



Meeting of the

# TOWER HAMLETS COUNCIL

---

Thursday, 6<sup>th</sup> March 2014 at 7.30 p.m.

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**SECOND BUDGET COUNCIL MEETING**

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**A G E N D A**

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## **VENUE**

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

### **Democratic Services Contact:**

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**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 **THURSDAY, 6<sup>TH</sup> MARCH 2014**

Stephen Halsey  
**Head of Paid Service**

## Public Information

### **Attendance at meetings.**

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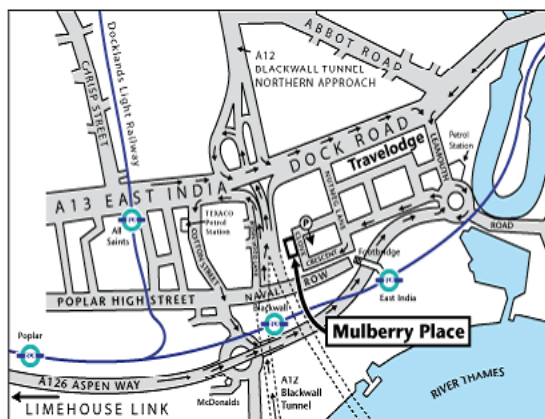
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**LONDON BOROUGH OF TOWER HAMLETS**

**SECOND BUDGET COUNCIL MEETING**

**THURSDAY, 6<sup>TH</sup> MARCH 2014**

**7.30 p.m.**

**PAGE  
NUMBER**

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

**1 - 4**

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 Monitoring Officer.

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

**4. TO RECEIVE PETITIONS**

The Council Procedure Rules provide 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 receipt of petitions for this meeting is noon on Friday 28<sup>th</sup> February 2014. At the time of agenda despatch no petitions had been received.

**5. BUDGET AND COUNCIL TAX 2014/15**

**5 - 24**

To consider the revised proposals of the Mayor and Executive in relation to the Council's Budget and Council Tax 2014/15.

The first Budget Council Meeting on 26<sup>th</sup> February 2014 agreed a

substantive motion that included an amendment to the Mayor's budget proposals. In accordance with the requirements of the Constitution and statutory provisions, the Mayor has been formally advised of the changes agreed by the Council and within a period of five working days must reconsider his budget proposals in accordance with those and submit his final budget proposals to the second Budget Council Meeting. Those revised proposals may at the Mayor's discretion include some or all of the changes agreed by the Council at the first budget meeting.

The attached report sets out the revised budget amendment adopted by the Council on 26<sup>th</sup> February 2014. The Mayor's revised budget proposals will be circulated to Councillors as soon as they are available.

Officer advice on the Mayor's budget proposals and on each element of the agreed budget amendment has been received by Members in the agenda for the first Budget Council Meeting and the papers tabled at that meeting. **Members are requested to bring the Budget Council Pack and tabled papers with them to the meeting.**

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# Agenda Item 2

## **DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER**

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

### **Interests and Disclosable Pecuniary Interests (DPIs)**

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

### **Effect of a Disclosable Pecuniary Interest on participation at meetings**

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

**Further advice**

For further advice please contact:-

John Williams, Service Head, Democratic Services, 020 7364 4204



## APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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**LONDON BOROUGH OF TOWER HAMLETS**  
**SECOND BUDGET COUNCIL MEETING**  
**THURSDAY 6<sup>th</sup> MARCH 2014**  
**AGENDA ITEM 5**  
**BUDGET AND COUNCIL TAX 2014/15:**  
**COUNCIL'S REVISED BUDGET AMENDMENT**

## **1 INTRODUCTION**

- 1.1 At the first Budget Council Meeting on 26<sup>th</sup> February 2014, the Council considered the Mayor and Executive's budget proposals approved on 5<sup>th</sup> February and three amendments to those proposals.
- 1.2. The amendment moved by Labour Group Councillors was agreed by the Council. The substantive budget proposals as amended were then also agreed and are set out at Section 3 of this report below. The statutory budget resolution, amended in accordance with the Council's decision, is attached at Appendix 1. This results in a Council Tax Requirement for Tower Hamlets in 2014/15 of £66,396,000 and a Council Tax at Band D (including the GLA precept) of £1,184.52.
- 1.3 Officer advice on the Mayor's budget proposals and on each element of the agreed budget amendment has been received by Members in the agenda for the first Budget Council Meeting and papers tabled at that meeting. Members are requested to bring those documents with them to the meeting and to take account of the information therein in making their decision.

## **2. MAYOR'S RESPONSE TO THE COUNCIL'S RESOLUTION**

- 2.1 In accordance with the requirements of the Constitution and statutory provisions, the Mayor has been formally advised of the changes agreed by the Council and within a period of five working days must reconsider his budget proposals in accordance with those and submit his final budget proposals to the second Budget Council Meeting. Those revised proposals may at the Mayor's discretion include some or all of the changes agreed by the Council at the first budget meeting.
- 2.2 The Mayor's revised budget proposals will be circulated to Councillors as soon as they are available.
- 2.3 The Mayor's revised proposals will form the Motion for debate at the second Budget Council meeting and the substantive motion agreed on 26<sup>th</sup> February,

and set out below, represents the amendment for that debate. For the amendment to succeed at the second Budget Meeting it will require two-thirds of those Members present and voting to vote in favour of the amendment.

### 3. COUNCIL'S AGREED AMENDMENT

3.1 The substantive motion agreed by the Council on 26<sup>th</sup> February is summarised below and full details are attached at Appendices 1 and 2. The Council **Resolved:-**

3.2 To adopt the budget motion as set out in the agenda for the Council meeting on 26<sup>th</sup> February 2014 subject to the following amendments:-

<b>Project</b>	<b>Change</b>
<b>Saving Proposals</b>	
Cancel the decision to remove £1.3m of funding for free school meals for 2014/15	£1,300,000
Departmental top slice for advertising CLC, D&R, ESWB	£200,000
Cut the Mayoral car	£30,000
Cut the Chief Executives cost for mayoral advisors/consultants	£296,000
Remove community ward forum funding following completion of 2013/14 programme pending review	£170,000
Savings from the reduction to 45 councillors	£28,000
Delay decision on Town Hall pending options review	£2,000,000
Total:	<b>+ £4,024,000</b>
<b>Spending Proposals</b>	
Provide universal free school meals for all primary pupils	- £1,300,000
Provide funding to develop a council run lettings agency to support people into the private rented sector	- £250,000
Restoration of Victoria Park firework display	- £45,000
Build capacity for council house building programme	£0 – From existing budget
Restoration of 24 hours noise service at weekends	-£110,000
Neighbourhood community safety plan (from existing resources)	£0 – From existing budget
Expansion of sniffer dog patrols to tackle drug dealing	-£144,000
Deliver the final recommendations from RSL co-regulation scrutiny review specifically in relation to the tenants' panel.	-£50,000
Public realm and park improvements	- £125,000
Move funding allocated for Town Hall to separate earmarked reserve	-£2,000,000
Total:	<b>-£4,024,000</b>

## **APPENDICES ATTACHED**

Appendix 1 – Statutory budget motion incorporating the budget amendments agreed by the Council on 26<sup>th</sup> February 2014.

Appendix 2 – Full budget amendment proposed by Labour Group Councillors, agreed by majority vote at Council on 26<sup>th</sup> February and forming the proposed amendment to the budget for debate on 6<sup>th</sup> March 2014.

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## SECOND BUDGET COUNCIL

6<sup>TH</sup> March 2014

## COUNCIL TAX REQUIREMENT 2014/15

***SUBSTANTIVE MOTION AGREED AT COUNCIL ON 26 FEBRUARY 2014***

***I propose the following motion in relation to Agenda item 4: "Budget and Council Tax 2014/15":-***

**That Council: -**

***General Fund Revenue Budget and Council Tax Requirement 2014/15***

1. 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)	(54)	2,405	(7,005)	188,778
Communities, Localities and Culture	79,471	(350)	(193)	2,078	(1,591)	79,415
Development & Renewal	19,648	(1,534)	(27)	(1,762)	(1,365)	14,960
Resources	6,795	(230)	(17)	19	(36)	6,531
Chief Executives	9,760	0	(367)	13	(104)	9,302
Public Health	29,982	0	0	0	0	29,982
<b>Net Service Costs</b>	<b>341,098</b>	<b>(4,124)</b>	<b>(658)</b>	<b>2,752</b>	<b>(10,101)</b>	<b>328,967</b>
<b>Other Net Costs</b>						
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)	(66)	147	4	(8,713)
<b>Total Other Net costs</b>	<b>19,268</b>	<b>(2,568)</b>	<b>(66)</b>	<b>4,591</b>	<b>4</b>	<b>21,229</b>
<b>Public Health</b>	<b>(31,382)</b>	<b>0</b>	<b>(879)</b>	<b>0</b>	<b>0</b>	<b>(32,261)</b>
<b>Core Grants</b>	<b>(23,452)</b>	<b>(3,408)</b>	<b>(2,265)</b>	<b>2,286</b>	<b>0</b>	<b>(26,839)</b>
<b>Reserves</b>						
General Fund	0	0	0	0	0	0
Earmarked	(9,799)	0	0	(239)	9,532	(506)
General Fund (Smoothing)	0	0	0	0	0	0
<b>Inflation</b>	<b>0</b>	<b>0</b>	<b>(1,500)</b>	<b>6,342</b>	<b>0</b>	<b>4,842</b>
<b>Total Financing Requirement</b>	<b>295,732</b>	<b>(10,100)</b>	<b>(5,368)</b>	<b>15,732</b>	<b>(565)</b>	<b>293,933</b>
<b>Government Funding</b>	<b>(150,670)</b>	<b>0</b>	<b>(82)</b>	<b>28,172</b>	<b>0</b>	<b>(122,580)</b>
<b>Retained Business Rates</b>	<b>(100,800)</b>	<b>0</b>	<b>(2,016)</b>	<b>0</b>	<b>0</b>	<b>(102,816)</b>
<b>Council Tax</b>	<b>(63,343)</b>	<b>0</b>	<b>(3,053)</b>	<b>0</b>	<b>0</b>	<b>(66,396)</b>
<b>Collection Fund Surplus</b>	<b>(1,645)</b>	<b>0</b>	<b>0</b>	<b>1,645</b>	<b>0</b>	<b>0</b>
<b>Total Financing</b>	<b>(316,458)</b>	<b>0</b>	<b>(5,151)</b>	<b>29,817</b>	<b>0</b>	<b>(291,792)</b>

**APPENDIX 1**

2. 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	<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



**APPENDIX 1**

3. 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: -

<i><b>BAND</b></i>	<i><b>PROPERTY VALUE</b></i>		<i><b>RATIO TO BAND D</b></i>	<i><b>LBTH</b></i>	<i><b>GLA</b></i>	<i><b>TOTAL</b></i>
	<i><b>FROM</b></i> £	<i><b>TO</b></i> £				
A	0	40,000	<sup>6</sup> / <sub>9</sub>	590.35	199.33	789.68
B	40,001	52,000	<sup>7</sup> / <sub>9</sub>	688.74	232.56	921.30
C	52,001	68,000	<sup>8</sup> / <sub>9</sub>	787.13	265.78	1,052.91
D	68,001	88,000	<sup>9</sup> / <sub>9</sub>	885.52	299.00	1,184.52
E	88,001	120,000	<sup>11</sup> / <sub>9</sub>	1,082.30	365.44	1,447.74
F	120,001	160,000	<sup>13</sup> / <sub>9</sub>	1,279.08	431.89	1,710.97
G	160,001	320,000	<sup>15</sup> / <sub>9</sub>	1,475.87	498.33	1,974.20
H	320,001	and over	<sup>18</sup> / <sub>9</sub>	1,771.04	598.00	2,369.04

- 4 Approve the statutory calculations of this Authority's Council Tax Requirement in 2014/15, detailed in **Appendix A** to this 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 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 Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2014-2017 as amended and summarised in the tables below.

Summary Draft Medium Term Financial Plan 2013-17				
	2013-14	2014-15	2015-16	2016-17
	£'000	£'000	£'000	£'000
<b>Net Service Costs</b>	292,004	295,732	293,933	311,545
<b>Growth (Incl Public Health)</b>	40,566	7,343	1,582	6,619
<b>CLG Grants transferring into baseline</b>	23,717	0	0	0
<b>Savings</b>				
<b>Approved</b>	(26,029)	(6,692)	0	0
<b>New</b>		(724)	277	0
<b>Inflation</b>	5,760	4,842	5,500	5,500
<b>Core Grants (incl Public Health)</b>	(40,522)	(4,266)	9,074	1,540
<b>Earmarked Reserves (Directorates)</b>	(530)	(804)	447	0
<b>Contribution to/from Reserves</b>	766	(1,498)	732	0
<b>Total Funding Requirement</b>	295,732	293,933	311,545	325,204
<b>Government Funding</b>	(150,670)	(122,580)	(86,595)	(69,271)
<b>Retained Business Rates</b>	(100,800)	(102,816)	(104,872)	(106,970)
<b>Council Tax</b>	(63,343)	(66,396)	(67,392)	(68,402)
<b>Collection Fund Surplus</b>	(1,645)	0	0	
<b>Total Funding</b>	(316,458)	(291,792)	(258,859)	(244,643)
<b>Budget Gap (excl use of Reserves)</b>	(20,726)	2,141	52,686	80,560
<b>Unallocated Contingencies</b>		0	0	0
<b>Budgeted Contributions to Reserves</b>	(766)	(1,034)	0	0
<b>General Fund Reserves</b>	21,492	(1,107)	(24,310)	(14,135)
<b>Unfunded Gap</b>	0	0	28,376	66,425
Savings to be delivered in each year			(28,376)	(38,049)
	<b>31/03/2014</b>	<b>31/03/2015</b>	<b>31/03/2016</b>	<b>31/03/2017</b>
Balance on General Fund Reserves (£000s)	59,552	58,445	34,135	20,000

## 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			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education, Social Care and Wellbeing	195,442	(2,010)	(54)	2,405	(7,005)	188,778	0	0	(1,162)	(272)	187,344	0	0	111	0	187,455
Communities, Localities and Culture	79,471	(350)	(193)	2,078	(1,591)	79,415	0	0	811	97	80,323	0	0	910	(199)	81,034
Development & Renewal	19,648	(1,534)	(27)	(1,762)	(1,365)	14,960	0	0	(39)	(150)	14,771	0	0	339	0	15,110
Resources	6,795	(230)	(17)	19	(36)	6,531	0	0	0	0	6,531	0	0	0	0	6,531
Chief Executives	9,760	0	(367)	13	(104)	9,302	0	277	0	0	9,579	0	0	0	0	9,579
Public Health	29,982	0	0	0	0	29,982	0	0	0	0	29,982	0	0	0	0	29,982
<b>Net Service Costs</b>	<b>341,098</b>	<b>(4,124)</b>	<b>(658)</b>	<b>2,752</b>	<b>(10,101)</b>	<b>328,967</b>	<b>0</b>	<b>277</b>	<b>(390)</b>	<b>(325)</b>	<b>328,529</b>	<b>0</b>	<b>0</b>	<b>1,360</b>	<b>(199)</b>	<b>329,690</b>
<b>Other Net Costs</b>																
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)	(66)	147	4	(8,713)	0	0	(28)	0	(8,741)	0	0	3,759	0	(4,982)
<b>Total Other Net costs</b>	<b>19,268</b>	<b>(2,568)</b>	<b>(66)</b>	<b>4,591</b>	<b>4</b>	<b>21,229</b>	<b>0</b>	<b>0</b>	<b>1,972</b>	<b>0</b>	<b>23,201</b>	<b>0</b>	<b>0</b>	<b>5,259</b>	<b>0</b>	<b>28,460</b>
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)
<b>Reserves</b>																
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)	9,532	(506)	0	0	0	772	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
<b>Total Financing Requirement</b>	<b>295,732</b>	<b>(10,100)</b>	<b>(5,368)</b>	<b>15,732</b>	<b>(565)</b>	<b>293,933</b>	<b>(3,000)</b>	<b>(694)</b>	<b>19,361</b>	<b>447</b>	<b>311,545</b>	<b>0</b>	<b>40</b>	<b>13,619</b>	<b>0</b>	<b>325,204</b>
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
<b>Total Financing</b>	<b>(316,458)</b>	<b>0</b>	<b>(5,151)</b>	<b>29,817</b>	<b>0</b>	<b>(291,792)</b>	<b>0</b>	<b>(1,115)</b>	<b>36,104</b>	<b>0</b>	<b>(258,859)</b>	<b>0</b>	<b>(1,150)</b>	<b>17,463</b>	<b>0</b>	<b>(244,643)</b>

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL 6<sup>th</sup> MARCH 2014  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

**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 8<sup>th</sup> 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 2013/14 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]

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL 6<sup>th</sup> MARCH 2014  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(e)	<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(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:-

<b>VALUATION BAND</b>	<b>GLA £</b>
A	199.33
B	232.56
C	265.78
D	299.00
E	365.44
F	431.89
G	498.33
H	598.00

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL 6<sup>th</sup> MARCH 2014  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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:-

<b>VALUATION BAND</b>	<b>TOTAL COUNCIL TAX £</b>
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. 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.

**SUBSTANTIVE MOTION****Summary Draft Medium Term Financial Plan 2013-17**

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
<b>Net Service Costs</b>	292,004	295,732	293,933	311,545
<b>Growth (Incl Public Health)</b>	40,566	7,343	1,582	6,619
<b>CLG Grants transferring into baseline</b>	23,717	0	0	0
<b>Savings</b>				
<b>Approved</b>	(26,029)	(6,692)	0	0
<b>New</b>		(724)	277	0
<b>Inflation</b>	5,760	4,842	5,500	5,500
<b>Core Grants (incl Public Health)</b>	(40,522)	(4,266)	9,074	1,540
<b>Earmarked Reserves (Directorates)</b>	(530)	(804)	447	0
<b>Contribution to/from Reserves</b>	766	(1,498)	732	0
<b>Total Funding Requirement</b>	<u>295,732</u>	<u>293,933</u>	<u>311,545</u>	<u>325,204</u>
<b>Government Funding</b>	(150,670)	(122,580)	(86,595)	(69,271)
<b>Retained Business Rates</b>	(100,800)	(102,816)	(104,872)	(106,970)
<b>Council Tax</b>	(63,343)	(66,396)	(67,392)	(68,402)
<b>Collection Fund Surplus</b>	(1,645)	0	0	
<b>Total Funding</b>	<u>(316,458)</u>	<u>(291,792)</u>	<u>(258,859)</u>	<u>(244,643)</u>
<b>Budget Gap (excl use of Reserves)</b>	(20,726)	2,141	52,686	80,560
<b>Unallocated Contingencies</b>		0	0	0
<b>Budgeted Contributions to Reserves</b>	(766)	(1,034)	0	0
<b>General Fund Reserves</b>	21,492	(1,107)	(24,310)	(14,135)
<b>Unfunded Gap</b>	0	0	28,376	66,425
Savings to be delivered in each year			(28,376)	(38,049)
<b>Balance on General Fund Reserves (£000s)</b>	<b>31/03/2014</b> 59,552	<b>31/03/2015</b> 58,445	<b>31/03/2016</b> 34,135	<b>31/03/2017</b> 20,000

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**Proposer: Carlo Gibbs**

**Secunder: Sirajul Islam**

**Foreword:**

- The ConDem Government continues in its ideological austerity drive hitting the most deprived communities such as ours the hardest. Whilst local councils face difficult decisions in the years ahead, strong, honest and fair leadership is required to ensure the most vulnerable are protected and services continue to serve residents' needs.
- The emptiness of this year's budget proposals from the Mayor shows that Lutfur Rahman has run out of ideas and has no plan to lead the borough through this difficult financial time.
- When John Biggs wins the Mayoralty in May we will be able to set about making the changes necessary to deliver the services residents rightly demand. Until then we need to send a clear message about the kind of administration we would lead.
- This Budget amendment starts to set out the progressive things that a Labour administration under John Biggs would seek to achieve. This includes;
  1. **Free School Meals for all primary school children;**
  2. **A 24h weekend noise nuisance and ASB reporting service;**
  3. **Action to tackle drug dealing;**
  4. **A private lettings service to cut out rip off charges and powers to hold RSLs to account;**
  5. **Utilising the council's capacity to build council housing;**
  6. **Funding to restore our much loved parks including bringing back the popular Victoria Park firework display.**
  7. **Cutting the Mayor's excessive spending on cars, advisors and communications;**

**This Council believes:**

- The budget deficit in 2015/16 stands at £28m and in 2016/17 this increases to £67m;
- The council budget for 2014/15 is not balanced and reserves are being used to cover the shortfall;
- The Mayor has failed to produce a plan of how he will tackle the deficit.
- Following years of pressure from Labour Group the Mayor has finally conceded that a plan is needed to deal with this deficit but has only just begun looking into this.
- This failure of leadership has led to two wasted years in which proposals could have been brought together in order to ensure our residents are protected from the worst of the Governments ideological cuts;
- The Mayor has left Tower Hamlets vulnerable because of this lack of leadership;

- The majority of the Mayors' current policies are not funded on a sustainable basis and are surviving on short term one off funding.
- It is important to show leadership in the face of ideological cuts driven by the Conservative / Liberal Democrat Coalition, and that as politicians we should be honest about the scale of the challenge we face and ensure that the council implements policies that are fair for its residents.

**This Council therefore resolves to make the following amendments to the Mayor's budget for 2014/15:**

## **Housing**

### **1. Leaseholders and tenants**

While the Mayor claims housing as one of his key priorities, he has failed to show leadership in an area of significant importance to residents. His failures include:

- Failing to get a grip on rising leaseholder charges and provide transparency for what residents are being charged for;
- Failing to take leadership over housing in the borough, instead meddling in the affairs of Tower Hamlets Homes board by hijacking the nominations and allowing the Chair to be forced out by independent representatives;
- Failing to implement all of the recommendations from the Beavers and Struthers Leaseholder audit;
- Failing to build council housing - disgracefully only building 15 council homes in his three and half years in office;
- Presiding over the Watts Grove site fiasco;
- Failing to get a fair deal from the Olympic village, securing just 27 homes;
- Failing to crack down on rogue landlords and failing to support people in the private rented sector;
- Hypocritically allowing his Cabinet to brand Registered Social Landlords "dodgy" despite them delivering 99% of affordable housing in the borough, for which he takes credit;
- Failing to hold RSLs to account when they don't deliver for their residents on issues such as anti-social behaviour;
- Overseeing a 109% increase in homelessness;
- Unlawfully leaving 94 families in bed and breakfast accommodation for over 6 weeks;

**This Council resolves to reverse this legacy of failure by:**

- We will, following the election, begin looking at bringing Tower Hamlets Home back under council control to provide stronger leadership and investigating the potential for savings from this process;
- Providing the support and leadership required to allow the council to deliver an ambitious council house building programme as the Labour Party has done in other areas such as Southwark, by preparing to deliver 1000 new homes;

- Providing funding to establish a council run lettings agency to support residents into the private rented sector that are facing high rents, charges and excessive credit checks and bring forward proposals around to crack down on rogue private landlords;
- Implementing the final recommendations in the Scrutiny review into co-regulation and accountability to ensure that Registered Housing Providers are delivering for residents;

**This will allow a Labour Mayor to show much needed leadership by:**

- Reviewing the Service Level Agreements between the council and THH with a view to providing better value for money;
- Reviewing costs to service charges with a view to providing a more efficient and transparent service for THH leaseholders and residents;
- Immediately implementing all of the recommendations in the Beavers and Struthers audit.
- Building the council homes that are so desperately needed;
- Support residents who are victims of rogue landlords or struggling to find housing in the private rented sector;
- Hold Registered Social Landlords to account and ensure they are deliver a decent standard of services for our residents;

**This council further believes:**

**2. Tackling poverty**

- Despite the political will and the financial capability, the Mayor has failed to show the leadership that is needed in order to deliver free school meals for all primary school pupils in Tower Hamlets. This lack of leadership and disingenuous attempt to convince residents he has already delivered this fails our young people and their parents.
- That the mayor disgracefully cut funding to advice centres at the height of the welfare cuts and proposed closing the one stop shop at Rushmead. That only through Labour Group's campaigning were the worst of these cuts reversed.
- The Conservative/Liberal Democrat Government have further cut the funding for crises payments, leaving the council £1.7m down in funding.
- Typically, the Mayor has no idea how to implement a policy to replace this scheme and has simply used reserves to cover the shortfall for one year

**This Council resolves to show leadership by diverting resources back to free school meals in order to deliver this for all primary school pupils as the Labour Party has done in Newham, Southwark and Islington. This will include:**

- Reversing the Mayor's decision to remove £1.3m of funding for free school meals from public health funds;
- Showing leadership by ensuring that the power of the Mayor's office is used to work with business, third sector and NHS partners to ensure that more than 100 women over 25 are given opportunities for employment in the health sector in a sustainable way and not just as a one off.
- Ensuring that through the main stream grants programme organisations that provide welfare advice are given priority and that Lutfur Rahman's disgraceful politicisation of the grants process is ended.

**This Council further believes:**

### **3. Crime and safety**

Under Lutfur Rahman crime in Tower Hamlets has risen while it is falling in neighbouring boroughs. The Mayor has failed to show leadership on this issue and this failure includes:

- Restricting the operating times for the out of hours noise service, restricting residents ability to raise noise complaints at key times;
- Presiding over an increase in crime of 1.4% since he came to power, while neighbouring Labour boroughs have seen significant falls of up to 8%;
- Drug dealing remains a major issue on the borough's streets and estates;
- Failing to challenge the Conservative Mayor of London's cuts to police numbers and police stations;

**In order to address these important issues, this Council resolves to:**

- Develop capacity to implement a community safety plan for each neighbourhood to ensure local residents have their say on local priorities;
- Provide additional resources to officers to tackle the scourge of drug dealing that blights many parts of the borough, including fully funding the sniffer dogs patrols to be rolled out across the borough;
- Reverse the cuts to the out of hours noise team to ensure that all noise nuisance and ASB can be reported around the clock at the weekends.

**This Council further believes:**

### **4. Communications and good governance**

The communications budget and other resources at this council has been wilfully abused by the Mayor, and at a time that council services are being cut and staffing levels reduced, it is disgraceful that council funds are being used to promote the Mayor to support his re-election.

Examples of this unfair excess include:

- £1m per year on a newspaper which favours the Mayor and independent councillors and which the Council's own statistics have shown featured 320 quotes from the Mayor and independent councillors compared with only 15 from Labour, Conservative, Liberal Democrat and Respect councillors combined. The paper also ran 164 images of the Mayor and his supporters as opposed to the 26 featuring opposition councillors including the ceremonial speaker of the Council;
- £16,000 spent on propaganda telling residents the streets are 'clean';
- £37,000 spent on letters announcing policy decisions;
- Last year choosing to increase spending on his office by 65% to £700,000, including £296k for advisors whilst cutting frontline staffing budgets elsewhere in the Council.
- Spent £42k on a mayoral Limousine and personal chauffeur and dishonestly claimed that this was being scrapped, when funding continues to remain in the MTFP for 3 years;

- £170,000 Spent on community forums where just a handful of residents attended. Whilst we fully support deliberative democracy this should be done in a truly engaging way and thus we would review this programme and look to work in partnership with resident organisations and others.

**In order to address this abuse of public funds this Council resolves to:**

- To remove the capacity for departments to spend on advertising by reducing their budgets by £200,000;
- Cut funding to the Chief Executive's department by £326,000 to remove the advisors and the Mayoral Car;

**This council further believes:**

**5. Community and Public Realm**

That the Mayor has failed to ensure that the borough is clean and that the community benefit from commercial events in the boroughs parks. Including;

- Nearly 4,000 missed collections in three months;
- Charging for bulk waste collections and having one of the worst record in the country for infestations;
- A dog fouling machine costing over £41,000 a year that services only a small part of the Deputy Mayor's ward, cleaning the street he lives on twice a week;
- The removal of one of London's favourite fireworks displays from Victoria Park for no good reason;
- Refusing to listen to residents concerns over the commercial use of Victoria Park and other parks;
- The decision to move the council Town Hall to Mulberry Place was made by the Lib Dems in 1993, and not under Labour as the Mayor is dishonestly trying to claim;
- That the options for a new town hall have not be properly scrutinised or explored by the Mayor;

**This council resolves:**

- To redeploy the Dog Fouling machine to work for residents across the borough;
- To return the annual fireworks event to its home at Victoria Park;
- Allocate £125,000 to support the restoration and improvement of the borough's other parks and open spaces;
- To delay the decision to build a multimillion pound town hall. Moving allocated funding back to a reserve fund for decision after a thorough review of options.

**2014/15 Budget Proposals**

Project	Change
<b>Saving Proposals</b>	
Cancel the decision to remove £1.3m of funding for free school meals for 2014/15	£1,300,000
Departmental top slice for advertising CLC, D&R, ESWB	£200,000
Cut the Mayoral car	£30,000
Cut the Chief Executives cost for mayoral advisors/consultants	£296,000

Remove community ward forum funding following completion of 2013/14 programme pending review	£170,000
Savings from the reduction to 45 councillors	£28,000
Delay decision on Town Hall pending options review	£2,000,000
	<b>+ £4,024,000</b>
<b>Spending Proposals</b>	
Provide universal free school meals for all primary pupils	- £1,300,000
Provide funding to develop a council run lettings agency to support people into the private rented sector	- £250,000
Restoration of Victoria Park firework display	- £45,000
Build capacity for council house building programme	£0 – From existing budget
Restoration of 24 hours noise service at weekends	-£110,000
Neighbourhood community safety plan (from existing resources)	£0 – From existing budget
Expansion of sniffer dog patrols to tackle drug dealing	-£144,000
Deliver the final recommendations from RSL co-regulation scrutiny review specifically in relation to the tenants' panel.	-£50,000
Public realm and park improvements	- £125,000
Move funding allocated for Town Hall to separate earmarked reserve	-£2,000,000
<b>Total:</b>	<b>-£4,024,000</b>