



Leicester
City Council

Minutes of the Meeting of the
CABINET

Held: MONDAY, 23 FEBRUARY 2004 at 5.00pm

P R E S E N T :

Councillor R. Blackmore - Chair
Councillor Johnson - Vice-Chair

Councillor Coles
Councillor Coley
Councillor Hunt

Councillor Metcalfe
Councillor Mugglestone
Councillor Scuplak

Councillor Suleman

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201. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business to be discussed and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Coley declared a non-prejudicial interest in Report A, 'Revenue Budget Strategy 2004/05 to 2006/07', as his daughter was employed in a city school.

Councillor Mugglestone declared a non-prejudicial interest in Report A, 'Revenue Budget Strategy 2004/05 to 2006/07', for matters relating to advice services.

Councillor Hunt declare a non-prejudicial interest in Report A, 'Revenue Budget Strategy 2004/05 to 2006/07', as he was a Council appointed member of the Leicester Regeneration Company board and of the Haymarket Theatre Board.

Councillor Blackmore declared a non-prejudicial interest in Report A, 'Revenue Budget Strategy 2004/05 to 2006/07' as he was a Council appointed member of the boards of the Leicester Shire Economic Partnership and Leicester Shire Promotions.

202. REVENUE BUDGET STRATEGY 2004/05 TO 2006/07

Councillor Coley submitted a report requesting Cabinet's approval for a three year corporate budget strategy, three year departmental revenue strategies for

each department and a general fund budget for 2004/05 and to recommend these to Council.

The Cabinet received all the relevant minute extracts from all the Scrutiny Committees, Area Forums, and Working Parties which considered the budget throughout the consultation process. Other responses to consultation had been made available for Members.

Councillor Coley outlined in detail the budgetary position the Council was in when the administration embarked on the process of formulating the budget. He noted that there had been considerable consultation on the budget and he thanked all those who had contributed and said that the comments received had been useful. He noted that as a result of the consultation a number of proposed cuts would be reinstated. He also outlined a number of other amendments to the budget and made particular reference to a proposed £600,000 fund for a community cohesion strategy. He informed the meeting that the Council's part of the Council tax bill would rise by 8.7%, but noted that the police and fire precepts of the total bill were both above 10% and in particular the police had increased tax by 60% over the last three years.

Councillor Coley referred to the original proposals regarding the voluntary sector, and outlined the Cabinet's present proposals, following consultation, which saved funding for some of them and created a small transition fund to help others become self financing.

Councillor Coley detailed a number of the comments received on the budget proposals, in particular those received from Scrutiny Committees and Trade Unions and he noted that there were no comments from the business community.

Councillor Coley also stated that consideration had been given to the impact on race equality of the budget reductions and that Cabinet's proposed budget took this into account.

Councillor Scuplak spoke about the priority areas for the budget which were to focus on core services and the maintenance and quality of Council facilities. He felt the previous administration had expanded the range of services too thinly with inadequate funding. He also spoke about the need to address the job evaluation system and his opposition to Government capping.

Councillor Hunt noted the Council's financial problems were exacerbated by the low rate of increases in Government grant it had received since 1996/1997 which meant it was £20 million worse off than it would have been had it received just an average increase. He also spoke about the funding available from a wide variety of different organisations which were better placed than the Council to fund much of the work of the voluntary sector. He pledged to work with the groups receiving cuts to help them obtain funding from other sources.

RESOLVED:

- (1) that the views expressed in relation to the budget strategy

during the consultation period be noted and taken into account, including:

- (i) responses as summarised in the report and in documents lodged in the Members' area;
 - (ii) Directors' comments on the responses;
 - (iii) relevant Minutes of Scrutiny Committees, Working Parties and Forums circulated by the Town Clerk;
 - (iv) relevant letters and petitions submitted by the public and by Members;
- (2) that, having regard to the responses during consultation and to the assessments by Directors, the race equality and community cohesion implications of the budget strategy be noted;
- (3) that the variations to the budget attached as at Appendix A to these minutes be made in response to the views expressed during the period of consultation;
- (4) That the Council be recommended:
- (i) to note and take into account the above matters;
 - (ii) to approve the draft corporate budget strategy for 2004/05 to 2006/07, the draft departmental revenue strategies and the overall budget for 2004/05 as proposed in the report, subject to making such changes as are consequential to making the amendments shown in Appendix A (this being the Cabinet's report to the Council);
 - (iii) to establish a new Community Cohesion budget (as shown in Appendix A), in order both to invest in new ways of pioneering community cohesion between all Leicester's communities, and to mitigate any adverse effects that may emerge from the transition to the new budget arrangements, its expenditure to be based on a new Community Cohesion Strategy for Leicester and used for commissioning activities identified in consultation with partners; such budget to be retained corporately pending a report to Cabinet from the Chief Executive;
 - (iv) to establish a transition fund of £150,000 (as shown in Appendix A) to assist groups formerly funded by the Council to move to other funding streams; with

authority given to the Chief Executive to define the precise criteria for use of the Fund and groups to benefit from it, subject to it only being applied to groups which can demonstrate their ability to become self-sufficient within a very short timescale from clearly identified funding streams;

- (v) to establish a Social Enterprise Fund of £50,000 (as shown in Appendix A) to assist social enterprises in diversifying their principal activities or for supporting new ventures; with authority given to the Corporate Director of Culture and Regeneration, in consultation with the relevant Cabinet Link Member, to establish an appropriate scheme, to make grants and to pursue matched funding opportunities;
 - (vi) to add the funding for the Access Transport Fund (shown in Appendix A) to the budget for the Cultural Services and Neighbourhood Renewal Department.
 - (vii) to approve the following policy in respect of council tax discounts as detailed in the report;
 - (a) empty unfurnished properties will be liable for full council tax after the statutory 6 month exempt period, applying from when the property was first vacant;
 - (b) second homes and furnished empty properties will be liable for 90% council tax after receiving a 50% discount for 6 months, starting from when the property was first vacant/registered as a second home. Consequently a local discount of 40% will be granted for the first 6 months of registration for these properties;
 - (c) a property that has been vacant for 6 months will be liable for 90% or full council tax (depending on the furnished status at that time) regardless of a change in the furnished status in the previous 6 months;
 - (h) to confirm that (in accordance with Rule 2.10 of the Budget and Policy Framework Procedure Rules) the Cabinet be authorised to add, delete or vire sums within the budget up to a maximum amount of £1 million for a single purpose;
- (5) that the Corporate Director of Education and Lifelong Learning review the arrangements for supporting and

monitoring the voluntary sector, in particular:

- (a) to identify the appropriate level of service the Council wishes to purchase from bodies whose function it is to support and advise the voluntary sector; and to undertake a market testing exercise, with a view to commissioning the appropriate level of support as cost effectively as possible;
 - (b) to review the Council's own arrangements for monitoring the voluntary sector, with a view to strengthening processes for monitoring of spending and outputs;
- (6) that the Corporate Director of Education and Lifelong Learning report to Cabinet when he has completed the review of adventure playground provision; and specifically to report the extent to which the service can be recommissioned using £200,000 set aside within the Education budget together with an appropriate level of additional funding from existing youth budgets;
 - (7) that the budgets and responsibility for funding Bradgate Park Trust be transferred to the Resources, Access and Diversity Department;
 - (8) that the Corporate Directors of Regeneration and Culture; and of Resources, Access and Diversity report to the Cabinet with proposals for spending additional sums set-aside for the environment and for property maintenance respectively, such sums to be retained corporately until approval of such proposals;
 - (9) that sums set-aside for job evaluation be retained corporately, pending a report from the Corporate Director of Resources, Access and Diversity;
 - (10) that the changes to the schedule of determinations to the Finance Procedure Rules itemised at Appendix 7 to the report be approved;
 - (11) that further consideration be given to the funding of Gorse Hill City Farm, East Midlands Initiative Trust and the Outdoor Pursuits Project (for whom funding will cease in 2005/06) as part of the 2005/06 budget process;
 - (12) that it be noted that the efficiency review of procurement will encompass a review of expenditure on office furniture, including lifetime costs and environmental impact;

- (13) that, subject to approval of the budget by Council, Corporate Directors be authorised to take any action necessary (within the provisions of the scheme of delegation) to implement their departmental revenue strategies for 2005/06 and 2006/07; and
- (14) that the Chief Finance Officer prepare a formal budget and council tax resolution, and prudential indicators, arising from the above resolution, for Council approval; and advise Council of the net budget requirement, each department's controllable budget, and demand-led budgets contained within the 2004/05 budget.

205. APPENDIX A

	04/05	05/06	06/07
	£000	£000	£000
Budget in Cabinet Report	357,656	376,338	397,356
Remove current growth :-			
-Reserves	-1,400		
-Property & IT Funding	-2,800	-3,500	-3,500
-Parks/ Streets	-1,400	-1,700	-1,700
-Commissioning New Work in CSNR	-93	-100	-100
Replace with new growth :-			
-Reserves	300	300	300
-Transfer Housing money to reserves	300		
-Property Funding	1,700	1,900	2,250
-Parks/ Streets	1,300	1,200	1,200
-Commissioning New Work in CSNR	65	70	75
Additional Growth			
-Community Cohesion Strategy	600		
-Community Cohesion Ongoing	100	100	100
-Transition Fund	150		
-Social Enterprise Fund	50		
-Access Transport Fund	20		
Rescinded Cuts - Vol. Sector			
-Leicester Holme Project	9	11	11
-Belgrave Baheno (part)	129	65	0
-Wesley Hall	119	119	119
-Saffron Lane Resource Centre	60	60	60
-St. Peter's Community Centre	17	17	17
-Sikh Community Centre	50	50	50
Rescinded Cuts - Other			
-Bradgate Park	40	77	77
-LSEP	40	40	40
New Savings			
-Transfer Energy to Housing/RAD	-40	-80	-80
-Housing Benefit Character Recognition		-50	-50
-Housing One Off income in 04/05	-100		
-Housing 03/04 Underspend to reserves	-300		
-Education Premature Retirement Costs	-50	-50	-50
-IT Project Work (RAD Dept.)	-20	-20	-20
-Interest on £8m capital receipt	-150	-100	
-Stock issue repayment	-100	-200	-200

Estimated future efficiency savings		-500	-3,500	
Leaves		<u>356,252</u>	<u>374,047</u>	<u>392,455</u>
less grant	-284,225	-298,925	-312,990	
less collection fund	-492			
Council tax income	71,535	75,122	79,465	
Tax (£)	982.75	1032.02	1091.69	
Increase	8.7%	5.0%	5.8%	

203. BUDGET STRATEGY 2004/05 TO 2006/07 - CRIME AND DISORDER SERVICE DEVELOPMENT BIDS

The Chair invited the Corporate Director of Housing to submit the report in Councillor Metcalfe's absence.

The Corporate Director of Housing submitted a report considering the allocation of the previously agreed 2004/05 £100,000 budget for crime and disorder. Four detailed bids were received from; the Community Safety Team, Leicester Partnership Against Crime and Disorder, the Youth Offending Team and Leicestershire Anti-Social Behaviour Partnership. The bids were considered by Corporate Directors Board which supported the bids made by the Community Safety Team and Leicester Partnership Against Crime and Disorder.

The Cabinet also gave its support to these bids.

The relevant minute extract from the Housing Scrutiny Committee held on 12 February 2004 was circulated to the Cabinet.

RESOLVED:

that £60,000 be allocated to the Community Safety Team to improve corporate co-ordination of crime and disorder and £40,000 be allocated to employ a Partnership Manager for Leicester Partnership Against Crime and Disorder, both subject to the approval of the Crime and Disorder Best Value Improvement Plan.

204. CLOSE OF MEETING

The meeting closed at 6.00pm.