

Appendix 2

Extract from Overview and Scrutiny Minutes 26 January 2015

5. OVERVIEW AND SCRUTINY REPORTING AND MONITORING WORKING GROUP :COUNCIL-WIDE DRAFT BUDGET 2015 - 2020

Councillor Brian Sargeant advised the Committee that the Reporting and Monitoring Working Group had looked at the Council wide draft budget 2015-2020 in detail at its recent meeting. It had identified four budget proposals for the Committee to scrutinise in detail:

General Fund Saving Options

- Contributions to reserves in forecasting potential risks, medium term savings in respect of the Environmental Services Contract and links to the proposals contained within the budget of Northamptonshire County Council (NCC) regarding a proposed saving of £7 million on waste and how this could potentially impact on NBC in the region of £1.7 million. It was confirmed that NCC was taking a proactive and positive approach in looking at these potential savings, such as increasing recycling and reducing residual waste.
- Implementation of service reviews, restructures and employee costs review to ensure that they are deliverable

David Kennedy, Chief Executive, confirmed that 8% more capacity was added by staff working 37 hours per week to 40. Posts were being held vacant for temporary staff and they had made the decision to make services more effective with less staff. No concerns with the implementation overall and consultations were ongoing.

- Creation of the Northampton Partnership Homes (NPH) budget - to ensure that they have been allocated in the right way
- Business Rates Retention Scheme – to ensure the right level of forecasting etc. and how the business rates have changed over the years

The Overview and Scrutiny Committee asked questions, made comment and heard more information about business rates and businesses within Northampton Borough:

There is growth in the number of businesses within the Borough, but the overall value of businesses has reduced, This is largely due to the fact that each business was able to lodge an appeal with the Valuation Office against the current value of their business and, if successful, this would lead to a decrease. This has occurred for a number of businesses and therefore the overall value in the Borough had reduced. This trend is also seen nationally.

That a lot of small businesses had been created through the success of Enterprise Zone to date. Over 682 jobs have been created and over 10,000 sq. ft. of business space created.

This is having a positive impact on the local economy.

Depending on the value of the business, they could apply for a whole raft of reliefs which may be available to a particular business. An example of this would be the Small Business Rate Relief, some of which the Council would be compensated for by Central Government. There are a lot of businesses within Northampton who are in receipt of reliefs which support the future sustainability of their business.

The growth in businesses across Northampton is not specific to any particular type of business or sector.

Councillor Alan Bottwood confirmed that Government funding was decreasing but the costs were increasing. A key funding stream is business rates, the more businesses we are able to attract to the area the more business rates the public sector will receive.

This would be beneficial and was a key reason why the Council make the investments they do into the local economy. This would increase the Council's income to support future service provision.

The comments made by the Overview and Scrutiny Committee regarding the above budget proposals would be appended to a report to Cabinet on 18 February 2015.

AGREED: That the comments made by the Overview and Scrutiny Committee regarding the Budget proposals are appended to a report to Cabinet on 18 February 2015.