



Leicester
City Council

Minutes of the Meeting of the
CULTURE AND NEIGHBOURHOODS SCRUTINY COMMISSION

Held: MONDAY, 29 JANUARY 2024 at 5:30 pm

P R E S E N T:

Councillor Dawood – Chair
Councillor Mohammed – Vice-Chair

Councillor Agath
Councillor Chauhan
Councillor Karavadra

Councillor Aldred
Councillor Halford
Councillor Singh Johal

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43. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Cutkelvin.

44. DECLARATIONS OF INTEREST

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

Councillors Aldred, Dawood and Singh-Johal declared that they were members of Council-run gyms.

These declarations were made during the item on the Draft Capital Programme.

45. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the meeting of the Culture and Neighbourhoods Scrutiny Commission held on 5 December 2023 be confirmed as a correct record.

46. CHAIRS ANNOUNCEMENTS

47. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that none had been received.

48. PETITIONS

The Monitoring Officer reported that none had been received.

49. DRAFT GENERAL REVENUE BUDGET

The Director of Finance submitted a report detailing the proposed Revenue Budget for 2024/25.

The Chair directed the Commission to the relevant parts of the document to Culture and Neighbourhoods.

The Head of Finance (CDN) then presented the report.

Key points included:

- The budget was very challenging for the 2024/25 financial year and was the worst outlook that the Council had ever faced.
- Without drastic action, the Council would not be able to balance the budget in the 2025/26 financial year.
- A Section 114 notice would not mean that the Council was bankrupt, as Councils cannot technically go bankrupt. A Section 114 notice would state that the Council's resources could not meet its commitments and as such it could mean a freeze on commitments and government interventions.
- Many other Councils were in a similar position to Leicester.
- Whilst not directly linked to Culture and Neighbourhoods, a growth in statutory services had put pressure on the budget, for example, the costs of Adult and Children's Social Care, pressure on home-to-school transport and the homelessness budget.
- The budget was in a volatile position and there was expected to be a need to add a further £11m to the final budget, largely due to an increase in minimum wage which had raised care costs and homelessness.
- The growth in statutory services and the failure of the government to provide adequate funding had meant it was difficult for local authorities to keep up. Despite pressures and inflation increasing since 2021, the government had only just announced additional funding for local governments, however, this may only amount to around £3m for Leicester City Council.
- There was £10m of savings in the budget, but this still left a large sum to be met from the reserves.

- A further austerity drive from the government was signalled from 2025-26. Analysis from the Institute of Fiscal Studies showed that there would be a real-terms cut of 3.4% per year for services other than the NHS, aid and defence.
- The Council approach to budget reductions had been to use a managed reserves strategy, however, the proposed budget would make use of all reserves available.
- Some local authorities had been offered exceptional financial support from the government which in some cases allowed them to use the proceeds from the sale of assets to balance the revenue budget, and in some cases allowed councils to increase their council tax above the 5% permitted. However, no local authority had been offered extra money. No exceptional financial support would be offered to Leicester City Council in 24/25 as it was able to balance the budget.

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

- The situation was expected, and it was possible that many services would be cut or lost. The Council was doing what it could with what it had.
- The Council were doing everything possible to deliver services and statutory duties. It was noted that people in need of statutory duties such as social care also benefitted from services such as libraries and leisure centres. Credit was given to officers for their work on preventing a Section 114 notice which would take control of such services away from the Council.
- The information on savings was the impact on the 2024/25 budget of decisions that had already been taken.
- With regard to parks, a number of savings decisions had been made across many areas, including street cleansing and grounds maintenance. A number of options had been explored in a wide review. Work had been undertaken on statutory services and discretionary functions. Parks involved many discretionary functions and many efficiencies had been identified such as removing back-office overheads, consolidating depots which had given a capital receipt to the Council and saved a revenue cost.
- Workforces were shrinking as staff who left the service were not being replaced, however, capacity was being maintained in order to maintain standards and as such there was minimal visible impact to the public due to the work of the team to balance the service. Capacity was also being maintained by introducing technology to deal with reports from the public, allowing more efficient triage of issues and allowing more targeted work and allowing a quicker response.
- Opportunities were being explored for new income on discretionary services.
- Regulatory services had many statutory functions and where they were

delivered above a statutory level, the service looked to deliver them to a statutory level.

- In terms of trading standards, each case was assessed on its own merits.
- In the case of many regulatory services, such as Houses of Multiple Occupation licencing or selective licencing, there was no scope for cutting back as the services needed to be sustained and the budget is ring fenced to the scheme.
- It was requested that a breakdown of which services were impacted by savings and how be produced.
- Reviews of discretionary services would be on-going. Savings needed for 2025/26 would impact upon all areas of the Council, in some places this would be very significant.
- The allocation of Government grant funding was based on data that was out of date and did not reflect the current pressures on the city. Issues such as population increase would need to be reflected in the Fair Funding Review in order to produce more equitable funding. It was not clear when the government would conclude this work.

AGREED:

- 1) That the elements of the report pertaining to Culture and Neighbourhoods be noted.
- 2) That a report how services would be impacted by savings be produced.
- 3) That comments made by members of this commission to be taken into account by the lead officers.
- 4) That the report be brought to Overview Select Committee prior to Full Council.

50. DRAFT CAPITAL PROGRAMME

The Director of Finance submitted a report detailing the proposed Capital Programme for 2024/25.

The Chair directed the Commission to the relevant parts of the document to Culture and Neighbourhoods.

Key points included:

- This was a one-year programme of schemes from grants, borrowing and the sale of assets. The programme was limited to one-year due to the uncertainty of resources, the impact of inflation and to ease pressure on revenue budgets.
- The Commission were given a rundown of expenditure relevant to Culture and Neighbourhoods, including:
 - £1 million for leisure centre refurbishment.
 - £200,000 for Park Depot relocation.

- £48,000 for the relocation of the pest and dogs depot.
- £245,000 for grounds maintenance equipment rendered.
- £300,000 for the community garden gardens and allotments through the Growing Spaces project.
- £195,000 for heritage interpretation panels
- £75,000 for historic building grants.
- £50,000 for festival decorations.
- The operational estate Maintenance Programme would help to maintain buildings out of which services operate.

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

- In response to a query about potentially trying to empower local organisations with the knowledge and experience needed to take over and/or run assets, it was noted that there was a fundamental branch review of everything in the Council and the use of community organisations was a part of this.
- Further to this it was raised that if assets were sold off then that would result in a one-off payment to the Council, whereas if they were held by the Council and leased to organisation then the Council would hold the asset whilst also raising revenue. In response to this it was noted that prior to any decision on asset sale, there would be consideration given to leasing.
- It was noted that in terms of service provision, it was sometimes possible for the third sector to help to deliver services on behalf of the Council, an example of this was the African Caribbean Centre where involvement with the voluntary sector had saved the council around £150,000 per year. Additionally, there were many third sector groups that showed potential to work with the Council and they were being encouraged to come forward as the Council were keen to work with them. Consideration was being given to whether such groups could be supported long-term, perhaps with a view to them eventually running a service (perhaps on behalf of the Council, however, this would take time. Additionally, before an asset went on the market, it was considered as to whether it could be run by a community group.
- The University of Leicester was being worked with to help understand the potential of community groups working with the Council.
- It was noted that Leicester's Shared Prosperity Fund programme funded a bid from the University of Leicester to work with social enterprises in the city to develop business plans, organisational capacity and skills. Additionally, there was another £350k from the SPF programme for bids from Community Asset Transfer organisations. This could support investment in buildings for energy efficiency, essential repairs, works that could enhance revenue earning etc. This money could be spent in 2024/25. This was outside the Capital Programme.
- In terms of value for money on leisure centres, membership was

increasing, so this indicated good investment. Energy efficiency was also being explored as a saving; an example was the solar arrays on Aylestone Leisure Centre. Customer satisfaction with leisure centres was good and there was a £0.5m overachievement in income as a result of an increase in usage linked to the capital scheme.

- It was requested that a report be brought to the Commission on engaging community organisations.

AGREED:

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

51. WORK PROGRAMME

Members of the Commission were invited to consider content of the work programme and were invited to make suggestions for additions as appropriate to be brought to future meetings.

It was noted that the next meeting of the commission was likely to be postponed until April.

It was noted that the task group on Ward Community Funding had met for the first time in January and would meet again in February.

The work programme was noted.

52. ANY OTHER URGENT BUSINESS

There being no further items of urgent business, the meeting finished at 18:18.