

BUDGET COUNCIL MEETING - 23RD FEBRUARY 2011

AMENDMENT TO AGENDA ITEM 5.1: BUDGET AND COUNCIL TAX 2011/12

Proposed: Councillor Helal Abbas

Seconded: Councillor David Edgar

This Council notes:

1. The scale of the cuts imposed on public services, families and individuals by the Conservative-led government and their Liberal Democrat partners.
2. That Tower Hamlets Council is facing cuts of £72million over the next three years.
3. The decision of the Cabinet under the previous Labour administration that the priority in responding to the government's cuts be protecting the delivery of frontline services by reducing layers of management, cutting agency staff, tougher deals with suppliers, using fewer buildings, and other measures.

This Council believes:

1. The government is cutting too fast and too deeply with damaging consequences for the people of Tower Hamlets.

This Council resolves:

To amend the Independent Mayor's budget as follows:

Delete the following savings:

	2011/12 £'000
AHWB/1 Housing Link	252
CE/2 Democratic Services	243
CSF/5 Extended schools services	753
	<hr/>
	1,248

Replace with the following savings:

	2011/12 £'000
AHWB/1 Housing Link provides an important service for people with a mental health problems who are going through a housing crisis and who may be at risk of homelessness or tenancy breakdown. Maintain this service with a 25% reduction in funding and a requirement to work with the Council including the Supporting People team to review caseloads, costs and the interaction with other services.	78
CE/2 Support to the Mayor and Councillors - in order to allow Councillors to represent effectively residents and others who raise issues with them, the following support be maintained - responses to enquiries to be sent to the resident concerned; enquiries to housing associations, the police and others to continue; "Streetline" enquiries to continue to be dealt with whenever the response to the telephone helpline is not satisfactory; surgeries to be supported at the same level. Councillors to continue to receive paper copies of agendas for committees where they request them in order to scrutinise effectively on behalf of residents the decisions and work of the Council and Mayor.	82

2011/12
£'000

CE/2	In recognition of the cuts being made across the Council's budget, freeze the Councillor's Basic Allowances and Mayor's salary at the current level for 2011/12; cut Special Responsibility Allowances by 5%; provide suitable transport for civic and ceremonial functions within London only for the sole use of the Chair and Deputy Chair of Council.	
CE/2	In recognition of the substantial contributions that local residents make to the life of the borough and the desirability of publicly recognising this, maintain a Civic Awards scheme but combine it with the Mayor's Community Safety Awards and limit any refreshments at the ceremony to those funded by sponsorship. The above give a non-staff saving of £82,000.	
CE/2	Support to the Mayor and Councillors - recognising the full access to the resources of the Council that the Mayor has and the need to balance appropriately the level of support to the Mayor and Executive with that available to other 46 councillors, cap the cost of staff support to the Mayor and Executive to £271,000. Any new appointments to be subject to the Council's redeployment procedures. The above give a staff saving, including that to the committee section, of £230,000.	230
CSF/5	The Junior Youth Service provides valued after school childcare for the children of many working and non-working parents. This service to be continued in at least eight schools for working and non-working parents at the current level of charges. The Council to agree with schools whether this service is provided directly by the Council or school-run provision is subsidised by the Council, the aim being to maximise the number of places provided. The funding for this provision to be £406,000.	347
LEAN/2	Make a further saving of £60,000 from the senior staff budget in Communications and reallocate the funding to the adventure play facilities (CLC/4) at Bartlett Park and Whitehorse Road to increase by £60,000 the amount available to commission provision from the third sector.	
	East End Life - in line with the Government's Local Authority Publicity Code to reduce publication to quarterly with a saving of £200,000.	200
	Community Safety - add 17 police officers - one per ward - to the Safer Neighbourhood Teams, meeting with local residents at Ward Panels, to replace the current team of Tower Hamlets Enforcement Officers with effect from 1 July at a net saving in 2011/12 of £25,000 and a net saving in 2012/13 of £180,000.	25

Reduce the contribution to reserves by £286,000.

Note that as a result of these proposals the Tower Hamlets Council Tax at Band D for 2011/12 will remain at £885.52

This Council further resolves:

1. To carry out reviews of the impact of the following savings proposals on service users (involving their families, advocates and friends where appropriate) and report to the

Overview and Scrutiny Committee and full Council by the end of October 2011 in time for the results of the reviews to influence the budget setting process for 2012/13:

- Promoting independence and reducing demand for domiciliary care through reablement
- Better use of supported housing
- Modernising learning disability day services
- Redesign and integration of early years and children's centres management.

2. To ensure that the equalities impact assessments for the impact of the budget savings are kept under review and updated and that the proposed Fairness Commission includes cross party representatives and reports in time for its conclusions to influence the budget setting process for 2012/13.

BUDGET COUNCIL

23rd February 2011

BUDGET REQUIREMENT & COUNCIL TAX 2011/12

CAPITAL PROGRAMME 2011/12

BUDGET MOTION (AMENDMENT) BY COUNCILLOR HELAL ABBAS

I propose the following motion in relation to Agenda item ? "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: -

	2011/12 - As per Budget Motion	2011/12 - As per Amendment
	£	£
Adults Health & Wellbeing	97,003,000	97,177,000
Children's Schools and Families	75,241,000	75,647,000
Development and Renewal	17,276,000	17,276,000
Communities, Localities and Culture	69,302,000	69,337,000
Resources	10,213,000	10,213,000
Chief Executive's	12,280,000	11,951,000
Corporate/Capital	19,885,000	19,885,000
Total Directorate Budgets	301,200,000	301,486,000
Corporate Contingency	8,451,000	8,451,000
Provision for Future Growth	7,700,000	7,700,000
Contribution to Investment Reserve	2,900,000	2,900,000
Local Public Service Agreement	-700,000	-700,000
Parking Control Account	-6,333,000	-6,333,000
Efficiency Reserve	689,000	689,000
Funding for Accelerated Delivery Programme	-343,000	-343,000
Insurance Fund	500,000	500,000
Area Based Grant income	0	0
Contribution to General Balances	3,000,000	2,714,000
Council Tax Freeze Grant	-1,961,000	-1,961,000
Transitional Grant	-4,143,000	-4,143,000
Council Net Budget	310,960,000	310,960,000
Formula Grant	-229,672,580	-229,672,580
Council Net Budget After Formula Grant	81,287,420	81,287,420
Collection Fund (Surplus)/Deficit	-2,549,420	-2,549,420
Net Budget Requirement	78,738,000	78,738,000
Council Tax Base	88,917	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 GLA precept is the amount of Council Tax that is paid to the Greater London Authority (GLA) for the provision of the London Underground. It is set out in the GLA's annual budget for the financial year 2015/16, which is available at: <http://www.gla.gov.uk/budgets/2015-16/>

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: -

<i>BAND</i>	<i>PROPERTY VALUE</i>		<i>RATIO TO BAND D</i>	<i>LBTH</i>	<i>GLA</i>	<i>TOTAL</i>
	<i>FROM</i>	<i>TO</i>		£	£	£
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.

**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) £982,545,000 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) £671,585,000 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

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Tax for the year. [Council Tax]

(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

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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