



Leicester
City Council

WARDS AFFECTED
Castle, Spinney Hills, Humberstone & Hamilton, Stoneygate

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

4th August 2003

Voluntary Sector Budget Reductions

Report of the Corporate Director of Environment, Regeneration and Development

Summary

At its meeting on the 16th July, the Strategic Planning & Regeneration Committee considered the attached report. In addition to questioning officers about this matter the Committee also heard representations from two of the organisations affected, Homeworkers Campaign for Change and Leicester and County Co-operative Development Agency. Those representatives were also allowed to ask questions of Council Officers.

At the conclusion of its debate the Committee resolved:

- 1) that this matter be referred to the Cabinet for consideration; and
- 2) that the Corporate Director of Environment, Regeneration and Development in consultation with the Cabinet Link Member for Environment, Regeneration and Development be recommended to consider ways of alternative funding for the organisations proposed for funding reductions and to request that funding continues until a final decision is made by the Cabinet.

Comments by the Corporate Director of Environment, Regeneration and Development

Key points and issues addressed in the report included:

- Proposals to reduce funding to four grant funded organisations were shaped by the Council's three-year Budget Strategy and an Organisational Review of the Regeneration Division.
- Within the framework of the Budget Strategy, members agreed to reduce the Regeneration budget by £350,000 from 2003/04 onwards. Cabinet agreed this on 24th February 2003.
- The Economic Development Group carried out an audit of nine groups in receipt of City Council grant funding. The audit proposed to reduce grant funding to four of the nine groups. The audit was empirical and objective and was based on existing best practice.
- Officers have endeavoured to develop a fair and objective range of proposals. Although £108,000 has been cut from the voluntary sector, £242,000 has been cut from the Regeneration Division. This has resulted in a number of job losses within the service.

1. Alternative Reductions and their Implications

It is unlikely that permanent savings can be found within the Regeneration Division without making staff redundant. Many staff are already externally funded through the Single Regeneration Budget and European Regional Development Fund programmes. In addition to this, the European Office and Core Regeneration Group have income targets built into their annual supplies and services budgets. However, the Division could freeze recruitment to a number of vacant posts as a short-term contingency. This, though, would affect the operational efficiency of an already over-stretched service.

2. Potential E,R & D Reductions

The Environment, Regeneration & Development Department have been set a provisional savings target of £1.03 million for 2004/05. To that figure an additional £700,000 shortfall from 2003/04 and the also budget pressures of £800,000 must be added. In total therefore, the Department can anticipate having to save £2.53 million from its current operation budget of just under £36 million. Clearly, the Department is faced with some very difficult choices, which will only be made harder if the sum of £108,000 is re-directed away towards the voluntary sector.

3. Recommendation

This note recommends that Cabinet members should support the initial decision to reduce grant funding to voluntary groups by £108,000.

Officer to Contact

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