

BUDGET COUNCIL
25th February 2015
COUNCIL TAX REQUIREMENT 2015/16

***BUDGET MOTION FROM COUNCILLOR ALIBOR CHOUDHURY,
CABINET MEMBER FOR RESOURCES***

I propose the following motion in relation to Agenda item 5: "Report of the Mayor in Cabinet on 4th February 2015:-

That Council: -

General Fund Revenue Budget and Council Tax Requirement 2015/16

1. Agree a General Fund revenue budget of £291.362m and a total Council Tax Requirement for Tower Hamlets in 2015/16 of £69,814,540 as set out in the table below.

Service	Revised Base 2014-15 £'000	Approved £'000	Savings New £'000	Growth £'000	Adjustments £'000	Total Budget 2015-16 £'000
Education, Social Care and Wellbeing	192,709	(10,810)	0	2,865	(796)	183,967
Public Health	31,590	(3,112)	0	(25)	1,050	29,503
Communities, Localities and Culture	81,123	(753)	0	3,113	(554)	82,930
Development and Renewal	15,849	(1,027)	0	1,847	296	16,965
Resources	7,755	(1,583)	0	4,184	(43)	10,313
Law, Probity and Governance	9,352	(284)	(200)	646	(167)	9,347
Net Service Costs	338,377	(17,569)	(200)	12,630	(214)	333,024
Other Net Costs						
Capital Charges	11,712	(750)	0	(2,155)	(451)	8,356
Levies	1,672	0	0	25	0	1,697
Pensions	16,622	0	0	2,000	0	18,622
Other Corporate Costs	(14,578)	(4,102)	0	(887)	(1,050)	(20,617)
Total Other Net costs	15,428	(4,852)	0	(1,016)	(1,501)	8,059
Public Health	(32,261)	0	0	0	0	(32,261)
Core Grants	(27,017)	(3,000)	(2,156)	8,899	0	(23,274)
Reserves						
General Fund	(1,498)	0	0	0	1,745	247
Earmarked	(875)	0	0	0	1,434	559
General Fund (Smoothing)	0	0	0	0	0	0
Inflation	1,780	0	(1,500)	4,365	365	5,010
Total Financing Requirement	293,933	(25,421)	(3,857)	24,878	1,829	291,362
Government Funding	(122,580)	0	(83)	33,970	0	(88,693)
Retained Business Rates	(102,429)	0	(12,310)	0	0	(114,738)
Section 31 Grant (BR)	(3,137)	0	(85)	0	0	(3,222)
Council Tax	(66,396)	0	(3,419)	0	0	(69,815)
Collection Fund Surplus						
Council Tax	0	0	(2,131)	0	0	(2,131)
Retained Business Rates	0	0	(4,922)	0	0	(4,922)
Total Financing	(294,541)	0	(22,950)	33,970	0	(283,521)

2. Agree a Council Tax for Tower Hamlets in 2015/16 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	6/9	£590.35
B	40,001	52,000	7/9	£688.74
C	52,001	68,000	8/9	£787.13
D	68,001	88,000	9/9	£885.52
E	88,001	120,000	11/9	£1,082.30
F	120,001	160,000	13/9	£1,279.08
G	160,001	320,000	15/9	£1,475.87
H	320,001	and over	18/9	£1,771.04

3. Agree that for the London Borough of Tower Hamlets in 2015/16:-

(a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be **£1,180.52** as shown below: -.

	£
	(Band D, No Discounts)
LBTH	885.52
GLA	295.00
Total	1,180.52

(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: -

BAND	PROPERTY VALUE		RATIO TO BAND D	LBTH £	GLA £	TOTAL £
	FROM £	TO £				
A	0	40,000	6/9	590.35	196.67	787.01
B	40,001	52,000	7/9	688.74	229.44	918.18
C	52,001	68,000	8/9	787.13	262.22	1,049.35
D	68,001	88,000	9/9	885.52	295.00	1,180.52
E	88,001	120,000	11/9	1,082.30	360.56	1,442.86
F	120,001	160,000	13/9	1,279.08	426.11	1,705.19
G	160,001	320,000	15/9	1,475.87	491.67	1,967.53
H	320,001	and over	18/9	1,771.04	590.00	2,361.04

- 4 Approve the statutory calculations of this Authority's Council Tax Requirement in 2015/16, detailed in **Appendix A** to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 31 to 36 of the Local Government Finance Act 1992.
- 5 Approve the Treasury Management Strategy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement as presented to Cabinet on 4 February 2015.
- 6 Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2015-2018 as amended by the alternative options as agreed by the Mayor in Cabinet on 4 February and as set out in the attached report of the Mayor in Cabinet and summarised in the tables below.

Summary Draft Medium Term Financial Plan 2015-18

	2014-15	2015-16	2016-17	2017-18
	£'000	£'000	£'000	£'000
Net Service Costs	295,732	293,933	291,362	296,716
Growth (Incl Public Health)	6,619	11,612	7,949	3,223
Savings				
Approved	(6,692)	(22,421)	(4000)	0
New	0	(200)	0	0
Inflation	4,842	2,865	5,500	5,500
Core Grants (incl Public Health)	(4,266)	3,743	(3,764)	(713)
Earmarked Reserves (Directorates)	(804)	1,829	(331)	0
Contribution to/from Reserves	(1,498)	0	0	0
Total Funding Requirement	293,933	291,362	296,716	304,726
Government Funding	(122,580)	(88,693)	(66,879)	(48,947)
Retained Business Rates	(105,566)	(117,960)	(126,202)	(132,052)
Council Tax	(66,396)	(69,815)	(71,909)	(74,066)
Collection Fund Surplus				
Council Tax	0	(2,131)	0	0
Retained Business Rates	0	(4,922)	0	0
Total Funding	(294,541)	(283,521)	(264,990)	(255,065)

Detailed analysis of the Medium Term Financial Plan by service area 2014/15 to 2017/18

Service	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total
	2014-15 £'000	Approved	New			2015-16 £'000	Approved	New			2016-17 £'000	Approved	New			2017-18 £'000
Education, Social Care and Wellbeing	192,709	(10,810)	0	2,865	(796)	183,967	0	0	2,146	0	186,113	0	0	582		186,695
Public Health	31,590	(3,112)	0	(25)	1,050	29,503	0	0	(891)	(1,050)	27,562	0	0	(892)		26,670
Communities, Localities and Culture	81,123	(753)	0	3,113	(554)	82,930	0	0	2,024	(199)	84,755	0	0	1,144		85,899
Development & Renewal	15,849	(1,027)	0	1,847	296	16,965	0	0	(714)	(510)	15,741	0	0	0		15,741
Resources	7,755	(1,583)	0	4,184	(43)	10,313	0	0	250	0	10,563	0	0	250		10,813
Law, Probity & Governance	9,352	(284)	(200)	646	(167)	9,347	0	0	0	154	9,501	0	0	0		9,501
Net Service Costs	338,377	(17,569)	(200)	12,630	(214)	333,024	0	0	2,815	(1,605)	334,234	0	0	1,084	0	335,318
Other Net Costs																
Capital Charges	11,712	(750)	0	(2,155)	(451)	8,356	0	0	397	0	8,753	0	0	(419)		8,334
Levies	1,672	0	0	25	0	1,697	0	0	0	0	1,697	0	0	0		1,697
Pensions	16,622	0	0	2,000	0	18,622	0	0	1,500	0	20,122	0	0	1,500		21,622
Other Corporate Costs	(14,578)	(4,102)	0	(887)	(1,050)	(20,617)	(4,000)	0	3,237	1,050	(20,330)	0	0	1,058		(19,272)
Total Other Net costs	15,428	(4,852)	0	(1,017)	(1,501)	8,058	(4,000)	0	5,134	1,050	10,242	0	0	2,139		12,381
Public Health Grant	(32,261)	0	0	0	0	(32,261)	0	0	0	0	(32,261)	0	0	0		(32,261)
Core Grants	(27,017)	(3,000)	(2,156)	8,899	0	(23,274)	0	(5,000)	1,236	0	(27,038)	0	(5,000)	4,287		(27,751)
Reserves																
General Fund (Corporate)	(1,498)	0	0	0	1,745	247	0	0	0	25	272	0	0	0		272
Earmarked (Directorate)	(875)	0	0	0	1,434	559	0	0	0	199	758	0	0	0		758
General Fund (Smoothing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
Inflation	1,780	0	(1,500)	4,365	365	5,010	0	(1,500)	7,000	0	10,510	0	(1,500)	7,000		16,010
Total Financing Requirement	293,933	(25,421)	(3,856)	24,877	1,829	291,362	(4,000)	(6,500)	16,185	(331)	296,716	0	(6,500)	14,510		304,726
Government Funding	(122,580)	0	(83)	33,970	0	(88,693)	0	(145)	21,959	0	(66,879)	0	(163)	18,095		(48,947)
Retained Business Rates	(102,429)	0	(12,310)	0	0	(114,738)	0	(11,464)	0	0	(126,202)	0	(5,849)	0		(132,052)
Section 31 Grant (BR)	(3,137)	0	(85)	0	0	(3,222)	0	0	3,222	0	0	0	0	0		0
Council Tax	(66,396)	0	(3,419)	0	0	(69,815)	0	(2,094)	0	0	(71,909)	0	(2,157)	0		(74,066)
Collection Fund Surplus		0	0	0	0	0	0	0	0	0	0	0	0	0		0
Council Tax	0	0	(2,131)	0	0	(2,131)	0	2,131	0	0	0	0	0	0		0
Retained Business Rates	0	0	(4,922)	0	0	(4,922)	0	4,922	0	0	0	0	0	0		0
Total Financing	(294,541)	0	(22,950)	33,970	0	(283,521)	0	(6,650)	25,181		(264,990)	0	(8,170)	18,095		(255,065)

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 25th FEBRUARY 2015
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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

1. That the revenue estimates for 2015/2016 be approved.
2. That it be noted that, at its meeting on 7th January 2015, Cabinet calculated 78,840 as its Council Tax base for the year 2015/2016 [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 2015/2016 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) £1,156,583,740 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) £1,086,769,200 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) £69,814,540 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 25th FEBRUARY 2015
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(e)	VALUATION BAND	LBTH £
	A	590.35
	B	688.74
	C	787.13
	D	885.52
	E	1,082.30
	F	1,279.08
	G	1,475.87
	H	1,771.04

Being the amount given by multiplying the amount at 3(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 2015/16 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:-

VALUATION BAND	GLA £
A	196.67
B	229.44
C	262.22
D	295.00
E	360.56
F	426.11
G	491.67
H	590.00

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 25th FEBRUARY 2015
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 2015/16 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	787.01
B	918.18
C	1,049.35
D	1,180.52
E	1,442.86
F	1,705.19
G	1,967.53
H	2,361.04

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 2015/16 is not deemed to be excessive.