04

4 To approve the statutory calculations of this Authority's Council Tax Requirement in 2014/15, detailed in **Appendix A** to the motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 31 to 36 of the Local Government Finance Act 1992.

- 5 To approve the Treasury Management Strategy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement as presented to Cabinet on 5 February 2014.
- 6 To approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2014-2017 as amended by the alternative options as agreed by the Mayor in Cabinet on 5 February and as set out in the report of the Mayor in Cabinet as summarised in the tables below.

Summary Draft Medium Term Financial Plan 2014-17

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Net Service Costs	292,004	295,732	293,933	311,545
Growth (Incl Public Health) CLG transferring into baseline Savings	40,566	6,619	2,306	7,619
Approved	23,717	0	0	0
New	(26,029)	(6,692)	0	0
Inflation	0	0	0	0
	5,760	4,842	5,500	5,500
Core Grants (incl Public Health)	(40,522)	(4,266)	9,074	1,540
Earmarked Reserves (Directorates)	(530)	(804)	0	0
Contribution to/from Reserves	766	(1,498)	732	0
Total Requirement	<u>295,732</u>	<u>293,933</u>	<u>311,545</u>	<u>326,204</u>
Government Funding	(150,670)	(122,580)	(86,595)	(69,271)
Retained Business Rates	(100,800)	(102,816)	(104,872)	(106,970)
Council Tax Collection Surplus	(63,343)	(66,396)	(67,392)	(68,402)
	(1,645)	0	0	0
Total Funding	<u>(316,458)</u>	<u>(291,792)</u>	<u>(258,859)</u>	<u>(244,643)</u>

Detailed analysis of the Medium Term Financial Plan by service area 2013/14 to 2016/17

Service	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total
	2013-14	Approved	New			2014-15	Approved	New			2015-16	Approved	New			2016-17
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000		£'000
Education, Social Care and Wellbeing	195,442	(2,010)	0	1,105	(7,005)	187,532	0	0	138	(272)	187,398	0	0	1,111	0	188,509
Communities, Localities and Culture	79,471	(350)	0	1,654	(1,591)	79,184	0	0	1,235	(73)	80,346	0	0	910	(199)	81,057
Development & Renewal	19,648	(1,534)	0	(2,062)	(1,365)	14,687	0	0	261	(150)	14,798	0	0	339	0	15,137
Resources	6,795	(230)	0	19	(36)	6,548	0	0	0	0	6,548	0	0	0	0	6,548
Chief Executives	9,760	0	0	13	(381)	9,392	0	0	0	0	9,392	0	0	0	0	9,392
Public Health	29,982	0	0	0	0	29,982	0	0	0	0	29,982	0	0	0	0	29,982
Net Service Costs	341,098	(4,124)	0	728	(10,378)	327,324	0	0	1,634	(495)	328,463	0	0	2,360	(199)	330,624
Other Net Costs																
Capital Charges	9,444	0	0	1,845	0	11,289	0	0	0	0	11,289	0	0	0	0	11,289
Levies	1,661	0	0	0	0	1,661	0	0	0	0	1,661	0	0	0	0	1,661
Pensions	14,393	0	0	2,599	0	16,992	0	0	2,000	0	18,992	0	0	1,500	0	20,492
Other Corporate Costs	(6,230)	(2,568)	0	1,447	4	(7,347)	0	0	(1,328)	0	(8,675)	0	0	3,759	0	(4,916)
Total Other Net costs	19,268	(2,568)	0	5,891	4	22,595	0	0	672	0	23,267	0	0	5,259	0	28,526
Public Health Grant	(31,382)	0	(879)	0	0	(32,261)	0	0	0	0	(32,261)	0	0	0	0	(32,261)
Core Grants	(23,452)	(3,408)	(2,265)	2,286	0	(26,839)	(3,000)	529	11,545	0	(17,765)	0	1,540	0	0	(16,225)
Reserves																
General Fund (Corporate)	0	0	0	0	0	0	0	0	(766)	0	(766)	0	0	0	0	(766)
Earmarked (Directorate)	(9,799)	0	0	(239)	9,809	(229)	0	0	0	495	266	0	0	0	199	465
General Fund (Smoothing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation	0	0	(1,500)	6,342	0	4,842	0	(1,500)	7,000	0	10,342	0	(1,500)	7,000	0	15,842
Total Financing Requirement	295,732	(10,100)	(4,644)	15,008	(565)	293,933	(3,000)	(971)	20,085	0	311,545	0	40	14,619	0	326,204
Government Funding	(150,670)	0	(82)	28,172	0	(122,580)	0	(119)	36,104	0	(86,595)	0	(139)	17,463	0	(69,271)
Retained Business Rates	(100,800)	0	(2,016)	0	0	(102,816)	0	(2,056)	0	0	(104,872)	0	(2,098)	0	0	(106,970)
Council Tax	(63,343)	0	(3,053)	0	0	(66,396)	0	(996)	0	0	(67,392)	0	(1,011)	0	0	(68,402)
Collection Fund Surplus	(1,645)	0	0	1,645	0	0	0	0	0	0	0	0	0	0	0	0
Total Financing	(316,458)	0	(5,151)	29,817	0	(291,792)	0	(1,115)	36,104	0	(258,859)	0	(1,150)	17,463	0	(244,643)

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

1. That the revenue estimates for 2014/2015 be approved.
2. That it be noted that, at its meeting on 8th January 2014, Cabinet calculated 74,979 as its Council Tax base for the year 2014/2015 [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 2014/2015 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) £1,184,928,000 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) £1,118,532,000 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) £66,396,000 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 2014/15 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	199.33
B	232.56
C	265.78
D	299.00
E	365.44
F	431.89
G	498.33
H	598.00

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 2014/15 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	789.68
B	921.30
C	1,052.91
D	1,184.52
E	1,447.74
F	1,710.97
G	1,974.20
H	2,369.04

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 2014/15 is not deemed to be excessive.

The meeting ended at 9.09 p.m.

Speaker of the Council