

BUDGET COUNCIL24th February 2016**COUNCIL TAX REQUIREMENT 2016-17****BUDGET MOTION FROM COUNCILLOR DAVID EDGAR,
CABINET MEMBER FOR RESOURCES**

I propose the following motion in relation to Agenda item 5: "Report of the Mayor in Cabinet on 2nd February 2016:-

That Council: -

General Fund Revenue Budget and Council Tax Requirement 2016-17

1. Agree a General Fund revenue budget of £361.985m and a total Council Tax Requirement for Tower Hamlets in 2016-17 of £76.884m as set out in the table below.

Service Area	Total 2015-16 £'000	Approved £'000	Savings New £'000	Growth £'000	Adjustments £'000	Total 2016-17 £'000
Adult Services	94,373	0	(5,762)	2,567	(17)	91,161
Public Health	32,119	0	0	4,394	(1,050)	35,463
Children Services	90,293	0	(5,401)	(1,240)	855	84,506
Communities, Localities & Culture	82,207	0	(4,414)	794	(457)	78,131
Development & Renewal	15,964	0	(800)	(258)	134	15,041
Law, Probity & Governance	9,524	0	(180)	50	(204)	9,190
Resources	7,440	0	(625)	227	(17)	7,025
Net Service Costs	331,920	0	(17,182)	6,534	(755)	320,517
Other Net Costs						
Capital Charges	8,010	0	0	(535)	0	7,475
Levies	1,705	0	0	0	0	1,705
Pensions	18,622	0	0	338	0	18,960
Other Corporate Costs	(12,850)	(4,000)	(241)	931	21,050	4,889
Total Other Net costs	15,486	(4,000)	(241)	734	21,050	33,029
Inflation	2,940	0	(1,629)	7,000	129	8,440
Total Financing Requirement	350,346	(4,000)	(19,052)	14,268	20,423	361,985
Funding						
Government Funding	(88,693)	0	(36)	15,635	0	(73,094)
Retained Business Rates	(115,295)	0	(2,886)	0	0	(118,182)
Section 31 Grant (BR)	(2,665)	0	0	(63)	0	(2,728)
Council Tax	(69,815)	0	(7,069)	0	0	(76,884)
Collection Fund Surplus	0	0	0	0	0	0
Council Tax	(2,131)	0	853	0	0	(1,278)
Retained Business Rates	(4,922)	0	2,325	0	0	(2,597)
Core Grants						
Public Health Grant	(33,877)	0	0	(3,006)	0	(36,883)
Local Lead Flood	(85)	0	0	85	0	0
NHB	(17,813)	0	(3,804)	0	0	(21,617)
NHB Returned	(329)	0	0	329	0	0
Education Services Grant	(4,140)	0	0	341	0	(3,799)
Improved Better Care fund	0	0	0	0	0	0
Council Tax Freeze Grant 2015/16	(907)	0	0	907	0	0
Reserves						
General Fund (Corporate)	(624)	0	0	0	(1,456)	(2,080)
Earmarked (Directorate)	(1,209)	0	0	0	1,209	0
General Fund (Smoothing)	0	0	0	0	0	0
Total Financing	(342,505)	0	(10,617)	14,228	(247)	(339,141)

2. Agree a Council Tax for Tower Hamlets in 2016-17 of £920.85 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:-

This incorporates a 1.99% general increase on the previous year and a 2% increase in respect of the Adult Social Care 'Precept' announced by the government during its recent budget announcements (SR2015).

BAND	PROPERTY VALUE		RATIO TO BAND D	LBTH COUNCIL TAX FOR EACH BAND £
	FROM £	TO £		
A	0	40,000	$\frac{6}{9}$	613.90
B	40,001	52,000	$\frac{7}{9}$	716.22
C	52,001	68,000	$\frac{8}{9}$	818.53
D	68,001	88,000	$\frac{9}{9}$	920.85
E	88,001	120,000	$\frac{11}{9}$	1,125.48
F	120,001	160,000	$\frac{13}{9}$	1,330.12
G	160,001	320,000	$\frac{15}{9}$	1,534.75
H	320,001	and over	$\frac{18}{9}$	1,841.70

3. Agree that for the London Borough of Tower Hamlets in 2016-17:-

- (a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be **£1,196.85** as shown below: -.

£ (Band D, No Discounts)	
LBTH	920.85
GLA	276.00
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Total	1,196.85
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- (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	$\frac{6}{9}$	613.90	184.00	797.90
B	40,001	52,000	$\frac{7}{9}$	716.22	214.67	930.89
C	52,001	68,000	$\frac{8}{9}$	818.53	245.33	1,063.86
D	68,001	88,000	$\frac{9}{9}$	920.85	276.00	1,196.85
E	88,001	120,000	$\frac{11}{9}$	1,125.48	337.33	1,462.81
F	120,001	160,000	$\frac{13}{9}$	1,330.12	398.67	1,728.79
G	160,001	320,000	$\frac{15}{9}$	1,534.75	460.00	1,994.75
H	320,001	and over	$\frac{18}{9}$	1,841.70	552.00	2,393.70

- 4 Approve the statutory calculations of this Authority's Council Tax Requirement in 2016-17, detailed in **Appendix A** to this motion, undertaken by the Corporate Director Resources (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 2 February 2016.
- 6 Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2016-2020 as amended by the alternative options as agreed by the Mayor in Cabinet on 2 February and as set out in the attached report of the Mayor in Cabinet and summarised in the tables below.

Summary of Medium Term Financial Plan 2015-2020

	2015-16	2016-17	2017-18	2018-19	2019-20
	£'000	£'000	£'000	£'000	£'000
Net Service Costs	355,585	350,346	361,985	350,586	359,537
Growth (Including Public Health)	14,442	27,563	(16,899)	3,451	3,400
Savings					
Approved	(22,421)	(4,000)	0	0	0
New	(200)	(17,423)	0	0	0
Inflation	2,940	5,500	5,500	5,500	5,500
Total Funding Requirement	350,346	361,985	350,586	359,537	368,437
Government Funding	(88,693)	(73,094)	(58,474)	(48,444)	(38,079)
Retained Business Rates	(117,960)	(120,910)	(126,750)	(131,731)	(137,172)
Council Tax	(69,815)	(76,884)	(80,775)	(84,862)	(89,156)
Collection Fund Surplus					
Council Tax	(2,131)	(1,278)	0	0	0
Retained Business Rates	(4,922)	(2,597)	0	0	0
Core Grants	(57,151)	(62,299)	(52,065)	(44,917)	(44,953)
Earmarked Reserves (Directorates)	(1,833)	(2,080)	(370)	(370)	0
Total Funding	(342,505)	(339,141)	(318,434)	(310,325)	(309,361)
Budget Gap (excluding use of Reserves)	7,841	22,845	32,153	49,213	59,077
Unallocated Contingencies	0	0	0	0	0
Budgeted Contributions to Reserves	0	0	0	0	0
General Fund Reserves	(7,841)	(22,845)	(2,153)	(1,213)	(1,077)
Unfunded Gap	0	0	30,000	48,000	58,000
Savings to be delivered in each year	(0)	0	(30,000)	(18,000)	(10,000)
	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
Balance on General Fund Reserves (£000s)	63,616	40,771	38,618	37,406	36,329

Detailed Analysis of the Medium Term Financial Plan by Service Area 2015-16 to 2019-20

Service Area	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total						
	2015-16 £'000	Approved £'000	New £'000	£'000	£'000	2016-17 £'000	Approved £'000	New £'000	£'000	£'000	2017-18 £'000	Approved £'000	New £'000	£'000	£'000	2018-19 £'000	Approved £'000	New £'000	£'000	£'000	2019-20 £'000	
Adult Services	94,373	0	(5,762)	2,567	(17)	91,161	0	(241)	3,403	0	94,323	0	0	2,057	0	96,380	0	0	0	0	0	96,380
Public Health	32,119	0	0	4,394	(1,050)	35,463	0	0	(1,185)	(447)	33,831	0	0	(750)	0	33,081	0	0	(730)	0	0	32,351
Children Services	90,293	0	(5,401)	(1,240)	855	84,506	0	0	0	(600)	83,906	0	0	0	0	83,906	0	0	0	0	(370)	83,536
Communities, Localities & Culture	82,207	0	(4,414)	794	(457)	78,131	0	0	1,077	0	79,208	0	0	714	0	79,922	0	0	0	0	0	79,922
Development & Renewal	15,964	0	(800)	(258)	134	15,041	0	0	0	(663)	14,378	0	0	0	0	14,378	0	0	0	0	0	14,378
Law, Probity & Governance	9,524	0	(180)	50	(204)	9,190	0	0	0	0	9,190	0	0	0	0	9,190	0	0	0	0	0	9,190
Resources	7,440	0	(625)	227	(17)	7,025	0	0	250	0	7,275	0	0	0	0	7,275	0	0	0	0	0	7,275
Net Service Costs	331,920	0	(17,182)	6,534	(755)	320,517	0	(241)	3,545	(1,710)	322,111	0	0	2,021	0	324,132	0	0	(730)	(370)	0	323,032
Other Net Costs																						
Capital Charges	8,010	0	0	(535)	0	7,475	0	0	(419)	0	7,056	0	0	0	0	7,056	0	0	0	0	0	7,056
Levies	1,705	0	0	0	0	1,705	0	0	0	0	1,705	0	0	0	0	1,705	0	0	0	0	0	1,705
Pensions	18,622	0	0	338	0	18,960	0	0	1,500	0	20,460	0	0	1,000	0	21,460	0	0	1,000	0	0	22,460
Other Corporate Costs	(12,850)	(4,000)	(241)	931	21,050	4,889	0	241	185	(20,000)	(14,685)	0	0	430	0	(14,255)	0	0	3,500	0	0	(10,755)
Total Other Net costs	15,486	(4,000)	(241)	734	21,050	33,029	0	241	1,266	(20,000)	14,536	0	0	1,430	0	15,966	0	0	4,500	0	0	20,466
Inflation	2,940	0	(1,629)	7,000	129	8,440	0	(1,500)	7,000	0	13,940	0	(1,500)	7,000	0	19,440	0	(1,500)	7,000	0	0	24,940
Total Financing Requirement	350,346	(4,000)	(19,052)	14,268	20,423	361,985	0	(1,500)	11,811	(21,710)	350,586	0	(1,500)	10,451	0	359,537	0	(1,500)	10,770	(370)	0	368,437
Funding																						
Government Funding	(88,693)	0	(36)	15,635	0	(73,094)	0	(87)	14,707	0	(58,474)	0	(133)	10,163	0	(48,444)	0	(149)	10,514	0	0	(38,079)
Retained Business Rates	(115,295)	0	(2,886)	0	0	(118,182)	0	(8,471)	2,422	0	(124,230)	0	(2,639)	(2,327)	0	(129,196)	0	(2,991)	(2,435)	0	0	(134,622)
Section 31 Grant (BR)	(2,665)	0	0	(63)	0	(2,728)	0	(15)	223	0	(2,520)	0	(15)	0	0	(2,535)	0	(15)	0	0	0	(2,550)
Council Tax	(69,815)	0	(7,069)	0	0	(76,884)	0	(3,891)	0	0	(80,775)	0	(4,088)	0	0	(84,862)	0	(4,294)	0	0	0	(89,156)
Collection Fund Surplus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	(2,131)	0	853	0	0	(1,278)	0	1,278	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained Business Rates	(4,922)	0	2,325	0	0	(2,597)	0	2,597	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Core Grants																						
Public Health Grant	(33,877)	0	0	(3,006)	0	(36,883)	0	0	740	0	(36,143)	0	0	750	0	(35,393)	0	0	730	0	0	(34,663)
Local Lead Flood	(85)	0	0	85	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NHB	(17,813)	0	(3,804)	0	0	(21,617)	0	(5,000)	14,287	0	(12,330)	0	(5,000)	13,407	0	(3,923)	0	(5,000)	5,741	0	0	(3,182)
NHB Returned	(329)	0	0	329	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education Services Grant	(4,140)	0	0	341	0	(3,799)	0	0	1,027	0	(2,772)	0	0	1,026	0	(1,746)	0	0	1,026	0	0	(720)
Improved Better Care fund	0	0	0	0	0	0	0	(820)	0	0	(820)	0	(3,036)	0	0	(3,856)	0	(2,533)	0	0	0	(6,389)
Council Tax Freeze Grant 2015/16	(907)	0	0	907	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserves																						
General Fund (Corporate)	(624)	0	0	0	(1,456)	(2,080)	0	0	0	1,710	(370)	0	0	0	0	(370)	0	0	0	0	370	0
Earmarked (Directorate)	(1,209)	0	0	0	1,209	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Fund (Smoothing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Financing	(342,505)	0	(10,617)	14,228	(247)	(339,141)	0	(14,409)	33,406	1,710	(318,434)	0	(14,910)	23,019	0	(310,325)	0	(14,982)	15,576	370	0	(309,361)

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 24th FEBRUARY 2016
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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

1. That the revenue estimates for 2016-17 be approved.
2. That it be noted that, at its meeting on 5th January 2016, Cabinet calculated 83,493 as its Council Tax base for the year 2016-17 [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 2016-17 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) £1,271,486,394 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) £1,194,602,325 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) £76,884,529 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) £920.85 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 24th FEBRUARY 2016
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(e)	VALUATION BAND	LBTH £
	A	613.90
	B	716.22
	C	818.53
	D	920.85
	E	1,125.48
	F	1,330.12
	G	1,534.75
	H	1,841.70

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 2016-17 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 dwellings shown below:-

VALUATION BAND	GLA £
A	184.00
B	214.67
C	245.33
D	276.00
E	337.33
F	398.67
G	460.00
H	552.00

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 24th FEBRUARY 2016
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 2016-17 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	797.90
B	930.89
C	1,063.86
D	1,196.85
E	1,462.81
F	1,728.79
G	1,994.75
H	2,393.70

6. That the council hereby determines in accordance with Section 52ZB of the Local Government Finance Act 1992, that its relevant basic amount of Council Tax for 2016-17 is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Local Government Finance Act 1992. As the billing authority, the council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2016/17 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.