



Leicester
City Council

MEETING OF THE OVERVIEW SELECT COMMITTEE

DATE: THURSDAY, 26 SEPTEMBER 2024
TIME: 5:30 pm
PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Cassidy (Chair)

Councillors Adatia, Batool, Dawood, Kitterick, March, O'Neill, Osman, Pickering, Porter, Rae Bhatia and Waddington

Members of the Committee are invited to attend the above meeting to consider the items of business listed overleaf.

For Monitoring Officer

Officer contacts:

Ed Brown (Senior Governance Services Officer)

Julie Bryant (Governance Services) and Governance Services (Governance Services)

e-mail: edmund.brown@leicester.gov.uk and Julie.bryant@leicester.gov.uk

Leicester City Council, 115 Charles Street, Leicester, LE1 1FZ

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Further information

If you have any queries about any of the above or the business to be discussed, please contact: Ed Brown (Senior Governance Services Officer) edmund.brown@leicester.gov.uk or Julie Bryant (Governance Services Officer) Julie.bryant@leicester.gov.uk.

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PUBLIC SESSION

AGENDA

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1. WELCOME AND APOLOGIES FOR ABSENCE

To issue a welcome to those present, and to confirm if there are any apologies for absence.

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF THE PREVIOUS MEETING

Appendix A

The minutes of the meeting of the Overview Select Committee held on 31st July 2024 have been circulated, and Members will be asked to confirm them as a correct record.

4. CHAIR'S ANNOUNCEMENTS

The Chair is invited to make any announcements as they see fit.

5. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer to report on the receipt of any questions,

representations and statements of case submitted in accordance with the Council's procedures.

6. PETITIONS

The Monitoring Officer to report on any petitions received.

7. TRACKING OF PETITIONS - MONITORING REPORT [Appendix B](#)

The Monitoring Officer submits a report that updates Members on the monitoring of outstanding petitions. The Committee is asked to note the current outstanding petitions and agree to remove those petitions marked 'Petitions Process Complete' from the report.

8. QUESTIONS FOR THE CITY MAYOR

The City Mayor will answer questions raised by members of the Overview Select Committee on issues not covered elsewhere on the agenda.

9. REVENUE MONITORING PERIOD 3 [Appendix B](#)

The Director of Finance submits a report providing early indications of the significant financial pressures the Council is facing this year and also providing an update on progress to control costs in demand-led social care budgets.

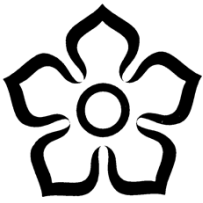
10. CAPITAL MONITORING PERIOD 3 [Appendix C](#)

The Director of Finance submits a report the position of the capital programme at the end of June 2024 (Period 3).

11. OVERVIEW SELECT COMMITTEE WORK PROGRAMME [Appendix D](#)

The current work programme for the Committee is attached. The Committee is asked to consider this and make comments and/or amendments as it considers necessary.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 31 JULY 2024 at 5:30 pm

P R E S E N T:

Councillor Cassidy - Chair

Councillor Batool
Councillor March
Councillor Porter

Councillor Dawood
Councillor Osman

* * * * *

38. WELCOME AND APOLOGIES FOR ABSENCE

There was a slight delay with the arrival of the Chair. In his absence, Councillor March was elected interim Chair. All were welcomed to the meeting. Cllr Cassidy arrived shortly afterwards and commenced the role of Chair.

Apologies were received from Cllr Rae Bhatia.

Apologies were also received from Cllr O'Neill who had been due to be a substitute in the vacant position. She attended the meeting remotely and was reminded that she would not be able to serve as a formal member on the committee.

39. DECLARATIONS OF INTEREST

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

There were no declarations of interest.

40. MINUTES OF THE PREVIOUS MEETING

Cllr Porter recalled the previous minutes and queried the sale price of a property on Vaughan way. The City Mayor advised that he was unsure which building was being referenced and asked for Councillor Porter to provide more detail in respect of his request.

AGREED:

That the minutes of the meeting of the Overview Select Committee Commission held on 11 April 2024 be confirmed as a correct record.

41. CHAIR'S ANNOUNCEMENTS

- The Chair noted that Cllr O'Neill was attending this meeting as a substitute for the one Labour vacancy on the Committee. The role of Vice-Chair was currently vacant and a nomination for this role would be put to Full Council on 5 September.
- The Chair also announced that there was a recent high-profile race discrimination case relating to a former City Council employee and that that the employee in question had made direct contact with a number of elected members.

The Chair clarified that under the scrutiny procedure rules set out in the constitution, questions or comments during scrutiny committee meetings should not:

- i) Relate to a specific and identifiable person or which relates to an individual's particular circumstances.
- ii) Relate to any matter where there is a right of appeal to the courts, a tribunal or to a government minister or on any matter which, in the opinion of the Monitoring Officer, is of a quasi-judicial nature.

Therefore, given that the matter in hand related to a specific and identifiable person and given that the legal process in relation to the case had not concluded, any questions or comments in relation to the detail of this case would be prohibited.

- The Chair further announced that there had been some delay regarding work on the Workforce Representation Informal Scrutiny. However, a date for the next meeting would be confirmed to members in the near future.
- Finally, the chair announced that this would be the final Committee meeting of the Governance Services Manager, Francis Connolly. The Chair thanked him for his work and noted that he would be greatly missed.

42. 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.

43. PETITIONS

The Monitoring Officer reported that no petitions had been received.

44. MEMBERSHIP OF THE COMMISSION 2024/25

The Membership of the Commission was confirmed as follows:

Councillor Cassidy - Chair
Vacancy – Vice-Chair
Councillor Batool
Councillor March
Councillor Dawood.
Councillor Osman
Councillor Rae Bhatia
Councillor Porter

45. TERMS OF REFERENCE

The Commission noted the Scrutiny Terms of Reference.

46. DATES OF MEETINGS FOR THE COMMISSION 2024/25

The dates of the meetings for the Commission were confirmed as follows:

31 July 2024
26 September 2024
12 December 2024
30 January 2025
27 March 2025
1 May 2025

47. 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.

It was noted that none were marked as 'red'.

AGREED:

That the status of the outstanding petitions be noted.

48. QUESTIONS FOR THE CITY MAYOR

The Chair reminded members that questions for the City Mayor should be emailed to Governance Services in advance of meetings.

The Chair accepted the following questions to be asked to the City Mayor:

1. Councillor Cassidy asked the following:

The future redevelopment of Leicester's market has received a lot of media attention in recent months. Please can the City Mayor outline the latest position in relation to the plans and confirm what will be brought to scrutiny on this matter and when?

In responding to this question, the City Mayor made the following points:

The area surrounding the site had buildings with attractive visages which 'deserved to be seen.' He advised there was a high level of support in favour of opening up the area to other possibilities.

Cllr Porter voiced concerns of market traders feeling betrayed by the relocation plans. He asked the City Mayor if the relocation plan had always been in place & whether proposals were made and recorded. Also, he enquired whether contractors had been booked and if there was now a likelihood of legal action being taken on their behalf.

The City Mayor responded and stated that:

The site should return to multi-purpose use, adding that the size and visual appeal of the space had been fully appreciated upon the commencement of works.

2. Cllr Porter queried valuations of the New Walk Centre site. He stated that the council hadn't conducted the appropriate monetary assessments prior to selling, but had spent £5 million. He asked if the City Mayor could confirm his awareness of the situation.

The City Mayor advised that property was valued and had been anticipated to have a negative valuation. It was expected that the council would face grave difficulties in selling them. The City Mayor went on to suggest that Cllr Porter raise the issue with auditors, if unsatisfied with the council's actions. The Chair reminded Cllr Porter that he could also write to the City Mayor regarding his concern.

3. Cllr Osman referenced the Caribbean carnival cancellation and asked if the Diwali light switch on is still planned to go ahead?

In response, the City Mayor stated that it was with sadness that the Caribbean Carnival would not be held this year though felt it was reasonable to expect that it would return for 2025. In respect of the Diwali events, he advised that there were a number of stakeholder discussions taking place. The reasonable expectation is for a separate event to occur. If something had to be cancelled to allow the official Diwali day celebrations, then this could be the switch-on event. He reminded the committee of the significant expense incurred in staging the celebrations and explained that sponsorship avenues would be explored in future years.

4. Cllr Osman asked about recent housing target announcements, stating that the target for Leicester City Council, Leicestershire County's had

increased. He asked if this was likely to affect the planning & provision of green sites and the overall delivery of Leicester's Local Plan.

The City Mayor commented that modifications to the proposed Local Plan were unlikely to be required.

5. A Youth Representative asked about libraries being under threat & referenced cuts to adventure playgrounds. The City Mayor was asked if there was some positive news and if assurances could be made that services won't be closed down?

The City Mayor answered that local councils had lost had lost significant financial funding over the last decade. This had come at a time when looking after vulnerable young people, the elderly and people with special needs in the community has increased. and all services have been affected by this. He advised that more difficult decisions lay ahead. However, the City Mayor stated that the Council was determined to do all it could to enable services such as adventure playgrounds to continue to operate and find viable and sustainable futures for themselves and also to enable services such as museums, libraries and sports centres to remain open and to continue to provide the services that people in the city need and that are particularly important to young people.

AGREED:

That the responses to the questions raised be noted.

49. OVERVIEW OF OSC PORTFOLIO

The Director of Finance gave a verbal overview of the main responsibilities of the Committee.

In response to comments and questions from members, the following was stated:

Progress in relation to the Ashton Green housing site should be addressed by the relevant committee and was not a matter for OSC directly. The City Mayor advised that members could also write to him regarding the matter.

AGREED:

That the overview be noted.

50. EQUALITY STRATEGY AND ACTION PLAN - 2024-28

The Director of Corporate Services submitted a report updating on the final draft of the corporate Equality Strategy and the accompanying action plan to support its delivery. The strategy would be adopted for the next four years, and

the action plan would be updated annually.

The Committee was recommended to comment on the draft Equality Strategy and the draft Equality Action Plan.

The Equalities Manager attended the meeting to assist with the discussion.

The Assistant City Mayor for Communities, Adult Learning, Jobs and Skills introduced the item and noted that:

- The strategy was reviewed every four years. However, the last strategy had been extended until this point, in part due to the Covid-19 pandemic.
- The current strategy set the objectives for the next four years in relation to equality, diversity and inclusion.
- Whilst the strategy was being reviewed, an extensive period of engagement had been undertaken which was in three parts:
 - Engagement with internal staff and officers to gain their view on various aspects of equality.
 - Engagement with volunteer and community sector organisations to gain their input on how they felt on the strategy.
 - Engagement with Councillors to gain their input on the strategy.
- The aim of the strategy was to embed and strengthen good equality practices across the Council and to support Council services to assess the impact of any changes.
- This was a corporate strategy, focussing specifically on how the Council could build its work around equality, diversity and inclusion, including communities having a diverse and inclusive workforce.
- This work was focussed on what the Council did as an organisation. Members were reminded that this was a corporate strategy, and it was not intended to fully capture all aspects of the Council's work.
- There are different areas of work where equality needs to be addressed and as such had their own strategies. Examples cited were the cost-of-living crisis, community cohesion and child poverty initiatives.
- Each sector and division had their own strategies. However, they worked together to address inequalities within individual strategies plans and policies.
- The strategy being presented would help to underpin how the Council as an employer met its legal duties in relation to the Equality Act 2010.
- The strategy built on work carried out previously. It had a more direct approach compared to previous strategies and aimed to be as realistic as possible.
- The action plan had aimed to be measurable in terms of progress and in terms of what was working and what required further work. From this, necessary changes could be identified in order to achieve objectives. Members would be kept up to date with progress.
- A key area of work concerned carers and children in care. This was not

a protected characteristic and as such could not be included as such. However, it had been referenced in the action plan that the Council would be keen to look into this further.

The Commission were invited to ask questions and make comments and the officers and the Assistant City Mayor for Communities, Adult Learning, Jobs and Skills to respond. Key points arising from the discussion included:

- In terms of care experience, this had not gone straight into the plan as it needed to be considered further. However, this was something that could be quickly progressed.
- With regard to equity, there was still some way to go to achieve a full understanding of the concept. However, there was confidence that the action plan and strategy were moving forward, and there was a lot in the action plan and strategy regarding the removal of barriers, which was key to this. It was stated that the concept had been included in principle, but not in terminology that was well known and well regarded.
- Work on workforce representation was still ongoing and the next meeting of the task group would be in mid-September. The issue was included in the action plan along with a number of sub-actions. These included elements surrounding external recruitment and internal approaches to diversity in terms of areas of low representation and succession planning in terms of how people with certain characteristics could be upskilled to have a realistic chance of applying.
- In terms of inclusive language, it was important that correct pronouns were used for gender identity and that language that could cause offence, particularly for those with disabilities, was avoided.
- The issue of community cohesion was beyond the equality strategy and was being progressed under the portfolio of the Assistant City Mayor for Community Cohesion. A key area on this would be engaging with different communities as it was important to understand the needs of different communities. Various models of how this could be done were being looked at and progress had been made in developing appropriate networks.
- In terms of ensuring that services that were moved online were inclusive, an embedded approach was important and there were separate actions included for this.
- In terms of the diversity of the workforce, statistics would be shared at the presentation provided to the informal scrutiny meeting in September.
- Separate information regarding community feedback could be shared with members of the Commission.
- In terms of lived experience, this was a strong element compared to the previous action plan. It was a challenging element to change immediately as it needed to be identified as to who to speak to, although it was also aimed to strengthen this over the coming years.
- The elements of racial literacy in the strategy were corporate and were

separate to those conducted in schools. An element of racial literacy had arisen from a programme of work around Black Lives Matter, and it was important not to lose this element. It was aimed to specify as to how this could be achieved in the action plan.

- Institutional racism was difficult to measure as it was relatively subjective. Measurable change around equity and equal opportunities was being sought in the strategy.
- Regarding the 'Women Talking City Listening' scheme, much of this work was taken by Neighbourhood Services Scrutiny Commission and a number of actions had arisen from it, particularly regarding community safety and lighting in areas where women may walk at night as well as positive actions to support shift-workers such as nurses. These were put into specific and separate action plans.
- In response to a query regarding ensuring that the strategy was not tokenistic, it was clarified that when this was mentioned, it was specifically in relation to the recognition of carers and children in care.
- In response to a question around what elements within the action plan were and were not working, it was confirmed that the Action Plan was a working document and it was aimed to measure success after it had been implemented over a length of time to ensure that targets were met and progress was made. The plan had been set based on the information available and success could be measured over time once it was implemented.
- In terms of the document looking outwards as well as inward, it was stated that it was not just inward-looking as it reflected considerable lived experience to help shape future service delivery. It was necessary to have a direct strategy for this rather than being treated as an add-on.
- In response to concern raised that the strategy was too broad and needed to focus on certain aspects, it was clarified that there were four key aims which had various actions. It was not suggested that all actions would occur at the same time, and a plan was needed that was measurable and achievable.
- Hate crime was not a part of this strategy and was managed separately. However, if patterns emerged, it would be necessary to consider more centrally as part of this work.
- Scrutiny Chairs were reminded that specific service area plans could go to other Scrutiny Commissions as they are developed.
- The strategy would go to Full Council for decision.
- Councillor March recommended that the Committee engage with wider groups in order to open wider communication. This motion was seconded by Councillor Dawood and carried.

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 and Executive lead member.
- 3) That other groups be engaged with in order to open wider communication.
 - 4) That information regarding community feedback could be shared with members of the Commission.

51. REVENUE BUDGET MONITORING OUTTURN - 2023/24

The Director of Finance submitted the final Revenue Budget Outturn in the monitoring cycle for 2023/24 and reported performance against budget for the year.

The Committee was recommended to consider the overall position presented within this report and make any observations it saw fit.

The Director of Finance noted that:

- There had been a net underspend of £1.7m. However, this did not reflect the severe pressures faced by the Council. In particular, the Chief Finance Officer noted the £14.2m spent in Education and Children's Services, of which £11.3 related to the costs of children looked after. In the last financial year the average placement cost had increased to £70,000. The number of children in care remained stable, but costs had increased significantly.
- There was a gross pressure of £7.8m in support of homeless households, slightly offset by additional grant funding leaving an overall pressure of £6.2m.
- There were cost pressures of £2.5m with regard to the local government pay award.
- The above pressures had been offset by savings, including an Adult Social Care underspend of £6.5m, mostly in relation to improvement work designed to reduce people's need for formal care, social work assessment and commissioning practice. This underspend was after a £32.9m increase in the budget in the financial year.
- There had been underspends in Education and Children's services due to staffing vacancies and additional grants.
- Due to interest rates remaining high and higher interest rates received on cash balances, there had been a saving on capital financing costs of £4m.
- A reduction in energy prices through the year had meant that £2.6m less was needed from the energy budget provision.
- There had been changes proposed in departmental reserves. Previously, departments had been allowed to monitor their own reserves. It was now proposed that this be absorbed into the budget strategy reserves as part of the normal budget process.
- The emergency balance would not need to be used in 2024/25 as planned as part of the budget setting. However, £61m of the managed

reserve was needed to balance the 2024/25 budget, meaning there would not be enough left in the reserves to balance the 2025/26 budget.

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

- It was confirmed that if the Council continued spending as it was, there would not be enough money in the funded reserves to manage the gaps in spending without budget savings or a change in policy.
- With regard to a question on spending on Adult Social Care, it was confirmed that the precept covered both adults' and children's social care. There was no need to ringfence spending for Adult Social Care as the growth in that budget area had been significant and far greater than any raise in the social care precept.
- The rise in the numbers of those experiencing homelessness presented a cost pressure. £45m had been approved to spend on temporary accommodation by the housing division to reduce the pressures. £12m had been put into the budget for 2024/25.
- Further financial pressures were anticipated around homelessness.
- The Period 3 figures would be provided at the meeting of the Committee in September.
- Posts were often vacant due to difficulties recruiting, particularly with regard to the social work service.
- Information would be obtained on whether Post-16 Home to School SEND transport would be offered outside the three-mile rule.
- The public-sector pay increases recently discussed by the Chancellor of the Exchequer did not refer to the pay award mentioned in the report. The Local Government pay award was currently out for negotiation with unions.
- Clarification would be sought on voluntary services via the Education Support Officer and developments from the new government and on communications with the government on SEND transport. From a financial perspective, the Council were engaging with the government on the financial pressures faced.

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 information be provided on whether Post-16 Home to School SEND transport would be offered outside the three-mile rule.
- 4) That clarification be sought on any guidance from the government on voluntary services via the Education Support Officer and any communication with the government on SEND Transport.
- 5) That information be given on the outcomes of Alternative Partnerships.

52. CAPITAL BUDGET MONITORING OUTTURN - 2023/24

The Director of Finance submitted a report showing the final position of the capital programme for 2023/24.

The Committee was recommended to consider the overall position presented within this report and make any observations it saw fit.

The Commission were invited to ask questions and make comments and the officers to respond.

In response to concerns raised over the intent to charge for the Jewry Wall Museum once it opened, the example of the King Richard III Visitor Centre was given in terms of high visitor figures which have in turn helped the economy. It was anticipated that the Jewry Wall Museum would be similarly successful.

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.

53. INCOME COLLECTION - APRIL 2023 - MARCH 2024

The Director of Finance submitted a report detailing progress made in collecting debts raised by the Council during 2023-24, together with debts outstanding and brought forward from the previous year. It also set out details of debts written off under delegated authority that it had not been possible to collect after reasonable effort and expense.

The Committee was recommended to consider the overall position presented within this report and make any observations it saw fit.

The Commission were invited to ask questions and make comments and the officers to respond. No questions were asked. The Chair noted the achievements of those involved in ensuring that the authority was in a strong position.

AGREED

That the report be noted.

54. REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2023/24

The Director of Finance submitted a report reviewing how the Council

conducted its borrowing and investments during 2023/24.

The Committee were recommended to note the report and make comments to the Director of Finance and the Executive as they wish.

The Head of Finance (Accountancy and Strategy) presented the report and noted that:

- This was the second report for 2023/24 financial year.
- There had not been any new loans taken out – cash balances had remained higher for longer.
- Most investments were with local authorities, but some remained in properties, which were expected to be sold over the course of the year.

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

In response to a question on dividends and returns from Lothbury Funds, the Head of Finance advised around 45% on the initial investment is already back with the authority. In response to further questioning, The City Mayor advised that the City Council had not invested as heavily as other local authorities.

In response to a request for the committee to receive further updates, The Head of Finance advised there will be a mid-year report and subsequent follow-ups.

AGREED

- 1) That the report be noted.
- 2) Clarification on loans and investment figures to be forwarded to members.
- 3) That comments made by members of this commission to be taken into account by the lead officers.
- 4) That a mid-year report be received by the committee as well as subsequent follow-up reports.

55. SCRUTINY ANNUAL REPORT - 2023/24

The City Barrister and Head of Standards submitted a report providing a summary of the Scrutiny Annual Report 2023-24.

The Committee was asked to review the report and provide any comments or recommendations ahead of consideration by Full Council.

The Chair presented the report and noted that there had been a lot of positive work across Scrutiny. Members and officers were thanked and the City Mayor reiterated this.

The Commission were invited to ask questions and make comments and the officers to respond. It was suggested that officers explore options for continuing to engage with youth representatives as part of the scrutiny process.

AGREED

- 1) That the report be noted.
- 2) That officers be asked to explore options for continuing to engage with youth representatives as part of the scrutiny process.

56. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

The work programme for the Committee was noted.

In response to a comment from the Chair, Councillor Batool confirmed that an item in relation to adventure playgrounds would be going to the next Children, Young People and Education Scrutiny Commission.

57. ANY OTHER URGENT BUSINESS

There were no items of other urgent business. The Chair declared the meeting closed at 8:00pm

Executive Decision- Revenue Budget Monitoring April-June 2024/25

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 26 September 2024

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell
- Author contact details: kirsty.cowell@leicester.gov.uk
- Report version number: 1

1. Summary

This report is the first in the monitoring cycle for 2024/25 and provides early indications of the significant financial pressures the Council is facing this year, with a forecast net overspend of £8.8m. It also provides an update on progress to control costs in demand-led social care budgets.

Cost pressures continue in other service areas, of which the most significant are:

- Rising costs of temporary accommodation leading to a forecast £8m overspend, over and above significant growth and contingency funds built into the budget (see paragraph 9)
- Costs of SEN home to school transport and respite payments for disabled children are forecast to overspend by £2.6m.

It is positive to note the transformation work in adult social care has meant that previous trend rates of ongoing growth used in the original budget assumptions could be revised downwards. As a result of this, together with one off savings and additional income along with adjustments to the budget due to the underspend in 2023/24, overall savings of £17.1m have been identified. In addition, a large part of the demographic growth contingency is unlikely to be required, meaning that the total proposed budget reduction as a result of this report is some £23.1m.

It is also positive to note Education and Children's Services are currently looking to bring the cost of looked after children (which has seen severe pressures in recent years) within budget for the year. Overall, Education and Children's services are reporting a net overspend of £1.1m once considering vacancies within the division.

A one-off VAT refund of £6.8m has been received relating to a historical claim, and this report proposes transferring it to managed reserves to support the budget strategy.

2. Recommended actions/decision

2.1 The Executive is recommended to:

- Note the emerging picture detailed in the report.
- Approve the budget adjustments, totalling £17.1m, relating to social care described in section 8 and for the in-year underspend to be utilised to reduce support required from the Managed Reserves Strategy, and delegate authority to the Director of Finance to determine the specific budget ceilings affected.
- Approve a £6m reduction to the demographic pressures contingency (see para. 15.2)
- Approve the transfer of one-off resources to the Managed Reserves Strategy as described in paragraph 15.6.

2.2 The OSC is recommended to:

Consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

The General Fund budget set for the financial year was £429.0m, before the use of managed reserves. Following savings identified since the budget was set, this has been updated to £428.4m.

Appendix A summarises the original budget, current budget and anticipated spending in 2024/25.

Appendix B provides more detailed commentary on the forecast position for each area of the Council's operations.

Appendix C summarises the latest forecasts for managed reserves.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Catherine Taylor, Financial Strategy Manager

Dated: 28 August 2024

5.2 Legal implications

This report is solely concerned with financial issues.

Signed:

Dated:

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. It is important to note that currently no policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services going forward. If this is the case, the Council's equality impact assessment process should be used to evaluate the potential equalities impact of any

proposed changes. The aforementioned cost pressures and ongoing identified savings should take into account equality considerations.

Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. There are no direct equality implications arising out of this budget monitoring report.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 15 August 2024

5.4 Climate Emergency implications

There are no climate emergency implications directly associated with this report, as it is a budget monitoring report.

However, where proposals are brought forward to make additional savings required, any climate emergency implications should be considered and addressed while proposals are being developed and should be identified in the appropriate decision reports at the time. The Sustainability service may be able to help departments with assessing implications as part of the evaluation of proposals ahead of report preparation.

Where any necessary capital funding can be identified or secured, the potential role of invest-to-save energy efficiency and renewable energy projects in helping to address revenue budget pressures while also reducing carbon emissions is also worth noting.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 14 August 2024

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

6. Background information and other papers:

Report to Council on 21 February 2024 on the General Fund Revenue budget 2024/25.

Revenue Outturn Report presented to OSC on 31 July 2024

7. Summary of appendices:

Appendix A – Period 3 (April-June) Budget Monitoring Summary.

Appendix B – Divisional Narrative – Explanation of Variances.

Appendix C – Updated reserves position.

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”? If so, why?

Yes – recurrent savings in excess of £0.5m.

Revenue Budget at Period 3 (April – June) 2024-25

Table A

2024-25	Original Budget £000's	Current Budget £000's	Forecast £000's	Variance £000's
Financial Services	12,167.3	10,643.8	10,643.8	0.0
Information Services	11,062.7	11,064.2	11,704.8	640.6
Corporate Services	7,534.0	9,714.4	9,073.8	(640.6)
Legal Services	6,309.6	5,705.5	5,705.5	0.0
Corporate Resources & Support	37,073.6	37,127.9	37,127.9	(0.0)
Planning, Development & Transportation	14,251.3	15,606.2	15,593.7	(12.5)
Tourism Culture & Inward Investment	3,801.1	4,230.2	4,072.9	(157.3)
Neighbourhood & Environmental Services	38,456.4	42,193.3	42,191.7	(1.6)
Estates & Building Services	4,397.7	5,515.3	6,306.0	790.7
Departmental Overheads	582.4	582.4	582.4	0.0
Housing Services	15,098.6	21,146.1	29,143.9	7,997.8
City Development & Neighbourhoods	76,587.5	89,273.5	97,890.6	8,617.1
Adult Social Care & Safeguarding	196,402.1	183,811.0	186,015.5	2,204.5
Adult Social Care & Commissioning	(22,989.5)	(27,780.9)	(30,623.4)	(2,842.5)
Sub-Total Adult Social Care	173,412.6	156,030.1	155,392.1	(638.0)
Strategic Commissioning & Business Support	2,428.7	2,388.3	2,294.2	(94.1)
Learning Services	21,967.7	22,133.0	24,334.9	2,201.9
Children, Young People & Families	89,413.2	89,251.2	88,398.6	(852.6)
Departmental Resources	1,794.1	1,434.1	1,292.1	(142.0)
Sub-Total Education & Children's Services	115,603.7	115,206.6	116,319.8	1,113.2
Total Social Care & Education	289,016.3	271,236.7	271,711.9	475.2
Public Health & Sports Services	24,965.6	22,882.9	22,882.9	0.0
Total Operational	427,643.0	420,521.0	429,613.3	9,092.3
Corporate Budgets	29,089.2	12,485.2	13,140.2	655.0
Capital Financing	2,118.0	2,118.0	1,122.0	(996.0)
Total Corporate & Capital Financing	31,207.2	14,603.2	14,262.2	(341.0)
Public Health Grant	(29,832.1)	(29,832.1)	(29,832.1)	0.0
TOTAL GENERAL FUND	429,018.1	405,292.1	414,043.4	8,751.3

1.1 Changes since the original budget are summarised in the table below:

	Total General Fund £000's
Original budget	429,018
Savings approved - Period 9 2023/24	(621)
Latest Budget	428,397
Changes proposed in this report	(23,105)
Revised Budget	405,292

1.2 The original budgets split between employees, running costs and income are available at: [2024/25 Budget Summary \(leicester.gov.uk\)](https://www.leicester.gov.uk/2024/25-Budget-Summary)

Divisional Narrative – Explanation of Variances

Corporate Resources and Support

Corporate Resources Department is forecasting to spend £37.6m, £0.5m more than the budget. The overspend relates entirely to City Catering.

1. Finance

1.1. The Financial Services Division is forecasting to spend £10.6m as per the budget.

2. Corporate, Human Resources & Information Services

2.1. Taken together IS, HR, & other corporate services are forecasting to spend £20.8m as per the budget after the planned use of reserves.

2.2. The HR service is forecasting a £0.6m underspend, resulting from vacancies across various areas together with additional traded income. This underspend of £0.6m will support Information Services to reduce the call on reserves for new IT equipment.

2.3. The forecast takes account of the planned use of reserves for Information Services (to fund new equipment) and Electoral Services following the Police & Crime Commissioner (PCC) election in May 2024 and the general election in July 2024.

3. Legal, Coronial and Registrars, Members and Democratic Services

3.1. Legal Coronial and registrar services are forecasting to spend £5.7m as per the budget.

3.2. Coronial and registrar services are forecasting to spend £0.4m as per the budget, after support from corporate budgets of £0.4m, as in previous years.

4. City Catering

4.1. The City Catering Services is forecasting to spend £0.5m more than the budget after using £0.2m of the school catering reserve.

City Development and Neighbourhoods

The department is forecasting to spend £97.9m, some £8.7m above budget, after the use of the corporate provision towards homelessness costs. Most of this is arising from increasing temporary accommodation costs. The position for each division is as follows:

5. Planning, Development & Transportation

- 5.1. The division is forecasting to spend £15.6m resulting in a breakeven position by year end.
- 5.2. Government funding via the BSIP (Bus Service Improvement Plan) grant has helped to maintain a high level of tendered bus service provision and to support other bus-related measures such as Park and Ride. The expenditure on concessionary fares is forecast to be significantly higher than last financial year, due to higher amounts payable to bus operators arising from an updated concessionary fares calculation model being issued by central government. However, the expenditure is still expected to be £1.0m under budget.
- 5.3. The income from on-street parking has shown a continued improvement, although the forecast for off-street parking is currently £0.4m below budget. In a continuation of recent pressures, linked to wider economic factors, a reduction in the number of major planning applications being submitted has led to a predicted income shortfall of £0.7m. This is partially offset by under-spends within the planning service, principally on salaries due to the level of current vacancies.

6. Tourism, Culture & Inward Investment

- 6.1. The division is forecasting to spend £4.1m, resulting in a £0.1m underspend by year end.
- 6.2. Markets are currently anticipating a shortfall in income of £0.2m whilst development works continue to the central market area. This however has been offset by a £0.2m underspend for De Montfort Hall due to increased takings from operating at higher margins and expanding the range of shows offered. There is a further £0.1m of underspend across the division due to vacant posts.

7. Neighbourhood & Environmental Services

- 7.1. The division is forecasting to spend £42.2m resulting in a breakeven position anticipated by year end.
- 7.2. Regulatory services have a forecasted overspend of £0.1m due to shortages in staffing reducing the generation of building control income; to mitigate this, an external contractor has been sought but this has increased running costs considerably. There is however a £0.1m underspend expected within waste management due to trend analysis suggesting that variable costs within the PFI contract will be slightly less than budgeted.

8. Estates & Building Services

- 8.1. The division is forecasting to spend £6.3m, resulting in a £0.8m overspend by year end, with the entirety of the overspend within the corporate estate.
- 8.2. There are £0.4m of extra staffing costs being incurred to support ongoing lease reviews which will, in time, lead to the generation of additional income.
- 8.3. Due to the age of the properties within the portfolio, there have also been increased unexpected repairs of £0.1m to retain the estate's viability.
- 8.4. Whilst debt within the portfolio is proactively managed, £0.2m of additional bad debt write-off has been required during the year. There are other small pressures relating to energy costs and building cleaning, work is ongoing to manage these within the current financial year.

9. Departmental Overheads

- 9.1. This area holds budgets for added years' pension costs and departmental salaries. This is forecast to break even.

10. Housing General Fund

- 10.1. The division is forecasting to spend £29.1m, which is an anticipated £8m overspend by the end of the financial year. This is including use of the £6m provision in the budget for 2024/25.
- 10.2. As previously reported, increased costs of provision for homeless households are a national issue. The increased presentations of homelessness cases in the city continues to add financial pressure to the service due to grant funding and housing benefit being insufficient to cover the rising costs of temporary accommodation. A further £10.6m budget was allocated for 2024/25 to ease the burden in this area, however costs are expected to hit £22m for temporary accommodation.
- 10.3. Actions are already being taken to mitigate these pressures – it is estimated that the overspend would have been around £13m without any mitigating action. Frequent reviews of this area are being undertaken and further work is continuing to find longer-term resolutions to this nationally recognised issue.

11. Housing Revenue Account

- 11.1. The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the Council's housing stock.

The HRA is forecast to breakeven for the year. Revenue is also used for capital spending, and this is reported separately within the capital monitoring report.

- 11.2. Income from core rent and service charges is expected to be on target for the year.
- 11.3. The Repairs and Maintenance service is forecast to overspend by £0.4m. Whilst there are vacant posts generating underspends of £0.8m, these are partially offset by the use of contractors to complete asbestos remedial works, costing £0.4m. There have been increased disrepair claims and associated costs driven by law firms before the introduction of fixed recoverable costs. This will create a pressure of around £0.8m stemming from increasing legal fees and associated contractor repair costs; however, an alternative process is currently being developed to negotiating with tenants directly in the hope of reducing the burden of legal fees.
- 11.4. Management and Landlord Services are expected to underspend by £0.4m. A £0.4m underspend is expected due to vacancies within administrative support services. A reduction in the forecast number of property sales through Right to Buy will reduce income to fund the administration cost by £0.2m. However, this has been offset by a £0.2m saving relating to IT system development, as some modules are now not being implemented until the next financial year.
- 11.5. The HRA makes contributions towards general fund activities as well as being charged for a fair proportion of the Council's overheads. These are expected to be on budget for the year.

Adult Social Care

12. Adult Social Care

- 12.1. A review of the adult social care budget required for 2024/25 has taken place in the light of the impact of extensive transformation work done by the service to reduce costs. The original budget assumptions were based on the trend rates of growth in numbers requiring statutory care seen prior to the impact of this work. As detailed below, the transformation work means that the original budgeted growth can be reduced by £6.3m. Whilst this is good news it should not detract from the fact that there is still a substantial increase of £16.7m in care package costs included in the revised budget, the majority of which relates to fee increases due to the increase in national living wage.
- 12.2. In addition to the change in budget assumptions outlined above, the review has also taken into account the one-off impacts of the 2023/24 out-turn and the revised market sustainability and discharge grants for 2024/25 together with adjusting the budgets for fee income and joint funding income from the ICB. To put the changes outlined below in context, the current net departmental budget is £173.2m, and gross package costs are £219m.

- 12.3. The service has made significant progress towards its target of reducing the number of new people each year by finding alternatives to providing formal care, despite a continued increase in the requests for support. As a result, the assumptions on net growth for 2024/25 have been reduced from 2% to 0% for older people and from 7% to 5% for the working age cohort. Together with the impact of the lower than budgeted growth in 2023/24 on 2024/25, this means that the current budget for 2024/25 can be reduced by £6.3m.
- 12.4. The underspend on package costs reported in 2023/24 means that the current budget for 2024/25 can be reduced by a further £4.5m.
- 12.5. The upward revisions to the expected income from fees, the level of joint funded income and the larger than expected discharge grant and market sustainability fund for 2024/25 means that the departmental budget can be reduced by a further £6m.
- 12.6. In total therefore this report is recommending that the adult social care budget be reduced by £16.8m from £173.2m to £156.4m.
- 12.7. The ICB are using their discharge fund to pay for the cost of community-based beds which are used to expedite the discharge of patients from hospital beds and provide a facility in which they can be assessed in terms of potential future care needs and where therapeutic provision can be applied. This provision has replaced our former intermediate care beds and as a result the associated budget can be reduced by £0.3m.
- 12.8. The year-to-date net growth in numbers requiring care align with the revised budget assumptions outlined in paragraph 12.2 above. Significant progress was seen in 2023/24 regarding reducing the cost impact of growth in need. The target reduction budgeted for in 2024/25 is more stringent. This forecast continues to assume that the target will be met but we are only 3 months into the financial year, and this will continue to be closely monitored.
- 12.9. There continues to be difficulties in recruiting full time social workers and social care practitioners. There are a number of vacancies across the care management teams and whilst agency staff are being used the overall impact of these vacancies to date leads to a forecast underspend of £0.6m.
- 12.10. In summary therefore the department is forecasting an underspend of £17.4m compared to the existing budget. Of this, £16.8m is recommended to be removed from the existing budget as outlined above, leaving a remaining forecast underspend of £0.6m. In addition to the £16.8m a further £0.3m can be taken from the budget giving a total reduction of £17.1m.

Education and Children's Services

13. Education and Children's Services

- 13.1. The services are forecasting to spend £116.3m, £1.1m more than the budget. The main areas of overspend relate to SEN home to school transport and direct payments to parents with disabled children for respite. Placement costs for children looked after are currently forecast as per the budget and there are vacancies across a number of services, some in advance of reviews, which offset to an extent the overspends mentioned above.
- 13.2. SEN home to school transport forecast expenditure is £17m, £2m more than the budget. Average passenger numbers using taxis was 891 in the first quarter and the forecast assumes further growth although it does not yet take into account the impact on unit costs of the current taxi re-procurement process which will need to be done for period 6. The numbers of pupils using buses and personal budgets remains fairly static at 574 and 205 respectively. The changes to post 16 SEN transport have been delayed with a further consultation taking place. The savings following these changes, if implemented, will have to be used in the first instance to offset the current overspends in the pre-16 cohort. There continues to be a net growth in pupils requiring SEND support mainly through EHC plans and it is this which is driving the growth in passenger numbers.
- 13.3. Direct payments to parents of disabled children for respite are forecast to increase again this year. Whilst the budget was increased for 2024/25 the cumulative impact of last year's increase and this year's forecast increase means that there is a budget shortfall of £0.6m with a forecast spend of £2.6m. A review of eligibility criteria will take place this year with a view to having a revised policy in place.
- 13.4. Looked after children and other placement costs are forecast as per the budget at £56m. There has been no net growth in the number of placements in the year to date. In 2023/24 the average new external placement cost was £78k per annum driven by a high proportion of complex/high needs children requiring residential placements. The £78k was unusually high as the average for the previous three years was only £41k. To date this year in 2024/25 the average new placement cost has been £47k, compared to £50k in the budget. Although we are only three months into the year and the situation remains potentially volatile this is encouraging as also is the low level of placement breakdown seen year to date.
- 13.5. The £2.6m overspend discussed above is offset by £1.5m due in the main to staffing vacancies across the department. Social care are carrying 32 vacant social worker posts offset by an equivalent number of agency staff. Administration vacancies remain high (25 posts out of an establishment of 117) in part in advance of the outcome of the children's centre consultation.
- 13.6. The cumulative DSG reserve deficit is £9.6m at the end of March 2024. In the last 4 years prior to 2024/25, the high needs block (HNB) allocation has increased by more than 10% each year. Demand for SEN support had already begun to outstrip the available resources long before these allocation increases began in 2020/21. Prior to

the period of increased allocations, the in-year deficit between grant allocation and expenditure was around £6m. The additional allocations helped offset future years' growth in demand and cost inflation, but the underlying deficit remained between £4.6m - £6m in each of the years 2020/21 – 2023/24. During that time the LA's DSG reserve has been run down and is now in deficit.

- 13.7. The years of significant increases to the HNB allocation ended in 2024/25 and there are no indications at this stage as to what will happen in the following years. The allocation was increased by 3.3% to £81.6m in 2024/25 and this has all been used to fund inflationary increases.
- 13.8. The number of requests for EHC plans in the academic year 2022/23 reached a record high of 990, with 756 agreed for assessment. The number of new plans agreed for statutory assessment in the academic year 2023/24 are forecast to be significantly lower at 560 which is good news. Nevertheless, such a reduction only makes the situation less financially unsustainable than would otherwise be the case, because the current funding levels are inadequate to pay for the level of expenditure on the total cohort of young people across all year groups that are now being supported. With effectively zero real terms growth in funding the in-year deficit increases significantly and is currently forecast to be £13.3m, taking the cumulative deficit at 31 March 2025 to £22.9m.
- 13.9. The service has put in place a whole range of strategies to mitigate the cost impact of the growth in demand for and complexity of SEN support as part of a deficit recovery plan. We are also part of the DfE's SEND and alternative provision change programme alongside Leicestershire and Rutland for East Midlands region.
- 13.10. The service will be meeting again with the DfE in August to discuss our current position. We are not currently in either of the DfE intervention programmes (delivering better value or safety valve). To put our position in context, the most recent comparative figures show that 100 LAs out of 152 had cumulative DSG deficits of £1.6bn at 31 March 2023. Our deficit of £6m at that date ranks us 64 places below the highest deficit of £118.8m and 35 places above the lowest deficit of £0.25m.

Public Health and Sports Services

14. Public Health

- 14.1. The Public Health Services is forecasting to spend £22.9m as per the budget.
- 14.2. The new contract for Sexual Health Service commenced from 1 April 2024 following re-tendering. The new arrangement is a city only contract as opposed to the LLR wide contract previously. The bulk of the old contract was based on activity & tariff driven whereas the new contract is now primarily based on block payments.

- 14.3. Public Health Services received £2.6m of additional government grants in 2023/24 and forecast to receive £6m in 2024/25 to allow further investment in specific services including Substance Misuse, Stop Smoking and 0-19 Children's.
- 14.4. The impact of 2023/24 NHS 5% pay settlement (Agenda for Change) in 2024/25 has been addressed and factored in the budget, affecting relevant external public health contracts.

Corporate Items & Reserves

15. Corporate Items

- 15.1. The corporate budgets cover the Council's capital financing costs, items such as audit fees, bank charges, contingencies and levies. This budget is currently forecasting an underspend of £0.3m, after adjusting the budget for the demographic pressures contingency.
- 15.2. Corporate budgets include a demographic pressures contingency of £8m. As described in section 12 above, significant work has been undertaken to control cost pressures in social care, and this report proposes reducing the contingency by £6m.
- 15.3. The budget is supported by grants from central government to reimburse the effect of centrally imposed reduction in business rates. A shortfall of £0.6m is expected on these grants, although the final position will depend on actual rates and reliefs granted throughout the year. Conversely, a £0.5m rates reimbursement has been received for rates reliefs on the vacant Greyfriars property.
- 15.4. The remaining variance is from coroners' costs, which are expected to exceed the budget by £0.4m, and bank charges, which have increased as more card payments are processed.
- 15.5. Capital financing costs are expected to be £1.0m below budget. £0.4m of this relates to interest receivable from the LLEP for economic development projects funded by prudential borrowing. The remaining underspend is largely the result of cash balances being higher than forecast at budget and interest rates remaining high, leading to increased interest receipts.
- 15.6. A refund of £6.8m has been received from HMRC after a successful challenge on the VAT treatment of sports income covering the period 1973 to 1989. Approval is requested to transfer this amount to managed reserves to support the medium-term financial strategy.

Reserves Position

- 1.1 When the 2024/25 budget was set, an estimated £53.9m was available to support the budget strategy, and the budget gap for the year was estimated at £61m, requiring the use of £7.1m of the emergency General Fund balance. In the 2023/24 outturn reported to committee in July 2024, additional one-off resources and savings identified had improved the position somewhat, and the emergency balance was no longer forecast to be required in 2024/25.
- 1.2 The budget adjustments and variances included in this report have further updated the position as shown below:

	£m	£m
Resources available 1 April 2024		80.6
Add: additional one-off transfer		6.8
Required for 2024/25 budget:		
As set (February 2024)	61.0	
Savings identified	(23.7)	
		(37.3)
Overspend as forecast in this report		(8.8)
Balance to support 2025/26 budget		41.3

- 1.3 In addition to the managed reserves strategy, funds are held in a variety of earmarked reserves (see the 2023/24 outturn report for more details). Work is ongoing to review these amounts and release further sums to support the budget strategy.

Executive Decision Capital Budget Monitoring April-June 2024/25

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 26 September 2024

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell, Head of Finance
- Author contact details: Kirsty.Cowell@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1 The purpose of this report is to provide the position of the capital programme at the end of June 2024 (Period 3).
- 1.2 This is the first capital monitoring report of the financial year. There will be two further quarterly reports and an outturn report will be presented to this committee, reporting on the capital programme.
- 1.3 As reported in the previous year's monitoring reports many capital projects have experienced delays in progress and increased costs, to an unusual extent. This has been attributable to instability in the construction industry, limited contractor capacity and continued inflationary pressures due to the uncertain economic climate. For 2024/25 where projects continue from the previous year pressures should already have been identified. In the case of any new pressures, where possible increased costs will be managed within project contingencies and revised scope of works while maintaining the desired project outcomes. When this is not possible it is reported in the monitoring report and decisions are taken as required.

2. Recommended actions/decision

- 2.1 The Executive is recommended to:
 - Note the following:
 - Total spend of £28.3m for the year.
 - The progress in delivery of major projects, as shown at Appendix A.
 - The progress on spending work programmes, as shown at Appendix B.
 - The provisions that remain unspent as shown at Appendix C.
 - Approve the transfer of the Extra Care – Two Schemes budget, £2,510k, from a project to the Extra Care Schemes policy provision. See Appendix A, Adults, Para 2.1
 - Note the prudential indicators presented in Appendix F.

The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/a

4. Background

4.1 The 2024/25 Capital programme was initially approved by Council on 21 February 2024. It has subsequently been amended (including the 2023/24 outturn).

The capital programme is split in the following way:

- (a) Schemes classified as '**immediate starts**', which require no further approval to commence; and
- (b) A number of separate '**policy provisions**' which are not released until specific proposals have been approved by the Executive.

4.2 Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time and the achievement of milestones. Consequently, financial slippage is not in itself an issue on these projects;
- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years.

4.3 A summary of the total approved 2024/25 capital programme budget and the spend at the end of the year is shown below:

	Budget £000	Spend £000
Projects	121,370	15,154
Work Programmes	88,736	12,864
Provisions	593	0
Schemes Substantially Complete	2,865	317
Total Immediate Starts	213,564	28,335
Policy Provisions	22,766	0
Total Capital Programme	236,330	28,335

4.4 A summary of the total approved 2024/25 capital programme budget and the resources that are funding them:

	£000s					
	Projects	Work Programmes	Provisions	Substantially Complete	Policy Provisions	Total
HRA - Budget	4,439	36,809	-	-	750	41,998
GF - Budget	116,931	51,927	593	2,865	22,016	194,332
Total	121,370	88,736	593	2,865	22,766	236,330
Ringfenced - HRA	650	1,580	-	-	-	2,230
Unringfenced - HRA	3,789	35,229	-	-	750	39,768
Total HRA	4,439	36,809	-	-	750	41,998
Ringfenced - GF	37,173	4,205	558	380	10	42,326
Unringfenced - GF	79,758	47,722	35	2,485	22,006	152,006
Total GF	116,931	51,927	593	2,865	22,016	194,332

4.4.1 The unringfenced funding, in the above table, includes amounts where budget commitments have been made.

4.5 The following changes have occurred to the capital programme since period 12 2023/24, these movements are included in the table at 4.3 above:

	Budget £000
Decisions since P12 2023/24	
Phoenix Square Cladding	4,150
Affordable Housing - Acquisitions	1,928
Highways Maintenance	1,014
Leicester Museum and Art Gallery	844
Early Years Provision	558
Property and Operational Estate Capital Maintenance	(1,000)
Directors Decisions	
Climate Change Retail Scheme	135
Other	80
Net Movements	7,709

4.6 The following appendices to this report show progress on each type of scheme:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions

4.7 This report only monitors policy provisions to the extent that spending approval has been given, at which point they will be classified as projects, work programmes or provisions.

4.8 Capital Receipts

4.8.1 At Period 3, the Council has realised £2.0m of General Fund capital receipts, of which £0.3m relates to receipts on the Waterside development. These receipts pay for spending on the development.

4.8.2 “Right to Buy” receipts from sales of council housing have amounted to £3.0m.

4.9 Prudential Indicators

This report also presents prudential indicators, included at Appendix F, in accordance with the CIPFA code.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Kirsty Cowell, Head of Finance, 37 2377

Dated: 31/07/2024

5.2 Legal implications

There are no direct legal implications arising from the recommendations of this report.

Signed: Kamal Adatia, Head of Law - City Barrister & Head of Standards

Dated: 31/07/2024

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

People from across all protected characteristics should benefit from the improved public good arising from the capital programme. At this time, there are no further equality implications as these will have already been identified for the proposals agreed and submitted.

There may be future projects, arising from the report and its recommendations, which would benefit from further consideration of the equalities implications and possibly a full equality impact assessment in certain circumstances. Whether an Equalities Impact Assessment is required will be dependent upon how work develops and whether the changes are likely to have a disproportionate impact on any protected group; this is usually the case where there are significant changes or a reduction in provision.

Signed: Equalities Officer, Surinder Singh, ext. 37 4148

Dated: 31/07/2024

5.4 Climate Emergency implications

Following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions for the council and the city, the council has a key role to play in

addressing carbon emissions relating to the delivery of its services. This includes through its delivery of capital projects, as projects involving buildings and infrastructure often present significant opportunities for achieving carbon savings or climate adaptations and are an area where the council has a high level of control.

Notable projects in the current programme expected to achieve climate benefits / high standards of environmental performance include Pioneer Park, Pilot House, Climate Ready Retail scheme, Aikman Avenue District Heating project, District Heating Metering.

It is important that the climate implications and opportunities of all projects and programmes are considered on a project-by-project basis, both during the development phase and when decisions are made.

Signed: Duncan Bell, Change Manager (Climate Emergency) – Ext. 37 2249.

Dated: 02/08/2024

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

6. Background information and other papers:

Capital Programme 2024/25 approved by Council on 21 February 2024.

Housing Revenue Account Budget (including Capital Programme) 2024/25 approved by Council on 21 February 2024.

Capital Outturn 2023/24 presented at Overview Select Committee on 31 July 2024.

7. Summary of appendices:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions
- Appendix F – Prudential Indicators

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

9. Is this a “key decision”? If so, why?

No.

PROJECTS

1. Summary

1.1 As stated in the cover report, the focus of monitoring projects is physical delivery, i.e. whether they are being delivered on time, on budget and to the original specification. This appendix summarises progress on projects. Project summaries provided by departments/divisions are shown in the remainder of this Appendix.

Department / Division	Remaining Budget £000	2024/25 Spend £000	Forecast Under/(over) Spend £000
Corporate Resources	688	0	0
Planning, Development & Transportation	45,938	6,820	0
Tourism, Culture & Inward Investment	33,620	3,040	0
Neighbourhood & Environmental Services	4,375	68	(142)
Estates & Building Services	14,805	2,496	0
Housing General Fund	1,024	0	0
Public Health	1,072	0	0
Adult Social Care	2,510	0	0
Children's Services	12,899	2,364	0
Housing Revenue Account	4,439	366	0
Total	121,370	15,154	(142)

1.2 A list of the individual projects is shown in the table below. This also summarises the progress of each project. Attention is drawn to expected completion dates and any project issues that have arisen.

1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing to the latest approved delivery and cost plan as expected, and whether it is still expected to complete within budget.

1.4 The ratings used are:

- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
- (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However,

some risks exist, and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a project is classed as amber if some insubstantial slippage or minor overspend is probable.

- (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
- (d) **Blue** The project is substantially complete.
- (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

2. Summary of Individual Projects

Dept/ Division	Project	Remaining Budget (£000)	2024/25 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P3
CRS	Off-site Cloud Backup	388	0	0	Sep-24	Sep-24	Green	Green
CRS	Network Wi-Fi Replacement	300	0	0	Dec-24	Feb-25	Green	Amber
CDN (PDT)	Connecting Leicester	16,037	1,928	0	Mar-24	Dec-24	Green	Green
CDN (PDT)	Waterside Strategic Regeneration Area	2,293	0	0	Mar-23	Jun-26	Green	Green
CDN (PDT)	St George's Churchyard	229	0	0	Aug-18	Dec-24	Green	Amber
CDN (PDT)	Leicester Railway Station - Levelling up	17,867	907	0	Mar-24	TBC	Amber	Amber
CDN (PDT)	Pioneer Park - Levelling Up	8,732	3,985	0	Dec-24	Sep-24	Green	Green
CDN (PDT)	St Paul's Church	400	0	0	Aug-25	Aug-25	Green	Green
CDN (PDT)	Land South of Phoenix	380	0	0	TBC	TBC	N/A	Green
CDN (TCI)	Jewry Wall Museum Improvements	5,840	1,049	0	Mar-23	Jan-25	Amber	Amber
CDN (TCI)	Leicester Market Redevelopment	8,676	343	0	Dec-21	TBC	Purple	Purple
CDN (TCI)	12-20 Cank St Link	2,683	9	0	Jan-25	TBC	Purple	Purple
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	6,025	0	0	Mar-22	Jun-26	Green	Green
CDN (TCI)	Pilot House - Levelling Up	10,181	1,639	0	Mar-24	Feb-25	Green	Green
CDN (TCI)	Climate Change Retail Scheme	80	0	0	Mar-25	Mar-25	N/A	Green
CDN (TCI)	Community Digital Grant	135	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	Library Self Access Rollout	542	18	0	Sep-24	TBC	Purple	Amber
CDN (NES)	St Margaret's Pastures Skate Park	347	0	0	Jan-23	May-25	Green	Green
CDN (NES)	Multi Use Games Areas (MUGAs)	2,962	44	0	Mar-25	Apr-26	Amber	Green
CDN (NES)	Spinney Hills Park - Levelling Up	162	6	(142)	Mar-24	Dec-24	Amber	Blue
CDN (NES)	African Caribbean Centre Maintenance	20	0	0	Jan-24	Jul-24	Green	Blue
CDN (NES)	Study Zones	94	0	0	Mar-24	Dec-24	Amber	Blue
CDN (NES)	Depot Relocation	200	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	Pest & Dogs Depot Relocations	48	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	Leisure Centre Improvements	1,072	0	0	Dec-25	Dec-25	N/A	Green
Total		85,693	9,928	(142)				

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Dept/ Division	Project	Remaining Budget (£000)	2024/25 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P3
CDN (EBS)	Estate Shops	477	23	0	Mar-22	Dec-24	Amber	Green
CDN (EBS)	Changing Places - Disabled Facilities Toilets	192	0	0	Mar-24	Aug-24	Amber	Blue
CDN (EBS)	Malcolm Arcade Refurbishment	1,311	0	0	Nov-23	TBC	Purple	Purple
CDN (EBS)	Replacement Cladding Phoenix Square	10,684	2,473	0	Dec-24	Sep-25	Green	Green
CDN (EBS)	St Nicholas Wall	446	0	0	Sep-24	Mar-25	Amber	Green
CDN (EBS)	Aikman Avenue District Heating	195	0	0	Dec-23	TBC	Purple	Purple
CDN (EBS)	Boston Road	1,500	0	0	Jul-25	Jul-25	N/A	Green
CDN (HGF)	District Heating Metering	1,024	0	0	Jun-24	Jul-24	Green	Blue
SCE (ASC)	Extra Care Schemes	2,510	0	0	Aug-20	TBC	Purple	Purple
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	7,711	1,708	0	Jan-24	Sep-25	Red	Red
SCE (ECS)	Pindar Nursery	833	0	0	Mar-23	TBC	Purple	Amber
SCE (ECS)	S106 Additional School Places	413	0	0	Sep-23	Aug-24	Green	Blue
SCE (ECS)	Children's Homes Refurbishments	406	191	0	Sep-23	Jul-24	Green	Blue
SCE (ECS)	Expansion of Children's Homes	1,192	0	0	May-23	Mar-25	Amber	Green
SCE (ECS)	Winstanley Contact Centre	263	169	0	Apr-24	Jun-24	Green	Blue
SCE (ECS)	Education System Re-tender	2,081	296	0	Mar-26	Mar-26	Green	Green
Total (excluding HRA)		115,859	14,788	(142)				
CDN (HRA)	Bridlespur Way Refurbishment	300	23	0	Mar-23	Dec-24	Amber	Green
CDN (HRA)	Dawn Centre Reconfiguration	1,461	2	0	May-23	Mar-25	Amber	Green
CDN (HRA)	St Matthews Concrete Works	1,500	0	0	Mar-24	Mar-25	Green	Amber
CDN (HRA)	District Heating Metering	1,178	341	0	Jan-24	Jun-24	Green	Blue
Total HRA		4,439	366	0				
Total (including HRA)		121,370	15,154	(142)				

Commentary on Specific Projects

3.1 Explanatory commentary for projects that are not currently progressing as planned, or for which issues have been identified, is provided in the next pages. This has been defined as any scheme that has a RAG Rating other than “green” or “blue”.

Capital Programme Project Monitoring 2024/25 Period 3

Corporate Resources

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Off-site Cloud Backup	388	0	Sep 2024	Sep 2024	G
Network Wi-Fi Replacement	300	0	Dec 2024	Feb 2025	A
Total	688	0			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple).

2.1. Network Wi-Fi Replacement – The forecast completion date for this project has changed as the team managing this were at the heart of the cyber incident and as such their resource capacity had to be diverted elsewhere.

Capital Programme Project Monitoring 2024/25 Period 3

Planning, Development & Transportation

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Connecting Leicester	16,037	0	March 2024	Dec 2024	G
Waterside Strategic Regeneration Area	2,293	0	March 2023	June 2026	G
St George's Churchyard	229	0	Aug 2018	Dec 2024	A
Leicester Station Improvements – Levelling Up	17,867	0	March 2024	TBC	A
Pioneer Park – Levelling Up	8,732	0	Dec 2024	Sep 2024	G
St Paul's Church	400	0	Aug 2025	Aug 2025	G
Land South of Phoenix	380	0	TBC	TBC	G
Total	45,938	0			

2. **Projects Commentary** (for **all** projects rated Amber, Red or Purple; and others as required).

- 2.1. **St George's Churchyard** – There is a delay to this scheme's completion date due to additional communication required with the Church.
- 2.2. **Leicester Station Improvements – Levelling Up** – An updated completion date will be provided in the Autumn, after contractor engagement has started.
- 2.3. **Land South of Phoenix** – The work to release the leasehold on Southampton Street, for land assembly in the cultural quarter, will commence shortly with the completion date to be determined.

Capital Programme Project Monitoring 2024/25 Period 3

Tourism, Culture and Inward Investment

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum Improvements	5,840	0	March 2023	Jan 2025	A
Leicester Market Redevelopment	8,676	0	Dec 2021	TBC	P
12-20 Cank St Link	2,683	0	Jan 2025	TBC	P
Leicester Museum and Art Gallery Phase 1	6,025	0	March 2022	June 2026	G
Pilot House – Levelling Up	10,181	0	March 2024	Feb 2025	G
Climate Change Retail Scheme	80	0	March 2025	March 2025	G
Community Digital Grant	135	0	March 2025	March 2025	G
Total	33,620	0			

2 Projects Commentary (for **all** projects rated Amber, Red or Purple)

2.1 Jewry Wall Museum Improvements – One of the current contractors on this scheme has recently gone into administration. Whilst work is underway to minimise the impact of this, there is a potential for this to affect project timescales and cost.

2.2 Leicester Market Redevelopment & 12-20 Cank St Link – These projects are currently on hold pending a decision on how to progress the schemes.

Capital Programme Project Monitoring 2024/25 Period 3

Neighbourhood and Environmental Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Self Access Rollout	542	0	Sep 2024	TBC	A
St Margaret's Pastures Skate Park	347	0	Jan 2023	May 2025	G
Multi Use Games Areas (MUGAs)	2,962	0	March 2025	Apr 2026	G
Spinney Hills Park - Levelling Up	162	(142)	March 2024	Dec 2024	B
African Caribbean Centre Maintenance	20	0	Jan 2024	July 2024	B
Study Zones	94	0	March 2024	Dec 2024	B
Depot Relocation	200	0	March 2025	March 2025	G
Pest & Dogs Depot Relocations	48	0	March 2025	March 2025	G
Leisure Centre Improvements	1,072	0	Dec 2025	Dec 2025	G
Total	5,447	(142)			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Library Self Access Rollout – A forecast completion date on this project will be provided once the Community Services and Library Needs Assessment is complete.

Capital Programme Project Monitoring 2024/25 Period 3

Estates and Building Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	477	0	March 2022	Dec 2024	G
Changing Places - Disabled Facilities Toilets	192	0	March 2024	Aug 2024	B
Malcolm Arcade Refurbishment	1,311	0	Nov 2023	TBC	P
Replacement Cladding Phoenix Square	10,684	0	Dec 2024	Sep 2025	G
St Nicholas Wall	446	0	Sep 2024	March 2025	G
Aikman Avenue District Heating	195	0	Dec 2023	TBC	P
Boston Road	1,500	0	July 25	July 25	G
Total	14,805	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Malcolm Arcade Refurbishment – This project is currently being reviewed to determine the best use of available resources.

2.2 Aikman Avenue District Heating – There are complexities around this scheme due to resolving an ongoing contractual dispute with the district heating provider. The design and programme of works are to be agreed with the contractor, after which a forecast completion date will be known.

Capital Programme Project Monitoring 2024/25 Period 3

Housing (GF)

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
District Heating Metering	1,024	0	June 2024	Jul 2024	B
Total	1,024	0			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple).

Capital Programme Project Monitoring 2024/25 Period 3

Adults

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Extra Care – Two Schemes	2,510	0	Aug 2020	TBC	P
Total	2,510	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Extra Care – Two Schemes – As previously reported, this project is currently paused at the procurement stage whilst seeking advice on the council's ability to proceed to the next stage. A decision is sought to return funding back to policy provision within this report. Options are being explored, and a recommendation will come forward in due course.

Capital Programme Project Monitoring 2024/25 Period 3

Children's Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	7,711	0	Jan 2024	Sep 2025	R
Pindar Nursery	833	0	March 2023	TBC	A
S106 Additional School Places	413	0	Sep 2023	Aug 2024	B
Children's Homes Refurbishments	406	0	Sep 2023	July 2024	B
Expansion of Children's Homes	1,192	0	May 2023	March 2025	G
Winstanley Contact Centre	263	0	April 2024	June 2024	B
Education System Re-tender	2,081	0	March 2026	March 2026	G
Total	12,899	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Additional SEND Places – The approved scheme includes works at Ellesmere, Leicester Partnership School and the Armadale Centre (Nether Hall School). The result of feasibility studies has meant that changes to the original schemes are required. The revised schemes will require additional funding compared to the original estimates and this funding is available from the uncommitted element of the ring-fenced High Needs Capital grant allocations. The scope of the schemes will be adjusted to ensure that costs align to the available funding and approval will be sought when all the details and options are known.

2.2 Pindar Nursery – Work on this has been delayed in advance of the outcome of the children’s centre review.

Capital Programme Project Monitoring 2024/25 Period 3

Housing (HRA)

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Bridlespur Way Refurbishment	300	0	March 2023	Dec 2024	G
Dawn Centre Reconfiguration	1,461	0	May 2023	March 2025	G
St Matthews Concrete Works	1,500	0	March 2024	March 2025	A
District Heating Metering	1,178	0	Jan 2024	June 2024	B
Total	4,439	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 St Matthews Concrete works –The current project consists of 2 blocks, upon which surveys are currently underway. The specification of works will require more detailed work than was anticipated, including destructive surveys, extending the completion date to March 2025.

WORK PROGRAMMES**1. Summary**

- 1.1 As stated in the cover report, work programmes are minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion.

Department / Division	Approved to spend in 24/25 £000	2024/25 Spend £000	Slippage £000	Over/(under) Spend £000
City Development & Neighbourhoods	2,420	35	0	0
Planning, Development & Transportation	12,522	956	2,130	0
Tourism, Culture & Inward Investment	968	66	0	0
Neighbourhood & Environmental Services	790	41	0	0
Estates & Building Services	6,695	408	340	0
Housing General Fund	13,295	795	121	0
Children's Services	15,237	331	3,278	0
Total (excluding HRA)	51,927	2,632	5,869	0
Housing Revenue Account	36,809	10,232	297	150
Total (including HRA)	88,736	12,864	6,166	150

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2024/25 Spend £000	Slippage £000	Over/(under) Spend £000
Feasibility Studies	CDN	2,420	35	0	0
Transport Improvement Works	CDN (PDT)	4,638	397	0	0
Bus Engine Retrofitting	CDN (PDT)	376	0	0	0
Air Quality Action Plan	CDN (PDT)	33	33	0	0
Highways Maintenance	CDN (PDT)	5,045	215	0	0
Flood Strategy	CDN (PDT)	300	49	0	0
Festive Decorations	CDN (PDT)	50	0	0	0
Local Environmental Works	CDN (PDT)	400	97	0	0
Legible Leicester	CDN (PDT)	31	0	0	0
Potential Strategic Development Sites Assessment	CDN (PDT)	568	153	0	0
Architectural & Feature Lighting (Grant)	CDN (PDT)	196	0	130	0
Front Wall Enveloping	CDN (PDT)	394	0	0	0
Transforming Cities Work Programmes	CDN (PDT)	339	0	0	0
Conservation Building Grants	CDN (PDT)	107	12	0	0
Street Nameplates City Branding Programme	CDN (PDT)	45	0	0	0
Heritage Interpretation Panels	CDN (TCI)	221	0	0	0
Local Shopping Centres Reopening & Improvement Programme Grants	CDN (TCI)	747	66	0	0
Parks Plant and Equipment	CDN (NES)	368	38	0	0
Parks and Open Spaces	CDN (NES)	188	0	0	0
Franklyn Fields Public Open Space	CDN (NES)	234	3	0	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	6,411	408	340	0
Green Homes	CDN (EBS)	142	0	0	0
Depots Refurbishment	CDN (EBS)	142	0	0	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,061	235	0	0
Repayable Home Repair Loans	CDN (HGF)	121	0	121	0
Vehicle Fleet Replacement Programme	CDN (HGF)	10,271	544	0	0
Housing Acquisitions - SAP	CDN (HGF)	842	16	0	0
School Capital Maintenance	SCE (ECS)	14,944	331	3,278	0
Foster Care Capital Contribution Scheme	SCE (ECS)	293	0	0	0
Total (excluding HRA)		51,927	2,632	3,869	0
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,800	175	0	0
Council Housing - Boiler Replacements	CDN (HRA)	2,500	399	0	0
Council Housing - Rewiring	CDN (HRA)	1,610	0	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,200	201	0	0
Council Housing - Insulation Works	CDN (HRA)	50	3	0	150
Council Housing - External Property Works	CDN (HRA)	1,008	177	0	0
Council Housing - Fire and Safety Works	CDN (HRA)	822	42	0	0
Community & Environmental Works	CDN (HRA)	1,689	88	297	0
Affordable Housing - Acquisitions	CDN (HRA)	22,667	8,258	0	0
Affordable Housing - RPs & Others	CDN (HRA)	0	0	0	0
Public Realm Works	CDN (HRA)	1,338	196	0	0
Feasibility Study for Sheltered Housing	CDN (HRA)	112	0	0	0
New House Build Council Housing	CDN (HRA)	1,013	693	0	0
Total HRA		36,809	10,232	297	150
Total (including HRA)		88,736	12,864	4,166	150

3. Commentary on Specific Work Programmes

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast.
- 3.2 **Architectural & Feature Lighting** – There is slippage on this scheme due to low uptake of the grant in previous financial years due to the economic climate. However, there are several projects in the pipeline for delivery and work is continuing with third parties to progress these.
- 3.3 **Property and Operational Estate Capital Maintenance** – There is slippage on this scheme due to internal resourcing delays in relation to the Haymarket Shopping Centre façade. The aim is to be in contract before the end of the calendar year with works being complete in Q1 of the 2025/2026 financial year.
- 3.4 **Repayable Home Repair Loans** – As previously reported, resources have been focused on the delivery of Disabled Facilities Grants resulting in the scheme slipping into the next financial year.
- 3.5 **School Capital Maintenance** – The forecasted slippage is due to unforeseen additional works required at two schools. Re-piping works is required which is not able to be complete over the summer holidays. Also, there are contingencies that were not used that have been carried forward to this financial year.
- 3.6 **Council Housing – Insulation Works** – There is currently a £150k overspend forecast due to increased demand for top ups of loft insulation. Revenue underspends have been identified to finance this work.
- 3.7 **Council Housing Communal and Environmental Works (including District Heating)** – The technical team that support the delivery of the district heating capital improvements had previously been redirected to support the installation of heat meters. Work has now resumed on district heating metering but due to the resourcing delay, slippage of £297k is forecasted into 2025/26.

PROVISIONS**1. Summary**

- 1.1 As stated in the cover report, provisions are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem.
- 1.2 Normally provisions are there if needed. The sums below are for the 2024/25 financial year.

Provision	Dept/ Division	Approved £000	2024/25 Spend £000	Remaining Budget £000
Early Years - Two Year Olds	SCE (ECS)	593	0	593
Total		593	0	593

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

1.1 As at P3 in the 2024/25 financial year, the following schemes were nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

Project	Dept/ Division	Approved £000	2024/25 Spend £000	Over/(Under) Spend £000
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	14	2	0
High Streets Heritage Action Zones	CDN (PDT)	108	108	0
Land South of Midland Street	CDN (PDT)	21	0	0
Electric Bus Investment	CDN (PDT)	8	0	0
Pioneer Park Commercial Workspace (formerly Dock 2)	CDN (TCI)	44	32	0
Gresham Business Workspace	CDN (TCI)	9	0	0
De Montfort Hall	CDN (TCI)	444	104	0
Ugandan Asians – 50 Year Anniversary Commemoration	CDN (TCI)	154	0	0
Abbey Park Precinct Wall	CDN (NES)	12	14	2
Haymarket House, Car Parks & Lifts	CDN (EBS)	107	3	0
Haymarket Bus Station - Toilet Expansion and Refurbishments	CDN (EBS)	48	0	0
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	(88)
Aylestone Leisure Centre PV Panels	CDN (EBS)	284	0	(284)
Haymarket Theatre - Internal Completion Works	CDN (EBS)	106	7	0
Phoenix Arts Car Park	CDN (EBS)	46	1	0
Heathers Industrial Estate	CDN (EBS)	16	0	0
Additional Primary School Places	SCE (ECS)	58	23	0
Expansion of Oaklands Special School	SCE (ECS)	879	23	0
Overdale Infant and Juniors School Expansion	SCE (ECS)	382	0	0
Tiny Forests in Leicester Schools	SCE (ECS)	3	0	0
Family Hubs	SCE (ECS)	3	0	0
Leisure Centre Air Handling Units	PH	31	0	0
Total		2,865	317	(370)

POLICY PROVISIONS**1. Summary**

1.1. As at P3 in the 2024/25 financial year, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CRS	New Ways of Working	1,887
CDN (PDT)	Strategic Acquisitions	2,192
CDN (TCII)	Tourism & Culture	10
CDN (TCII)	Highways, Transport & Infrastructure	200
CDN (NES)	Library Investment	1,000
CDN (EBS)	Growing Spaces	301
CDN (Various)	Match Funding	3,000
CDN (Various)	People & Neighbourhoods	392
SCE (ECS)	New School Places	4,673
SCE (ASC)	Extra Care Schemes	3,426
Other	Black Lives Matter	435
All	Programme Contingency	4,500
Total (excluding HRA)		22,016
CDN (HRA)	Other HRA Schemes	750
Total HRA		750
Total (including HRA)		22,766

1.2. Releases from policy provisions since the 2023/24 P12 report (reflected in the tables above) are listed below:

- £380k Strategic Acquisitions release to Land South of Phoenix
- £1,500k Corporate Estate release to Boston Road
- £3,621k Leicester Museum and Art Gallery release to Leicester Museum and Art Gallery

Prudential Indicators

Summary

Under the requirements of the Prudential Code for Capital Finance in Local Authorities, the full Council sets prudential indicators for the authority at the beginning of each year as part of the Treasury Management Strategy and Capital Strategy. This appendix reports on compliance during the year.

1. Debt and the Authorised Limit and Operational Boundary

The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2024/25 Authorised Limit £m**	2024/25 Operational Boundary £m**	Debt at 30/06/24 £m	Complied?
Borrowing	320	250	174	yes
PFI and Finance Leases	175	145	86*	yes
Total debt	495	395	260	

* provisional subject to 2023/24 accounts audit

2. Maturity Structure of Borrowing

This indicator is set to control the Authority’s exposure to refinancing risk (i.e. not having to repay too much and then borrow again at the same time). The upper and lower limits on the maturity of all borrowing were:

	Upper Limit £m	Lower Limit £m	30/06/24 Actual £m	Complied?
Under 12 months	50	nil	20	yes
12 months and within 24 months	80	nil	nil	yes
24 months and within 5 years	140	nil	nil	yes
5 years and within 10 years	140	nil	nil	yes

2. Short-term Treasury Management Investments

The Council has an overall limit for investments. We invest mainly in money markets and with other Local Authorities for short-term investments as we are able to call the money back for any immediate spending needs. We complied with the limit.

4. Long-term Treasury Management Investments

The Council has a limit of £50m for long-term investments. The total sum of such investments held by the Council as of 30 June 2024 was £5.5m* which we hold in property funds, the limit was therefore complied with. It should be noted that £1.046m was returned to the City Council in June 2024 from the first instalment of the closure of the Lothbury fund. There have been a further two monthly instalments, received in July and August, bringing the total repayments to £1.409m

*after the first instalment from the Lothbury fund

5. Gross Debt and the Capital Finance Requirement (CFR)

The underlying need to borrow for capital purposes is called the Capital Financing Requirement (CFR).

Statutory guidance is that debt should remain below the capital finance requirement, except in the short term. The authority has complied and expects to continue to comply with this requirement.

6. Liability Benchmark

The Liability Benchmark forecasts the underlying need to borrow for capital purposes over the next 50 years, to make sure it remains within the CFR. Our forecasts suggest we will comply with this requirement.

**Overview Select Committee
Work Programme 2024 – 2025**

Meeting Date	Item	Recommendations / Actions	Progress
31 July 2024	<ol style="list-style-type: none"> 1. Overview of OSC Portfolio 2. Revenue Outturn 2023/24 3. Capital Outturn 2023/24 4. Income Collection April 2023 – March 2024 5. Review of Treasury Management Activities 2023/24 6. Corporate Equality Strategy 7. Scrutiny Annual Report 2023/24 		
26 September 2024	<ol style="list-style-type: none"> 1. Revenue Monitoring Period 3 2. Capital Monitoring Period 3 		
12 December 2024	<ol style="list-style-type: none"> 1. Annual Corporate Estate Report 2024/25 2. Revenue Monitoring Period 6 3. Capital Monitoring Period 6 4. Income Collection Report – Half-Yearly 5. Treasury Report – Half Yearly 		

Meeting Date	Item	Recommendations / Actions	Progress
30 January 2025	1. General Revenue Budget 2. Capital Programme 3. HRA Budget Setting Report 25/26 4. Treasury Management 5. Investment Strategy 6. Treasury Policy		
27 March 2025	1. Revenue Monitoring Period 9 2. Capital Monitoring Period 9		
1 May 2025			

Forward Plan Items (suggested)

Topic	Detail	Proposed Date
Customer Services Update		

Update on Workforce Representation Informal Scrutiny Work		
Environmental Impact of Construction Projects	As requested previously during the 2023/24 municipal year	TBC
City Mayor's Strategic Priorities		TBC
Ongoing response to the cost-of-living crisis	Last taken to OSC on 9 November 2023	TBC

