



Leicester
City Council

**MINUTE
EXTRACT**

Minutes of the Meeting of the
FINANCE, RESOURCES AND EQUAL OPPORTUNITIES SCRUTINY COMMITTEE

Held: THURSDAY, 22 JANUARY 2004 at 5.30pm

P R E S E N T :

Councillor Mrs. Middleton - Chair
Councillor Karim – Liberal Democrat Spokesperson

Councillor Draycott
Councillor Getliffe (for Cllr Bhatti)
Councillor Willmott
Councillor Garrity
Councillor Renold

ALSO PRESENT:

Councillor Coley (Cabinet Link Member, Resources Access and Diversity)
Councillor Scuplak (Deputy Leader)

* * * * *

(In accordance with Rule 6 of the Scrutiny Procedure Rules, in the absence of the Chair, Councillor Mrs Middleton chaired the meeting with the agreement of Councillor Karim)

59. DECLARATIONS OF INTEREST

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

There were no declarations of interest.

64. DRAFT BUDGET 2004/05

It was proposed by Councillor Mrs Middleton, seconded by Councillor Garrity and carried by 4 votes to 3 that the Committee take items 6 (Draft Budget 2004/05), 8 (Revenue Budget Consultation) and 10 (Revenue Budget Strategy 2004/05 to 2006/07) together.

The Chief Finance Officer submitted the reports setting out the proposed budget strategies, and the results of the budget consultation exercise which lent support to the key priorities contained within the high level strategy. Councillors Coley and Scuplak were also in attendance and outlined the budget pressures that the Council

was facing.

Gary Garner and Dave Mitchell from Unison were present for and contributed to discussion on this item in accordance with scrutiny procedure rule 7b, and. Bahkti Mehata, representing the Bhagini Centre also spoke on the equal opportunities implications of the proposed budget strategy.

The Committee asked questions about the likelihood of the council tax being capped, and what the implications of this would be on the proposed budget. It was noted that there were two methods of capping and the effects would be dependent upon which one was used. It was also noted that capping could result in more savings needing to be made but that the amount was difficult to predict at this stage.

Councillor Getliffe expressed his concern that there had been widespread reporting of a £10 million gap in the budget, and asked that it be noted that the budget for 2003/04 had been balanced. Councillor Coley responded that it was the budget for 2004/05 that was not balanced, and outlined where a number of pressures were faced.

Councillor Draycott also expressed her concern that it appeared that the Council wished to invest more in its buildings and IT systems than in services for its citizens, in particular the range of budget cuts to voluntary sector groups and providing only those services which it was statutorily obliged to. Councillor Willmott also expressed his concern that the proposed strategy put the Council before the City and appeared to be inwardly focused. Councillor Coley explained to the Committee the need to ensure that the Council's buildings were maintained to the appropriate standard and the benefits of having up to date IT systems to support services.

It was proposed by Councillor Willmott and seconded by Councillor Draycott, that the Committee should recommend to Cabinet that the draft budget and strategy should be rejected as being inwardly focused and paying attention to the needs of the Council and not the City. The proposal was voted on with 3 members voting for and 3 members voting against. The proposal was defeated on the Chair's casting vote.

The Committee expressed their concern regarding the impact of the proposed budget on community cohesion in the City, as the cuts were felt to disproportionately affect voluntary groups in certain areas of the City. The Committee also asked questions regarding the effects of the proposed voluntary sector cuts on the Council's obligations under the Race Relations Act, which required an impact assessment to take place on the effects of any reduced funding to community groups, and what action had been taken on this. It was noted that this was currently in progress and that the impact assessment information would be available to Cabinet when it formulated its recommendations on the budget to Council in February.

Councillors Willmott and Draycott also expressed their concern that the results of the consultation regarding the proposed strategy were not representative enough of the population to draw any real conclusions from. It was accepted that there could be no statistical certainty that the views expressed were those of the majority of Leicester's citizens, but that the findings of the more representative Peoples Panel were broadly similar to those expressed by the rest of the consultees.

It was proposed by Councillor Willmott, seconded by Councillor Draycott and carried by 5 votes to 2 that the Committee should call on Cabinet to reconsider the budget strategy in respect of the balance between growths and cuts before making a decision.

It was proposed by Councillor Garrity seconded by Councillor Karim, and defeated by 4 votes to 3 that the Committee should adopt the above motion subject to noting that the reason for the stringent cuts was due to the cuts in funding to the Council from Government.

RESOLVED:

That the Committee call on Cabinet to reconsider the budget strategy in respect of the balance between cuts and growths before making its decision.