



Leicester

City Council

minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 9 FEBRUARY 2023 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Gee (Vice Chair)

Councillor Batool
Councillor Pantling

Councillor Westley

Councillor Porter
Councillor Thalukdar

Also present:

Sir Peter Soulsby
Councillor Cutkelvin
Councillor Myers

City Mayor
Assistant City Mayor
Assistant City Mayor

Alretaj Al-Showali
Dena Al-Showali
Henry Zawadzki

Youth Representative
Youth Representative
Youth Representative

Councillor Kitterick

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78. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Halford, Joel, and Joshi.

79. DECLARATIONS OF INTEREST

Members were asked to disclose any pecuniary or other interests they may have in the business on the agenda.

Councillors Thalukdar and Westley make a delcaration in relation to the report on the Housing Revenue Account Budget for 2023/24 that they had relatives who were Council tenants.

80. VARIATION OF ITEMS OF BUSINESS

The Chair indicated he had agreed to take an item of Any Other Urgent Business under Rule 14 of Part 4E of the Constitution to consider the Draft Housing Revenue Account Budget 2023/24 as a matter of urgency as the report needed to be considered before the agenda for the Council meeting on 22 February was published. In accordance with Rule 11 of Part 4E of the Constitution the Chair indicated that he would be taking the item after item 8 on the agenda.

81. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the meeting held on 15 December 2022 be confirmed as a correct record.

82. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

The Chair noted that Commission Members had received a note detailing the progress on actions agreed at the last meeting.

83. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that no questions, representations and statements of case had been submitted in accordance with the Council's procedures.

84. PETITIONS

The Monitoring Officer reported that no petitions had been received.

85. TRACKING OF PETITIONS - MONITORING REPORT

The Monitoring Officer submitted a report which provided an update on the status of outstanding petitions against the Council's target of providing a formal response within three months of being referred to the Divisional Director.

AGREED:

That the status of the outstanding petitions be noted, and to remove those petitions marked 'Petition Complete' Ref: from the report.

86. ANY OTHER URGENT BUSINESS

The Director of Housing submitted a late report on the Draft Housing Revenue Account Budget for 2023/24.

The Committee was asked to consider the Draft Budget and the comments and suggestions from the Housing Scrutiny Commission and the Tenants and Leaseholders Forum and pass its comments to the meeting of Council for

consideration.

The Strategic Director of City Development and Neighbourhoods presented the item, it was noted that

- The context to the budget was a 1% rent reduction from 2016-2020, inflationary costs, and lost income from right to buy sales. The budget was legally required to be balanced.
- The proposed rent changes were a 7% increase to core rent which was the cap, a 5% increase to Gypsy and Traveller Plot Rent, and a 10.1% increase to garage rent.
- Proposed service charges increases were increasing the charges for District Heating which would be covered in more detail shortly, a 100% increase in the charge for way lighting, and increases to all other service charges of 10.1%.

Councillor Westley as Chair of the Housing Scrutiny Commission thanked Tenants Groups for their input into the Budget process. He noted that the Tenants and Leaseholders Forum supported a 200% increase in District Heating charges and that a metering programme would soon begin for properties receiving District Heating. He expressed frustrations at the Government's failure to support the Council in providing more social housing. It was noted that the Housing Scrutiny Commission supported that Draft Housing Revenue Account Budget for 2023/24 though sought further detail on an alternative proposal in relation to District Heating.

The Strategic Director of City Development and Neighbourhoods then gave a detailed presentation on proposed changes to District Heating charges as well as covering the Capital Programme, it was noted that:

- The energy crisis had resulted in a 300% increase in gas prices in 2022/23.
- The proposal was a 247% increase in District Heating charges, with charges standing at £3135 on average per property before metering and £2545 on average per property after metering. The management costs of District Heating would still be sustained with the HRA and it was highlighted that this alone would be cost £4.4m.
- In order to reduce usage and therefore reduce costs, it was proposed that meters would be installed into all properties using District Heating. The proposed metering programme would run from April-October 2023.
- If District Heating charges were no increased then a £4.5m cost to the General Fund and a £10.2m cost to the HRA would have to be sustained.
- The Energy Price Guarantee would continue for 12 months, other Government support included a £900 payment for households on benefits, £300 to pensioner households, and £150 for those on disability benefits.
- The Council provided Housing Benefit alongside support from various teams such as STAR.

- Reductions had been made in the Capital Programme to sustain the HRA.
- The proposals the Tenants and Leaseholders Forum and Councillor Kitterick had been modelled to look at the impact on the HRA and General Fund.

The Chair noted that Councillor Kitterick was present at the meeting. The Chair allowed Councillor Kitterick to speak on the issue of the proposed changes to District Heating charges. Councillor Kitterick noted that his proposal was to increase charges only to the point where the average cost for users was £1611, this was the proposal as it would be in-line with the price cap paid by customers on the open market for the same service due to the Energy Price Guarantee. This was proposed as a stop-gap measure while meters were installed, once meters were installed then the power to determine costs would be passed to the users. The proposed increases were felt to be unfair as users had no power over the charges as they were not currently based on usage and were a flat fee. It was noted that District Heating users were some of the poorest residents of the city on average. Councillor Kitterick also noted that if any issues caused the metering process to be delayed then this would further increase the burden on users as they would pay the increased flat costs for even longer.

Officers noted that if Councillor Kitterick's proposal was implemented it would result in a £859k impact on the HRA and a £386k impact on the General Fund.

The City Mayor spoke, noting that all were in favour of bringing in metering. The difference of opinion was in how charges should be handled in the meantime. The City Mayor reminded the Committee that the HRA was ringfenced and could not be subsidised from the General Fund, therefore any extra burden on the HRA would be funded by tenants' rents.

In response to questions from Members it was noted that:

- In relation to comparators Councils, it was noted that Sheffield had brought in a 200% increase in their District Heating Charges.
- The gas on District Heating was bought wholesale from the market at a rate of 9.5p per kwh.
- Metering would take around 4.5 hours per property with the bulk of work being in the enabling works beforehand.
- The additional cost to the HRA from Councillor Kitterick's proposal would require the removal of the environmental works programme from the HRA programme.

A Member urged any Councillors who were proposed to the District Heating proposals to vote against them at Full Council.

Councillor Westley noted that many District Heating users had informed him that they would rather not be on the service at all and be on the open market. Councillor Westley moved that the Committee would request the Council to consider a consultation on allowing District Heating users to enter the open

market instead. This was seconded by Councillor Porter, and upon being put to the vote that motion was CARRIED.

The Chair moved that the Committee note and endorse the comments of the Housing Scrutiny Committee and the Draft Housing Revenue Account for 2023/24, this was seconded by Councillor Westley, and upon being put to the vote, the motion was CARRIED.

AGREED:

1. That the Committee notes the comments of the Housing Scrutiny Commission and endorses the Draft Housing Revenue Account for 2023/24.
2. That the Committee requests that the Council consider a consultation for District Heating users on being able to enter the open market.
3. That the Committee requests that Officers circulate the modelling on the proposals of Councillor Kitterick and the Tenants and Leaseholders Forum.

87. DRAFT REVENUE BUDGET

The Director of Finance submitted the Draft Revenue Budget 2023/24 alongside the minute extracts from the Scrutiny Commissions discussion on the Budget.

The Committee was asked to consider the draft report and the comments made by the Scrutiny Commissions, and to pass its comments on those to the meeting of Council for consideration

The Director of Finance presented the item, it was noted that the context to the budget was a decade of austerity as well as cuts expected from 2025/26, inflationary costs, and the rising costs of Adult Social Care. The budget gap of £33m in 2023/24 was expected to rise to £66m by 2025/26. The final Government Finance Settlement had now been received, resulting in a slightly worsening budget gap position. The budget gap would be managed through the managed reserves strategy alongside identifying savings.

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

- The previous underspend for Adult Social Care had gone into the reserves which would be used to manage the overall budget gap.
- £1.2m was spent in 2022/23 on heating the Council's Leisure Centres.
- A 5% Council Tax increase was proposed, including a 2% Social Care Levy.
- Costs of SEND Taxi Contracts were rising significantly, due to this there was an effort to move towards Personal Transport Budgets for SEND children which were much cheaper and provided independence.

- There were efforts to move the Council's fleet over to electric vehicles which would be positive for the environment and save costs in the long run.

The Chair praised the leadership of the Council on the managed reserves strategy which had enabled the Council to have the reserves to manage the current budget gap.

A Member reminded the Committee that the financial crash of 2008 took place under a Labour Government and argued that the Labour Party was untrustworthy with the economy.

The Chair moved that the Committee note and endorse the Draft Revenue Budget 2023/24. This was seconded by Councillor Gee and upon being put to the vote, the motion was CARRIED.

AGREED:

1. That the Committee notes and endorses the Draft Revenue Budget for 2023/24.
2. That the Committee requests that Officers let Committee Members and Youth Representative know where joint funding for High Needs Children came from.

88. DRAFT CAPITAL PROGRAMME

The Director of Finance submitted the Draft Capital Programme 2023/24 alongside the minute extracts from the Scrutiny Commissions discussion on the Programme.

The Committee was asked to consider the draft report and the comments made by the Scrutiny Commissions, and to pass its comments on those to the meeting of Council for consideration.

The Director of Finance presented the item, it was noted that the context to the Capital Programme was similar to the revenue budget with economic uncertainty meaning that significant savings needed to be made. Additional issues were the volatility in the construction industry and the technical capacity to support new large capital projects with significant on-going schemes such as the three Levelling Up Schemes. Therefore, this was a 1-year limited scale programme. The majority of the programme was funded by grants and capital receipts.

In response to a question from a Youth Representative it was noted that the £2m invested in Libraries in the Programme was for improved technology for self-service to access Council Services at Libraries.

Councillor Porter raised concerns about the Council selling a number of

properties on Castle View, concern was raised about the lack of consultation of the sales. It was suggested that a private owner would not be able to properly preserve the historic buildings. The City Mayor responded to this point by noting that there was a press release about the sales, the City Mayor also noted various examples of the Council working with private owners to restore historic buildings in the city such as Wygston's House and Winstanley House.

The Chair thanked the Commission Chair's for their work in scrutinising the Draft Budget and Capital Programme.

The Chair moved that the Committee note and endorse the Draft Capital Programme 2023/24. This was seconded by Councillor Gee, and upon being put to the vote, the motion was CARRIED.

AGREED:

1. That the Committee notes and endorses the Draft Capital Programme 2023/24.

89. TREASURY MANAGEMENT STRATEGY 2023/24

The Chair noted that the Treasury Management Strategy 2023/24 and the Investment Strategy 2023/24 would be considered together.

The Chief Operating Officer submitted the Treasury Management Strategy 2023/24 and the Investment Strategy 2023/24.

The Director of Finance presented the reports, noting that the Treasury Management Strategy set out how the Council managed borrowing and cash balances. The Investment Strategy defined the Council's approach to making and holding investments.

In response to a Member question it was noted that the return rates for investments were varied depending on the length of the investment. Current return rates were under 5% but that would increase as more investments were put in. It was also noted that interest rates for the Public Works Loan Board varied daily, however Government rules made it too expensive to pay back outstanding loans early, this could change with increased interest rates.

The Chair noted that these Strategies could be used as an example to other Councils as to how these issues could be managed.

AGREED:

1. That the Committee notes the Treasury Management Strategy 2023/24 and the Investment Strategy 2023/24.

90. INVESTMENT STRATEGY 2023/24

This report was considered under item 89.

91. KEY STRATEGIC PRIORITIES

The Director of Delivery, Communications, and Political Governance submitted a report outlining a presentation from the Assistant City Mayor for Jobs, Skills, Policy Delivery and Communications setting out a summary of progress in relation to the key strategic priorities and commitments of the Council.

The Assistant City Mayor for Jobs, Skills, Policy Delivery and Communications gave the presentation, it was noted that upon Labour winning the 2019 Council election, their manifesto commitments became the key strategic priorities for the Council over the 4-year term. Of the 96 original commitments, 76% had been classed as completed and 19% were still in progress, 5 of the commitments were no longer appropriate. The commitments were broken down into 9 theme areas, highlights of progress in each theme area were as follows:

- A Fair City
- Residents had been supported through the Covid pandemic with advice and financial support.
- The second round of the Anti-Poverty Strategy would be launched soon.
- 16 'warm spaces' had been set up to support residents struggling with energy costs.
- Homes for All
- A private rental sector strategy had been launched alongside a selective licensing scheme in 3 areas.
- £89m had been invested in an improvement programme for Council Homes.
- £10m of external funding had been secured to enhance homelessness services.
- Connecting Leicester
- Alongside new cycling infrastructure there had been a 61% increase in cycling numbers since 2014.
- A 20mph programme had been delivered to 510 streets against a target of 230 streets.
- The Leicester Bus Partnership had introduced a universal tap-on tap-off fare cap to the city.
- Sustainable Leicester
- Leicester was one of the few Councils to maintain weekly bin collections.
- The tree canopy coverage in Leicester was one of the best in the country.
- A carbon road map had been completed to inform the next climate action plan.
- Regenerating Leicester
- The Waterside Regeneration Area had brought 1k homes to rent as well as student homes and homes for sale. Extra amenities would be new hotels and a school.
- At the Ashton Green site 407 homes had been completed or were under construction.

- Health and Care
- Leisure Centre services had remained in-house and £5m had been invested in the facilities.
- A mental health support programme was being provided for schools.
- Defibrillator provision had been improved across the city.
- Lifelong Learning
- There had been 20k enrolments in the Adult Education service.
- A Construction Hub at Ashton Green had been established, giving opportunities for those looking to enter the construction industry.
- Library services across the city had been protected.
- A City to Enjoy
- Over 20k community events and activities had been supported each year.
- Website had been launched for Visit Leicester, the Story of Leicester, and the Museums service.
- The redeveloped Jewry Wall Museum was scheduled to open in summer 2024.
- Safe and Inclusive City
- A city-wide knife crime strategy had been launched.
- There had been investment to improve safety in parks including improving lighting and CCTV.
- Partnership working had been strengthened to tackle ASB and street lifestyles.

It was noted that further key achievements in the term were a successful £46m levelling up funding bid, and £3.5m of grant funding to support energy improvements in over 500 homes.

It was suggested that a site visit for Members to see the regeneration at Waterside could be arranged.

Members suggested that more should be done to publicise the success stories of the Council through benchmarking. It was also suggested that Officials from other Local Authorities and bodies could be brought to the city and shown the success stories.

AGREED:

1. That the Committee congratulates the Council and recognises the hard work and efforts of officers to deliver on the progress against the key strategic priorities.
2. That the Committee requests that the presentation slides be circulated to Members.
3. That the Committee requests that a site visit be arranged for all Members around the Waterside regeneration site.

92. QUESTIONS FOR THE CITY MAYOR

There were no questions for the City Mayor.

93. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

The work programme for the Committee was noted.

It was requested that an item on ASB enforcement be considered.

94. CLOSE OF MEETING

There being no other business, the meeting closed at 7.59pm.