

BUDGET COUNCIL

21st February 2018

COUNCIL TAX REQUIREMENT 2018-19

**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 30th January 2018:-

That Council: -

General Fund Revenue Budget and Council Tax Requirement 2018-19

1. Agree a General Fund revenue budget of £343.730m and a total Council Tax Requirement for Tower Hamlets in 2018-19 of £93.777m as set out in the table below.

Service	Total	Savings			Growth		Adjustments		Total
	2017-18 £'000	Approved £'000	Prior year deleted £'000	New £'000	Approved £'000	New £'000	Approved £'000	New £'000	2018-19 £'000
Health, Adult & Community	105,985	(1,985)	717	-	2,057	697	(2,821)	316	104,966
Public Health	33,521	(749)	-	-	(925)	-	-	-	31,847
Children Services	103,462	(2,313)	339	(300)	(135)	879	6	4,718	106,657
Place	64,610	(2,285)	200	-	578	(141)	1,823	1,392	66,176
Governance	12,751	(4)	-	-	-	-	-	100	12,847
Resources	25,095	(2,075)	-	-	(252)	80	(7,213)	615	16,250
Net Service Costs	345,424	(9,410)	1,256	(300)	1,323	1,515	(8,205)	7,141	338,743
Other Net Costs									
Capital Charges	6,997	-	-	(1,458)	-	-	-	-	5,539
Levies	1,796	-	-	-	-	-	-	-	1,796
Pensions	13,290	-	-	-	-	-	-	-	13,290
Corporate Contingency	3,150	-	-	-	-	-	-	-	3,150
Other Corporate Costs	(25,097)	(4,150)	-	-	196	(1,860)	5,270	-	(25,642)
Total Other Net costs	135	(4,150)	-	(1,458)	196	(1,860)	5,270	-	(1,867)
Inflation	354	-	-	-	4,231	2,269	-	-	6,854
Total Financing Requirement	345,913	(13,560)	1,256	(1,758)	5,750	1,924	(2,935)	7,141	343,730
Funding									
Revenue Support Grant									
Retained Business Rates	(185,265)	(4,100)	-	-	-	8,275	-	-	(181,090)
Business Rates (London Pilot)	-	-	-	-	-	(8,000)	-	-	(8,000)
Council Tax	(85,837)	-	-	(7,940)	-	-	-	-	(93,777)
Collection Fund Surplus	-	-	-	-	-	-	-	-	-
- Council Tax	(1,000)	-	-	(1,500)	1,000	-	-	-	(1,500)
- Retained Business Rates	-	-	-	-	-	11,357	-	-	11,357
Core Grants									
- Public Health Grant	(35,974)	-	-	-	925	-	-	-	(35,049)
- NHB	(19,330)	(5,000)	-	-	20,407	-	-	-	(3,923)
- Strategic School Improvement Fund	(2,772)	-	-	-	2,572	-	-	-	(200)
- Improved Better Care fund	(1,640)	-	-	(6,071)	-	-	-	-	(7,711)
- Additional Improved Better Care Fund grant (NEW)	(7,017)	-	-	-	-	-	2,821	-	(4,196)
- Adult Social Care Support Grant	(1,500)	-	-	-	1,500	(916)	-	-	(916)
- Local Lead Flood	(32)	(2)	-	-	-	-	-	-	(34)
Reserves									
- Earmarked (Corporate)	(6,094)	-	-	-	-	-	114	(7,141)	(13,121)
- General Fund (Smoothing)	-	-	-	-	-	-	-	-	-
Total Financing	(346,460)	(9,102)	-	(15,512)	26,404	10,717	2,935	(7,141)	(338,160)

2. Agree a Council Tax for Tower Hamlets in 2018-19 of £986.14 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 2% increase on the previous year in respect of the Adult Social Care 'Precept' announced by the government in the 2017 budget.

BAND	PROPERTY VALUE		RATIO TO BAND D	LBTH COUNCIL TAX FOR EACH BAND £
	FROM £	TO £		
A	0	40,000	6/9	657.43
B	40,001	52,000	7/9	767.00
C	52,001	68,000	8/9	876.57
D	68,001	88,000	9/9	986.14
E	88,001	120,000	11/9	1,205.28
F	120,001	160,000	13/9	1,424.42
G	160,001	320,000	15/9	1,643.57
H	320,001	and over	18/9	1,972.28

3. Agree that for the London Borough of Tower Hamlets in 2018-19:-

(a) The Council Tax for Band D taxpayers, before any discounts, and including the GLA precept, shall be **£1,280.37** as shown below: -.

£ (Band D, No Discounts)	
LBTH	986.14
GLA	294.23
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Total	1,280.37
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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	6/9	657.43	196.15	853.58
B	40,001	52,000	7/9	767.00	228.85	995.85
C	52,001	68,000	8/9	876.57	261.54	1,138.11
D	68,001	88,000	9/9	986.14	294.23	1,280.37
E	88,001	120,000	11/9	1,205.28	359.61	1,564.89
F	120,001	160,000	13/9	1,424.42	425.00	1,849.42
G	160,001	320,000	15/9	1,643.57	490.38	2,133.95
H	320,001	and over	18/9	1,972.28	588.46	2,560.74

4 Approve the statutory calculations of this Authority's Council Tax Requirement in 2018-19, 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 Audit Committee on 23 January 2018.
- 6 Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2018-2021 as amended following final settlement announcement as agreed by the Mayor in Cabinet on 30 January as set out in the attached report of the Mayor in Cabinet and summarised in the tables below.

Summary of Medium Term Financial Plan 2017-2021

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Net Service Costs	361,985	345,913	343,730	331,895
Growth				
Approved	(16,344)	(1,416)	1,053	(7,458)
New	15,517	6,796	(6,215)	7,515
Savings				
Approved	-	(13,560)	(13,174)	
Prior Year - deleted		1,256		
New	(20,396)	(1,758)	-	(9,030)
Inflation	5,150	6,500	6,500	6,500
Total Funding Requirement	345,913	343,730	331,895	329,422
Revenue Support Grant	(53,958)	-	(33,281)	(30,498)
Retained Business Rates	(131,307)	(181,090)	(139,555)	(139,555)
Business Rates (London Pilot)	-	(8,000)	-	-
Council Tax	(85,837)	(93,777)	(98,030)	(103,756)
Collection Fund Surplus				
Council Tax	(1,000)	(1,500)	-	-
Retained Business Rates	-	11,357	-	-
Core Grants	(68,265)	(52,029)	(52,588)	(50,478)
Earmarked Reserves	(6,094)	(13,121)	(7,577)	(5,465)
Total Funding	(346,460)	(338,160)	(331,032)	(329,753)
Budget Gap (excl use of Reserves)	(548)	5,570	863	(331)
Unallocated Contingencies	-	-	-	-
Budgeted Reserve Contribution GF smoothing (Approved Feb 2017)	548	(5,459)		-
Budgeted Reserve Contribution	(0)	(111)	(863)	331
Unfunded Gap	-	0	-	-
	31/03/2018	31/03/2019	31/03/2020	31/03/2021
Balance on General Fund Reserves (£000s)	32,288	26,718	25,855	26,186

Detailed Analysis of the Medium Term Financial Plan by Service Area 2017-18 to 2020-21

Service	Total	Savings			Growth		Adjustments		Total	Savings		Growth		Adjustments		Total	Savings		Growth		Adjustments		Total
	2017-18	Approved	Prior year deleted	New	Approved	New	Approved	New	2018-19	Approved	New	Approved	New	Approved	New	2019-20	Approved	New	Approved	New	Approved	New	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health, Adult & Community	105,985	(1,985)	717	-	2,057	697	(2,821)	316	104,966	(2,242)	-	2,125	814	(2,122)	(43)	103,498	-	(1,000)	-	3,499	(2,074)	4	103,927
Public Health	33,521	(749)	-	-	(925)	-	-	-	31,847	(411)	-	(730)	-	-	-	30,706	-	-	-	-	-	-	30,706
Children Services	103,462	(2,313)	339	(300)	(135)	879	6	4,718	106,657	(3,011)	-	(414)	-	(370)	(4,487)	98,375	-	(650)	-	-	(2,120)	2,000	97,605
Place	64,610	(2,285)	200	-	578	(141)	1,823	1,392	66,176	(1,781)	-	577	132	(225)	(219)	64,660	-	(580)	-	744	(1,598)	(98)	63,128
Governance	12,751	(4)	-	-	-	-	-	100	12,847	(4)	-	-	-	-	-	12,843	-	-	-	-	-	-	12,843
Resources	25,095	(2,075)	-	-	(252)	80	(7,213)	615	16,250	(525)	-	-	-	-	(200)	15,525	-	(1,900)	-	-	(1,666)	1,367	13,326
Net Service Costs	345,424	(9,410)	1,256	(300)	1,323	1,515	(8,205)	7,141	338,743	(7,974)	-	1,558	946	(2,717)	(4,949)	325,608	-	(4,130)	-	4,243	(7,458)	3,272	321,535
Other Net Costs																							
Capital Charges	6,997	-	-	(1,458)	-	-	-	-	5,539	-	-	-	-	-	-	5,539	-	-	-	-	-	-	5,539
Levies	1,796	-	-	-	-	-	-	-	1,796	-	-	-	-	-	-	1,796	-	-	-	-	-	-	1,796
Pensions	13,290	-	-	-	-	-	-	-	13,290	-	-	-	-	-	-	13,290	-	-	-	-	-	-	13,290
Corporate Contingency	3,150	-	-	-	-	-	-	-	3,150	-	-	-	-	-	-	3,150	-	-	-	-	-	-	3,150
Other Corporate Costs	(25,097)	(4,150)	-	-	196	(1,860)	5,270	-	(25,642)	(5,200)	-	2,212	(2,212)	-	(30,842)	-	(4,900)	-	-	-	-	-	(35,742)
Total Other Net costs	135	(4,150)	-	(1,458)	196	(1,860)	5,270	-	(1,867)	(5,200)	-	2,212	(2,212)	-	(7,067)	-	(4,900)	-	-	-	-	-	(11,967)
Inflation	354	-	-	-	4,231	2,269	-	-	6,854	-	-	4,440	2,060	-	-	13,354	-	-	-	6,500	-	-	19,854
Total Financing Requirement	345,913	(13,560)	1,256	(1,758)	5,750	1,924	(2,935)	7,141	343,730	(13,174)	-	8,210	794	(2,717)	(4,949)	331,895	-	(9,030)	-	10,743	(7,458)	3,272	329,422
Funding																							
Revenue Support Grant																							
Retained Business Rates	(185,265)	(4,100)	-	-	-	8,275	-	-	(181,090)	101,821	-	-	(33,281)	-	(33,281)	-	2,783	-	-	-	-	-	(30,498)
Business Rates (London Pilot)	-	-	-	-	-	(8,000)	-	-	(8,000)	-	-	-	8,000	-	-	-	-	-	-	-	-	-	-
Council Tax	(85,837)	-	-	(7,940)	-	-	-	-	(93,777)	-	(4,253)	-	-	-	-	(98,030)	-	(5,726)	-	-	-	-	(103,756)
Collection Fund Surplus																							
- Council Tax	(1,000)	-	-	(1,500)	1,000	-	-	-	(1,500)	-	-	-	1,500	-	-	-	-	-	-	-	-	-	-
- Retained Business Rates	-	-	-	-	-	11,357	-	-	11,357	-	-	-	(11,357)	-	-	(0)	-	-	-	-	-	-	(0)
Core Grants																							
- Public Health Grant	(35,974)	-	-	-	925	-	-	-	(35,049)	-	-	730	-	-	-	(34,319)	-	-	-	-	-	-	(34,319)
- NHB	(19,330)	(5,000)	-	-	20,407	-	-	-	(3,923)	(5,000)	-	5,741	-	-	-	(3,182)	-	-	-	-	-	-	(3,182)
- Strategic School Improvement Fund	(2,772)	-	-	-	2,572	-	-	-	(200)	-	-	-	-	-	-	(200)	-	-	-	-	-	-	(200)
- Improved Better Care fund	(1,640)	-	-	(6,071)	-	-	-	-	(7,711)	-	(5,066)	-	-	-	-	(12,777)	-	-	-	-	-	-	(12,777)
- Additional Improved Better Care Fund grant (NEW)	(7,017)	-	-	-	-	-	2,821	-	(4,196)	-	-	-	-	2,122	(2,074)	-	-	-	-	-	2,074	-	-
- Adult Social Care Support Grant	(1,500)	-	-	-	1,500	(916)	-	-	(916)	-	-	-	916	-	-	-	-	-	-	-	-	-	-
- Local Lead Flood	(32)	(2)	-	-	-	-	-	-	(34)	(2)	-	-	-	-	-	(36)	-	36	-	-	-	-	(0)
Reserves																							
- Earmarked (Corporate)	(6,094)	-	-	-	-	-	114	(7,141)	(13,121)	-	-	-	-	595	4,949	(7,577)	-	-	-	-	5,384	(3,272)	(5,465)
- General Fund (Smoothing)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing	(346,460)	(9,102)	-	(15,512)	26,404	10,717	2,935	(7,141)	(338,160)	96,819	(9,319)	6,471	(94,509)	2,717	4,949	(331,032)	-	(2,907)	-	-	7,458	(3,272)	(329,753)

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 21st FEBRUARY 2018
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

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

1. That the revenue estimates for 2018-19 be approved.
2. That it be noted that, at its meeting on 9th January 2018, Cabinet calculated 95,095 as its Council Tax base for the year 2018-19 [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 2018-19 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) £1,285,757,063 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) £1,191,980,080 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) £93,776,983 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) £986.14 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 21st FEBRUARY 2018
BUDGET & COUNCIL TAX STATUTORY CALCULATIONS**

(e)	VALUATION BAND	LBTH £
	A	657.43
	B	767.00
	C	876.57
	D	986.14
	E	1,205.28
	F	1,424.42
	G	1,643.57
	H	1,972.28

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 2018-19 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	196.15
B	228.85
C	261.54
D	294.23
E	359.61
F	425.00
G	490.38
H	588.46

**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 21st FEBRUARY 2018
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 2018-19 for each of the categories of dwellings shown below:-

VALUATION BAND	TOTAL COUNCIL TAX £
A	853.58
B	995.85
C	1,138.11
D	1,280.37
E	1,564.89
F	1,849.42
G	2,133.95
H	2,560.74

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 2018-19 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 2018-19 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.