

NORTHAMPTON BOROUGH COUNCIL

CABINET

Monday, 5 February 2007

PRESENT: Councillor Hadland (Chair); Councillor Palethorpe (Deputy Chair);
Councillors Caswell, Flavell, Larratt and Miah

1. APOLOGIES

None.

2. DEPUTATIONS/PUBLIC ADDRESSES

RESOLVED: That S Bell, C Russell, M Clarke, C Grethe, D Munday, C Bricher, D Labrum, Councillor Roy, T Clarke and Councillor Boss be granted leave to address the Cabinet in respect of item 4 "Budget 2007/08 – 2009/20".

3. DECLARATIONS OF INTEREST

None.

4. BUDGET 2007/08- 2009/10 (CPFSP)

S Bell on behalf of Northampton Voluntary Sector Community Forum commented that whilst she was relieved that the proposed reduction in funding to the voluntary sector was only £50,000 she was concerned at a further proposed £100,000 reduction in 2008/09. Councillor Hadland commented that there had been an error and that there was no proposed further reduction in community grants in 2008/09. S Bell thanked Councillor Hadland for his comment and stated that the voluntary sector groups had just completed three year funding bids and completed their budgets on the basis of full funding being available. She noted that the voluntary sector had already absorbed cost of living increases over several years.

M Clark expressed concerns on behalf of the smaller organisations that received small grants including the BME groups that had no other sources of funding.

C Grethe commented that he was glad that Lings Forum had been saved from closure, it was a vital facility for the Eastern area. He also commented that grants to Shopmobility, the Door to Door service were also very important. He made reference to a particular community centre that was currently closed due to structural problems which appeared to be taking a very long time to sort out. He also commented that the proposals to merge Money Advice with the First Stop Shop could make things worse.

D Munday on behalf of the Royal and Derngate Theatre commented that three funders to the Trust had already indicated that they would reduce their funding. The Arts Council had already commenced discussions for the disinvestment of their £678,000 grant. This would put the Trust in the position of being insolvent. The Trust had received some 9,000 communications in support of their plight. D Munday also referred to the Northampton Central Area Report by BDP Consultants that highlighted Angel Street/Derngate as an important part of the regeneration of the town centre as a cultural quarter. She also referred to articles in The Guardian and Telegraph highlighting the difficulties of the Derngate and Royal Theatres. She commented that the proposals did not make sense.

C Bricher on behalf of the Christian People's Alliance Party commented that the loss of grant to the Derngate would be catastrophic and that the town would become a cultural desert. With cuts to street cleaning the environment of the town would worsen. He had some sympathy with the position that the Council was in but queried why buses had not been included in the debate and why the Council Tax was set to rise by 5%. Was this a reflection of Central Government placing more demands on Local Government? Mr Bricher made reference to consultants fees and housekeeping issues such as refreshments, the Mayoralty and notepads. He also queried whether the tourism service could be moved into a smaller area in the One Stop Shop. He also queried whether this same funding situation would recur again in future years.

D Labrum asked whether the Cabinet had considered the implications for reductions in the establishment and referred to commitments to non-compulsory redundancy previously agreed as part of the Root and Branch discussions at The Moathouse.

Councillor Roy commented that the error that had been highlighted in year two of Community Grants Reductions was welcome however the situation was causing people anxiety. She queried why established procedures like using the Voluntary Sector Forum had not been used as part of discussions in this respect. She was concerned at the proposed cuts to the ASBU as crime and disorder was priority for the Council. She also expressed concern on how the One Stop Shop would cope if district offices and the Homelessness Money Advice Centres were to be merged with it. She also commented that the difficulty with the Royal and Derngate Theatres appeared to be the year one reduction. She also commented that the drip drip release of information did not support a strong and vibrant community which was leading people to be in effect misinformed.

T Clarke queried whether impact assessments had been carried out if the cuts were to go ahead. She commented that the real effects of the reductions would go far beyond the monetary values given in the report.

Councillor Boss commented that the Derngate was a regional theatre and so it was not surprising that many of its patrons came from outside of the Borough. Even the national press had reviews of the Derngate programme. He also commented in respect of the Balloon Festival and charging for entry; he questioned the organisation of the Festival which made a loss despite a surplus always being anticipated. He commented generally there appeared to be a lack of vision about the proposals in the budget.

Councillor Hadland submitted a report which updated the situation from the meeting on 29 January and circulated a revised Annex B which now included the savings not proposed for 2007/08 and later years. Annex C in respect of efficiency savings was also circulated. He made reference to a letter received from Sally Keeble MP dated 1 February 2007 and which had been circulated to members of the Cabinet.

Councillor Hadland stated that the meeting on 29 January had been unable to conclude deliberations as a balanced budget at that time was not possible to achieve; there was a £190,000 gap in the second year. In terms of 2007/08 savings of £2.4m had been identified. He commented that the problem the Council traditionally faced was that it tried to do too much compared with the resources it had available and this year's budget was a genuine attempt to reduce the Council's activity to the finance it had available. The need to make reductions was not welcomed and in many respects the Council was trying to balance the unbalanceable. He further commented that the £190,000 shortfall that remained after the meeting on 29 January had now been filled by additional efficiency savings and he congratulated the officers for their work in this respect. He commented that the error in respect of community grants in future years left a £50,000 gap that would be filled by the time the Council met on 13 February.

Councillor Hadland acknowledged the comments made by M Clark and C Grethe and commented that he had been working hard with the other funders of the Theatres Trust to find alternative funding for them. In respect of buses this was not the Council's responsibility except for concessionary fares. He said that the housekeeping economies would be further examined. In response to Mr Labrum Councillor Hadland commented that the Council's policy on redeployment stood. Redeployment and retraining would be used wherever possible and staff reductions were sought without the need to resort to compulsory redundancy. Impact assessments would be undertaken following the decision of this meeting. In respect of the Balloon Festival he commented that there was a need to find a better way of delivering it and commented that in respect of the district offices and Money and Housing Advice that the best advice to the Cabinet was that this was possible to merge with the One Stop Shop operation; this would in some cases improve the working conditions of some of those involved. He agreed that in ideal circumstances the process of consultation could have been longer. However the circumstances and other factors such as local government reorganisation and the CPA re-inspection had impacted on what had been possible. However public attention had been focussed on the concentrated consultation period.

RECOMMENDED: That Council adopt the budget set out in the Appendices to the report presented as Annex A subject to the following adjustments:-

- (1) Inclusion of the Schedule of Efficiency Savings presented as Annex C (£1.64m total full year effect)
- (2) Inclusion of the Schedule of Recommended Savings presented as "Annex B amended" but with a further amendment to the Community Grants Provision such that the reduction in later years be capped at £50,000 (£2.19m total full year effect); noting that taken together with the full year effect of these adjustments provides for a balanced budget (except for £50,000) but that it will be necessary to make provision for a one off contribution from General Reserves of at least £817,000 in 2007/08.
- (3) Officers be requested to identify additional efficiency savings of £50,000 to offset the amendment to the community grants budget referred to above.
- (4) That in addition to the above the target level of reserves to be retained in support of the 2007/08 budget should be not less than £3m.

The meeting concluded at 19.20 hours