



Leicester
City Council

Addendum 2

MEETING OF THE COUNCIL

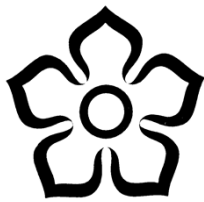
WEDNESDAY, 19 FEBRUARY 2025

Further to the agenda for the above meeting which has already been circulated, please find attached extracts for the following:-

- 3A) HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2025/26
- 3B) CAPITAL PROGRAMME 2025/26
- 3C) REVENUE BUDGET 2025/26
- 3D) TREASURY INVESTMENT STRATEGY 2025-26

Officer contacts

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Leicester
City Council

Minute Extract

Held: TUESDAY, 7 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor O'Neill - Chair

Councillor Bajaj
Councillor Gregg
Councillor Modhwadia

Councillor Gopal
Councillor Halford
Councillor Waddington

In Attendance

Deputy City Mayor Councillor Cutkelvin

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**115. DRAFT GENERAL REVENUE BUDGET AND CAPITAL PROGRAMME
2025/26**

The Head of Finance presented the item which focused on the strategy for balancing the council budget over the next 3 years. It was noted that:

- The financial outlook was the most severe the council had ever faced.
- This financial challenge stemmed from a decade of austerity, as well as recent cost pressures not matched by corresponding grant income.
- Following the Chancellor's budget in October 2024, further budget constraints have been anticipated.
- Some authorities have issued Section 114 notices, and the budget strategy has aimed to avoid this and ensure financial sustainability until at least 2027/28.
- The council's financial strategy has 5 strands:
 1. Releasing one-off funds totalling £110m to buy time.
 2. Reducing the approved capital programme by £13m
 3. Selling non-residential assets to secure an additional £60m.
 4. Constraining growth in those statutory services under demand-led pressure.
 5. Making ongoing savings of £20m per year in the revenue budget.
- The financial strategy is heavily reliant on one-off funds and additional savings will be required after the first three years.
- Risks, such as government policy changes, must be considered, and with one-off monies being used, ongoing savings are critical.

- The strategy reflects estimates of 2025/26 government funding, since the Finance Settlement was not available when the report was written.

In response to questions and comments from Members, it was noted that:

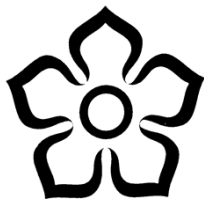
- The draft Local Government Finance Settlement had been received, and officers are digesting the detail.
- Whilst the settlement appears to provide slightly more funding than expected, this does not affect the overall financial situation or alter the direction of the strategy.

Regarding the rationale for the figures quoted under the 5 strands, it was noted that:

- The capital programme has been financed through various means. £90m is the maximum amount of the 'capital fund' which has accumulated over previous years.
- The £13m reduction in the capital programme follows a full review of all uncommitted budgets, and represents the maximum reduction from areas that are not of the highest strategic priority. Any deviation from the current strategy could undermine the ability to navigate the next three years.
- To realise the £60m one-off funds, the council has various assets/buildings currently used for commercial purposes or underutilised pieces of land etc. which can be disposed of, without impact on services or the community.
- Asset sale will be considered strategically, considering the value of assets, potential future uses, loss of income etc.
- Directors and the Executive are working on ways to achieve the £1m savings target from housing.

AGREED:

- The Commission noted the report.



Leicester
City Council

Minutes of the Meeting of the
CULTURE AND NEIGHBOURHOODS SCRUTINY COMMISSION

Held: WEDNESDAY, 15 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Dawood – Chair
Councillor Mohammed – Vice Chair

Councillor Aldred
Councillor Halford
Councillor Singh Johal

Councillor Chauhan
Councillor Haq

In Attendance
Deputy City Mayor – Councillor Cutkelvin
Assistant City Mayor – Councillor Dempster

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**106. DRAFT CAPITAL PROGRAMME 2025/26 AND DRAFT GENERAL
REVENUE BUDGET 2025/26**

*As the reports on the Revenue Budget and Capital Programme were related,
they were taken as one item.*

The Director of Finance submitted reports detailing the proposed Capital
Programme for 2025/26 and the proposed Revenue Budget for 2025/26.

Key points included:

- The medium-term outlook was the most severe ever experienced. The Local Authority, along with many other authorities, would face increasing difficulties with budget balancing. Some local authorities had already issued a Section 114 notice and,
- The aim of the strategy was to balance budgets up to and including 2027/28; if successful, the budget strategy would avoid the same outcome for the next three years.
- The decade of austerity up to 2020 was an influencing factor, during this period services other than Social Care had to be reduced by 53% in real terms. This had substantially reduced the scope to make further cuts.
- There were also cost pressures which were not matched by an increase in income. These included Social Care, support for homeless households, and increased inflation.

- The Council were fortunate to have one-off monies available, however, following the Chancellor's national budget in October, more constraints were anticipated.
- The Government understood the situation that councils were in, however, it was thought that new funding would be modest and a cut in 'unprotected services' which usually include local authorities would be expected in the period to 2028/29.
- There were five strands to the strategy:
 - Strand 1 - To release one off monies of £110m to buy time. This included £20m from earmarked reserves and £90m previously set aside to fund the current Capital Programme. This left a gap in funding for already approved schemes. Borrowing of £90m would be required which would cost the local authority £5m pounds in interest and debt repayments. This would not usually be contemplated.
 - Strand 2 – Involves reductions of £13m from the approved Capital Programme to reduce the amount of borrowing required.
 - Strand 3 – The sale of property to secure an additional £60m. To use this for the budgets, permission is required from The Secretary Of State.
 - Strand 4 - To constrain growth in statutory services that are under demand-led pressure. Much work on this had already been done, cost growth had been reduced by estimates of £99m per year.
 - Strand 5 – To make ongoing savings to revenue budget of £20m per year.
- Savings required that were relevant to this Commission included £7.2m needed from Neighbourhoods and Environmental Services and £2.3m needed from Tourism, Culture and Inward Investment.
- The strategy was heavily reliant on one-off money to reach 2027/28, in which year a gap of £90m was expected.
- The strategy included risk as it was difficult to predict new pressures in social care or the housing crisis. Lots of one-off monies were being used, as such, an unexpected cost of £5m would result in the use of £15m of reserves being needed unless more cuts could be found. This was another reason why annual savings were important.
- Elements of the Capital Programme relevant to the Commission included:
 - £1m for Neighbourhood Services Transformation.
 - £140k for Staff Welfare Facilities at Evington Park Depot.
 - £150k for Grounds maintenance Equipment.
 - £80k as match funding for the Historic Building Grant Programme.
 - £50k for festival decorations.
 - Invest to Save Schemes, including £550k for the relocation of the King Richard III café, £445k for street cleaning equipment, £180k for the automatic locking of public toilets and £55k for the Trees and Woodlands Stump Grinder.

The Committee were invited to ask questions and make comments. Key points included:

- In response to a question raised regarding savings for homelessness services, it was explained that investments had been approved by the Council to invest in properties to alleviate pressures. This included work done in the Housing Revenue Account (HRA) and grant funded schemes through which houses had been built and properties acquired. Projections were based on what would happen once the work was undertaken.
- Points made about the recommendation to delegate powers to the City Mayor to add/amend capital schemes by up to £10m, and the suggestion it be decreased so as to give the Council more of a say over how money was used would be fed back.
- Points made regarding flood drainage were better raised in a different forum.
- It was clarified that the Policy Provisions were pots of money set aside that required further decisions to be released. These were set aside with the anticipation that they may be required, but with further detail needed for their release. As such there are no specific schemes which have been cancelled by removing these provisions. A large sum was set aside for New Ways of Working; now that more settled accommodation arrangements are in place this is no longer required. Some money had also been set aside for strategic acquisitions that was no longer required.
- With regard to a question raised about Ultra Low Emission Vehicles (ULEV) it was clarified that these included some internal combustion engines such as diesel and hybrid and electric vehicles and were considered for use where appropriate, sustainable and affordable.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.
- 3) That points made on about the City Mayor's Delegated powers, and the suggestion that the amounts the City Mayor has authority over be reduce so as to give the Council more of a say over how money was used be fed back.
- 4) That the report be brought to Overview Select Committee prior to Full Council.

Deputy City Mayor Councillor Cutkelvin joined the meeting during the discussion of this item.



Leicester
City Council

Minutes of the Meeting of the
CHILDREN, YOUNG PEOPLE AND EDUCATION SCRUTINY COMMISSION

Held: TUESDAY, 14 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Batool - Chair

Councillor Clarke
Councillor Dr Moore

Councillor March

Joycelin Eze-Okubuiro – Parent Governor Representative (Primary)

In Attendance

Deputy City Mayor Councillor Russell
Assistant City Mayor Councillor Pantling
Jennifer Day – Teaching Unions Representative
Janet McKenna – UNISON Branch Secretary
Mario Duda – Youth Representative

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119. DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2025/26

As the reports on the Revenue Budget and Capital Programme were related, they were taken as one item.

The Director of Finance submitted a draft report proposing the General Fund Revenue Budget for 2025/26 and the Capital Programme for 2025/26.

Key points included:

- The medium-term financial outlook was the most severe ever known. The Council was in the same situation as many other local authorities who were facing difficulties balancing the financial budget, some of which had issued a Section 114 notice.
- The Council found itself in this position due to a period of austerity which had reduced the scope to make further savings.
- Recent cost pressures had not been matched by government funding. Additionally, cost pressures were affected by a high demand for social care and a rise in inflation.
- The Council were fortunate to have one-off monies available, however,

following the Chancellor's national budget in October, more constraints were anticipated.

- The Government understood the situation that councils were in, however, it was thought that new funding would be modest and amount to a real-terms cut in 'unprotected services' including those provided by councils.
- The report showed action taken by the Council. The strategy was to balance the budget up to 2028. The strategy was based on forecasts and was aimed at maximising one-off resources.
- It was not expected that there would be any longer-term government plans until next year.
- Strand 1 of the Revenue Budget involved releasing one-off monies in order to buy time.
- Reductions in the Capital Programme involved spending less and raising funds selling property.
- The strategy was reliant on one-off money to get to the 2027/28 financial year, after which there would be a gap of £90m.
- With regard to the one-year Capital Programme, there was no certainty over government funding. The government would publish a spending review in spring.
- The Capital Programme was linked to getting to a stable revenue position.
- The budgets were balanced for the next three years. This was the best outlook at this point.

The Commission was invited to ask questions and make comments. Key Points included:

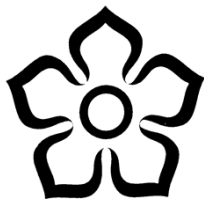
- In response to concern raised that the detailed financial information was not adequately broken down into divisions and service areas, it was explained that since the reports went to all commissions, they focussed on the overall position. Additionally, in terms of reports focussing on children's services, it was ensured that financial implications were set out as clearly as possible. The need for a breakdown would be fed back.
- In response to a query on Personal Transport Plan, it was suggested that a lot could be saved through Personal Transport Plans as they were significantly cheaper. It was aimed to promote this option to parents by showing them the benefits.
- In response to a query about the fleet, it was not thought that there were any significant issues with the fleet at this point. It was being considered as to whether new routes could be taken by the buses in the fleet.
- In response to a further question about Personal Transport Plans and

the impact on parents, it was explained that the Council had regular involvement in the parent and carer forum with SEND children. It was noted that in some cases the plans worked due to flexibility and choice. However, whilst they often worked for parents who wanted control over their time, for others it could feel like a burden.

- In response to further points raised on Personal Transport Plans, it was clarified that a basic mileage rate was provided and there could be negotiation beyond this around individual circumstances.
- Information would be sought as to whether the local safety schemes mentioned in the capital plan would include road safety schemes around schools.
- In response to a question regarding the big rise in capital expenditure on Children's Services from 2024/25 to 2025/26, it was explained that this was due to changes in government funding.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That the report be brought to Overview Select Committee prior to Full Council.



Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND CLIMATE EMERGENCY
SCRUTINY COMMISSION

Held: WEDNESDAY, 8 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Waddington - Chair

Councillor Bajaj
Councillor Osman
Councillor Singh Sangha

Councillor Batool
Councillor Rae Bhatia

In Attendance

Deputy City Mayor Councillor Cutkelvin
Assistant City Mayor Councillor Whittle

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**118. DRAFT REVENUE BUDGET 2025/26 AND DRAFT CAPITAL PROGRAMME
2025/26**

*As the reports on the Revenue Budget and Capital Programme were related,
they were taken as one item.*

The Director of Finance submitted a report detailing the proposed Revenue Budget for 2025/26.

The Head of Finance (City Development & Neighbourhoods) gave an overview of the report, key points to note were as follows:

- The medium-term outlook was the most severe ever experienced. The Local Authority, along with many other authorities, would face increasing difficulties with budget balancing.
- The aim of the strategy was to balance budgets up to and including 2027/28.
- Some local authorities had already issued a Section 114 notice and, if successful, the budget strategy would avoid the same outcome for the next three years.
- The decade of austerity up to 2020 was an influencing factor, during this period services other than Social Care had to be reduced by 53%. This

had substantially reduced the scope to make further cuts.

- More recent cost pressures included Social Care and Homelessness, which were not matched by an increase in income.
- The Local Authority used one off monies to support budgets for this and last year.
- It was anticipated that there would be a new round of financial constraint following the Chancellor's Budget of October 2024. Central Government understood the position for local authorities and some funding for deprived localities was anticipated. However, funding for protected services, local authorities usually fall within this category, was expected to be cut in the period to 2028/29.
- There were five strands to the strategy:

Strand 1: To release one off monies of £110m to buy time. This included £20m from earmarked reserves and £90m previously set aside to fund the current Capital Programme. This left a gap in funding for already approved schemes. Borrowing would be required which would cost the local authority £5m pounds in interest and debt repayments annually.

Strand 2: Included proposed reductions of £13m in the approved Capital Programme to reduce the amount of borrowing required. The areas covered by this commission would include £1.3m reduction from not proceeding with the planned Malcom Arcade refurbishment. A £3.2m reduction by not committing to any further city centre improvement schemes under Connecting Leicester. A £5.9m reduction from policy provisions including strategic acquisitions and Highways & transport infrastructure.

Strand 3: Included the proposed sale of properties to secure an additional £60m. To use this for the budgets, permission is required from The Secretary of State.

Strand 4: Was to constrain growth in statutory services that are under Demand-led pressure. Much work on this had already been done, cost growth had been reduced by estimates of £99m per year.

Strand 5: Was to make ongoing savings to revenue budget of £20m per year.

- There was a saving target of £4m in the Planning, Development & Transportation Division and a savings target of £2.3m for Tourism, Culture & Inward Investment.
- Those savings would still leave an estimated gap of £90m in year 2027/28.
- The strategy did contain risk, for example it was difficult to predict what new pressures might occur within the Social Care system and with the housing crises.

The Director of Finance submitted a report detailing the proposed Capital Programme for 2025/26.

The Head of Finance (City Development & Neighbourhoods) presented the report.

Key points included:

- £3.26m was provided for the Highway Capital Maintenance Programme.
- £2.56m was provided for the Transport Improvement Programme.
- £0.40m was provided for Local Environmental Works in wards.
- £0.30m was provided for the Flood & Drainage scheme.
- £0.20m was provided for Front Walls Replacement.
- £0.08m was provided for the Historic Building Grant Programme.
- £0.06m was provided for Southgates Underpass Lighting under the Invest to Save programme.
- Approximately £5m had been allocated to facilitate Capital Assets disposal.

The Commission was invited to ask questions and make comments. Key Points included:

- The draft Local Government Finance Settlement had been received at the end of 2024. Indications were that this is slightly better than anticipated but that it did not fundamentally affect the strategy or the need for savings. A report would go to the Overview Select Committee with further details of the Settlement.
- Pressures mentioned in the previous budget report would have alluded primarily to Social Care and Homelessness, similarly to the current pressures faced.
- Pressures surrounding adult and children's social care were due primarily to the numbers presenting and levels of needs which required meeting. There were generally increasing numbers of people requiring support, with higher cost packages of care.
- In terms of Planning Development and Transportation, there would be a £4m budget reduction.
- There would be a budget reduction of £2.3m for Tourism, Culture & Inward Investment.
- Officers and the Executive were working through savings proposals across the board. These include opportunities to generate additional income alongside ways to be more efficient.
- In response to a query regarding Capital monies that had previously been allocated to the Leicester and Leicestershire Enterprise Partnership (LLEP), it was clarified that this money had been part of the Growing Places Fund, and whilst it is ring-fenced for economic development and prosperity, there had not yet been any agreement on

how this money would be spent. The Council was the accountable body for this money in terms of how it was to be spent across the functional economic area.

- In terms of asset disposal, these would be assets that were underperforming or were surplus to requirements, not assets used in the delivery of service. When considering assets for disposal, there was consideration of whether income was being generated, and the strategic potential for sites. This included land that may have been held historically but were no longer required. Existing established decision-making processes were in place for asset disposal, and these include assets above £500k being subject to public scrutiny through Executive decisions.
- It was requested that a list of assets under consideration be produced.

The Chair asked that the any points relevant be raised at the Overview Select Committee.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That officers keep members informed on budget ceilings.
- 4) That the need for transparency on asset disposal be noted.
- 5) That the report be brought to Overview Select Committee prior to Full Council.

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 30 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Cassidy - Chair

Councillor Kitterick
Councillor O'Neill
Councillor Porter
Councillor Westley

Councillor March
Councillor Osman
Councillor Waddington

In Attendance

City Mayor – Sir Peter Soulsby
Deputy City Mayor - Councillor Cutkelvin
Assistant City Mayor - Councillor Sood (online)
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87. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rae Bhatia with Councillor Westley attending as substitute for Councillor Rae Bhatia.

Apologies would also be received from Cllr Adatia, he would join online.
Apologies would also be received from Cllr Pickering, she would join online.

88. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business to be discussed.

Councillor March raised that she had an ongoing interest in the issue of Council Tax Support should the issue be raised in the meeting.

97. CAPITAL PROGRAMME 2025/26

The Director of Finance submitted the Draft Capital Programme 2025/26 which would be considered by Council on 19th February 2024.

The Overview Select Committee was recommended to consider the report, and the comments made by the Scrutiny Commissions, and to pass its comments on these to the meeting of Council for consideration.

The City Mayor introduced the item and the following was noted:

- This was a 'slimmed down' Capital programme for two significant reasons:
 - Funds that had been transferred to Capital Funds from Revenue Funds would be transferred back to Revenue.
 - Much of what would need to be done under the Capital Programme would now require borrowing, this would have a Revenue implication.

The Director of Finance gave an overview of the programme, and the following was noted:

- The Capital Programme report included the decision to transfer revenue backed funds, currently in the capital fund, back to revenue.
- There was also the decision to reduce the Capital Programme by £13m. This would lead to a reduction in borrowing, rather than funds becoming available.
- It was one year-budget. Some projects would span across multiple years and a second year was proposed for schools' maintenance, to allow for timings with the school year.

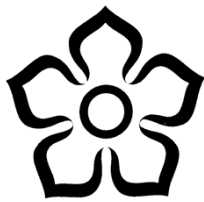
The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- Government grants are often granted for specific purposes. Some grants do not cover full costs, and it was usually necessary for local authorities to meet the remaining funds. Capital grant money could not be used for revenue expenditure. Examples of specific grant funded projects included the Railway Station refurbishment, Pilot House and Pioneer Park.
- A request was made to see the business case for the Richard III café and also for a discussion on the railway station following the unsuccessful first round tenders. The City Mayor was in agreement for further scrutiny around the scheme.
- The local authority had consistently put revenue funds aside to fund capital schemes and this could also be moved back if required. Decisions to move monies to the capital fund were normally taken as part of the Revenue Outturn Report.
- It was confirmed earmarked reserves were in the appendix of the budget setting report.
- Actual borrowing would need to take place for the new capital programme once cash balances were no longer available but undertaken borrowing will be undertaken in planned way.

AGREED:

- 1) That the recommendations for Full Council be noted by the committee.
- 2) That the comments of the Scrutiny Commissions be noted by the committee; and
- 3) That comments made by members of this commission to be taken into account by the lead officers.

- 4) Further details on the business case to be supplied for the Richard III Centre together with further scrutiny prior to commitment to the scheme.
- 5) Further scrutiny to take place on the railway station



Leicester
City Council

Minutes Extract

Held: THURSDAY, 9 JANUARY 2025 at 5:30 pm

P R E S E N T :

Councillor March (Chair)
Councillor Cole (Vice Chair)

Councillor Kaur Saini
Councillor O'Neill

Councillor Singh Sangha

Councillor Orton
Councillor Sahu

In Attendance

In Attendance Deputy City Mayor, Councillor Russell – Social Care, Health and
Community Safety Kash Bhayani – Healthwatch

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**DRAFT GENERAL REVENUE BUDGET AND CAPITAL PROGRAMME
2025/26**

The Director of Finance submitted a report detailing the proposed Revenue
Budget and Capital Programme for 2025/26.

The Head of Finance gave an overview of the report, key points to note were
as follows:

- The medium-term financial outlook was one of the most severe the Council had faced. Like many authorities, Leicester City Council faces increasing difficulties in being able to balance the Council budget. Some authorities facing this position had been forced to issue a formal report under section 114 of the Local Government Finance Act 1988.
- Services, including social care, have had to make cost savings in previous years and cost pressures were not fully met by previous years' grants. Leicester City Council had been fortunate to have reserves to support the gap.
- Following the Chancellor's announcement in October, we expect more funding constraints. There may be modest additional funds available for deprived authorities, but funding for unprotected services is expected to be cut in real terms.

- The Council had already made substantial cost savings since 2010/11 during the decade of austerity. Those actions served to help the Council to balance the budget and our strategy, if successful, will remove concerns of a Section 114 notice for the next three years.
- The strategy to balance the budget up to and including 2027/28 comprises five strands:
 - Strand One – Releasing one off monies of £110m to buy time.
 - Strand Two – Reductions of £13m in the approved Capital Programme, which will reduce the borrowing required.
 - Strand Three – Embark on an ambitious programme to sell property, with the aim of securing an additional £60m of one-off funding.
 - Strand Four – Continue to take steps to constrain growth in demand-led statutory services such as Social Care Services and Homelessness.
 - Strand Five – Make ongoing savings to the revenue budget of £20m per year.
- If successful, the implementation of the strategy would result in a recurring budget gap of £46.7m in 2025/26 which rises to an estimated £90m in 2027/28 (before the use of one-off monies).
- The Council Tax Support Scheme will be considered by full Council on 16 January 2025.
- The next 3 years' budget is balanced (by using one-off monies) as presented in the report. With the strategy comes risks, which are noted at paragraph 16 of the report.

In response to questions and comments from Members, it was noted that:

- The phenomenal work of the Adult Social Care team, moving to a strength-based approach through scrutiny and collaboration over the last 3 years had prevented the Council from facing a significantly worse situation.
- Specific details were not available yet on which properties would be sold. .
- Savings from the Council Tax Support Scheme had already been factored into the draft budget.
- The report did not include an Equality Impact Assessment for Care Leavers. Members requested this be included in the final budget report to full Council on 19 February 2025.
- The previously identified capital programme funding for a Supported Living scheme had been transferred to a policy provision, pending the identification of a new scheme.

AGREED:

1. That the Commission notes the report.

2. That the Director of Finance be asked to update the final version of the report to include an Equality Impact Assessment for Care Leavers.
3. That an update on supported living be presented at the next meeting.
4. That an update be provided to Members when further details are available about properties to be sold.



Leicester
City Council

Minutes of the Meeting of the
PUBLIC HEALTH AND HEALTH INTEGRATION SCRUTINY COMMISSION

Held: TUESDAY, 21 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Pickering - Chair

Councillor Bonham
Councillor Dempster
Councillor Russell
Councillor Zaman

Councillor Clarke
Councillor Haq
Councillor Sahu

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In attendance:

Deputy City Mayor – Councillor Russell
Assistant City Mayor – Councillor Dempster

103. GENERAL FUND BUDGET PROPOSALS 2025/26

The Head of Finance presented the Revenue Budget 2025/26 and it was noted that:

- The budget had gone to each scrutiny commission, ahead of Full Council in February.
- The financial outlook faced by the council was the most severe we've known.
- Some authorities have issued Section 114 notices. The budget strategy has aimed to avoid this and ensure financial sustainability until at least 2027/28.
- Due to a decade of austerity, many services had already been cut so the scope for savings had been reduced dramatically.
- Modest funding had been provided by Government to help fund statutory services, but they have stated there is no magic wand to address local government funding.
- The details of the Public Health grant for 2025/26 had yet to be released.
- The council's financial strategy had 5 strands:
 1. Releasing one-off funds totalling £110m to buy time.
 2. Reducing the approved capital programme by £13m
 3. Selling non-residential properties to secure an additional £60m.

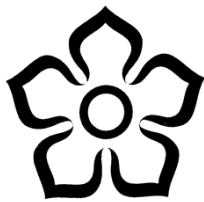
4. Constraining growth in those statutory services under pressure.
5. Making ongoing savings of £20m per year in the revenue budget – these can be found in the agenda pack for each area but does not include Childrens, Adult Social Care or Public Health.
 - There may be further pressures created, and with one-off savings being used it was essential that there would be ongoing savings.

In response to comments and questions from Members, it was noted that:

- It was disappointing the Public Health figures are not available for this commission.
- It was important that other areas which may have an impact on aspects of Public Health had been considered such as budget proposals for the built environment or Adult Social Care.
- As part of this, health partners reassured Members that pathways had been considered so that provision would not change and ensure no gaps are created by changes in the budget.

AGREED:

- The Commission noted the report.



Leicester
City Council

Minutes of the Meeting of the
CHILDREN, YOUNG PEOPLE AND EDUCATION SCRUTINY COMMISSION

Held: TUESDAY, 14 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Batool - Chair

Councillor Clarke
Councillor Dr Moore

Councillor March

Joycelin Eze-Okubuiro – Parent Governor Representative (Primary)

In Attendance

Deputy City Mayor Councillor Russell
Assistant City Mayor Councillor Pantling
Jennifer Day – Teaching Unions Representative
Janet McKenna – UNISON Branch Secretary
Mario Duda – Youth Representative

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119. DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2025/26

As the reports on the Revenue Budget and Capital Programme were related, they were taken as one item.

The Director of Finance submitted a draft report proposing the General Fund Revenue Budget for 2025/26 and the Capital Programme for 2025/26.

Key points included:

- The medium-term financial outlook was the most severe ever known. The Council was in the same situation as many other local authorities who were facing difficulties balancing the financial budget, some of which had issued a Section 114 notice.
- The Council found itself in this position due to a period of austerity which had reduced the scope to make further savings.
- Recent cost pressures had not been matched by government funding. Additionally, cost pressures were affected by a high demand for social care and a rise in inflation.
- The Council were fortunate to have one-off monies available, however,

following the Chancellor's national budget in October, more constraints were anticipated.

- The Government understood the situation that councils were in, however, it was thought that new funding would be modest and amount to a real-terms cut in 'unprotected services' including those provided by councils.
- The report showed action taken by the Council. The strategy was to balance the budget up to 2028. The strategy was based on forecasts and was aimed at maximising one-off resources.
- It was not expected that there would be any longer-term government plans until next year.
- Strand 1 of the Revenue Budget involved releasing one-off monies in order to buy time.
- Reductions in the Capital Programme involved spending less and raising funds selling property.
- The strategy was reliant on one-off money to get to the 2027/28 financial year, after which there would be a gap of £90m.
- With regard to the one-year Capital Programme, there was no certainty over government funding. The government would publish a spending review in spring.
- The Capital Programme was linked to getting to a stable revenue position.
- The budgets were balanced for the next three years. This was the best outlook at this point.

The Commission was invited to ask questions and make comments. Key Points included:

- In response to concern raised that the detailed financial information was not adequately broken down into divisions and service areas, it was explained that since the reports went to all commissions, they focussed on the overall position. Additionally, in terms of reports focussing on children's services, it was ensured that financial implications were set out as clearly as possible. The need for a breakdown would be fed back.
- In response to a query on Personal Transport Plan, it was suggested that a lot could be saved through Personal Transport Plans as they were significantly cheaper. It was aimed to promote this option to parents by showing them the benefits.
- In response to a query about the fleet, it was not thought that there were any significant issues with the fleet at this point. It was being considered as to whether new routes could be taken by the buses in the fleet.
- In response to a further question about Personal Transport Plans and

the impact on parents, it was explained that the Council had regular involvement in the parent and carer forum with SEND children. It was noted that in some cases the plans worked due to flexibility and choice. However, whilst they often worked for parents who wanted control over their time, for others it could feel like a burden.

- In response to further points raised on Personal Transport Plans, it was clarified that a basic mileage rate was provided and there could be negotiation beyond this around individual circumstances.
- Information would be sought as to whether the local safety schemes mentioned in the capital plan would include road safety schemes around schools.
- In response to a question regarding the big rise in capital expenditure on Children's Services from 2024/25 to 2025/26, it was explained that this was due to changes in government funding.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That the report be brought to Overview Select Committee prior to Full Council.



Leicester
City Council

Minutes of the Meeting of the
CULTURE AND NEIGHBOURHOODS SCRUTINY COMMISSION

Held: WEDNESDAY, 15 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Dawood – Chair
Councillor Mohammed – Vice Chair

Councillor Aldred
Councillor Halford
Councillor Singh Johal

Councillor Chauhan
Councillor Haq

In Attendance
Deputy City Mayor – Councillor Cutkelvin
Assistant City Mayor – Councillor Dempster

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**106. DRAFT CAPITAL PROGRAMME 2025/26 AND DRAFT GENERAL
REVENUE BUDGET 2025/26**

*As the reports on the Revenue Budget and Capital Programme were related,
they were taken as one item.*

The Director of Finance submitted reports detailing the proposed Capital
Programme for 2025/26 and the proposed Revenue Budget for 2025/26.

Key points included:

- The medium-term outlook was the most severe ever experienced. The Local Authority, along with many other authorities, would face increasing difficulties with budget balancing. Some local authorities had already issued a Section 114 notice and,
- The aim of the strategy was to balance budgets up to and including 2027/28; if successful, the budget strategy would avoid the same outcome for the next three years.
- The decade of austerity up to 2020 was an influencing factor, during this period services other than Social Care had to be reduced by 53% in real terms. This had substantially reduced the scope to make further cuts.
- There were also cost pressures which were not matched by an increase in income. These included Social Care, support for homeless households, and increased inflation.

- The Council were fortunate to have one-off monies available, however, following the Chancellor's national budget in October, more constraints were anticipated.
- The Government understood the situation that councils were in, however, it was thought that new funding would be modest and a cut in 'unprotected services' which usually include local authorities would be expected in the period to 2028/29.
- There were five strands to the strategy:
 - Strand 1 - To release one off monies of £110m to buy time. This included £20m from earmarked reserves and £90m previously set aside to fund the current Capital Programme. This left a gap in funding for already approved schemes. Borrowing of £90m would be required which would cost the local authority £5m pounds in interest and debt repayments. This would not usually be contemplated.
 - Strand 2 – Involves reductions of £13m from the approved Capital Programme to reduce the amount of borrowing required.
 - Strand 3 – The sale of property to secure an additional £60m. To use this for the budgets, permission is required from The Secretary Of State.
 - Strand 4 - To constrain growth in statutory services that are under demand-led pressure. Much work on this had already been done, cost growth had been reduced by estimates of £99m per year.
 - Strand 5 – To make ongoing savings to revenue budget of £20m per year.
- Savings required that were relevant to this Commission included £7.2m needed from Neighbourhoods and Environmental Services and £2.3m needed from Tourism, Culture and Inward Investment.
- The strategy was heavily reliant on one-off money to reach 2027/28, in which year a gap of £90m was expected.
- The strategy included risk as it was difficult to predict new pressures in social care or the housing crisis. Lots of one-off monies were being used, as such, an unexpected cost of £5m would result in the use of £15m of reserves being needed unless more cuts could be found. This was another reason why annual savings were important.
- Elements of the Capital Programme relevant to the Commission included:
 - £1m for Neighbourhood Services Transformation.
 - £140k for Staff Welfare Facilities at Evington Park Depot.
 - £150k for Grounds maintenance Equipment.
 - £80k as match funding for the Historic Building Grant Programme.
 - £50k for festival decorations.
 - Invest to Save Schemes, including £550k for the relocation of the King Richard III café, £445k for street cleaning equipment, £180k for the automatic locking of public toilets and £55k for the Trees and Woodlands Stump Grinder.

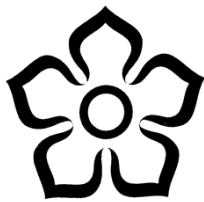
The Committee were invited to ask questions and make comments. Key points included:

- In response to a question raised regarding savings for homelessness services, it was explained that investments had been approved by the Council to invest in properties to alleviate pressures. This included work done in the Housing Revenue Account (HRA) and grant funded schemes through which houses had been built and properties acquired. Projections were based on what would happen once the work was undertaken.
- Points made about the recommendation to delegate powers to the City Mayor to add/amend capital schemes by up to £10m, and the suggestion it be decreased so as to give the Council more of a say over how money was used would be fed back.
- Points made regarding flood drainage were better raised in a different forum.
- It was clarified that the Policy Provisions were pots of money set aside that required further decisions to be released. These were set aside with the anticipation that they may be required, but with further detail needed for their release. As such there are no specific schemes which have been cancelled by removing these provisions. A large sum was set aside for New Ways of Working; now that more settled accommodation arrangements are in place this is no longer required. Some money had also been set aside for strategic acquisitions that was no longer required.
- With regard to a question raised about Ultra Low Emission Vehicles (ULEV) it was clarified that these included some internal combustion engines such as diesel and hybrid and electric vehicles and were considered for use where appropriate, sustainable and affordable.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.
- 3) That points made on about the City Mayor's Delegated powers, and the suggestion that the amounts the City Mayor has authority over be reduce so as to give the Council more of a say over how money was used be fed back.
- 4) That the report be brought to Overview Select Committee prior to Full Council.

Deputy City Mayor Councillor Cutkelvin joined the meeting during the discussion of this item.



Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND CLIMATE EMERGENCY
SCRUTINY COMMISSION

Held: WEDNESDAY, 8 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Waddington - Chair

Councillor Bajaj
Councillor Osman
Councillor Singh Sangha

Councillor Batool
Councillor Rae Bhatia

In Attendance

Deputy City Mayor Councillor Cutkelvin
Assistant City Mayor Councillor Whittle

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**118. DRAFT REVENUE BUDGET 2025/26 AND DRAFT CAPITAL PROGRAMME
2025/26**

*As the reports on the Revenue Budget and Capital Programme were related,
they were taken as one item.*

The Director of Finance submitted a report detailing the proposed Revenue Budget for 2025/26.

The Head of Finance (City Development & Neighbourhoods) gave an overview of the report, key points to note were as follows:

- The medium-term outlook was the most severe ever experienced. The Local Authority, along with many other authorities, would face increasing difficulties with budget balancing.
- The aim of the strategy was to balance budgets up to and including 2027/28.
- Some local authorities had already issued a Section 114 notice and, if successful, the budget strategy would avoid the same outcome for the next three years.
- The decade of austerity up to 2020 was an influencing factor, during this period services other than Social Care had to be reduced by 53%. This

had substantially reduced the scope to make further cuts.

- More recent cost pressures included Social Care and Homelessness, which were not matched by an increase in income.
- The Local Authority used one off monies to support budgets for this and last year.
- It was anticipated that there would be a new round of financial constraint following the Chancellor's Budget of October 2024. Central Government understood the position for local authorities and some funding for deprived localities was anticipated. However, funding for protected services, local authorities usually fall within this category, was expected to be cut in the period to 2028/29.
- There were five strands to the strategy:

Strand 1: To release one off monies of £110m to buy time. This included £20m from earmarked reserves and £90m previously set aside to fund the current Capital Programme. This left a gap in funding for already approved schemes. Borrowing would be required which would cost the local authority £5m pounds in interest and debt repayments annually.

Strand 2: Included proposed reductions of £13m in the approved Capital Programme to reduce the amount of borrowing required. The areas covered by this commission would include £1.3m reduction from not proceeding with the planned Malcom Arcade refurbishment. A £3.2m reduction by not committing to any further city centre improvement schemes under Connecting Leicester. A £5.9m reduction from policy provisions including strategic acquisitions and Highways & transport infrastructure.

Strand 3: Included the proposed sale of properties to secure an additional £60m. To use this for the budgets, permission is required from The Secretary of State.

Strand 4: Was to constrain growth in statutory services that are under Demand-led pressure. Much work on this had already been done, cost growth had been reduced by estimates of £99m per year.

Strand 5: Was to make ongoing savings to revenue budget of £20m per year.

- There was a saving target of £4m in the Planning, Development & Transportation Division and a savings target of £2.3m for Tourism, Culture & Inward Investment.
- Those savings would still leave an estimated gap of £90m in year 2027/28.
- The strategy did contain risk, for example it was difficult to predict what new pressures might occur within the Social Care system and with the housing crises.

The Director of Finance submitted a report detailing the proposed Capital Programme for 2025/26.

The Head of Finance (City Development & Neighbourhoods) presented the report.

Key points included:

- £3.26m was provided for the Highway Capital Maintenance Programme.
- £2.56m was provided for the Transport Improvement Programme.
- £0.40m was provided for Local Environmental Works in wards.
- £0.30m was provided for the Flood & Drainage scheme.
- £0.20m was provided for Front Walls Replacement.
- £0.08m was provided for the Historic Building Grant Programme.
- £0.06m was provided for Southgates Underpass Lighting under the Invest to Save programme.
- Approximately £5m had been allocated to facilitate Capital Assets disposal.

The Commission was invited to ask questions and make comments. Key Points included:

- The draft Local Government Finance Settlement had been received at the end of 2024. Indications were that this is slightly better than anticipated but that it did not fundamentally affect the strategy or the need for savings. A report would go to the Overview Select Committee with further details of the Settlement.
- Pressures mentioned in the previous budget report would have alluded primarily to Social Care and Homelessness, similarly to the current pressures faced.
- Pressures surrounding adult and children's social care were due primarily to the numbers presenting and levels of needs which required meeting. There were generally increasing numbers of people requiring support, with higher cost packages of care.
- In terms of Planning Development and Transportation, there would be a £4m budget reduction.
- There would be a budget reduction of £2.3m for Tourism, Culture & Inward Investment.
- Officers and the Executive were working through savings proposals across the board. These include opportunities to generate additional income alongside ways to be more efficient.
- In response to a query regarding Capital monies that had previously been allocated to the Leicester and Leicestershire Enterprise Partnership (LEEP), it was clarified that this money had been part of the Growing Places Fund, and whilst it is ring-fenced for economic development and prosperity, there had not yet been any agreement on

how this money would be spent. The Council was the accountable body for this money in terms of how it was to be spent across the functional economic area.

- In terms of asset disposal, these would be assets that were underperforming or were surplus to requirements, not assets used in the delivery of service. When considering assets for disposal, there was consideration of whether income was being generated, and the strategic potential for sites. This included land that may have been held historically but were no longer required. Existing established decision-making processes were in place for asset disposal, and these include assets above £500k being subject to public scrutiny through Executive decisions.
- It was requested that a list of assets under consideration be produced.

The Chair asked that the any points relevant be raised at the Overview Select Committee.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That officers keep members informed on budget ceilings.
- 4) That the need for transparency on asset disposal be noted.
- 5) That the report be brought to Overview Select Committee prior to Full Council.

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 30 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Cassidy - Chair

Councillor Kitterick
Councillor O'Neill
Councillor Porter
Councillor Westley

Councillor March
Councillor Osman
Councillor Waddington

In Attendance

City Mayor – Sir Peter Soulsby
Deputy City Mayor - Councillor Cutkelvin
Assistant City Mayor - Councillor Sood (online)
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87. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rae Bhatia with Councillor Westley attending as substitute for Councillor Rae Bhatia.

Apologies would also be received from Cllr Adatia, he would join online.
Apologies would also be received from Cllr Pickering, she would join online.

88. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business to be discussed.

Councillor March raised that she had an ongoing interest in the issue of Council Tax Support should the issue be raised in the meeting.

98. REVENUE BUDGET 2025/26

The Director of Finance submitted the Draft Revenue Budget 2025/26 which would be considered by Council on 19th February 2025.

The Overview Select Committee was recommended to consider the report, and the comments made by the Scrutiny Commissions, and to pass its comments on these to the meeting of Council for consideration.

The City Mayor introduced the item and noted the following:

- Since the report was published, news had been received that the government had been able to provide some support for Local Authorities, such as Leicester City Council, who were in precarious financial situations.
- Some Local Authorities had not received such support as it had been aimed at those in the most desperate circumstances who were dealing with rising demands in areas such as social care and homelessness.
- This support would enable the Council to avoid the necessity of asking the government of a Capitalisation Directive as described in the initial report which would have asked to sell assets in order to boost short term revenue.
- The support was tailored in such a way that there would be enough support to avoid a Capitalisation Directive but would not allow Councils to avoid making difficult decisions as reductions in the budget would still be needed.

The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- Queries were raised on the assets that would be disposed of.
- With regard to further questions about assets and a request for information on the value of corporate assets in terms of income generation, it was agreed that the Corporate Estate report could be circulated to members.
- It was clarified that the Council would no longer need to seek the emergency package of asking the government for permission to sell assets to fund revenue for the period covered in the report.
- It was clarified that officers regularly sold assets. It was agreed a regular report would be bought on the sale of assets to OSC.
- In response to questions about the original strategy, it was explained that the government support did not change other aspects of the budget strategy.
- In response to queries raised about the risk of a Section 114 notice, it was the understanding of the City Mayor that as long as the Council proceeded with a reduction in overall spend, a Section 114 notice could be avoided in the immediate future, however, the budget would need to be reduced. It was further clarified that within the three-year forecast, a Section 114 notice was not anticipated but there was still an underlying budget gap.
- With regard to a query about monies from the government support earmarked for Children's Services, it was clarified that this was to help with increasing demand. It was agreed further detail on Social Care Prevention Grant could be circulated to members.
- Issues were raised around adventure playgrounds:
 - Concern was raised that detail was not included regarding the parachute payment to adventure playgrounds and there was

keenness for the playgrounds to be protected and their staff to avoid redundancy.

- Further concern was raised that six months of funding was not sufficient for further funding solutions to be found.
- In response to this, it was anticipated that funding would cease halfway through the year, this was an extension on the originally planned funding.
- It was thought that Leicester was one of the few local authorities that continued to support adventure playgrounds.
- It was thought that other organisations would want the opportunity to step in to provide open-access play.
- Concerns around continuation were understood, and members would be engaged with on this in the weeks ahead.
- The revenue budget did not pre-judge a decision on this. The pressure to reduce spend was present, but the specifics would require a separate decision.
- The procedure for issuing decisions was explained.
- It was requested that the City Mayor look at how the Council can provide longer term funding for adventure playgrounds and to make a decision on the matter as soon as possible to help to avoid uncertainty.
- It was understood that a speedy decision would be welcome.
- It was suggested that if the Council was in a different situation with the budget, then this issue should be thought about again.
- It was suggested that in the past the Council had been able to avoid closure of facilities in similar situations. It was further suggested that funding for the playgrounds was a small part of Council spending.
- It was suggested that the adventure playgrounds were a unique aspect of the city that made it special. However, statutory frameworks did not account for it, so it would be under pressure. It was requested that this pressure be relieved.
- With regards to the reserves held by the organisations, it was noted that some would be better off than others and that in some cases, the money left in reserves was needed to pay for redundancies as they had been advised to make.
- It was suggested that external funding, such as Lottery funding, was unpredictable.
- It was noted that adventure playgrounds improved the lives of children.
- It was suggested that a working party could look at this issue.

AGREED:

- 1) That the recommendations for Full Council be noted by the committee.
- 2) That the comments of the Scrutiny Commissions be noted by the committee.

- 3) That comments made by members of this commission to be taken into account by the lead officers; and
- 4) That the City Mayor look at how the Council can provide longer term funding for adventure playgrounds and to make a decision on the matter as soon as possible.

Councillor Westley left the meeting during the discussion of this item.

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 30 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Cassidy - Chair

Councillor Kitterick
Councillor O'Neill
Councillor Porter
Councillor Westley

Councillor March
Councillor Osman
Councillor Waddington

In Attendance

City Mayor – Sir Peter Soulsby
Deputy City Mayor - Councillor Cutkelvin
Assistant City Mayor - Councillor Sood (online)
* * * * *

87. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rae Bhatia with Councillor Westley attending as substitute for Councillor Rae Bhatia.

Apologies would also be received from Cllr Adata, he would join online.
Apologies would also be received from Cllr Pickering, she would join online.

88. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business to be discussed.

Councillor March raised that she had an ongoing interest in the issue of Council Tax Support should the issue be raised in the meeting.

99. TREASURY AND INVESTMENT STRATEGY

The Director of Finance submitted a report proposing a Treasury Policy framework, a Treasury Management Strategy for the governance of the Authority's borrowing and cash balances during 2025/26 and the Investment Strategy defining the Authority's approach to making and holding investments, other than those made for normal treasury management purposes.

The Overview Select Committee was recommended to note the report and make comments to the Director of Finance and the Executive as they wished, prior to Council consideration.

The following was noted:

- The Treasury Policy set policies and practices for example performance measurements.
- The Treasury Strategy set out balances and borrowing, this was linked to the budget but was for the purpose of expenditure where it was needed.
- With regard to the Investment Strategy, whilst some local authorities invested purely for yield, Leicester City Council looked at regeneration and supporting local business.

The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- With regard to a query about the Lender Option Borrower Option loans, these had been repaid. The loan provider had used their option to put the rate up to 6.25%.
- With regard to a query regarding the £30m in Commercial Property Funds, it was clarified that there were no plans for any property fund investments at this time. The report would be updated to reflect this.
- In response to a query about the use of external advisors, it was clarified that information was taken from them and the Council was quite risk-averse with investments. Unforeseen circumstances such as Covid-19 had complicated matters. A recent procurement had taken place, and the current advisors were now Link.
- In response to a question about the lending of money to the Leicester and Leicestershire Local Enterprise Partnership (LLEP), it was clarified that the LLEP had been an accountable body, the Council were responsible for looking after their funds, this was treated like borrowing, but the money was sat in the Council's accounts.

AGREED:

- 1) That the report be noted.
- 2) That the recommendations for Full Council be noted by the committee; and
- 3) That comments made by members of this commission to be taken into account by the lead officers.