

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE COUNCIL (BUDGET MEETING)**

**HELD AT 7.30 P.M. ON WEDNESDAY, 22 FEBRUARY 2012**

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

**Members Present:**

Mayor Lutfur Rahman	Councillor Dr. Emma Jones
Councillor Helal Abbas	Councillor Anwar Khan
Councillor Khaled Uddin Ahmed	Councillor Aminur Khan
Councillor Kabir Ahmed	Councillor Rabina Khan
Councillor Ohid Ahmed	Councillor Rania Khan
Councillor Rajib Ahmed	Councillor Shiria Khatun
Councillor Rofique U Ahmed	Councillor Anna Lynch
Councillor Shahed Ali	Councillor Md. Maium Miah
Councillor Tim Archer	Councillor Harun Miah
Councillor Abdul Asad	Councillor Fozol Miah
Councillor Craig Aston	Councillor Mohammed Abdul Mukit MBE
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
Councillor Denise Jones	

The meeting commenced at 7.36 p.m.

**The Speaker of Council, Councillor Mizanur Chaudhury, in the Chair**

Before commencing the formal business of the meeting, the Speaker commended to all Members their support for and/or participation in, the sponsored run to be held on 3<sup>rd</sup> March 2012 in aid of the 'Stairway to heaven' memorial which honoured of all those who died in the Bethnal Green Tube Station disaster on 3<sup>rd</sup> March 1943.

**1. APOLOGIES FOR ABSENCE**

No apologies for absence were received.

## 2. DECLARATIONS OF INTEREST

Members declared interests in items included on the agenda for the meeting as follows:-

Councillor	Item	Type of interest	Reason
Cllr Rajib Ahmed	5.1	Personal	Ward Councillor, East India & Lansbury (includes Ailsa Street)
Cllr Abdul Asad	5.1	Personal	Employed by a youth service provider
Cllr Lutfa Begum	5.1	Personal	Ward Councillor, Limehouse and Member of RCN and NMC
Cllr Marc Francis	5.1	Personal	Council-appointed representative on Mudchute Farm Association Board
Cllr Peter Golds	5.1	Personal	Council-nominated representative to Green Candle Dance Co.
Cllr Shiria Khatun	5.1	Personal	Ward Councillor, East India & Lansbury (includes Ailsa Street); and personal interest in 'Capitalise' organisation.
Cllr Joshua Peck	5.1	Personal	Council-appointed representative on the Greenwich and Docklands Festival

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

No announcements were made at the meeting.

## 4. TO RECEIVE ANY PETITIONS

No petitions were received at the meeting.

## 5. BUDGET AND COUNCIL TAX 2012/13

### 5.1 Report of the Cabinet Meeting of 8th February 2012

Mayor Lutfur Rahman introduced his Executive's revised budget proposals as set out in the report of the Cabinet meeting on 8<sup>th</sup> February 2012, which was circulated to Members in the supplementary agenda. The Mayor commented

that his main priority was to protect the Borough and the most vulnerable sections of the community from the Government's cuts agenda and to give value for money. He intended to continue the provision of free home care for the elderly; maintain youth centre provision; ensure that no libraries or youth facilities were closed and protect lower-waged staff. The proposals would also protect the level of voluntary sector grants and would ensure that Council Tax would be frozen for the third year in succession.

The Mayor thanked those Members who had contributed to the development of his budget proposals and/or proposed the amendments that he had agreed to incorporate at the Cabinet meeting.

Councillor Alibor Choudhury **MOVED**, and Councillor Ohid Ahmed **SECONDED**, the budget proposals of the Mayor and Executive.

Three budget amendments were tabled and moved in accordance with Procedure Rule 2A.8 as follows:

- (i) Amendment **MOVED** by Councillor Anwar Khan and **SECONDED** by Councillor Carlo Gibbs as set out at Annex A to these minutes;
- (ii) Amendment **MOVED** by Councillor David Snowdon and **SECONDED** by Councillor Zara Davis as set out at Annex B to these minutes;
- (iii) Amendment **MOVED** by Councillor Kabir Ahmed and **SECONDED** by Councillor Maium Miah as set out at Annex C to these minutes.

Following debate on the Mayor's proposals and the above amendments, Councillor Alibor Choudhury **MOVED**, and Councillor Ohid Ahmed **SECONDED**, a further amendment without notice proposing additional savings and income opportunities as follows:-

"This Council Notes:

1. On SRAs:

- a) There are currently two levels of SRA for the leaders of groups with over 6 Councillors: The leader of a group with 6 members receives £5,531 p.a., whilst the leader of a group with 7 or more councillors receives £10,174 p.a. (These arrangements do not include the leader of the majority group, who received an SRA at the same level as a Cabinet Member.)
- b) Currently there is only 1 group in Council with over 6 Councillors.
- c) That the leader of this group's current SRA is £10,174 p.a. over and above the basic allowance of £10,065.
- d) This is higher than the recommended level by the Independent Panel on the Remuneration of Councillors in London or £2,368 to £8,852 p.a.
- e) This is far higher than in comparative boroughs Lewisham and Newham, where the SRA is £5,275 and £3,621 p.a..

2. On Events in Parks:
  - a) Currently all our large scale events are held in Victoria Park.
  - b) There are currently no events held in Millwall Park, despite it being one of the largest parks in the borough.

This Council believes:

1. On SRAs:
  - a) The two tiered system is unnecessary and not supported by the Independent Panel's recommendation.
  - b) In a year in which we have seen falling incomes for many, elected representatives should ensure that their remuneration is reasonable, as indicated by the Independent Panel's recommendations and comparative boroughs.
2. On Events in Parks:
  - a) Events in parks provide a vital source of income, both to support the maintenance of the parks and to fund community festivals and events.
  - b) Currently Victoria Park takes the strain of hosting these events.
  - c) The borough has a few other large parks capable of hosting events, which could help distribute events more evenly around the borough.
  - d) Millwall Park is the biggest park in the south of the borough, it is also bordered by ASDA and the DLR, reducing the number of residents directly affected by noise.

This Council resolves:

1. On SRAs:
  - a) To bring the SRA of the leader of any group other than the majority group in line with the recommendation of the Independent Panel and other comparative Councils.
  - b) That this level of SRA should be the same level as for a Committee Chair, at £5,531 p.a.. This would create a saving of £4,643.
2. On Events in Parks:
  - a) That the number of event days in Victoria Park be reduced by 1 and that a maximum of 4 events should be held in Millwall Park.
  - b) This will yield a revenue increase from events in parks of at least £30,000.

Total revenue made available to meet the budget gap: £34,643.”

### **Adjournment**

The Speaker adjourned the meeting at 9.10 p.m. so that officers' advice could be sought in relation to the above proposed amendment. The meeting reconvened at 9.30 p.m.

Following the adjournment, the Monitoring Officer advised the Council that the part of the proposed amendment that related to Events in Parks was an

executive matter and therefore out of scope for the Council meeting. The proposal in relation to Special Responsibility Allowances was in order but represented a new amendment which could only be accepted for debate by a majority vote of the Council. The Speaker then put to the vote the proposal that section 1. of Councillor Choudhury's amendment be accepted for debate and this was **defeated**.

### **Adjournment**

Following further debate, the Speaker adjourned the meeting at 9.35 p.m. at the request of the Mayor, to enable consideration of the tabled amendments. The meeting reconvened at 9.50 p.m.

Following the adjournment the Mayor amended his budget proposals (i) by accepting in full the amendment proposed by Councillors Kabir Ahmed and Maium Miah; and (ii) by accepting some elements of the amendment proposed by Councillors Anwar Khan and Carlo Gibbs. The full list of changes accepted by the Mayor is attached at Appendix 1 to these minutes.

In relation to some other elements of the amendment proposed by Councillors Anwar Khan and Carlo Gibbs, which the Mayor was not able to include in his revised budget proposal, he nevertheless indicated further that he intended to:-

- Request the Interim Corporate Director, Children, Schools and Families and the Corporate Director, Communities, Localities and Culture, to deliver the feasibility study for afterschool patrols within existing resources.
- Undertake a review of insulation and fuel poverty issues in partnership with Labour Councillors.
- Give further consideration to the proposals in relation to the Register of Landlords, and the use of the New Homes Bonus for Decent Homes works, and ask officers to bring a paper on these matters to the next Cabinet meeting.
- Investigate further the proposal regarding internships for local residents and how this might be delivered through the PCOP process.
- Ask officers to look further into the concerns raised by the Labour Group around parking permits and the CLC budget for bulk waste collection, rat control and charges to business for external furniture and signage, and bring a report to the next Cabinet meeting on these matters.
- Ask officers also to submit a report to the next Cabinet meeting to clarify matters on Domiciliary Care Services, about which the Mayor believed there was a misunderstanding.

Finally, the Mayor stated that he did not accept any elements of the amendment proposed by Councillors David Snowdon and Zara Davis.

### **Adjournment**

The Speaker adjourned the meeting at 10.02 p.m. at the request of the Group Leaders to enable consideration of the Mayor's statement. The meeting reconvened at 10.20 p.m.

Following the adjournment, Councillor Joshua Peck indicated that in the light of the changes made by the Mayor to his budget proposals, the amendment proposed by Councillors Anwar Khan and Carlo Gibbs was withdrawn and replaced by a new amendment, **MOVED** by Councillor Peck and **SECONDED** by Councillor Carlo Gibbs, as follows:

"This Council Notes:

The Mayor has accepted the vast majority of Labour amendments to protect the vulnerable and welcomes these changes.

This Council Further Notes:

That residents are often forced to refuse much needed new homes in Car Free developments because they need a car.

This Council Resolves:

To call on the Mayor to implement extended car free developments to one and two bedroom properties."

At this point, Councillor Alibor Choudhury **MOVED** and Councillor Ohid Ahmed **SECONDED**, a procedural motion – "That under Procedure Rule 14.1.10 the question be now put." The procedural motion was put to the vote and was **agreed**.

Following the Mayor's right of reply, the tabled amendment proposed by Councillors David Snowdon and Zara Davis was put to the vote and was **defeated**.

The further amendment proposed by Councillors Joshua Peck and Carlo Gibbs as set out above was then put to the vote and was **agreed**.

Finally the substantive motion, being the Mayor and Executive's budget proposals as amended, was put to the vote and was **agreed**.

The Monitoring Officer informed the Council of advice from the Section 151 Officer that the decisions taken by the Council would have the effect of reducing the General Reserves by £762,000.

Accordingly, it was **RESOLVED**

**A. General Fund Revenue Budget and Council Tax Requirement 2012/13**

1. That the revised budget proposals of the Mayor and Executive, included in the Budget 2012/13 Document Pack, amended as set out in the report of the Mayor in Cabinet of 8<sup>th</sup> February and further amended as at Appendix 1 to these minutes, be agreed.
2. That a General Fund revenue budget of £292.265m and a total Council Tax Requirement for Tower Hamlets in 2012/13 of £80.43m be agreed as set out in the table below:-

Service	Revised Base 2011-12 £'000	Savings		Growth £'000	Earmarked Reserves £'000	Total Budget 2012-13 £'000
		Approved £'000	New £'000			
Adults Health & Wellbeing	99,463	(3,329)	(801)	1,213	(1,100)	95,446
Children, Schools and Families	60,812	(2,627)	(150)	285	(618)	57,702
Communities, Localities and Culture	61,437	(4,355)	(1,075)	2,358	(1,017)	57,348
Development & Renewal	31,359	(1,228)	(165)	74	(30)	30,010
Resources	21,948	(858)	(2,630)	10	(10)	18,460
Chief Executives	8,535	(348)	(303)	55	(464)	7,475
<b>Net Service Costs</b>	283,554	(12,745)	(5,124)	3,995	(3,239)	266,441
<b>Other Net Costs</b>						
Capital Charges	11,055		(1,445)	400		10,010
Levies	2,415					2,415
Pensions	12,151			1,250		13,401
Other Corporate Costs	8,269	(1,125)	(217)	360	2,154	9,441
<b>Total Other Net costs</b>	33,890	(1,125)	(1,662)	2,010	2,154	35,267
<b>Core Grants</b>	(10,391)		(3,647)			(14,038)
<b>Reserves</b>						
General Fund	3,000		(3,000)			-
Earmarked	907				1,188	2,095
General Fund (Smoothing)	-				(1,600)	(1,600)
<b>Inflation</b>	-			4,100		4,100
<b>Total Financing Requirement</b>	310,960	(13,870)	(13,433)	10,105	(1,497)	292,265
<b>Formula Grant</b>	(229,673)			17,838		(211,835)
<b>Council Tax</b>	(81,287)	(725)		1,582		(80,430)
<b>Total Financing</b>	(310,960)	(725)	-	19,420	-	(292,265)

3. That a Council Tax be agreed for Tower Hamlets in 2012/13 of £885.52 at Band D 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	<sup>6</sup> / <sub>9</sub>	£590.35
B	40,001	52,000	<sup>7</sup> / <sub>9</sub>	£688.74
C	52,001	68,000	<sup>8</sup> / <sub>9</sub>	£787.13
D	68,001	88,000	<sup>9</sup> / <sub>9</sub>	£885.52
E	88,001	120,000	<sup>11</sup> / <sub>9</sub>	£1,082.30
F	120,001	160,000	<sup>13</sup> / <sub>9</sub>	£1,279.08
G	160,001	320,000	<sup>15</sup> / <sub>9</sub>	£1,475.87
H	320,001	and over	<sup>18</sup> / <sub>9</sub>	£1,771.04

4. That for the London Borough of Tower Hamlets in 2012/13:-

- (a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be £1,192.24 as shown below:-

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	306.72
Total	1,192.24



- (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	<sup>6</sup> / <sub>9</sub>	590.35	204.48	794.83
B	40,001	52,000	<sup>7</sup> / <sub>9</sub>	688.74	238.56	927.30
C	52,001	68,000	<sup>8</sup> / <sub>9</sub>	787.13	272.64	1,059.77
D	68,001	88,000	<sup>9</sup> / <sub>9</sub>	885.52	306.72	1,192.24
E	88,001	120,000	<sup>11</sup> / <sub>9</sub>	1,082.30	374.88	1,457.18
F	120,001	160,000	<sup>13</sup> / <sub>9</sub>	1,279.08	443.04	1,722.12
G	160,001	320,000	<sup>15</sup> / <sub>9</sub>	1,475.87	511.20	1,987.07
H	320,001	and over	<sup>18</sup> / <sub>9</sub>	1,771.04	613.44	2,384.48

5. That the statutory calculations of this Authority's Council Tax Requirement in 2012/13, as undertaken by the Chief Financial Officer in accordance with the requirements of Sections 31 to 36 of the Local Government Finance Act 1992, be agreed as attached at Appendix 2 to these minutes.
  
6. That the Treasury Management Strategy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement be approved as presented to Cabinet on 8<sup>th</sup> February 2012 and contained in the supplementary agenda pack for the Budget Council meeting on 22<sup>nd</sup> February 2012.

7. That the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2012-2015 as amended by the alternative options agreed by the Mayor in Cabinet on 8<sup>th</sup> February and as further amended at Appendix 1 to these minutes, be approved as summarized in the tables below:-

**Summary Draft Medium Term Financial Plan 2012-15**

	<b>2011-12</b> <b>£'000</b>	<b>2012-13</b> <b>£'000</b>	<b>2013-14</b> <b>£'000</b>	<b>2014-15</b> <b>£'000</b>
<b>Net Service Costs</b>	335,048	320,444	309,426	294,462
<b>Growth Savings</b>	9,787	5,645	4,734	3,745
<b>Approved</b>	(28,870)	(14,595)	(12,102)	0
<b>New</b>	0	(9,786)	(13,681)	(6,427)
<b>Inflation</b>	4,479	4,100	7,100	6,400
<b>Core Grants</b>	(10,391)	(14,038)	(14,070)	(16,070)
<b>Earmarked Reserves</b>	907	2,095	(300)	0
<b>General Fund Reserves</b>	0	(1,600)	8,306	(8,963)
<b>Total Funding Requirement</b>	<u>310,960</u>	<u>292,265</u>	<u>289,413</u>	<u>273,147</u>
<b>Formula Grant</b>	(229,673)	(211,835)	(209,411)	(191,077)
<b>Council Tax</b>	(81,287)	(80,430)	(80,002)	(82,070)
<b>Total Funding</b>	<u>(310,960)</u>	<u>(292,265)</u>	<u>(289,413)</u>	<u>(273,147)</u>

## Detailed analysis of the Medium Term Financial Plan by service area 2012/13 to 2014/15

Service	Base	Savings		Growth	Earmarked	Total	Savings		Growth	Earmarked	Total	Savings		Growth	Earmarked	Total
	2011-12	Approved	New		Reserves	2012-13	Approved	New		Reserves	2013-14	Approved	New		Reserves	2014-15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults Health & Wellbeing	99,463	(3,329)	(801)	1,213	(1,100)	95,446	(2,529)	(2,205)	1,452	(200)	91,964		(900)	1,600	(300)	92,364
Children, Schools and Families	60,812	(2,627)	(150)	285	(618)	57,702	(1,810)	(5)	(180)		55,707		(960)	(100)		54,647
Communities, Localities and Culture	61,437	(4,355)	(1,075)	2,358	(1,017)	57,348	(3,757)	(1,495)	1,232	(860)	52,468	(150)	(200)	1,245	(565)	52,798
Development & Renewal	31,359	(1,228)	(165)	74	(30)	30,010	(2,716)	(2,701)	(20)	(475)	24,098		(1,534)			22,564
Resources	21,948	(858)	(2,630)	10	(10)	18,460	(299)	(907)			17,254		(230)			17,024
Chief Executives	8,535	(348)	(303)	55	(464)	7,475	(187)	(100)			7,188		(100)			7,088
<b>Net Service Costs</b>	283,554	(12,745)	(5,124)	3,995	(3,239)	266,441	(11,298)	(7,413)	2,827	(1,535)	248,603	(150)	(3,924)	2,745	(865)	246,485
<b>Other Net Costs</b>																
Capital Charges	11,055		(1,445)	400		10,010			1,000		11,010			1,000		12,010
Levies	2,415					2,415					2,415					2,415
Pensions	12,151			1,250		13,401			1,250		14,651					14,651
Other Corporate Costs	8,269	(1,125)	(217)	360	2,154	9,441	(125)	(1,434)	(360)		7,522		(2,503)			5,019
<b>Total Other Net costs</b>	33,890	(1,125)	(1,662)	2,010	2,154	35,267	(125)	(1,434)	1,890		35,598		(2,503)	1,000		34,095
<b>Core Grants Reserves</b>	(10,391)		(3,647)			(14,038)		(32)			(14,070)		(2,000)			(16,070)
General Fund	3,000		(3,000)			-					-					-
Earmarked General Fund (Smoothing)	907				1,188	2,095		(3,400)		1,005	(300)				300	-
Inflation	-			4,100	(1,600)	(1,600)				9,203	8,306				(17,269)	(8,904)
<b>Total Financing Requirement</b>	310,960	(13,870)	(13,433)	10,105	(1,497)	292,265	(11,423)	(12,279)	12,177	8,673	289,413	(150)	(8,427)	10,145	(17,834)	273,147
<b>Formula Grant</b>	(229,673)			17,838		(211,835)			2,424		(209,411)			18,334		(191,077)
<b>Council Tax</b>	(81,287)	(725)		1,582		(80,430)	(554)		982		(80,002)			(2,068)		(82,070)
<b>Total Financing</b>	(310,960)	(725)	-	19,420	-	(292,265)	(554)	-	3,406	-	(289,413)	-	-	16,266	-	(273,147)

8. That the Council notes the Mayor has accepted the vast majority of Labour amendments to protect the vulnerable and welcomes these changes.
9. That the Council further notes that residents are often forced to refuse much needed new homes in Car Free developments because they need a car.
10. That the Council resolves to call on the Mayor to implement extended car free developments to one and two bedroom properties.

The meeting ended at 10.30 p.m.

Speaker,  
Council

## APPENDIX 1

**BUDGET AMENDMENTS – 2012/13 BUDGET COUNCIL MEETING**

**Proposals accepted by the Mayor from tabled amendment (i), moved by Councillors Anwar Khan and Carlo Gibbs:**

<b>Savings</b>	<b>Saving in 2012/13</b>
Reduce refreshments at meetings	£2,400
Delete Olympics Ambassador SRA after Olympics	£3,880
Delete funding (earmarked reserves) for feasibility study for afterschool patrols and complete study using existing officer time	£10,000
Reduce discretionary spend on taxis for officers	£15,000
Reduce all spend on taxis for members (leaving £6,000 to fund a lease car for use of the Speaker and Deputy Speaker on official visits)	£9,000
Reduce communications spend by D&R and CLC	£30,000
Reduce funding on award ceremonies and staff conferences by holding them at council facilities	£30,000

<b>Spend</b>	<b>Costs 2012/13</b>
Commission debt support and advice for 150 cases (NB: provider to be sourced through normal procurement process)	(£24,000)
Restore funding to Greenwich & Docklands festival	(£25,000)
Fund a 0.5 FTE Mental health worker for care leavers	(£25,000)
Live streaming of council meetings	(£25,000)
Fund a "Violence Against Women and Girls" worker	(£50,000)
Give a one off staff award of £250 for low paid council staff	(£115,000)
Give a £50 Council Tax rebate to pensioners	(£245,000)

**Proposals accepted by the Mayor from tabled amendment (iii), moved by Councillors Kabir Ahmed and Maium Miah:**

- To allocate £260,000 to support a Mayor's Aim Higher Scheme for 1 year, with a commitment to find funds for it to be an ongoing provision.
- To allocate a one-off sum of £20,000 to support the development of a London Living Rent Accreditation scheme.
- To double the Service Level Agreements for Mudchute Farm and Tower Hamlets Cemetery Park next year, with a commitment to find funds for this to be an ongoing process. [Note: Budgetary effect in 2012/13 = £63k.]

**Use of General Reserves contribution consequent on the above:**  
£762,000 (rounded)

## APPENDIX 2

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL FEBRUARY 2012  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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

1. That the revenue estimates for 2012/2013 be approved.
2. That it be noted that, at its meeting on 11<sup>th</sup> January 2012, Cabinet calculated 90,828 as its Council Tax base for the year 2012/2013 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
3. **That the following amounts be now calculated by the Council for the year 2012/13 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:**
  - (a) £1,185,721,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of The Act. [Gross Expenditure]
  - (b) £1,105,291,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of The Act. [Gross Income]
  - (c) £80,430,000 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 31A(4) of The Act, as its council tax requirement for the year. (Item R in the formula in Section 31B of The Act). [Council Tax Requirement]
  - (d) £885.52 Being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of The Act, as the basic amount of its Council Tax for the year. [Council Tax]

(e)	<b>VALUATION BAND</b>	<b>LBTH £</b>
	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(d) 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 2012/13 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:-

<b>VALUATION BAND</b>	<b>GLA £</b>
A	204.48
B	238.56
C	272.64
D	306.72
E	374.88
F	443.04
G	511.20
H	613.44

5. That, having calculated the aggregate in each case of the amounts at 3(d) 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 2012/13 for each of the categories of dwellings shown below:-

<b>VALUATION BAND</b>	<b>TOTAL COUNCIL TAX £</b>
A	794.83
B	927.30
C	1,059.77
D	1,192.24
E	1,457.18
F	1,722.12
G	1,987.07
H	2,384.48

6. New government regulation now requires a local authority to conduct a referendum where if compared with the previous year, they set council tax increases that are “excessive”. Under current legislation and in accordance with principles approved under Section 52ZB Local Government Finance Act 1992, the Council tax set by the London Borough of Tower Hamlets for 2012/13 is not deemed to be excessive.



**ANNEX A****AMENDMENT TO AGENDA ITEM 5.1: BUDGET AND COUNCIL TAX 2012/13****Amendment proposed by: Councillor Anwar Khan****Amendment seconded by: Councillor Carlo Gibbs****This council notes:**

- UK economic growth since the coalition came to power nearly 2 years ago has been just 1.1%, compared with 1.2% in the second quarter of 2010 at the end of the Labour Government
- The UK jobless rate stands at 2.69million or 8.5%, its worst level since 1995 and an increase of over 200,000 since the coalition came to power. The increase in unemployment has hit women and young people particularly hard with youth unemployment now standing at over 1 million
- The Conservative/Liberal Democrat Government's ideologically driven cuts, including a reduction in our formula grant by 16.8%, have damaged the UK's economic growth, increased unemployment and hit the most vulnerable in society
- The Government's planned changes to housing benefits, council tax benefit, legal aid and other proposals will have a particularly heavy impact on Tower Hamlets residents
- That it is the council's responsibility to show leadership in the face of these damaging changes in order to best protect and support our residents
- That Mayor Rahman's budget fails to reduce wasteful spending, cuts frontline services, fails to protect the vulnerable and will leave the streets of Tower Hamlets dirtier than when he was elected.

**This council believes that:****Supporting the vulnerable**

- Reductions in funding in last year's budget for the in-house Homecare team aimed at running down the in-house team by 2015 risk significantly reducing the quality of care received by the most vulnerable people in our community
- Mayor Rahman should use the next year to identify funding to keep a high quality in-house Homecare team to serve the needs of the most vulnerable service users beyond 2015
- Housing Benefit changes being implemented by the Conservative/Liberal Democrat government will result in many residents falling into debt
- As Corporate Parents the Council has a responsibility to prioritise the needs of our children in care
- Tower Hamlets has one of the highest levels of domestic violence in the country and incidents of rape are on the rise across London, and that more needs to be done to support vulnerable women and girls
- Pensioners in the borough face rising food and fuel costs and high inflation, increasing their cost of living and reducing their quality of life

**Housing**

- Many residents in the privately rented sector live in poor quality housing as a result of rogue landlords
- The Mayor's Decent Homes programme does not significantly address poor insulation and fuel poverty and completing work without improving the thermal efficiency of properties could result in many experiencing worse cold, damp and condensation problems

- Residents are often forced to refuse much needed new homes in Car Free developments because they need a car

### Employment

- Many young people in Tower Hamlets cannot afford to undertake internships that could improve their employability
- The lowest paid Council staff should benefit from the same one-off £250 payment that national government workers were awarded

### Environment

- Cuts to frontline cleanliness services – including reductions in street sweeping last year, and charging for bulk waste and pest control – will result in a dirtier borough and an increase in vermin
- The Mayor has proposed to fund a reduction in charges for car parking permits in properties with multiple cars, whilst many residents are denied a parking permit for even one car when they are offered a property in a Car Free development

### Transparency and value for money

- The Town Hall is inaccessible to many residents and in order to increase transparency the council should live stream council meetings
- The use of taxis by members and officers and refreshment at meetings should be curtailed to more acceptable levels

### This council resolves to implement the following amendments:

Savings	Saving in 2012/13
Reduce refreshments at meetings	£2,400
Delete Olympics Ambassador SRA after Olympics	£3,880
Delete funding for feasibility study for afterschool patrols and complete study using existing officer time	£10,000
Delete avenue of trees proposal	£10,000
Delete signposting to HMRC and replace with information in Business Rates mailer	£10,000
Reduce discretionary spend on taxis for officers	£15,000
Reduce all spend on taxis for members (leaving £6,000 to fund a lease car for use of the Speaker and Deputy Speaker on official visits)	£9,000
Reduce communications spend by D&R and CLC	£30,000
Reduce funding on award ceremonies and staff conferences by holding them at council facilities	£30,000
Delete energy co-op feasibility and complete study using existing officer time	£30,000
Delete additional Liberal Democrat spend on advertising in East End Life	£30,000
Use of reserves contribution	£328,720
<b>Total</b>	<b>£509,000</b>

Spend	Costs 2012/13
Register of Housing Landlords – self-funding paid for by an admin fee, to be made compulsory for all landlords wishing to receive Local Housing Allowance payments	£0
Ring-fence £1m of New Homes Bonus out of the £10million allocated to Decent Homes for insulation to reduce condensation, damp and fuel poverty	£0
Ring fence any increase in New Homes Bonus income above projected levels (up to £1m) to Decent Homes reserve	£0
Commission debt support and advice for 150 case through Capitalise service	(£24,000)
Restore funding to Greenwich & Docklands festival	(£25,000)
Fund a 0.5 FTE Mental health worker for care leavers	(£25,000)
Live streaming of council meetings	(£25,000)
Fund a “Violence Against Women and Girls” worker	(£50,000)
Ring fence £56k from future S106 monies to support 20 residents to undertake unpaid internships, paying the living wage for up to 3 months	£0
Give a one off staff award of £250 for low paid council staff	(£115,000)
Give a £50 Council Tax rebate to pensioners	(£245,000)
<b>Total</b>	<b>(£509,000)</b>

**This council further resolves:**

- To call on the Mayor to implement the following amendments to the budget

Changes to parking permits	
Increase cost of second permit to £30	£90,360
Keep £150 additional cost of 3rd permit	£40,800
Extend Car Free Devevelopment permits to 1 and 2 bedroom properties	£8,000
<b>Total</b>	<b>£139,160</b>

Changes to CLC budget	
Keep first bulk waste collection free	(£115,000)
Not charging for rat control	£0
Reduce rates charged to business for external furniture and signage	(£24,160)
<b>Total</b>	<b>(£139,160)</b>

**ANNEX B****AMENDMENT TO AGENDA ITEM 5.1: BUDGET AND COUNCIL TAX 2012/13**

Amendment proposed by: Cllr David Snowdon

Amendment seconded by: Cllr Zara Davis

**This Council Believes That:**

1. Local residents are opposed to the commercialisation of our parks and open spaces, and would welcome the elimination of all targets to raise income from them.
2. Bulk waste disposable charges are a stealth tax to which residents are opposed.
3. Bulk waste disposable charges would lead to an increase in fly tipping, which would go against Council policy to make Tower Hamlets a Cleaner, Greener Borough.
4. Library's are an important element of Lifelong Learning, and making draconian cuts to the book fund will result in residents of the Borough receiving poorer library provision.
5. In order to protect front line services and save our open spaces from commercialisation, savings are necessary in a still bloated Town Hall budget.
6. Councillors should lead by example, and take a cut in their allowances to save Tower Hamlets library services and save our parks from commercialisation.
7. Contracting an outside company to water pot plants in Tower Hamlets building is an outrageous waste of public money.
8. Council Officers should follow Eric Pickles' lead an "Adopt A Pot Plant"

**This Council calls upon the Executive to make reductions in income as follows:**

Description	2012/13 Baseline	2013/14	Notes
Events In Parks	£200,000	£290,000 ( 2012/13 +£90,000)	Remove all provision for revenue from events in parks. Should the Mayor press ahead with holding events in parks despite it being the clear will of Full Council that parks should not be used in this way, all income generated under this budget line shall be used to employ permanent ground staff to repair the damage to our parks.
Bulk Waste Disposal Targets	£150,000	£150,000 ( 2012/13 +£0)	Remove all provision for bulk waste disposal charges. Should the Mayor press ahead with charging for bulk waste removal charges despite it being the clear will of Full Council they should not be implemented, this income stream will be allocated to rebates equivalent to charges for households affected.
<b>Spending Per Year</b>	<b>£350,000</b>	<b>£440,000</b>	
<b>Cumulative Spend</b>	<b>£350,000</b>	<b>£790,000</b>	

**This Council Will:**

1. Reverse the Executive's proposed decrease in spending (library book fund)

Library Book Fund	0	£200,000 ( 2012/13 +£200,000)	Reverse cuts to the Library Books fund.
<b>Spending Per Year</b>	<b>£0</b>	<b>£200,000</b>	
<b>Cumulative Spend</b>	<b>£0</b>	<b>£200,000</b>	

2. Implement the following cuts to council spending

Description	Savings in 2012/13	Savings in 2013/14	Notes
Staffing Budget	£30,000	£120,000 ( 2012/13 +£90,000)	Make savings in staffing budget (topslimed).  The Council requests the Executive investigate reductions in senior staff salaries before generating savings from lower grade salaries.
Advertising	£92,500	£92,500 ( 2012/13 +£0)	Assume £850,000 outturn in 2011/12. Cut statutory advertising by 5% through better advert design Cut best practice advertising by 10% Cut non statutory advertising by 20% All TV Advertising to be stopped
Subscriptions	£7,000	£82,150 ( 2012/13 +£75,150)	Give notice on: LGIU subscription costs £11,350 Randalls Parliamentary Service – c. £10,000 (due August 2012) LGA - £55,000 Plain English campaign - £3,300 Association for Public Service Excellence - £2,500
Mayor's Executive Office	£26,600	£26,600 (2012/13 +£0)	Reduce spend on consultants / contractors/Comensura temporary staff by 20%
Pot plants	£22,416	£22,416 (2012/13 +£0)	Reduction in FM budget equivalent to pot plant spend. End contract in 2013. Investigate how much it would cost to bring this contract to a speedy and early end.
Dexter House	£15,271	£15,271 (2012/13 +£0)	Stop booking Dexter House for internal events – use Council facilities instead
Tower Hamlets Now 'e-zine)	£15,000	£15,000 (2012/13 +£0)	Cut all costs associated with e-zine (including 25% of PO3 officer). Use cascading e-mail communication system instead

Conferences	£4,000	£4,000 (2012/13 +£0)	Estimated cost in 2011/20 is £20,000 Reduce spending by 20%
Newspapers, Journals, Periodicals	£5,000	£5,000 (2012/13 +£0)	Reduce spending on subscriptions by 5%
Sponsorship	£2,500	£7,500 (2012/13 +£5,000)	Generate commercial sponsorship for events run by Tower Hamlets Council (eg. Fireworks, sporting events, cultural events)
Olympics Related Advertising	£30,000	£0	Cancel spend agreed at February cabinet to provide 6 double pages of adverts in EEL during Olympics
Councillors Allowances	£51,331	£51,331 (2012/13 +£0)	Cut all Councillor Basic Allowances by 10% in 2012/13 and maintain them at this level in 2013/14
Rationalise Committee Structure	£16,593	£16,593 (2012/13 +£0)	Delete Olympics Ambassador SRA. Merge Pensions, Audit and General Purposes Committees (with SRA for new Finance and General Purposes Committee set at £7,557)
Cut SRAs by 10%	£31,662	£31,662 (2012/13 +£0)	Cut all remaining SRAs by 10% in 2012/13 and maintain them at this level in 2013/14
Reduce Bounties Paid to Estate Agents by 15%	£75,052	£75,052	Reduce discretionary bounties paid to estate agents for finding properties by 15%.
<b>Savings Per Year</b>	<b>£424,925</b>	<b>£565,075</b>	
<b>Cumulative</b>	<b>£424,925</b>	<b>£990,000</b>	

**ANNEX C****AMENDMENT TO AGENDA ITEM 5.1: BUDGET & COUNCIL TAX 2012/13****Amendment proposed by: Cllr Kabir Ahmed****Amendment seconded by: Cllr Maium Miah**

This Council notes the progressive budget proposals from Mayor Rahman and his administration, which will see:

1. No closures of Leisure Centres, Children's Centres, Youth Services, Libraries or Ideas Stores
2. Protection for the elderly and vulnerable, including free homecare
3. The protection of frontline and low paid staff
4. 17 additional police officers
5. The Mayor's Education Award to replace the scrapped EMA scheme

This Council notes the following economic challenges and central government failings:

1. The unprecedented funding cuts from the Conservative led Coalition Government, which for 2012/2013 will see a funding reduction of 27% and a funding gap from 2011/2012 to 2014/2015 of £100m.
2. The current record high levels of youth unemployment: According to national figures released earlier this year, one in five young people are not in employment, education or training and a quarter of a million have been unemployed for over a year.
3. The complete cut in Aim Higher Funding. The Labour Government's Aim Higher programme's £136m budget was scrapped in July 2011. This programme helped young people from low income families and from families in which no one had attended higher education, to access university places.
4. The massive changes to welfare benefit, including to housing benefit, which will make living in the borough unaffordable for many families who have lived here for generations, and will make our aspiration to create a Tower Hamlets for everyone, much harder to achieve.

This Council notes the following excellent progress made in education and the support the Mayor and administration have provided locally for education:

1. Our excellent education results: This year we were the second most improved borough nationally, with 61.4% of students in the borough achieving at least five A\* to C grades including English and Maths, the highest ever figure for Tower Hamlets.
2. The ongoing support for our young people and their educational progress, including the Mayor's Education Award, 1:1 tuition at GCSE and A-Level and support for early GCSEs.

This Council Notes the following concerning the borough's environment and green spaces:

1. That as one of the Olympic host boroughs we have benefited from investment into the borough's green spaces, including the refurbishment of Altab Ali Park and Victoria Park, and the renovation of Mile End Stadium.
2. The borough has one of the highest population densities in London, one of the highest levels of high-rise housing and high levels of overcrowding.

This Council Notes the following resource implications:

1. The Council currently has a healthy level of reserves, expected to be £144m in March this year.
2. The emerging risks and opportunities, as identified by the Director of Resources and laid out on appendix 6.1.

This Council Believes:

1. That these risks and opportunities must be balanced responsibly with the needs of Tower Hamlets residents and the opportunity to invest in the borough's future.

This Council Resolves:

1. Due to the timing of these proposals it is suggested that expenditure be increased in the following areas, with funding allocated for the year 12/13 from reserves, with a commitment to mainstreaming funds for these proposals, where appropriate, in light of next year's grant settlement from Central Government.

### **In relation to employment and raising aspiration**

Allocate £260k to support a Mayor's Aim Higher Scheme for 1 year, with a commitment to find funds for it to be an ongoing provision.

- This will provide a budget to fund new council employees tasked to work with, and in, schools, as well as funding for advice, training programmes, away days, workshops and masterclasses.
- The aim of the service will be to raise the higher education and career aspirations of young people in Tower Hamlets. As well as help young people from low income families, and from families in which no one has attended higher education, to access places at higher education and the bursaries available.

### **In relation to unaffordable living costs**

Allocate a one-off sum of £20,000 to support the development of a London Living Rent Accreditation scheme.

- This will further investigate the proposals made by Shelter on creating a scheme that links rent to earnings. This would keep Tower Hamlets at the forefront of the provision of affordable housing and see our



borough as a leader in this area, as we were with the London Living Wage.

**In relation to the borough's green spaces**

Double the Service Level Agreements for Mudchute Farm and Tower Hamlets Cemetery Park next year, with a commitment to find funds for this to be an ongoing increase.

- This will support the excellent work of two community organisations.
- This will help ensure the ongoing provision of high standard green amenity space for the people of the borough.
- In Mudchute Farm the use of these additional funds will support their delivery of services for young people, to ensure more young people access open spaces, outdoor play and volunteering.
- In Tower Hamlets Cemetery Park the use of these additional funds will support their biodiversity training, volunteering programmes and their after school club, as well as help maintain the site to a high standard for the use and enjoyment by residents.

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