

## SECOND BUDGET COUNCIL

7<sup>TH</sup> March 2013

## COUNCIL TAX REQUIREMENT 2013/14

***SUBSTANTIVE MOTION AGREED AT COUNCIL ON 27 FEBRUARY 2013***

***I propose the following motion in relation to Agenda item 4: "Budget and Council Tax 2013/14":-***

**That Council: -**

***General Fund Revenue Budget and Council Tax Requirement 2013/14***

1. Agree a General Fund revenue budget of £297.806m and a total Council Tax Requirement for Tower Hamlets in 2013/14 of £63,343,000 as set out in the table below.

Service	Base	Savings		Growth	Adjustments	Total
	2012-13 £'000	Approved £'000	New £'000			
Education, Social Care and Wellbeing	183,651	(3,750)	(3,910)	21,326	(2,184)	195,133
Communities, Localities and Culture	78,855	(5,017)	(249)	5,417	(3,319)	75,687
Development & Renewal	20,192	(5,542)	(126)	1,720	(597)	15,647
Resources	11,811	(1,206)	(90)	1,250	(904)	10,861
Chief Executives	9,545	(187)	(463)	0	(909)	7,986
Public Health	0	0	0	29,982	0	29,982
<b>Net Service Costs</b>	<b>304,054</b>	<b>(15,702)</b>	<b>(4,838)</b>	<b>59,695</b>	<b>(7,913)</b>	<b>335,296</b>
<b>Other Net Costs</b>						
Capital Charges	10,010	0	(150)	1,000	0	10,860
Levies	2,415	0	(399)	0	0	2,016
Pensions	13,142	0	0	2,250	0	15,392
Other Corporate Costs	(19,022)	(1,669)	(603)	1,338	2,642	(17,314)
<b>Total Other Net costs</b>	<b>6,545</b>	<b>(1,669)</b>	<b>(1,152)</b>	<b>4,588</b>	<b>2,642</b>	<b>10,954</b>
<b>Public Health Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,382)</b>	<b>0</b>	<b>(31,382)</b>
<b>Core Grants</b>	<b>(14,312)</b>	<b>(32)</b>	<b>(11,179)</b>	<b>2,284</b>	<b>0</b>	<b>(23,239)</b>
<b>Reserves</b>						
General Fund (Corporate)	0	0	0	1,498	0	1,498
Earmarked (Directorate)	(2,317)	(3,400)	0	0	2,024	(3,693)
General Fund (Smoothing)	(105)	0	0	0	2,717	2,612
<b>Inflation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,760</b>	<b>0</b>	<b>5,760</b>
<b>Funding Available for Mayoral Priorities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing Requirement</b>	<b>293,865</b>	<b>(20,803)</b>	<b>(17,169)</b>	<b>42,443</b>	<b>(530)</b>	<b>297,806</b>
<b>Government Funding</b>	<b>(211,835)</b>	<b>0</b>	<b>0</b>	<b>61,165</b>	<b>0</b>	<b>(150,670)</b>
<b>Retained Business Rates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(96,361)</b>	<b>0</b>	<b>(96,361)</b>
<b>Council Tax</b>	<b>(80,430)</b>	<b>(554)</b>	<b>0</b>	<b>17,641</b>	<b>0</b>	<b>(63,343)</b>
<b>Collection Fund Surplus</b>	<b>0</b>	<b>0</b>	<b>(1,645)</b>	<b>0</b>	<b>0</b>	<b>(1,645)</b>
<b>Total Financing</b>	<b>(292,265)</b>	<b>(554)</b>	<b>0</b>	<b>78,806</b>	<b>0</b>	<b>(312,019)</b>

**APPENDIX 1**

2. Agree a Council Tax for Tower Hamlets in 2013/14 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	$\frac{6}{9}$	£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

**APPENDIX 1**

3. Agree that for the London Borough of Tower Hamlets in 2013/14:-

(a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be **£1,188.52** as shown below: -

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	303.00
Total	1,188.52

(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: -

<i><b>BAND</b></i>	<i><b>PROPERTY VALUE</b></i>		<i><b>RATIO TO BAND D</b></i>	<i><b>LBTH</b></i>	<i><b>GLA</b></i>	<i><b>TOTAL</b></i>
	<i><b>FROM</b></i> £	<i><b>TO</b></i> £				
A	0	40,000	<sup>6</sup> / <sub>9</sub>	590.35	202.00	792.35
B	40,001	52,000	<sup>7</sup> / <sub>9</sub>	688.74	235.67	924.41
C	52,001	68,000	<sup>8</sup> / <sub>9</sub>	787.13	269.33	1,056.46
D	68,001	88,000	<sup>9</sup> / <sub>9</sub>	885.52	303.00	1,188.52
E	88,001	120,000	<sup>11</sup> / <sub>9</sub>	1,082.30	370.33	1,452.63
F	120,001	160,000	<sup>13</sup> / <sub>9</sub>	1,279.08	437.67	1,716.75
G	160,001	320,000	<sup>15</sup> / <sub>9</sub>	1,475.87	505.00	1,980.87
H	320,001	and over	<sup>18</sup> / <sub>9</sub>	1,771.04	606.00	2,377.04



## Detailed analysis of the Medium Term Financial Plan by service area 2013/14 to 2015/16

Service	Base	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total
	2012-13	Approved	New				2013-14	Approved				New	2014-15			
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
Education, Social Care and Wellbeing	183,651	(3,750)	(3,910)	21,326	(2,184)	195,133	(1,960)	(50)	2,567	(710)	194,980	0	0	(909)	0	194,071
Communities, Localities and Culture	78,855	(5,017)	(249)	5,417	(3,319)	75,687	(350)	(65)	785	(565)	75,493	0	0	(222)	0	75,271
Development & Renewal	20,192	(5,542)	(126)	1,720	(597)	15,647	(1,534)	0	0	0	14,113	0	0	0	0	14,113
Resources	11,811	(1,206)	(90)	1,250	(904)	10,861	(230)	0	0	0	10,631	0	0	0	0	10,631
Chief Executives	9,545	(187)	(463)	0	(909)	7,986	0	0	0	0	7,986	0	0	296	0	8,282
Public Health	0	0	0	29,982	0	29,982	0	0	0	0	29,982	0	0	0	0	29,982
<b>Net Service Costs</b>	<b>304,054</b>	<b>(15,702)</b>	<b>(4,838)</b>	<b>59,695</b>	<b>(7,913)</b>	<b>335,296</b>	<b>(4,074)</b>	<b>(115)</b>	<b>3,352</b>	<b>(1,275)</b>	<b>333,184</b>	<b>0</b>	<b>0</b>	<b>(835)</b>	<b>0</b>	<b>332,349</b>
<b>Other Net Costs</b>																
Capital Charges	10,010	0	(150)	1,000	0	10,860	0	0	1,000	0	11,860	0	0	0	0	11,860
Levies	2,415	0	(399)	0	0	2,016	0	0	0	0	2,016	0	0	0	0	2,016
Pensions	13,142	0	0	2,250	0	15,392	0	0	2,200	0	17,592	0	0	2,000	0	19,592
Other Corporate Costs	(19,022)	(1,669)	(603)	1,338	2,642	(17,314)	(2,503)	0	(2,184)	0	(22,001)	0	0	1,886	0	(20,115)
<b>Total Other Net costs</b>	<b>6,545</b>	<b>(1,669)</b>	<b>(1,152)</b>	<b>4,588</b>	<b>2,642</b>	<b>10,954</b>	<b>(2,503)</b>	<b>0</b>	<b>1,016</b>		<b>9,467</b>	<b>0</b>	<b>0</b>	<b>3,886</b>	<b>0</b>	<b>13,353</b>
<b>Public Health Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,382)</b>	<b>0</b>	<b>(31,382)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,382)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,382)</b>
<b>Core Grants</b>	<b>(14,312)</b>	<b>(32)</b>	<b>(11,179)</b>	<b>2,284</b>	<b>0</b>	<b>(23,239)</b>	<b>(2,000)</b>	<b>(1,000)</b>	<b>2,540</b>	<b>0</b>	<b>(23,699)</b>	<b>(2,000)</b>	<b>(1,000)</b>	<b>2,594</b>	<b>0</b>	<b>(24,105)</b>
<b>Reserves</b>																
General Fund (Corporate)	0	0	0	1,498	0	1,498	0	0	302	0	1,800	0	0	(1,800)	0	0
Earmarked (Directorate)	(2,317)	(3,400)	0	0	2,024	(3,693)	0	0	0	710	(2,983)	0	0	0	0	(2,983)
General Fund (Smoothing)	(105)	0	0	0	2,717	2,612	0	0	0	0	2,612	0	0	0	0	2,612
<b>Inflation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,760</b>	<b>0</b>	<b>5,760</b>	<b>0</b>	<b>0</b>	<b>6,342</b>	<b>0</b>	<b>12,102</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>19,102</b>
<b>Funding Available for Mayoral Priorities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing Requirement</b>	<b>293,865</b>	<b>(20,803)</b>	<b>(17,169)</b>	<b>42,443</b>	<b>(530)</b>	<b>297,806</b>	<b>(8,577)</b>	<b>(1,115)</b>	<b>13,552</b>	<b>(565)</b>	<b>299,603</b>	<b>(2,000)</b>	<b>(1,000)</b>	<b>10,845</b>	<b>0</b>	<b>308,946</b>
<b>Government Funding</b>	<b>(211,835)</b>	<b>0</b>	<b>0</b>	<b>61,165</b>	<b>0</b>	<b>(150,670)</b>	<b>0</b>	<b>0</b>	<b>27,702</b>	<b>0</b>	<b>(122,968)</b>	<b>0</b>	<b>0</b>	<b>17,092</b>	<b>0</b>	<b>(105,876)</b>
<b>Retained Business Rates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(96,361)</b>	<b>0</b>	<b>(96,361)</b>	<b>0</b>	<b>0</b>	<b>(2,402)</b>	<b>0</b>	<b>(98,763)</b>	<b>0</b>	<b>0</b>	<b>(1,469)</b>	<b>0</b>	<b>(100,232)</b>
<b>Council Tax</b>	<b>(80,430)</b>	<b>(554)</b>	<b>0</b>	<b>17,641</b>	<b>0</b>	<b>(63,343)</b>	<b>0</b>	<b>0</b>	<b>(1,584)</b>	<b>0</b>	<b>(64,927)</b>	<b>0</b>	<b>0</b>	<b>(1,623)</b>	<b>0</b>	<b>(66,550)</b>
<b>Collection Fund Surplus</b>	<b>0</b>	<b>0</b>	<b>(1,645)</b>	<b>0</b>	<b>0</b>	<b>(1,645)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing</b>	<b>(292,265)</b>	<b>(554)</b>	<b>0</b>	<b>78,806</b>	<b>0</b>	<b>(312,019)</b>	<b>0</b>	<b>0</b>	<b>26,118</b>	<b>0</b>	<b>(286,658)</b>	<b>0</b>	<b>0</b>	<b>15,469</b>	<b>0</b>	<b>(272,658)</b>

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL 7<sup>th</sup> MARCH 2013  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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

1. That the revenue estimates for 2013/2014 be approved.
2. That it be noted that, at its meeting on 9<sup>th</sup> January 2013, Cabinet calculated 71,531 as its Council Tax base for the year 2013/2014 [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 2013/14 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) £1,191,184,000 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) £1,127,841,000 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) £63,343,000 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]

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL 7<sup>th</sup> MARCH 2013  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(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 2013/14 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	202.00
B	235.67
C	269.33
D	303.00
E	370.33
F	437.67
G	505.00
H	606.00

**LONDON BOROUGH OF TOWER HAMLETS  
COUNCIL 7<sup>th</sup> MARCH 2013  
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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 2013/14 for each of the categories of dwellings shown below:-

<b>VALUATION BAND</b>	<b>TOTAL COUNCIL TAX £</b>
A	792.35
B	924.41
C	1056.46
D	1188.52
E	1452.63
F	1716.75
G	1980.87
H	2377.04

6. 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 2013/14 is not deemed to be excessive.