

Budget Motion moved by Cllr Stephanie Eaton (Liberal Democrat) seconded by Cllr Fozol Miah (Respect)

A. This Council notes that:

1. Tower Hamlets is required to reduce its budget by £72 million over 3 years.
2. Nonetheless the government has granted Tower Hamlets a special transition grant of £4.143 million.
3. The government has also introduced a pupil premium which will be worth approximately £9 million to support the education of the most deprived children in the Borough.
4. The government has also increased the ability of the Council to manage its finances efficiently and effectively with the removal of ring-fenced budgets.
5. Tower Hamlets Homes has been granted £95.4 million to improve the Borough's council housing stock.
6. The Mayor has stated his intention to review East End Life by May 2011.
7. Under the previous Labour administration the Council wasted funds on publicity photographs by millionaire fashion photographer Rankin; held a Senior Management Team awayday in a hotel in Greenwich; paid for expensive celebrity guest speakers at staff awards ceremonies; and presided over an inflated communications department.

B. This Council notes that the proposals put forward by the Mayor and Cabinet will ensure that:

1. Every children's centre will remain open.
2. Out-of-school hours activities will remain available for every child.
3. Homecare services for eligible residents will continue to be free; and Tower Hamlets will be the only local authority in the country to provide these services free.
4. Resident parking permits, visitor Scratch cards and short stay parking charges will be frozen at 2010/11 levels.

5. There will be no reductions to concessions at leisure centres and no increases above the rate of inflation in 'on the door' pay and play charges for sports and leisure facilities.
6. There will be no increases above the rate of inflation for hire of premises run by the arts and events team, e.g. for the Brady Centre.
7. Fees and charges will remain the same for street and market traders for 2011/12 for the third successive year.
8. Council tax will not increase in 2011/2012

C. This Council:

1. Supports the goals of the Mayor and Cabinet to protect front line services, and minimise job losses.
2. Supports the Mayor and Cabinet's approach to General Fund reserves, recognising that it is prudent to place additional resources in the General Fund reserves due to strategic financial risks.
3. Confirms that young people, employment and housing are among this Council's highest priorities.

D. This Council amends the budget put forward by the Mayor as follows:

1. To use previously unallocated capital funding of £2.9 million pounds in order to increase social housing, and release the following 'earmarked' reserves for the immediate benefit of the Borough:

Single status reserve £1 million

Chief Executive's reserve £0.7 million

This comprises a total of £4.6 million to be put to immediate use in major funding initiatives to reflect the Council's priorities of young people, employment and housing.

E. This Council resolves:

1. To apply £1.04million to support apprenticeships, leadership training and new graduate employment initiatives over 3 years. That the Corporate Directors of Development and Renewal and Children's Services bring forward proposals to be included the Mayor's forthcoming employment strategy.

A total of £1.04 million to develop apprenticeships, leadership training and new graduate employment initiatives in the borough.

2. To offer additional school subsidy for the Junior Youth Service and extended schools provision at the level of 2011/12. To do this by offering a ninth school £15K start up funding on the same basis as the Mayor's budget proposal and an additional £5K per school on the basis that they maintain prevailing charging policies for 2011/12. In so doing this Council will continue to support working and non working families who require after school childcare. The proposal is to support this service with a total of £0.06 million pounds in 2011/12.

A total of £0.06 million of support to families and schools for the provision of after school childcare and youth services.

3. To allocate £3.5 million of capital to increase affordable housing in the Borough. Measures to include but not limited to:

- knock-through of apartments to provide larger family sized accommodation – number to be determined by demand, suitability of site, and cost.
- Leaseholder buy-backs
- Development of new housing schemes (see below at 4.)

A total of £3.5 million to increase the supply of affordable housing in the Borough.

4. To make available the site at 585 - 593 Commercial Road E1 0HJ for development with the aim of maximizing the provision of high quality social rented housing

- The practice of removing and storing illegally parked vehicles at the car pound on 585 - 593 Commercial Road is to be discontinued. Therefore, the site will no longer be required for that use, and the land is available for development. The value of the land is approximately £5 million. Subject to planning permission and with the support of a development partner, making the site available for redevelopment provides an opportunity for substantial numbers of new homes in the Borough.

Approx £5.0 million land value to develop high quality social housing to provide a maximum number of social rented homes on the site of the former car pound at 585 - 593 Commercial Road.

F. This Council notes:

that as a result of these proposals the Tower Hamlets Council Tax at Band D for 2011/12 will remain at £885.52 and the Local Priorities Capital Programme for 2010/11 - 2013/14 will increase to £50.690m.

BUDGET COUNCIL

23rd February 2011

BUDGET REQUIREMENT & COUNCIL TAX 2011/12

BUDGET MOTION (AMENDMENT) FROM COUNCILLOR STEPHANIE EATON

“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: -

	As per Budget Motion	Revised
	2011/12	2011/12
	£	£
Adults Health & Wellbeing	97,003,000	97,003,000
Children's Schools and Families	75,241,000	75,301,000
Development and Renewal	17,276,000	17,276,000
Communities, Localities and Culture	69,302,000	69,302,000
Resources	10,213,000	10,213,000
Chief Executive's	12,280,000	12,280,000
Corporate/Capital	19,885,000	19,885,000
Total Directorate Budgets	301,200,000	301,260,000
Corporate Contingency	8,451,000	8,451,000
Provision for Apprenticeships, Leadership Training and Graduate Employment Initiatives		1,040,000
Funding from Reserves		-1,100,000
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	3,000,000
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

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.

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) | £984,694,000 | 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) | £673,734,000 | 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] |

(f) **VALUATION** **LBTH**

BAND	£
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

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