LONDON BOROUGH OF TOWER HAMLETS

DECISIONS OF THE COUNCIL

HELD AT 7.30 P.M. ON WEDNESDAY, 24 FEBRUARY 2016

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

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Suluk Ahmed
- Councillor Shafiqul Haque

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

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

Please see the minutes.

4. TO RECEIVE ANY PETITIONS

4.1 Petition relating to Budget Cuts and Council Reserve Funds.

Ms Naomi Byron addressed the meeting on behalf of the petitioners, and responded to questions from Members. Mayor John Biggs then responded to the matters raised in the petition.

DECISION

That the petition be referred to the Corporate Director, Resources for a written response within 28 days.

(Action by: Zena Cooke, Corporate Director, Resources)

4.2 Petition relating to Budget Cuts and Council Reserve Funds.

(Petition received after the agenda had been published but before the deadline for the submission of petitions and circulated in an addendum report)

Mr Pete Dickenson and Mr Hugo Pierre addressed the meeting on behalf of the petitioners, and responded to questions from Members. Councillor David Edgar, Cabinet Member for Resources then responded to the matters raised in the petition.

DECISION

That the petition be referred to the Corporate Director, Resources for a written response within 28 days.

(Action by: Zena Cooke, Corporate Director, Resources)

5. BUDGET AND COUNCIL TAX 2016/17

Mayor John Biggs **moved**, the budget proposals of the Mayor and Executive as set out in the agenda pack. Councillor Sirajul Islam **seconded** the proposals.

Two amendments were moved as follows:

- (i) Amendment **proposed** by Councillor Oliur Rahman and **seconded** by Councillor Rabina Khan.
- (ii) Amendment **proposed** by Councillor Chris Chapman and **seconded** by Councillor Andrew Wood

Following debate, the amendment proposed by Councillor Rahman was put to a recorded vote and was **defeated**.

The amendment proposed by Councillor Chapman was put to a recorded vote and was **defeated**.

The substantive budget proposals were then put to a recorded vote and were agreed.

DECISIONS

That Council: -

General Fund Revenue Budget and Council Tax Requirement 2016-17

1. Agree a General Fund revenue budget of £361.985m and a total Council Tax Requirement for Tower Hamlets in 2016-17 of £76.884m as set out in the table below.

		Total		Savings	Growth	Adjustments	Total
Service Area		2015-16	Approved	New	Ciowaii	Adjustificitis	2016-17
		£'000	£'000	£'000	£'000	£'000	£'000
Adult Services	3	94,373	0	(5,762)	2,567	(17)	91,161
Public Health		32,119	0	0	4,394	(1,050)	35,463
Children Servi	ices	90,293	0	(5,401)	(1,240)	855	84,506
Communities.	Localities & Culture	82,207	0	(4,414)	794	(457)	78,131
Development		15,964	0	(800)	(258)	134	15,041
Law, Probity 8		9,524	0	(180)	50	(204)	9,190
Resources		7,440	0	(625)	227	(17)	7,025
Net Service C	Costs	331,920	0	(17,182)	6,534	(7 55)	320,517
Other Net Co	ests						
Capital Charg	es	8,010	0	0	(535)	0	7,475
Levies		1,705	0	0	ì ó	0	1,705
Pensions		18,622	0	0	338	0	18,960
Other Corpora	ate Costs	(12,850)	(4,000)	(241)	931	21,050	4,889
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Total Other N	let costs	15,486	(4,000)	(241)	734	21,050	33,029
Inflation		2,940	0	(1,629)	7,000	129	8,440
Total Financi	ing Requirement	350,346	(4,000)	(19,052)	14,268	20,423	361,985
<u>Funding</u>							
Government		(88,693)	0	(36)	15,635	0	(73,094)
Retained Bus	siness Rates	(115,295)	0	(2,886)	0	0	(118,182)
Section 31 G	rant (BR)	(2,665)	0	0	(63)	0	(2,728)
Council Tax		(69,815)	0	(7,069)	0	0	(76,884)
Collection Fu	ınd Surplus	0	0	0	0	0	0
	Council Tax	(2,131)	0	853	0	0	(1,278)
	Retained Business						
	Rates	(4,922)	0	2,325	0	0	(2,597)
Core Grants							
	Public Health Grant	(33,877)	0	0	(3,006)	0	(36,883)
	Local Lead Flood	(85)	0	0	85	0	0
	NHB	(17,813)	0	(3,804)	0	0	(21,617)
	NHB Returned	(329)	0	0	329	0	0
	Education Services						
	Grant	(4,140)	0	0	341	0	(3,799)
	Improved Better Care						
	fund	0	0	0	0	0	0
	Council Tax Freeze						
	Grant 2015/16	(907)	0	0	907	0	0
Reserves							
	General Fund						
	(Corporate)	(624)	0	0	0	(1,456)	(2,080)
	Earmarked						
	(Directorate)	(1,209)	0	0	0	1,209	0
	General Fund						
	(Smoothing)	0	0	0	0	0	0
Total Financi	ng	(342,505)	0	(10,617)	14,228	(247)	(339,141)

2. Agree a Council Tax for Tower Hamlets in 2016-17 of £920.85 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:-

This incorporates a 1.99% general increase on the previous year and a 2% increase in respect of the Adult Social Care 'Precept' announced by the government during its recent budget announcements (SR2015).

BAND	PROPERT	YVALUE	RATIO TO BAND D	LBTH COUNCIL TAX FOR EACH
	FROM £	TO £		BAND £
A	0	40,000	6/ ₉	613.90
В	40,001	52,000	7/9	716.22
С	52,001	68,000	8/9	818.53
D	68,001	88,000	9/9	920.85
E	88,001	120,000	11/9	1,125.48
F	120,001	160,000	13/9	1,330.12
G	160,001	320,000	15/9	1,534.75
Н	320,001	and over	18/9	1,841.70

- 3. Agree that for the London Borough of Tower Hamlets in 2016-17:-
- (a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be £1,196.85 as shown below: -.

£ (Band D, No Discounts)

LBTH 920.85

GLA 276.00

Total 1,196.85

(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	_	PERTY LUE	RATIO TO BAND D	LBTH £	GLA £	TOTAL £	
	FROM £	TO £					
А	0	40,000	6/ ₉	613.90	184.00	797.90	
В	40,001	52,000	⁷ / ₉	716.22	214.67	930.89	
С	52,001	68,000	8/9	818.53	245.33	1,063.86	
D	68,001	88,000	9/9	920.85	276.00	1,196.85	
Е	88,001	120,000	11/9	1,125.48	337.33	1,462.81	
F	120,001	160,000	¹³ / ₉	1,330.12	398.67	1,728.79	
G	160,001	320,000	¹⁵ / ₉	1,534.75	460.00	1,994.75	
Н	320,001	and over	¹⁸ / ₉	1,841.70	552.00	2,393.70	

- 4. Approve the statutory calculations of this Authority's Council Tax Requirement in 2016-17, detailed in Appendix A to this decision sheet, undertaken by the Corporate Director Resources (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 2 February 2016.
- 6. Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2016-2020 as amended by the alternative options as agreed by the Mayor in Cabinet on 2 February 2016 and as set out in the report of the Mayor in Cabinet and summarised in the tables below.

Summary of Medium Term Financial Plan 2015-2020

	2015-16	2016-17	2017-18	2018-19	2019-20
	£'000	£'000	£'000	£'000	£'000
Net Service Costs	355,585	350,346	361,985	350,586	359,537
	44.440	07.500	(40.000)	0.454	0.400
Growth (Including Public Health)	14,442	27,563	(16,899)	3,451	3,400
Savings	(00.404)	(1.000)			
Approved	(22,421)	(4,000)	0	0	0
New	(200)	(17,423)	0	0	0
Inflation	2,940	5,500	5,500	5,500	5,500
Total Funding Requirement	350,346	361,985	350,586	359,537	368,437
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Government Funding	(88,693)	(73,094)	(58,474)	(48,444)	(38,079)
Retained Business Rates	(117,960)	(120,910)	(126,750)	(131,731)	(137,172)
Council Tax	(69,815)	(76,884)	(80,775)	(84,862)	(89,156)
Collection Fund Surplus					
Council Tax	(2,131)	(1,278)	0	0	0
Retained Business Rates	(4,922)	(2,597)	0	0	0
Core Grants	(57,151)	(62,299)	(52,065)	(44,917)	(44,953)
Earmarked Reserves (Directorates)	(1,833)	(2,080)	(370)	(370)	0
Total Funding	(342,505)	(339,141)	(318,434)	(310,325)	(309,361)
Budget Gap (excluding use of Reserves)	7,841	22,845	32,153	49,213	59,077
Unallocated Contingencies	0	0	0	0	0
Budgeted Contributions to Reserves	0	0	0	0	0
General Fund Reserves	(7,841)	(22,845)	(2,153)	(1,213)	(1,077)
Unfunded Gap	0	0	30,000	48,000	58,000
Savings to be delivered in each year	<u> </u>	0	,	,	(10,000)
Savings to be delivered in each year	(0)	0	(30,000)	(18,000)	(10,000)
	31/03/2016	31/03/2017	31/03/20 18	31/03/2019	31/03/2020
Balance on General Fund Reserves (£000s)	63,616	40,771	38,618	37,406	36,329

Detailed Analysis of the Medium Term Financial Plan by Service Area 2015/16 to 2019/20

	Total	Savi	ngs	Growth	Adjustments	Total	Savir	ngs	Growth	Adjustments	Total	Savi	ings	Growth	Adjustments	Total	Savi	ngs	Growth	Adjustments	Total
Service Area	2015-16	Approved	New			2016-17	Approved	New			2017-18	Approved	New			2018-19	Approved	New			2019-20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services	94,373	0	(5,762)	2,567	(17)	91,161	0	(241)	3,403	0	94,323	0	0	2,057	0	96,380	0	0	0	0	96,380
Public Health	32,119	0	0	4,394	(1,050)	35,463	0	0	(1,185)	(447)	33,831	0	0	(750)	0	33,081	0	0	(730)	0	32,351
Children Services	90,293	0	(5,401)	(1,240)	855	84,506	0	0	0	(600)	83,906	0	0	0	0	83,906	0	0	0	(370)	83,536
Communities, Localities & Culture	82,207	0	(4,414)	794	(457)	78,131	0	0	1,077	0	79,208	0	0	714	0	79,922	0	0	0	0	79,922
Development & Renewal	15,964	0	(800)	(258)	134	15,041	0	0	0	(663)	14,378	0	0	0	0	14,378	0	0	0	0	14,378
Law, Probity & Governance	9,524	0	(180)	50	(204)	9,190	0	0	0	0	9,190	0	0	0	0	9,190	0	0	0	0	9,190
Resources	7,440	0	(625)	227	(17)	7,025	0	0	250	0	7,275	0	0	0	0	7,275	0	0	0	0	7,275
Net Service Costs	331,920	0	(17,182)	6,534	(755)	320,517	0	(241)	3,545	(1,710)	322,111	0	0	2,021	0	324,132	0	0	(730)	(370)	323,032
Other Net Costs																					
Capital Charges	8,010	0	0	(535)	0	7,475	0	0	(419)	0	7,056	0	0	0	0	7,056	0	0	0	0	7,056
Levies	1,705	0	0	0	0	1,705	0	0	0	0	1,705	0	0	0	0	1,705	0	0	0	0	1,705
Pensions	18,622	0	0	338	0	18,960	0	0	1,500	0	20,460	0	0	1,000	0	21,460	0	0	1,000	0	22,460
Other Corporate Costs	(12,850)	(4,000)	(241)	931	21,050	4,889	0	241	185	(20,000)	(14,685)	0	0	430	0	(14,255)	0	0	3,500	0	(10,755)
Total Other Net costs	15,486	(4,000)	(241)	734	21,050	33,029	0	241	1,266	(20,000)	14,536	0	0	1,430	0	15,966	0	0	4,500	0	20,466
Inflation	2,940	0	(1,629)	7,000	129	8,440	0	(1,500)	7,000	0	13,940	0	(1,500)	7,000	0	19,440	0	(1,500)	7,000	0	24,940
Total Financing Requirement	350,346	(4,000)	(19,052)	14,268	20,423	361,985	0	(1,500)	11,811	(21,710)	350,586	0	(1,500)	10,451		359,537	0	(1,500)	10,770	(370)	368,437
l																					
Funding	(00.000)		(00)																		
Government Funding	(88,693)	0	(36)	15,635	0	(73,094)	0	(87)	14,707	0	(58,474)	0	(133)	10,163	0	(48,444)	0	(149)	10,514	0	(38,079)
Retained Business Rates	(115,295)	0	(2,886)	0	0	(118,182)	0	(8,471)	2,422	0	(124,230)	0	(2,639)	(2,327)	0	(129,196)	0	(2,991)	(2,435)	0	(134,622)
Section 31 Grant (BR)	(2,665)	0	(7,000)	(63)	0	(2,728)	0	(15)	223	0	(2,520)	0	(15)	0	0	(2,535)	0	(15)	0	0	(2,550) (89,156)
Council Tax	(69,815)	0	(7,069)	0	0	(76,884)	0	(3,891)	0	0	(80,775)	0	(4,088)	0	0	(84,862)	0	(4,294)	0	0	(89,156)
Collection Fund Surplus	(2,131)	0	853	0	0	0 (4.270)	0	0 1,278	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(4,922)	0	2,325	0	0	(1,278)	0	2,597	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained Business Rates	(4,922)	"	2,325	"	"	(2,597)	"	2,597	"		U	"				U					U
Core Grants Public Health Grant	(33,877)	0	0	(3,006)	0	(36,883)	0	0	740	0	(36,143)	0	0	750	0	(35,393)	0	0	730	0	(34,663)
Local Lead Flood	(85)	0	0	(3,006)	0	(30,663)	0	0	0	0	(36,143)	0	0	0	0	(35,393)	0	0	0	0	(34,663)
NHB	(17,813)	0	(3,804)	0	0	(21,617)	0	(5,000)	14,287	0	(12,330)	0	(5,000)	13,407	0	(3,923)	0	(5,000)	5,741	0	(3,182)
NHB Returned	(329)	0	(3,804)	329	0	(21,017)	0	(5,000)	0	0	(12,330)	0	(3,000)	13,407	0	(3,923)	0	(5,000)	0,741	0	(3,182)
Education Services Grant	(4,140)	0	0	341	0	(3,799)	0	0	1,027	0	(2,772)	0	0	1,026	0	(1,746)	0	0	1,026	0	(720)
	(4,140)	0	0	0	0	(3,799)	0	(820)	0	0	(820)	0	(3,036)	0	0	(3,856)	0	(2,533)	0	0	(6,389)
Improved Better Care fund Council Tax Freeze Grant 2015/16	(907)	0	0	907	0	0	0	(820)	0	0	(820)	0	(3,030)	0	0	(3,830)	0	(2,555)	0	0	(0,369)
	(501)			301		0		U			J					J					U
Reserves General Fund (Corporate)	(624)	0	0	0	(1,456)	(2,080)	0	0	0	1,710	(370)	0	0	0	0	(370)	0	0	0	370	0
Earmarked (Directorate)	(1,209)	0	0	0	1,209	(2,000)	0	0	0	0	(370)	0	0	0	0	(370)	0	0	0	0	0
General Fund (Smoothing)	(1,209)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		_	_	_	-		-	-	_	-		-	_	-	-		-	-	_		
Total Financing	(342,505)	0	(10,617)	14,228	(247)	(339,141)	0	(14,409)	33,406	1,710	(318,434)	0	(14,910)	23,019	0	(310,325)	0	(14,982)	15,576	370	(309,361)

LONDON BOROUGH OF TOWER HAMLETS COUNCIL 24th February 2016

APPENDIX A – BUDGET AND COUNCIL TAX STATUTORY CALCULATIONS

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

- 1. That the revenue estimates for 2016-17 be approved.
- 2. That it be noted that, at its meeting on 5th January 2016, Cabinet calculated 83,493 as its Council Tax base for the year 2016-17 [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 2016-17 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)	£1,271,486,394	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)	£1,194,602,325	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)	£76,884,529	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)	£920.85	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 £
	А	613.90
	В	716.22
	С	818.53
	D	920.85
	E	1,125.48
	F	1,330.12
	G	1,534.75
	Н	1,841.70

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 2016-17 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 dwellings shown below:-

VALUATION BAND	GLA £
Α	184.00
В	214.67
С	245.33
D	276.00
Е	337.33
F	398.67
G	460.00
Н	552.00

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 2016-17 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
Α	797.90
В	930.89
С	1,063.86
D	1,196.85
E	1,462.81
F	1,728.79
G	1,994.75
Н	2,393.70

6. 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 2016-17 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 2016/17 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.

The meeting ended at 10.30 p.m.