



## Cabinet Member Report for Finance

### Northampton Borough Council

19<sup>th</sup> January 2015

#### **Budget**

On 17<sup>th</sup> December 2014 Cabinet approved the draft budget for 2015/16, which is out for consultation until 31<sup>st</sup> January and will go before Full Council on 23<sup>rd</sup> February.

Thanks to strong financial management and careful savings, the budget will yield a surplus for the first time since the financial downturn. This £1.8 million surplus will be committed to reserves in preparation for future financial challenges in years to come.

Internal cost savings and efficiency measures amounting to £2.5m will balance the Borough Council's budget and enable our share of council tax to be frozen for the fifth successive year.

The proposals also include that the Borough Council will also become a Living Wage Employer, ensuring that all directly employed staff are paid the nationally-set living wage, which is calculated according to the basic cost of living in the UK, and is designed to provide sufficient income for a person to have a minimum acceptable standard of living.

The budget proposals will support the continued growth of the local economy with further investment of £1.25m over the next five years in the Business Incentive Scheme. During its first year, the scheme has already helped 36 small businesses to establish or expand, has filled empty units and created jobs. Coupled with the town centre's free parking offers, it has made a strong contribution to the renewed vitality of the town centre and is now to be made a permanent grant fund.

There will be further investment in preparing sites in the Enterprise Zone to make them ready for development and more attractive to inward investors. Since its inception, the Northampton Waterside Enterprise Zone has created almost 700 new posts, including many in construction as part of the wider regeneration of the town through Northampton Alive. In the next financial year, £130,000 will be made available to invest in providing further technical support and advice that will make the brownfield sites on the Enterprise Zone more attractive for developers.

£50,000 more will be invested in promoting business opportunities in Northampton through the Northampton Alive regeneration programme, which will help to cement the town's reputation as a place to do business. The programme currently includes 45 major projects that are changing the face of Northampton, including the development of an Advanced Manufacturing Facility for Cosworth and a new Waterside Campus for the University of Northampton.

#### **New Homes Bonus**

The Borough Council has been awarded New Homes Bonus funding of £3,835,835 for 2015/16. The Bonus is awarded by the Department of Communities and Local Government to 'ensure that those local authorities which promote and welcome growth can share in the economic benefits, and build the communities in which people want to live and work.' In previous years, the Borough Council has used the new homes bonus funding to contribute to various initiatives

to support economic growth in Northampton, including free parking and the business incentive scheme, which has helped 36 businesses expand, created 120 jobs and reduced the number of vacant or empty units in the town.

**Councillor Alan Bottwood**  
**Cabinet Member for Finance**