

**LONDON BOROUGH OF TOWER HAMLETS**  
**SECOND BUDGET COUNCIL MEETING**  
**THURSDAY 7<sup>th</sup> MARCH 2013**  
**AGENDA ITEM 4**  
**BUDGET AND COUNCIL TAX 2013/14:**  
**COUNCIL'S REVISED BUDGET AMENDMENT**

**1 INTRODUCTION**

- 1.1 At the first Budget Council Meeting on 27 February 2013, the Council considered the Mayor and Executive's budget proposals approved on 13 February and four amendments to those proposals.
- 1.2. The Mayor accepted two amendments proposed by Independent Members which then became part of the Mayor's budget proposals. Those proposals were then further amended in accordance with an amendment moved by Labour Members at the meeting. The substantive motion agreed by the Council is set out at section 3 of this report below and the statutory budget resolution, amended in accordance with that substantive motion, is attached at Appendix 1. This results in a Council Tax Requirement for Tower Hamlets in 2013/14 of £63,343,000 and a Council Tax at Band D of £1,188.52.
- 1.3 Officer advice on the proposals in the budget has been received by Members in the Budget Council Document Pack and papers tabled at Council on 27 February. In the interests of economy these papers are not reproduced in this report except where they affect the recommendations agreed. Members are requested to bring the Budget Council Pack and tabled papers with them to the meeting and to take account of these in making their decisions.

**2. MAYOR'S RESPONSE TO THE COUNCIL'S RESOLUTION**

- 2.1 In accordance with the requirements of the Constitution and statutory provisions, the Mayor has been formally advised of the changes agreed by the Council and within a period of five working days must reconsider his budget proposals in accordance with those and submit his final budget proposals to the second Budget Council Meeting. Those revised proposals may at the Mayor's discretion include some or all of the changes agreed by the Council at the first budget meeting.

- 2.2 The Mayor's revised budget proposals will be circulated to Councillors as soon as they are available.
- 2.3 The Mayor's revised proposals will form the Motion for debate at the second Budget Council meeting and the substantive motion agreed on 27 February, and set out below, represents the amendment for that debate. For the amendment to succeed at the second Budget Meeting will require two-thirds of those Members present and voting to vote in favour of the amendment.

### **3. COUNCIL'S AGREED AMENDMENT**

- 3.1 The substantive motion agreed by the Council on 27 February is summarised below and full details are attached at Appendices 1-3. The Council

**Resolved:-**

- 3.2 To adopt the budget motion as set out in the agenda for the Council meeting on 27 February 2013 subject to the amendments accepted by the Mayor at that meeting (as attached at Appendix 2) and further amended as follows:-
- 3.3 To delete funding of £1.214m from the budget used to fund East End Life, delivering a saving of £433k by:
- Reducing funding available for public notices from £267,000 to £100,000, sufficient to support the provision of statutory advertising in local newspapers, tendering a long term contract in order to secure the best rates;
  - Reducing the funding of £176,000 for the advertising of choice based lettings to £50,000, sufficient to fund a provision that can be made available on a weekly basis in each housing office, leisure centre and one-stop shop in the borough, as well as online, to be managed by the lettings team;
  - To cut departmental budgets by £143,000, to reduce their general advertising spend allocated in previous years to East End Life;
- To delete the funding of £296k for Mayor's Advisors;
  - Not allocate the £1.8m of unallocated funds set out in Section 3 of Cabinet Report Wednesday 13<sup>th</sup> February to any other provision;
  - Use the £200,000 of available capital spending to free up £200,000 of previously capitalised revenue funding that will be ring fenced as a contingency fund to support the deletion of the budget used for East End Life.
  - To ring fence the savings and unallocated funds resulting from the above and set out in the below table, into a ring-fenced reserve to support a reduction in the council's black hole in 2015/16;

- To place a general restriction on the council that all virements outside of the agreed budget framework above £200,000 must be agreed by full council (\* see note below)

<b>Saving</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total saving</b>
Unallocated Funding	£1.8m		£1.8m
Saving from statutory advertising	£167k	£167k	£334k
Saving from Choice Based Lettings advertising	£126k	£126k	£252k
Reduce departmental budgets (advertising spend)	£143k	£143k	£286k
Reallocation of Capital Funding	0	0	0
Mayor's Advisors	£296k	£296k	£592k
<b>Total</b>	<b>£2.532m</b>	<b>£732k</b>	<b>£3.264m</b>

- To delete the figure of '£150k' in the amendment moved by Councillor Rania Khan for 'events' and replace this with '£39k'.

(\* Note: Proposal to impose a limit of £200,000 above which virements must be agreed by Full Council – Officers advise that this matter cannot be considered at Budget Council as procedures and regulations make it clear that Budget Council is for financial matters not constitutional matters. The Constitution requires that constitutional changes are referred to General Purposes Committee with full officer comments in order that all parties can be consulted. It would then be referred back to Full Council at a later date)

## **APPENDICES**

Appendix 1 – Statutory Budget Motion incorporating amendments agreed at the Council Meeting on 27 February 2013.

Appendix 2 – Budget Amendments from Councillors Oliur Rahman and Rania Khan presented at Council on 27 February 2013 and accepted by the Mayor.

Appendix 3 – Budget Amendment from the Labour Group agreed by majority vote at Council on 27 February and forming the proposed amendment to the budget for debate on 7 March.

Appendix 4 – Substantive Motion:- Funding Statement and Budget Requirement