

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE COUNCIL

HELD AT 7.30 P.M. ON WEDNESDAY, 23 FEBRUARY 2011

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

Members Present:

| | |
|--------------------------------|-----------------------------|
| Mayor Lutfur Rahman | Councillor Denise Jones |
| Councillor Helal Abbas | Councillor Dr. Emma Jones |
| Councillor Kabir Ahmed | Councillor Aminur Khan |
| Councillor Khaled Uddin Ahmed | Councillor Anwar Khan |
| Councillor Ohid Ahmed | Councillor Rabina Khan |
| Councillor Rofique U Ahmed | Councillor Rania Khan |
| Councillor Shelina Aktar | Councillor Shiria Khatun |
| Councillor Shahed Ali | Councillor Anna Lynch |
| Councillor Tim Archer | Councillor Harun Miah |
| Councillor Abdul Asad | Councillor Md. Maium Miah |
| Councillor Craig Aston | Councillor Fozol Miah |
| Councillor Lutfu Begum | Councillor Ahmed Adam Omer |
| Councillor Mizan Chaudhury | Councillor Lesley Pavitt |
| Councillor Alibor Choudhury | Councillor Joshua Peck |
| Councillor Zara Davis | Councillor Zenith Rahman |
| Councillor Stephanie Eaton | Councillor Oliur Rahman |
| Councillor David Edgar | Councillor Rachael Saunders |
| Councillor Marc Francis | Councillor David Snowdon |
| Councillor Judith Gardiner | Councillor Gloria Thienel |
| Councillor Carlo Gibbs | Councillor Bill Turner |
| Councillor Peter Golds | Councillor Kosru Uddin |
| Councillor Shafiqul Haque | Councillor Helal Uddin |
| Councillor Carli Harper-Penman | Councillor Abdal Ullah |
| Councillor Sirajul Islam | Councillor Motin Uz-Zaman |
| Councillor Ann Jackson | Councillor Amy Whitelock |

The meeting commenced at 7.35 p.m.

The Chair of Council, Councillor Motin Uz-Zaman, in the Chair

1. APOLOGIES FOR ABSENCE

RESOLVED

No apologies for absence were received.

2. DECLARATIONS OF INTEREST

Councillors made declarations of interest in items included on the agenda as follows:

| Councillor | Item | Type of interest | Reason |
|---------------|------|------------------|---|
| Rofique Ahmed | 5.1 | Personal | I am trustee of East End Citizen Advice Bureau |
| Peter Golds | 5.1 | Personal | I am the Council's representative on the Green Candle Dance company who are recipients of a grant |
| Denise Jones | 5.1 | Personal | I am a non-executive member of the PCT Board and a School Governor at Mulberry School |
| Joshua Peck | 5.1 | Personal | I am a representative on the Greenwich and Docklands Festival Board |

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

No announcements were made at this meeting.

4. TO RECEIVE PETITIONS**4.1 Petition from Mr. Terry McGrenera and others re: the Council's budget strategy**

At the invitation of the Chair of Council, Mr. Terry McGrenera addressed the meeting on behalf of the petitioners.

Mayor Lutfur Rahman then responded to the petition. He said that he had never claimed to be anything like George Lansbury and Tower Hamlets was a high performing borough and the Council was in this position not from its own making but that of Central Government which had compelled it to make £72 M worth of savings. Services that were delivered to the people would be protected and these principals had been the basis that had been used when putting the budget papers together. Efficiencies had been found that would protect the Council's services and workforce and he hoped that all sides could agree the budget this evening.

RESOLVED

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

4.2 Petition from Mrs. Dinah Glover and others regarding East End Life

At the invitation of the Chair of Council, Mrs. Dinah Glover and Mr. Daryl Stafford addressed the meeting on behalf of the petitioners and replied to questions from Members of the Council.

Councillor Rania Khan, Cabinet Member for Regeneration then responded to the petition. She said that the Government's proposals mentioned by the petitioners took the form of guidance not legislation. The actual cost of producing the paper was £370K. If East End Life was abolished then the Council would have to pay to advertise statutory notices and housing choice in other publications and it also raised concerns about information reaching the vulnerable and disabled residents of the borough.

RESOLVED

That the petition be referred to the Assistant Chief Executive (Legal Services) for a written response on any outstanding matters within 28 days.

4.3 Petition from Ms. Lil Collins and others regarding the budget proposals

At the invitation of the Chair of Council, Ms. Lil Collins and Mr. Brian Nicholson addressed the meeting on behalf of the petitioners and replied to questions from Members of the Council.

Councillor Alibor Choudhury, Cabinet Member for Resources, then responded to the petition. Most of what the petitioners had said had been taken on board. The Mayor had only had four months to put the budget proposals together. The residents needed to be put first along with frontline services and protecting jobs. Councillor Choudhury said that he regretted that Councillor Golds had written to Mr. Eric Pickles asking for a transitional grant of over £3M to be withheld.

Councillor Peter Golds rose to make a point of personal explanation as he had been referred to.

At this point, a Councillor informed the Chair of Council that she had heard a homophobic comment from the public gallery. The Chair warned all present that the Council would not accept or tolerate any such comments and asked the person responsible to leave the meeting.

Point of personal explanation

Councillor Peter Golds informed the meeting that he had not asked Mr Eric Pickles to withdraw the transitional grant. Rather Councillor Golds wanted the money to be spent on maintaining services as intended but the Mayor was proposing instead to put £3M into reserves.

RESOLVED

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

5. BUDGET AND COUNCIL TAX 2011/12**5.1 Report of the Cabinet Meeting of 9th February 2011**

Mayor Lutfur Rahman introduced his budget proposals. He stated that the £30M of cuts necessary in the forthcoming financial year had been found without closing libraries or children's centres, or increasing school dinner prices. Homes would be built to rent and Tower Hamlets Homes had that day gained a two star rating and the borough had secured £100M in decent homes funding. In relation to crime and policing the Mayor had met with the Borough Commander to put together a proposal that will combine some of our dedicated policing resources with extra funding from the GLA that will enable the borough to employ 21 more Police officers.

Councillor Alibor Choudhury **MOVED** the budget proposals of the Mayor and Executive. He placed on record his thanks to Councillors and Officers for their months of intensive work on the budget. 28% of the Council's grant had been cut by Central Government and the Council had been forced to find £71M of cuts over three years with 42% in 2011/12. Councillor Choudhury considered that the proposals represented a progressive budget to enable the Council to continue to be one of the best performing Councils in London.

Councillor Rabina Khan **SECONDED** the motion and addressed the Council in support of it.

Councillor Helal Abbas then **MOVED** and Councillor David Edgar **SECONDED** a tabled **amendment** as attached at Appendix A.

Councillor David Snowdon the **MOVED** and Councillor Zara Davis **SECONDED** a further tabled **amendment** as attached at Appendix B.

Councillor Stephanie Eaton then **MOVED** and Councillor Fozol Miah **SECONDED** a further tabled **amendment** as attached at Appendix C.

Adjournment

Following debate, the Chair of Council announced that the meeting would adjourn to allow the Mayor to consider the amendments that had been proposed. (9.10pm)

At 9.30pm the meeting resumed its business and the Mayor's response to the amendments was tabled.

The Mayor indicated that he was willing to accept in its entirety the amendment moved by Councillor Stephanie Eaton and Councillor Fozol Miah and in accordance with Procedure Rule 15.8.1 altered his motion accordingly.

In relation to the amendment moved by Councillor David Edgar and Councillor Helal Abbas, the Mayor stated that he would be happy to support all of the elements except those relating to:-

1. The Junior Youth Service, as this proposal had been dealt with under the amendment proposed by Councillor Stephanie Eaton and Councillor Fozol Miah and their solution achieved the same result and was cheaper;
2. East End Life – The Mayor was happy to commit to a saving of at least £200,000 but any decision on the frequency and format of any future Council publication should be based on the decision of the ongoing review as officers had pointed out the risks of making this decision without detailed costings of all possible solutions; and
3. Policing – Councillor Edgar's proposal was unacceptable as it cut across ongoing negotiations between the Council and the Police around recently announced GLA funding for police officers. These negotiations would enable the Council to deliver 21 extra Police officers without any need to cut THEOs.

In relation to the amendment moved by Councillor David Snowdon and Councillor Zara Davis, the Mayor stated that he would not be accepting any part of the amendment as he did not feel that it reflected the needs of the borough.

Following points of clarification on a number of matters to which, at the invitation of the Chair, Corporate Directors provided Members with information, the Chair of Council announced that the meeting would again adjourn, to allow Members to consider the Mayor's response to the amendments and his revised motion. (9.45pm)

The meeting resumed business at 10.02pm.

At this point the Chair of Council stated that someone in the public gallery had threatened a member of staff and he asked that person to leave the meeting.

Following a continuing disturbance in the public gallery the Chair again adjourned the meeting and in accordance with Procedure Rule 24.2, ordered the public gallery to be cleared. (10.12pm).

The meeting resumed business at 10.18pm.

Councillor David Edgar advised the meeting that the Labour Group were not satisfied with the Mayor's response and accordingly would not be varying their tabled amendment. Councillor Edgar sought further information on aspects of the Mayor's proposals and the officer advice.

Following debate, the amendment moved by Councillor David Edgar and Councillor Helal Abbas was put to the vote.

At this point more than 10 Members rose to request a recorded vote.

Before the recorded vote commenced, Members sought clarification about the procedure for moving a further amendment or varying a tabled amendment. The Assistant Chief Executive (Legal Services) advised that Members had an opportunity during the debate to change their amendment. The Section 151 Officer had confirmed that the amendments being voted upon were not inconsistent and it was now too late to do so as the meeting was moving to the vote.

The recorded vote was then taken on the amendment moved by Councillor Edgar and Members indicated their votes as follows:-

For the amendment (29 Councillors):

Councillor Helal Abbas
Councillor Kabir Ahmed
Councillor Khaled Uddin Ahmed
Councillor Rofique Uddin Ahmed
Councillor Shahed Ali
Councillor Mizanur Chaudhury
Councillor David Edgar
Councillor Marc Francis
Councillor Judith Gardiner
Councillor Carlo Gibbs
Councillor Shafiqul Haque
Councillor Carli Harper-Penman
Councillor Sirajul Islam
Councillor Ann Jackson
Councillor Denise Jones
Councillor Anwar Khan
Councillor Shiria Khatun
Councillor Anna Lynch
Councillor Ahmed Omer
Councillor Lesley Pavitt
Councillor Joshua Peck
Councillor Zenith Rahman

Councillor Rachael Saunders
Councillor Bill Turner
Councillor Helal Uddin
Councillor Kosru Uddin
Councillor Abdal Ullah
Councillor Amy Whitelock
Councillor Motin Uz-Zaman

Against the amendment (0 Councillors)

Abstained (19 Councillors):

Councillor Peter Golds
Councillor Ohid Ahmed
Councillor Shelina Aktar
Councillor Timothy Archer
Councillor Craig Aston
Councillor Lutfu Begum
Councillor Alibor Choudhury
Councillor Zara Davis
Councillor Stephanie Eaton
Councillor Dr. Emma Jones
Councillor Aminur Khan
Councillor Rabina Khan
Councillor Rania Khan
Councillor Fozol Miah
Councillor Harun Miah
Councillor Maium Miah
Councillor Oliur Rahman
Councillor David Snowdon
Councillor Gloria Thienel

The amendment was therefore **carried**.

The amendment moved by Councillor David Snowdon and Councillor Zara Davis was then put to the vote and was **defeated**.

Finally, the substantive motion as amended was put to the vote.

At this point more than 10 Members rose to request a recorded vote. A recorded vote was therefore taken on the substantive motion and Members indicated their votes as follows:-

For the amendment (32 Councillors):

Councillor Helal Abbas
Councillor Kabir Ahmed
Councillor Khaled Uddin Ahmed
Councillor Rofique Uddin Ahmed
Councillor Shahed Ali
Councillor Mizanur Chaudhury

Councillor Stephanie Eaton
Councillor David Edgar
Councillor Marc Francis
Councillor Judith Gardiner
Councillor Carlo Gibbs
Councillor Shafiqul Haque
Councillor Carli Harper-Penman
Councillor Sirajul Islam
Councillor Ann Jackson
Councillor Denise Jones
Councillor Anwar Khan
Councillor Shiria Khatun
Councillor Anna Lynch
Councillor Fozol Miah
Councillor Harun Miah
Councillor Ahmed Omer
Councillor Lesley Pavitt
Councillor Joshua Peck
Councillor Zenith Rahman
Councillor Rachael Saunders
Councillor Bill Turner
Councillor Helal Uddin
Councillor Kosru Uddin
Councillor Abdal Ullah
Councillor Amy Whitelock
Councillor Motin Uz-Zaman

Against the amendment (0 Councillors)

Abstained (16 Councillors):

Councillor Peter Golds
Councillor Ohid Ahmed
Councillor Shelina Aktar
Councillor Timothy Archer
Councillor Craig Aston
Councillor Lutfu Begum
Councillor Alibor Choudhury
Councillor Zara Davis
Councillor Dr. Emma Jones
Councillor Aminur Khan
Councillor Rabina Khan
Councillor Rania Khan
Councillor Maium Miah
Councillor Oliur Rahman
Councillor David Snowdon
Councillor Gloria Thienel

The substantive motion as amended was therefore **carried** as follows:-

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 |
| | | 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.

I. 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.

Outcome of the meeting

The Service Head, Democratic Services then advised Members that as the Council had agreed budget proposals that were different from the Mayor's proposals, the statutory dispute resolution process would come into operation. The Council was required to inform the Mayor of their objection to his budget proposals and set a period of at least 5 working days, starting on the day after the meeting, within which the Mayor and Executive could reconsider their proposals in the light of that objection and resubmit them for consideration at a further meeting of the Council.

The Chair of Council informed Members that this further meeting would be held on Tuesday 8th March 2011.

RESOLVED

That the Mayor and Executive be informed of the Council's objection to their budget proposals as set out in the substantive motion (as amended) above and be requested to reconsider their budget proposals in the light of that objection and within a period of 5 working days, commencing on Thursday 24th February, submit any revised proposals for consideration at a further Council meeting in accordance with the Budget and Policy Framework Procedure Rules.

The meeting ended at 11.32 p.m.

Chair,
Council

APPENDIX A

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 |
| | | |
| | | 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.

APPENDIX B**Amendment proposed by: Councillor David Snowdon****Amendment seconded by: Councillor Zara Davis****This Council notes:**

1. The financial black hole inherited from Labour both at a national level and at the Council level;
2. That Tower Hamlets Council has accumulated £354million of debt and is paying £22 million each year on debt interest alone;
3. That this debt pile is the legacy of years of fiscal irresponsibility from the previous Labour administrations;
4. That the Town Hall continues to waste money through propaganda, consultants, advertising and Council subscriptions;
5. That residents have not been consulted over the budget proposals;
6. That the 34 residents who attended focus groups on the budget were concerned by the cost of East End Life and wanted to see greater joint service provision across neighbouring boroughs.

This Council will:

7. Implement the following recurring spending reductions:

| Budget Line | Description | 2011/12 Budget Saving | | | |
|--|--|-----------------------------------|-------------|----------------|------------|
| East End Life | Discontinue East End Life. Carry out statutory advertising through other newspapers. | £250,000 | | | |
| Senior Staff Salaries | Reduce the salaries budget of the Council, with a clear emphasis on the highest paid staff. For example: <ul style="list-style-type: none"> • Staff earning over £170k to receive a 10% reduction in salary • Staff earning over £100k to receive a 5% reduction in salary | Total saving £112,800 comprising: | | | |
| | | Salary without costs (£) | No of posts | Total cost (£) | Saving (£) |
| | | >170k | 1 | 224k | 22.4k |
| | | >100k | 13 | 1,808k | 90.4k |
| Staff Salaries Settlement | Remove the provision for a National Pay increase of £250 per worker now that the local government employers have offered a 0% increase | £750,000 | | | |
| Special Responsibility Allowances | Abolish Special Responsibility Payments for: <ul style="list-style-type: none"> • Chair of Licensing • Chair of Appeals • Chair of General Purposes • Chair of Audit • Chair of Human Resources • Chair of Pensions Committee • Olympics Ambassador | Total saving £47,157, comprising: | | | |
| | | £7,955 | | | |
| | | £7,955 | | | |
| | | £7,955 | | | |
| | | £5,823 | | | |
| | | £5,823 | | | |
| | | £5,823 | | | |
| | | £5,823 | | | |

| | | |
|--|--|---|
| Language Extension Classes, also known as 'Mother Tongue Classes' | Set up a private trading company to provide extra-curricular language classes to make service cost neutral and protect it into the long-term. Expand coverage of world languages covered by these classes e.g. Russian, Portuguese, Italian. See Annex I | £750,000 |
| Single Person Discount on Council Tax | The Council is already using data checking to reduce the number of people fraudulently claiming the single person discount on Council Tax. We will substitute a reduction to 33% of households claiming Single Person Discount with a reduction to 32.75% | £74,629 |
| Events | Savings comprising of: Reducing the budgetary impact of the annual fireworks display. Inviting Hackney to contribute to the event, to make it a joint production. Or failing Hackney taking up their share of the responsibility, ensure more "bang for our buck". Halve the Tower Hamlets Council contribution to the Greenwich and Docklands International Festival Halve the Tower Hamlets contribution to the Spitalfields Music Festival | Total saving £98,070 comprising: £73,070 £12,500 £12,500 |
| Consultants | Reduce spending by 20% | £260,000 |
| Conferences | Reduce spending by 20% | £44,000 |
| Advertising | Reduce spending by 10% including no further lamp-post column advertising or bus shelter posters | £165,000 |
| Communications | Cut 'in the news' | £7,500 |
| Film Officer | Film Officer to make a contribution to main budget of £48,000 (represents levering in an additional 25% of funding through | £48,000 |

| | | |
|---|---|--|
| | film location contracts) | |
| Council Subscriptions to Organisations | <p>Leave various organisations to which the Council has subscribed:</p> <ul style="list-style-type: none"> the Local Government Information Unit the New Local Government Network | <p>Total saving £27,100 comprising of:</p> <p>£15,100</p> <p>£12,000</p> |
| Subscriptions to newspapers | Reduce spending on subscriptions to newspapers, magazines and periodicals by 5% | £4,897 |
| Pot plants | Reduction in facilities management budget, with saving to be primarily achieved through ending all spending on buying and maintaining pot plants. | £18,696 |
| Total Additional Revenue Savings | | £2,657,849 |

8. Implement the following recurring expenditure increases:

| Title | Description | Spending |
|---|---|--|
| Police | Provide an additional 17 police officers, one extra per ward. | £680,000 |
| ESOL | Provide an additional gross 500 places to clear the waiting lists for ESOL courses. | £300,000 This cost is based on the Skills Funding Agency cost per ESOL student. |
| Road Maintenance | Double the Council's spend on road repairs in 2011/12 to take account of the high wear and tear caused by the hard winter | £283,000 |
| Wapping Road Maintenance | Repairs to Wapping Wall and Wapping High Street including repairing the sinking road, potholes and cobbles. | £95,000 |
| Litter/Dog / Park Wardens | Provide additional Dog Wardens (x2), Litter Wardens (x2) and Park Wardens (x2) | £232,000 |
| Total Additional Revenue Expenditure | | £1,590,000 |

9. Implement the following non-recurring spending / capital spending for 2011/12:

| | | |
|---|--|-------------------|
| Mudchute Children's Centre, Isle of Dogs | Provide capital funding to expand the buildings. This will enable the nursery provision to be doubled from 18 to 36 baby places, the playgroup provision to be doubled from 16 to 32 places, it will provide an additional 20 places for children at the breakfast club, an additional 20 places in the after school club, and allow the centre to take in up to 20 children each day during school holidays under an emergency holiday scheme. They have enough children on their waiting to immediately fill all new places that become available. | £590,750 |
| Docklands Heritage Boards, Isle of Dogs | Fund to CLC to repair existing boards from the LDDC at £600 each. Leverage in additional funding from business and educational groups for a schools' local history programme, and a local heritage trail, potentially working with the Museum of London Docklands | £20,000 |
| Contingency | Contingency fund, in case of overspend/efficiencies coming in lower than forecast | £457,099 |
| Total Additional Capital Expenditure | | £1,067,849 |

10. Take the following action with regards to reserves:

| | | |
|-----------------|--|------------|
| Reserves | Move £1 million of the £3 million 2011/12 allocation to reserves into a ring-fenced 'Fund to Repay Debt With Excessive Interest Payments' (See Annex II) | £1,000,000 |
|-----------------|--|------------|

11. Give the requisite one year's notice to withdraw from the Local Government Association. This will save the Council the subscription fee of £44,860 in 2012/13 and future years.
12. Sell the Renault site at 535-593 Commercial Road as it is no longer required as a car pound. The sale of this site on the open market will produce a significant profit for the Council as a result of the marriage value of the

recently acquired leasehold and the freehold. A desktop valuation by Council officers places the value of the Renault site at £5 million. The receipts from this would be used to pay off the LBTH debt pile – through the Special Fund outlined in Annex II - and therefore reduce debt interest payments in future years.

13. Request that the Boundary Commission reduces the number of Councillors from 3 Councillors per ward to 2 per ward. This would produce direct savings of £171,105 per annum (workings are 17 x Basic Allowance = £171,105).
14. Outsource all communications work within the Council to WestCo, which currently carries out the communications functions for other London Boroughs.
15. Investigate shared procurement, for example on electricity. The Council notes that Kent County Council already co-ordinates electricity for many Councils including for other London Boroughs.
16. Investigate joining the Redbridge Culture and Leisure Trust, which would be responsible for the day-to-day management of all sports and leisure services, events, libraries and parks & open spaces in the borough. Tower Hamlets Council would retain its strategic decision-making role for these services, but would be able to achieve substantial financial savings as a result of sharing these back-office functions with Redbridge and other Councils.
17. Investigate sharing services with other Councils on:
 - a. Legal services
 - b. Call centre
 - c. Organisational development and training
 - d. Audit
 - e. Payroll
 - f. Recruitment Services
18. Investigate sharing the borough's planning, development and licensing functions with neighbouring boroughs.

Annex I

Language Extension Classes, also known as Mother Tongue Classes

Mother tongue classes are a major item in the Council's budget, costing three quarters of a million pounds a year. Amid the need to find savings across the Council, mother tongue classes must be one of the areas on which costs are reduced.

We believe that if Tower Hamlets Council wishes to continue providing language lessons to local children, a long term framework is necessary. As such we propose creating a private trading company for Childhood Language Learning. This body would aim to be entirely self funding, and provide language learning at no cost to Tower Hamlets Council.

We note that Council Officers have already priced up both the per hour cost of the Mother Tongue programme (£2.50) and have investigated how much ESOL learners would be willing to pay. Therefore, we suggest imposing a £2.50 cost-price hourly

charge for children attending mother tongue. This sum is considerably cheaper than comparable private sector teaching

The Council's private trading company for childhood language learning would be able to:

- Increase the number of languages it teaches, to include world languages for all communities, as well as European language not currently taught in local schools, for example Portuguese, Italian and Russian;
- Seek opportunities in other Boroughs to teach languages to children. This would take advantage of Tower Hamlets expertise in the area, whilst the funds generated from these ventures could then be used to subsidise teaching in Tower Hamlets, or even return funding to the main Tower Hamlets budget.

Annex II

Fund to Repay Debt Borrowed at Excessive Interest Rates

Tower Hamlets has accumulated a debt pile of £354million, and with the interest rates on this debt varying from 7.8% to 1.1%. The average interest rate for the £354 million of debt is 6.4%. Starting to pay down this amount of debt would result in significant ongoing savings from reduced debt interest payments. We propose to create a ringfenced 'Fund to Repay Debt Borrowed at Excessive Interest Rates' to paydown debt with excessive interest rates as and when opportunities arise. All accrued interest to stay in the fund.

APPENDIX C**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.