

BUDGET COUNCIL MEETING – 23RD FEBRUARY 2011

SUBSTANTIVE MOTION (AS AMENDED) AGREED BY THE COUNCIL

A. This Council notes that:

1. The scale of the cuts imposed on public services, families and individuals by the Conservative-led government and their Liberal Democrat partners
2. 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.
4. Nonetheless the government has granted Tower Hamlets a special transition grant of £4.143 million.
5. 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.
6. The government has also increased the ability of the Council to manage its finances efficiently and effectively with the removal of ring-fenced budgets.
7. Tower Hamlets Homes has been granted £95.4 million to improve the Borough's council housing stock.
8. The Mayor has stated his intention to review East End Life by May 2011.
9. 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 believes:

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

C. 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

D. 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.

E. This Council agrees the budget proposals put forward by the Independent Mayor subject to the following amendments:-

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.

F. 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 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.

3. 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.

4. To 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

5. To replace with the following savings:

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. £78k

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 scrutinize effectively on behalf of residents the decisions and work of the Council and the Mayor.

£82k

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 recognizing 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 – recognizing 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.

£230k

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 subsidized by the Council, the aim being to maximize the number of places provided. The funding for this provision to be £406,000.

£347k

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. £200k

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. £25k

Reduce the contribution to reserves by £286,000

G. 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 £50.990m.

H. That the Council Resolves: -

General Fund Revenue Budget Requirement and Council Tax 2011/2012

1. To agree a total Budget Requirement for Tower Hamlets in 2011/12 of £310,960,000;
2. To agree a Council Tax for Tower Hamlets in 2011/12 of £885.52 at Band D;

- a) 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	$\frac{6}{9}$	£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. To 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 To 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 To approve the Capital Programme, Treasury Management Strategy, and Investment Strategy as set out in the Document Pack, subject to the amendments agreed above.

H. That the 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.

**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) £987,896,000 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) £676,936,000 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

**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