

BUDGET COUNCIL

23rd February 2011

BUDGET REQUIREMENT & COUNCIL TAX 2011/12

BUDGET MOTION FROM COUNCILLOR ALIBOR CHOUDHURY, CABINET MEMBER FOR RESOURCES

I propose the following motion in relation to Agenda item 5.1 "Report of the Cabinet meeting held on 9th February 2011":-

"That Council: -

General Fund Revenue Budget Requirement and Council Tax 2011/2012

1. Agree a total Budget Requirement for Tower Hamlets in 2011/12 of £310,960,000.
2. Agree a Council Tax for Tower Hamlets in 2011/12 of £885.52 at Band D, as detailed in the table below: -

	2010/11	2011/12
	£	£
Adults Health & Wellbeing	90,217,000	97,003,000
Children's Schools and Families	93,896,000	75,241,000
Development and Renewal	12,424,000	17,276,000
Communities, Localities and Culture	74,911,000	69,302,000
Resources	18,363,000	10,213,000
Chief Executive's	13,368,000	12,280,000
Corporate/Capital	17,748,000	19,885,000
Total Directorate Budgets	320,927,000	301,200,000
Corporate Contingency	7,763,000	8,451,000
Provision for Future Growth	2,200,000	7,700,000
Contribution to Investment Reserve	2,900,000	2,900,000
Local Public Service Agreement	(700,000)	(700,000)
Parking Control Account	(3,310,000)	(6,333,000)
Efficiency Reserve	689,000	689,000
Funding for Accelerated Delivery Programme	(1,802,000)	(343,000)
Insurance Fund	500,000	500,000
Area Based Grant income	(18,798,000)	0
Contribution to General Balances	0	3,000,000
Council Tax Freeze Grant	0	(1,961,000)
Transitional Grant	0	(4,143,000)
Council Net Budget	310,369,000	310,960,000
Formula Grant	(232,203,778)	(229,672,580)
Council Net Budget After Formula Grant	78,165,222	81,287,420
Collection Fund (Surplus)/Deficit	(3,478,000)	(2,549,420)
Net Budget Requirement	74,687,222	78,738,000
Council Tax Base	84,343	88,917
COUNCIL TAX AT BAND D	£885.52	£885.52

- a) Resulting in a Council Tax for all other band taxpayers, before any discounts, and excluding the GLA precept¹, 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

¹ – The Mayor of London will be presenting his final Greater London Authority (GLA) budget 2011/12 to the London Assembly on the 23rd February 2011; therefore the GLA precept is currently draft until approved.

3. Agree that for the London Borough of Tower Hamlets in 2011/12:-

(a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be **£1,195.34** as shown below: -

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	309.82
Total	1,195.34

(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	£206.55	£796.90
B	40,001	52,000	$\frac{7}{9}$	£688.74	£240.97	£929.71
C	52,001	68,000	$\frac{8}{9}$	£787.13	£275.40	£1,062.53
D	68,001	88,000	$\frac{9}{9}$	£885.52	£309.82	£1,195.34
E	88,001	120,000	$\frac{11}{9}$	£1,082.30	£378.67	£1,460.97
F	120,001	160,000	$\frac{13}{9}$	£1,279.08	£447.52	£1,726.60
G	160,001	320,000	$\frac{15}{9}$	£1,475.87	£516.37	£1,992.24
H	320,001	and over	$\frac{18}{9}$	£1,771.04	£619.64	£2,390.68

- 4 Approve the statutory calculations of this Authority's total Budget requirement in 2011/12, detailed in **Appendix A** to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 32 to 36 of the Local Government Finance Act 1992.

- 5 Approve the Capital Programme, Treasury Management Strategy, and Investment Strategy as set out in the Document Pack.

APPENDIX A TO ANNEX 1

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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

1. That the revenue estimates for 2011/2012 be approved.
2. That it be noted that, at its meeting on 12th January 2011, Cabinet calculated 88,917 as its Council Tax base for the year 2011/2012 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
3. That the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Section 32 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:
 - (a) £982,223,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of The Act. [Gross Expenditure]
 - (b) £671,263,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of The Act. [Gross Income]
 - (c) £310,960,000 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 32(4) of The Act, as its budget requirement for the year. [Budget Requirement]
 - (d) £232,222,000 Being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant and additional grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988 and reduced by the amount of any sum which the council estimates will be transferred from its general fund to its collection fund pursuant to the Collection Fund (Community Charges) directions under Section 98(5) of the Local Government Finance Act 1988. [Government Grants and Collection fund Adjustments]
 - (e) £885.52 Being the amount at 3(c) above, less the amount at 3(d) above, all divided by the amount at 2 above, calculated by the Council, in accordance with Section 33(1) of The Act, as the basic amount of its Council Tax for the year. [Council Tax]

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(f)	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(e) 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 2011/12 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	206.55
B	240.97
C	275.40
D	309.82
E	378.67
F	447.52
G	516.37
H	619.64

APPENDIX A TO ANNEX 1

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 23RD FEBRUARY 2011
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

5. That, having calculated the aggregate in each case of the amounts at 3(f) 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 2011/12 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	£796.60
B	£929.71
C	£1,062.53
D	£1,195.34
E	£1,460.97
F	£1,726.60
G	£1,992.24
H	£2,390.68