



Leicester
City Council

MEETING OF THE OVERVIEW SELECT COMMITTEE

DATE: WEDNESDAY, 3 DECEMBER 2025
TIME: 5:30 pm
PLACE: Meeting Rooms G.01 and G.02, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Joel (Chair)

Councillors Batool, Dave, Kitterick, March, O'Neill, Osman, Pickering, Porter, Rae Bhatia, Waddington and Zaman

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

For Monitoring Officer

Officer contacts:

Julie Bryant (Governance Services) and Ed Brown (Governance Services),
E-mail: governance@leicester.gov.uk
Leicester City Council, 115 Charles Street, Leicester, LE1 1FZ

Information for members of the public

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- ✓ to ensure that the sound on any device is fully muted and intrusive lighting avoided;
- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

Further information

If you have any queries about any of the above or the business to be discussed, please contact: **Julie Bryant and Ed Brown, Governance Services** on Julie.bryant@leicester.gov.uk or Edmund.brown@leicester.gov.uk. Alternatively, email governance@leicester.gov.uk, or call in at City Hall.

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PUBLIC SESSION

AGENDA

NOTE:

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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 24 September 2025 and the special meeting of the Overview Select Committee held on 10 November 2025 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. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

To note progress on actions agreed at the previous meeting and not reported elsewhere on the agenda (if any).

6. QUESTIONS, REPRESENTATION 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.

7. PETITIONS

The Monitoring Officer to report on any petitions received.

8. 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.

9. 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.

10. LGSCO REPORT OF MALADMINISTRATION CAUSING INJUSTICE (HOUSING) - MS X [**Appendix C**](#)

Report of the Director of Housing.

11. MID-YEAR REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2025/26 [**Appendix D**](#)

The Director of Finance submits a report reviewing how the Council conducted its borrowing and investments during the first six months of 2025/26.

12. INCOME COLLECTION APRIL - SEPTEMBER 2025 [**Appendix E**](#)

The Director of Finance submits a report detailing progress made in collecting debts raised by the Council during the first six months of 2025-26, together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that have not been possible to collect at reasonable effort and expense.

13. EXECUTIVE DECISION CAPITAL BUDGET MONITORING APRIL-SEPTEMBER 2025/26 [**Appendix F**](#)

The Director of Finance submits a report to present the position of the capital programme for 2025/26 as at the end of September 2025.

**14. EXECUTIVE DECISION- REVENUE BUDGET
MONITORING APRIL- SEPTEMBER 2025/26**

Appendix G

The Director of Finance submits a report updating the forecasts presented to the committee in September 2025.

15. PRIVATE SESSION

MEMBERS OF THE PUBLIC TO NOTE Under the law, the Committee is entitled to consider certain items in private where in the circumstances the public interest in maintaining the matter exempt from publication outweighs the public interest in disclosing the information. Members of the public will be asked to leave the meeting when such items are discussed.

The Committee is recommended to consider the following reports in private on the grounds that they contain 'exempt' information as defined by the Local Government (Access to Information) Act 1985, as amended, and consequently that the Sub-Committee makes the following resolution:- "that the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information."

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the Council).

Paragraph 5

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

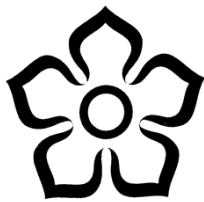
16. CONTRACT DISPUTE SETTLEMENT

**17. OVERVIEW SELECT COMMITTEE WORK
PROGRAMME**

Appendix H

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.

18. ANY OTHER URGENT BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 24 SEPTEMBER 2025 at 5:30 pm

P R E S E N T:

Councillor Joel - Chair

Councillor Batool
Councillor Kitterick
Councillor O'Neill
Councillor Porter
Councillor Waddington

Councillor Dave
Councillor March
Councillor Osman
Councillor Rae Bhatia
Councillor Zaman

In Attendance

City Mayor – Sir Peter Soulsby
Assistant City Mayor Councillor Sood (Online)

Youth Council Representative - Shanade Marsden

* * * * *

149. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed those present.

Apologies were received from Councillor Pickering. She would join online.

150. DECLARATIONS OF INTEREST

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

Councillor March declared a tangential interest with regard to Council Tax.

151. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the meeting of the Overview Select Committee held on 9th July 2025 be confirmed as a correct record.

152. CHAIR'S ANNOUNCEMENTS

The Chair noted that the Committee was tasked with challenging officers and Councillors, and asked that they do so with respect.

The Chair noted that papers could be taken as read, and as such officers did not need to go through reports page-by-page.

153. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

It was noted that members had been updated via email.

It was noted that issues on transport affordability had not yet been taken to Economic Development, Transport and Climate Emergency scrutiny.

154. QUESTIONS, REPRESENTATION 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.

155. PETITIONS

The Monitoring Officer reported that no petitions had been received.

156. 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.

With regard to the Oakland Avenue petition, it was noted that a meeting had been held with the City Transport Director and was almost resolved. The status of this petition could be changed to amber.

With regard to the Peebles Way petition, this was still pending, however, the Assistant City Mayor for Environment and Transport had been briefed and a *pro forma* was imminent.

AGREED:

That the status of the outstanding petitions be noted.

157. QUESTIONS FOR THE CITY MAYOR

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

The Chair invited members to raise questions for The City Mayor.

- The attending Young People's Council Representative asked for an update on the market-place. The City Mayor responded that there were ongoing archaeological finds at the site, and works should continue, for completion the following year.
- In response to a question from the Young People's Council Representative on opportunities for young people to trade, the City Mayor indicated that this could be possible with flexible pop-up stall options.
- In response to member questions regarding the X Ltd mitigation case, the City Mayor advised:
 - Legal advice currently limited the sharing of details for 10 days.
 - This was a unique case which had seen significant input from external auditors.
 - The Director of Finance explained this was not something the Council regularly saw and was an operational matter. It was customary for the Council to handle legal claims and the Council was clear that the settlement was in the best interest of the taxpayer. Full details of why the decision was confidential has been published and was allowable within the constitution that is based on law. The decision would be brought to a private session of scrutiny in the future.

AGREED

- 1) That the City Mayor would discuss with the City Barrister the possibility of expediting the sharing of details regarding the X Ltd mitigation case.
- 2) That the responses to the questions raised be noted

158. SCRUTINY REVIEW - A REVIEW OF THE CHANGES TO THE COUNCIL TAX SUPPORT SCHEME

The Chair submitted a report, which was taken as read, examining changes to the Council Tax Support Scheme. Members were invited to comment on the recommendations put forward in the report. In response the following was noted:

- The Equality Impact Assessment was considered as part of the original

decision.

- Communications encouraged those requiring support to make early contact.
- The website was adaptable to different languages.
- Support applications could be accepted through councillors, and more information on support mechanisms could be presented to the commission.
- Forecasting for the year indicated a reduction in savings.
- Households where couples both receive Personal Independence Payment (PIP) are automatically awarded this through the discretionary scheme.
- Consultations on policy changes were conducted based on the extent and significance of the amendments, in line with guidance from the City Barrister.
- A full year of data would allow analysis of debt accumulation.

AGREED

- 1) That the report and comments be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That the commission accept the report recommendations.
- 4) That the report be presented to the Executive and the response from the Executive be brought back to the Commission

Cllr Porter left during the consideration of this item.

159. SCRUTINY REVIEW - A REVIEW OF SUPPORT FOR ADVENTURE PLAYGROUNDS

The Chair submitted a report, which was taken as read, examining support for Adventure Playgrounds. Members were invited to comment on the recommendations put forward in the report. In response the following was noted:

- The report would be presented to the executive, and the response would be communicated to the commission.
- Members requested that outcomes were expedited for prompt support to the playgrounds.
- Benchmarking information, particularly relating to Manchester, indicated the potential for positive outcomes.
- Members requested more information on the equality impact assessment.

- The underspend reflected initial steps toward addressing the financial deficit, but did not represent available surplus funds.
- Members drew attention to the recommendation that the Council provide longer leases, to help play associations be eligible for certain types of funding. It was noted that the property team were investigating possibilities.
- Members requested that an equality impact assessment on the eventuality of the closure of Adventure Playgrounds be produced by the year end.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That the commission accept the report recommendations.
- 4) That the report be presented to the Executive and the response from the Executive be brought back to the Commission.

160. UPDATE ON ASSET SALES

The Strategic Director of City Development and Neighbourhood Services gave a slide presentation, as attached with the agenda, updating the Committee on asset sales.

In repose to member questions and comments, it was noted that:

- Public interest was measured through interactions with the building asset and likely impact to services being delivered from these sites.
- Corporate assets providing a return below a 4% yield could be considered for sale as borrowing costs are higher.
- Sustained growth and future prosperity were central to deliberations.
- A range of companies were engaged for evaluations together with in house experts.
- Disposal figures would be circulated to members.
- Special purchases were exclusive transactions, where they were the only person able, for example if selling a freehold to the current lessor.
- The Council would consider selling if the value was agreed commercially.
- The board would give consideration on potential for community interest, prior to disposal.
- Before a decision rigorous assessment of the asset was completed in

terms of value, public interest, community and strategic development value,

- Capitalisation had not been required due to a positive financial performance. A budget gap remained, and asset sales may still be necessary.
- Targets included mixed criteria.

AGREED

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) To circulate the percentage of total assets that could be disposed of.

Councillor Osman left as the item concluded.

161. ENVIRONMENTAL IMPACT OF CONSTRUCTION

The Director of Estates and Building Services gave a presentation outlining the environmental impacts of construction projects and the standards achieved by recent council projects.

In addition to the information on the slides as attached with the agenda, other key points to note were as follows:

- The solar panels at St Margaet's Bus Station were expected to generate more electricity than the building needed. It was also a good example of making use of an existing building to cut down on emissions.
- Dock 3-5 were built to high environmental specifications. They were well insulated, had Photovoltaic (PV) panels on the roof, had heat pumps and were also expected to generate more electricity than they used. This was measured through the Energy Performance Certificate.
- Having 'Green Features' could help in the marketing of units. For example, one company moving into Dock had chosen it partly due to having criteria for their accommodation to meet high environmental specifications.
- New Council housing had high environmental specifications, including air source heat pumps, and additional benefits, including cheaper bills for tenants, were emphasised.
- In terms of the carbon impact of construction materials, buildings were re-used where possible. Canopy was an example of this, prior to the upgrade, the Energy Performance Rating had been D, following the upgrade it was now expected to reach B, which was close to that of a new-build.
- Stocking Farm had incorporated all energy efficiency and low carbon

measures. Calculations were being trialled on how to keep carbon emissions low.

- Existing buildings were being retrofitted, including with solar panels.

The Chair invited the committee to raise questions and comments. Key points to note were as follows:

- There was a system in place for monitoring operational buildings. Figures were gathered each year, and a carbon footprint was calculated. Buildings were looked at in terms of how well they were performing or otherwise, and detail was looked at with regards to how new buildings were performing against what was expected of them. In these cases, minor adjustments were often needed following the initial build, such as with heating, and this could optimise efficiency.
- Buildings were not checked at set dates, checks were ongoing through the annual process of collecting figures. If the building was found not to be performing as expected, then a review would be undertaken at that point to consider how the building could be further improved or the systems optimised. An example of this were tweaks made on the way systems worked in Dock. A company had been consulted that fitted the systems and had provided extra training, ensuring staff in buildings knew how to operate systems.
- Ratings were always being looked to be increased, for example in the Sports Estate, the 'Clean and Green' initiative had been launched with a view to upgrade. Additionally, more energy efficiency was sought for key buildings such as City Hall, and schools were being worked on too.
- More was being done in terms of trying to reduce the 'embodied carbon' of construction materials, however, as with other local authorities and the wider construction sector, this had been slower to take off than reducing the 'operational' emissions. The focus had been primarily on the operation of buildings; therefore, more was now being done to try and reduce the carbon footprint of the materials. Stocking Farm was an example due to the way that calculations had been done on the embodied carbon from materials, however, there were limitations in terms of low-carbon products available, for example, low-carbon concrete was available, but in limited quantities.
- Timber frame could be a good solution and had been used for structures such as the Food Hall at Leicester Market, however, it was not always a preferred material due to technical issues.
- The Planning system has a role in ensuring that all developments meet certain standards for energy efficiency and reduction of carbon emissions. Currently the Local Planning Authority applied the Core Strategy Policy CS02 on Climate Change when assessing Planning Applications, however, the Council's exemplar standard also went above current policy and legal requirements. For Planning Applications for

major development an energy statement was needed, setting out how the proposed development will save energy and cut carbon emissions. Building regulations were now more stringent and would become more stringent still in the Future Homes Standard and Future Buildings Standard.

- In terms of controlling environmental damage from construction, on site there were environmental protection rules in place such as the prevention of dust escaping and ensuring that no liquid pollution entered rivers.
- In terms of changes in technology and futureproofing, solar panels were now permitted in development unless there were specific circumstances. More use of heat pumps was being considered, and as such it was ensured that radiators and pipework were installed in such a way that gas boilers could be swapped out for heat pumps in the future, without having to replace all the radiators and pipework. Changes in technology were difficult to predict.
- Issues surrounding district heating would be looked into.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.

162. REVENUE BUDGET MONITORING APRIL-JUNE 2025/26

The Director of Finance submitted a report providing an early forecast for the 2025/26 financial year.

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

The Chair invited the commission to raise questions and comments. Key points to note were as follows:

- The report considered the budget that had been approved and what had happened since. Savings had been approved as part of the last monitoring report, and this was reflected in the current budgets.
- The Corporate budget considered factors with limited control, such as housing benefits and discretionary Council Tax support and audit fees and bank charges. Corporate Services referred to services such as Human Resources and IT.
- Homelessness was still a key pressure. Adult Social Care was also a pressure with regard to package costs. There were also pressures in children's residential care and internal care. Additionally, the pay award was slightly more than had been budgeted for in February.

- The summary report was at high-level as too much detail could lose context. Therefore each narrative area had a summary report with key figures, for example in Adult Social Care, much of the key figures were to do with staff vacancies.
- There was a need to pay attention to any areas forecast for overspend.
- With regard to achieving the savings target, directors were met with regularly and there was confidence that it would be achieved. Some decisions would required formal decisions.
- Savings were noted in the reports, where Directors had actioned.
- It was suggested that a report could go to the Economic Development, Transport and Climate Emergency scrutiny commission on falls in Planning and Building Control income in terms of whether it signals a decline in construction in the City or whether it is within the margin of error.
- A report could come to the Committee on the use and take-up of the Household Support Fund.
- With regard to revised fees for cremation services, it was confirmed that the Council expected to raise £300k form cremation services. Points were raised surrounding numbers declining at City crematoria and people using crematoria outside the city. It was suggested that crematoria needed to be profitable and as such facilities needed to be improved.
- It was clarified that the Action Plan following the CQC report had been intended to go to an Adult Social Care scrutiny commission that had been postponed. A formal plan would come before scrutiny in November.
- With regard to staffing and vacancies in Adult Social Care in terms of Social Workers and Occupational Therapists it was explained that:
 - Sine April, 13 qualified social workers and an occupational therapist had been added to the establishment, which had been funded through vacancy level turnover. This insured that staff were in place and the budget was optimised.
 - There were a total of 208 Social Workers in the current establishment with 31 vacancies.
 - 17 Newly Qualified Social Workers had started.
 - The current vacancy rate was 7%, which was low compared to national figures.
 - 15 overseas experienced social workers had been recruited since last November, from South Africa and Zimbabwe, working to Level 3 Social Worker qualifications.
 - There were 14.5 Occupational Therapists with two vacancies, although one was awaiting starting. Some triage and assessment had been outsourced. In June 2024 the waiting list was 1160, this had reduced to 288.
 - £790k was spent on agency workers, workers now had have three year post qualifying experience in a local authority to be an agency worker and there were regional pay caps, which had been

implemented by government agencies.

- Information could be provided on how many staff were capitalised, however, it was noted that the capitalisation of staff was not a new concept.
- OSC requested Councillors were kept informed of modification to public toilet opening times in their wards.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That a report go to EDTCE Scrutiny on Planning and Building Control income.
- 4) That a report come to OSC on the Household Support Fund

163. CAPITAL BUDGET MONITORING APRIL-JUNE 2025/26

The Director of Finance submitted a report presenting the position of the capital programme for 2025/26 as at the end of June 2025.

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.

- A timeline could be provided on improvements to the Railway Station. It was clarified that the project was not funded with Council Money and any additional costs would not be picked up by the Council. There was no change in terms of the planning application.

AGREED

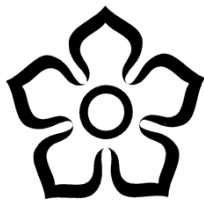
- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.

164. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

The work programme for the Committee was noted.

165. ANY OTHER URGENT BUSINESS

There being no other items of urgent business, the meeting closed at 8:44pm.



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: MONDAY, 10 NOVEMBER 2025 at 5:30 pm

P R E S E N T:

Councillor Joel - Chair

Councillor Batool
Councillor Kitterick
Councillor O'Neill
Councillor Waddington

Councillor Dave
Councillor March
Councillor Rae Bhatia
Councillor Zaman

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166. WELCOME AND APOLOGIES FOR ABSENCE

There were no apologies for absence.

167. DECLARATIONS OF INTEREST

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

Nothing was declared.

168. LOCAL GOVERNMENT REORGANISATION FOR LEICESTER, LEICESTERSHIRE AND RUTLAND

A report was submitted on the progress of the Council's Local Government Reorganisation (LGR) submission, for consideration of the OSC Commission. Noting this was an evolving process, a presentation was given by the City Mayor, as attached.

Feedback from the meeting would be considered when shaping the final proposed submission, due to be reported to Full Council for a decision on Wednesday 20th November. The final submission being required to be made to Government by 28th November 2025.

Key points raised in addition to the presentation were as follows:

- Questions regarding the £46m annual savings figure for the council's preferred proposal and how this is derived from

efficiencies. The removal of a layer of government was noted alongside efficiencies achieved through organisational and service redesign.

- Concerns were expressed over the level of public opposition to city expansion and the challenge of bringing people on board with the new proposed councils. It was noted this was a common issue with reorganisation which will need to be addressed through the transition process.
- Questions were asked regarding the base proposal and how the districts were chosen. The Government's required legal process was explained. The base proposal was described as the best fit to build the preferred proposal on but had significant drawbacks.
- It was noted that a significant proportion of land suitable for housing delivery was currently beyond the city boundaries.
- Travel patterns were discussed, noting that whilst people move in and out of the city the dominant movement was to city facilities. It was noted that people recognised the different issues facing urban and rural areas and travel patterns within them.
- Clarity was requested on the City Mayor role under the proposals. It was noted that Government rules require a return to a cabinet and leader model as part of local government reorganisation.
- It was noted that the delineation of the current city boundaries was irregular and that the preferred option would provide a more coherent arrangement.
- Questions were raised about the role and establishment of a strategic authority. It was noted that LGR and devolution are separate processes and that the council will have the opportunity to influence devolution when proposals are sought by Government at a future stage. There has been general agreement across all councils that a Mayoral Strategic Authority is the preferred devolution model on the LLR footprint.
- Commission members noted that central government had established the pathway for LGR.
- It was noted that extending the boundary would create a new authority.
- The timetable for LGR was noted and that the final submission will be circulated for consideration at Full Council on 20th November.

AGREED:

- That progress on the council's proposal be noted.
- That member comments be noted.
- For the Commission to note that a report with the draft proposals would be circulated for consideration at Full Council on 20th November.
- For the Commission to note that the final proposal would be submitted to Government by the deadline of 28th November.

Cllr Dave arrived during the consideration of this item.

Local Government Reorganisation

Special OSC

10th November 2025

Invitation to all LLR councils to submit proposals for the whole area

Proposals should have regard to criteria including

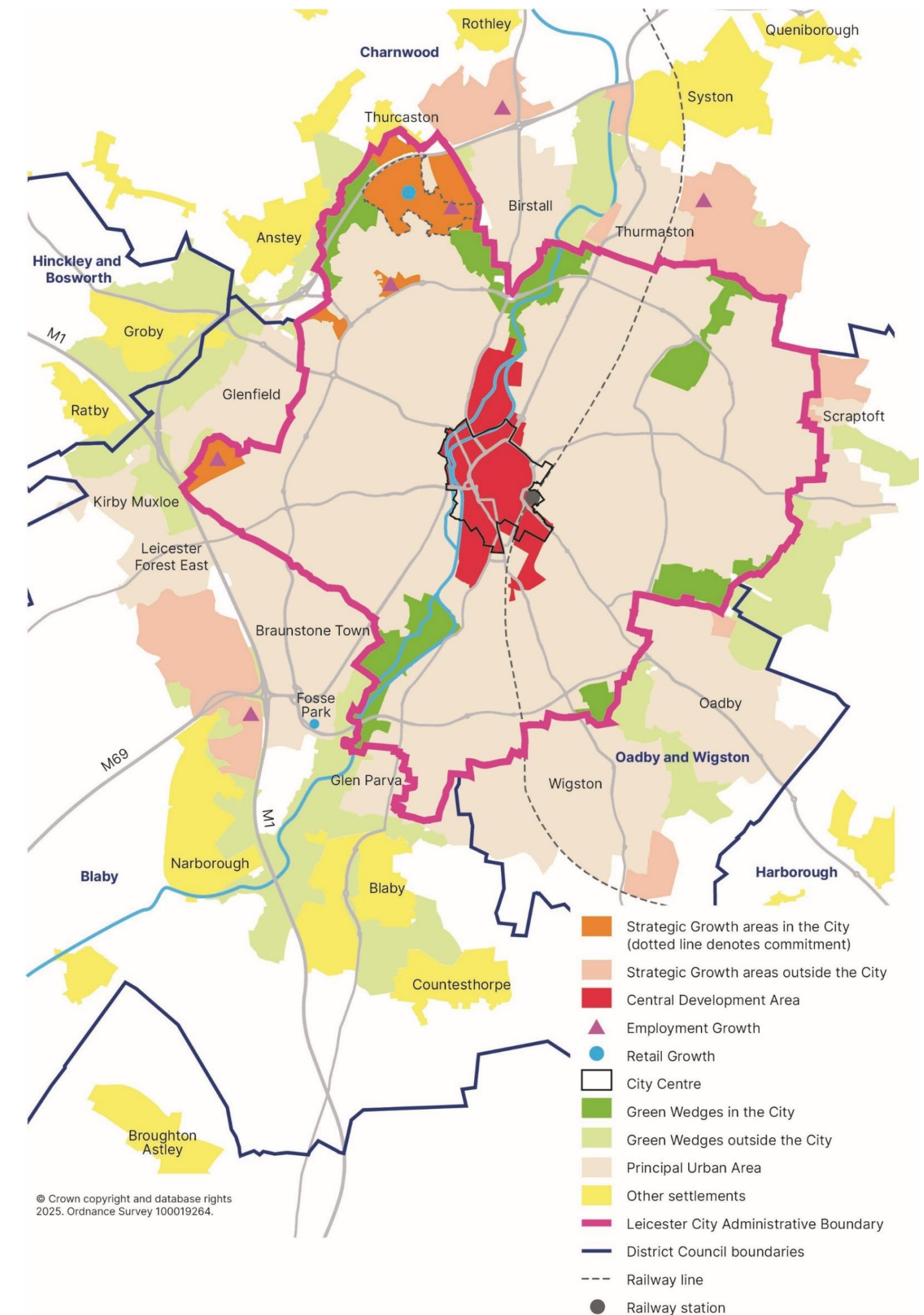
- **Deliver single tier local government**
- **Unitary population of 500,000 +**
- **Sensible geography**
- **Sensible economic areas**
- **Improvement to local services**
- **Efficiency savings**
- **Support for devolution**

What the Government asked for



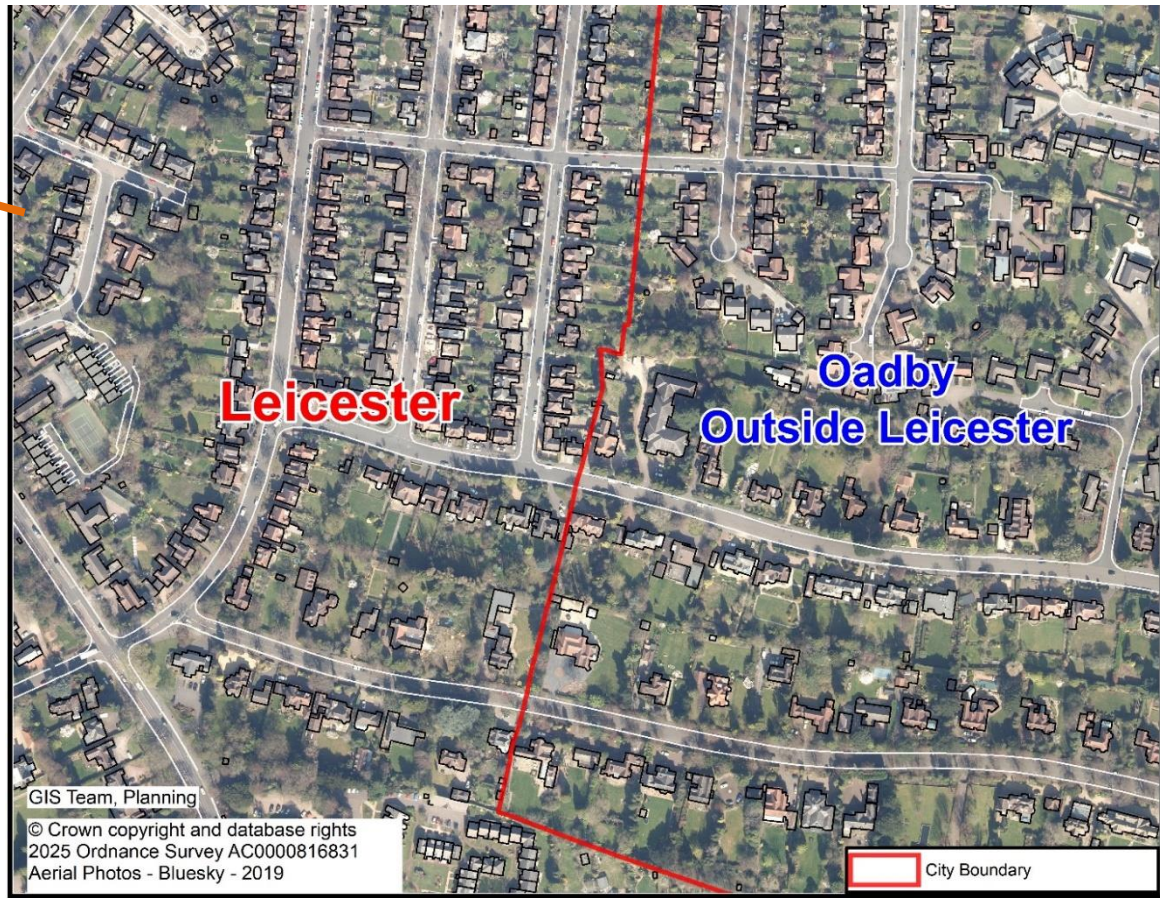
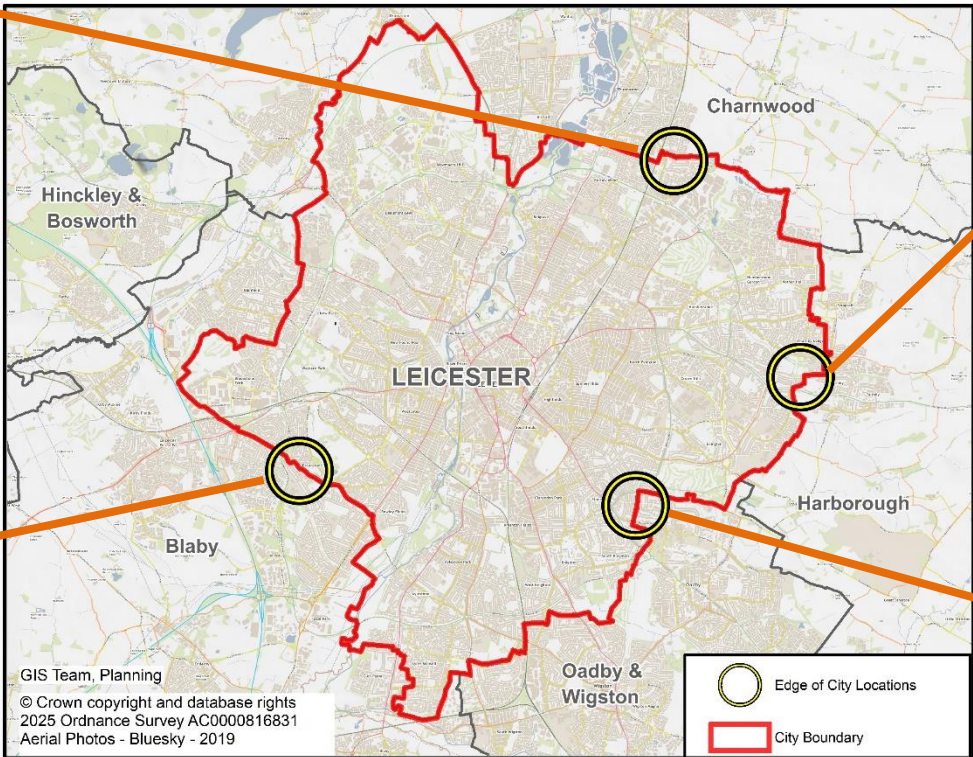
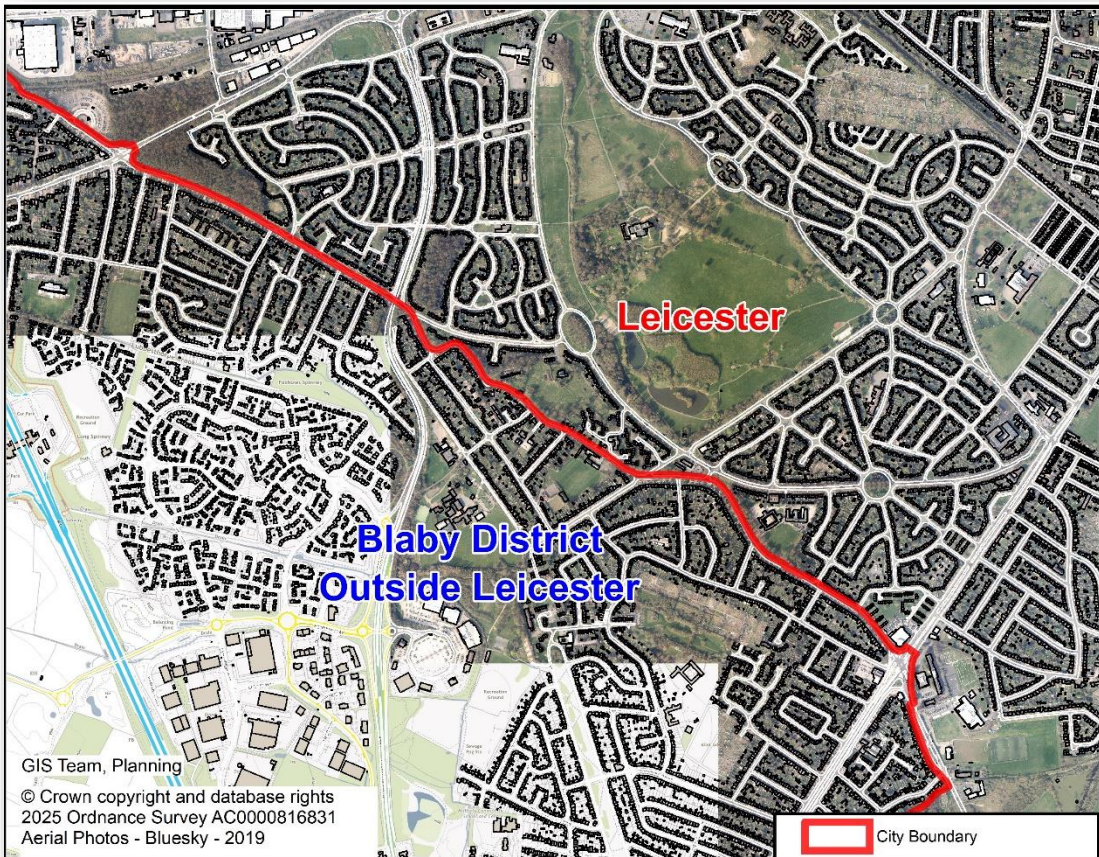
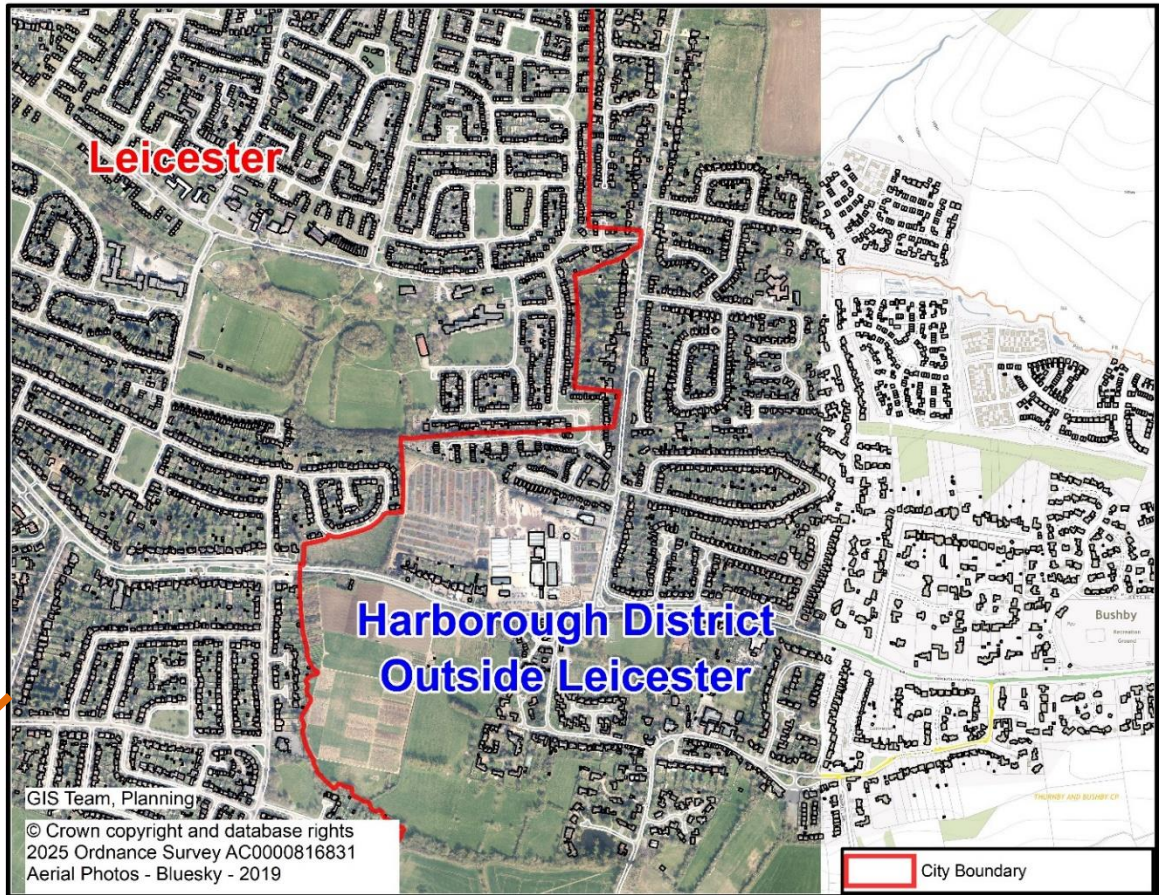
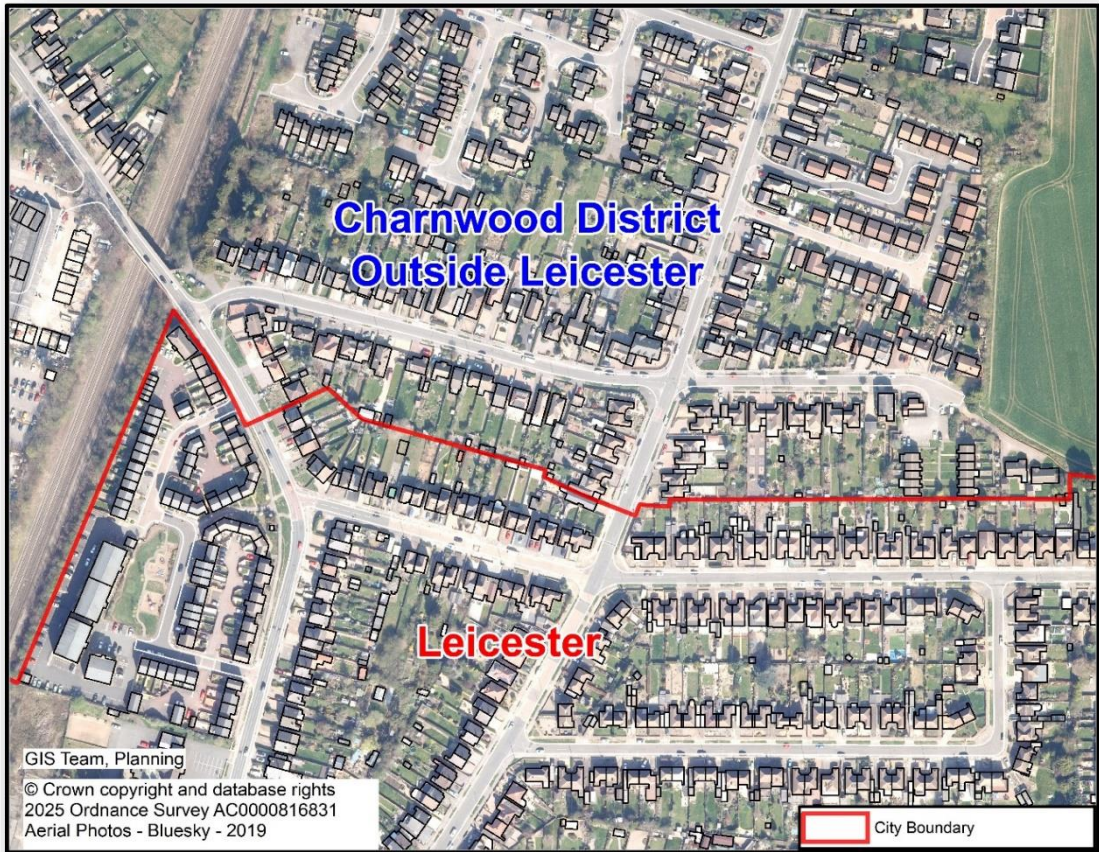
Heavily constrained city boundary

- Boundaries largely fixed c100 years ago
- Small number of authorities not extended in 1973 and 1997 reorganisations
- Illogical boundaries do not recognise the actual extent of the built-up area
- Inefficient/confusing service delivery
- Heavily constrained land for housing/ jobs
- Low tax base



City boundaries are illogical - splitting streets and communities

18



Comparator cities have land for housing and economic growth and are less than a third as densely populated

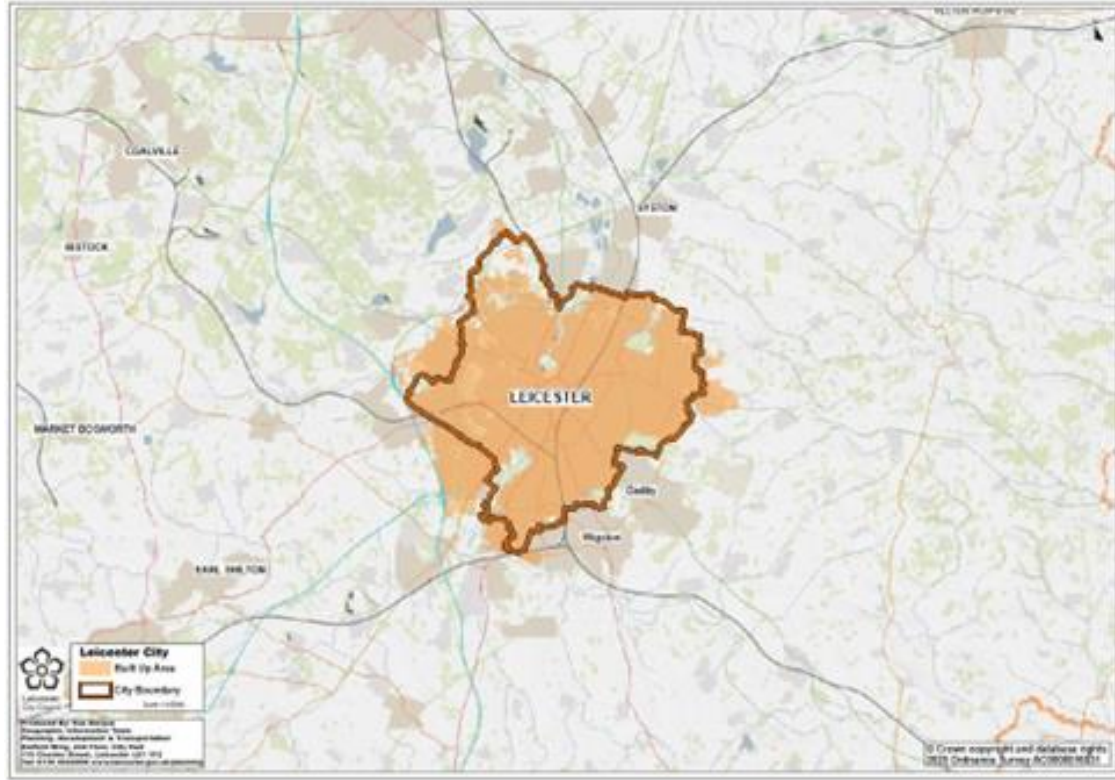
Leicester

Population: 372k

Area km2: 73

Population density
pop'n/km2:

5095



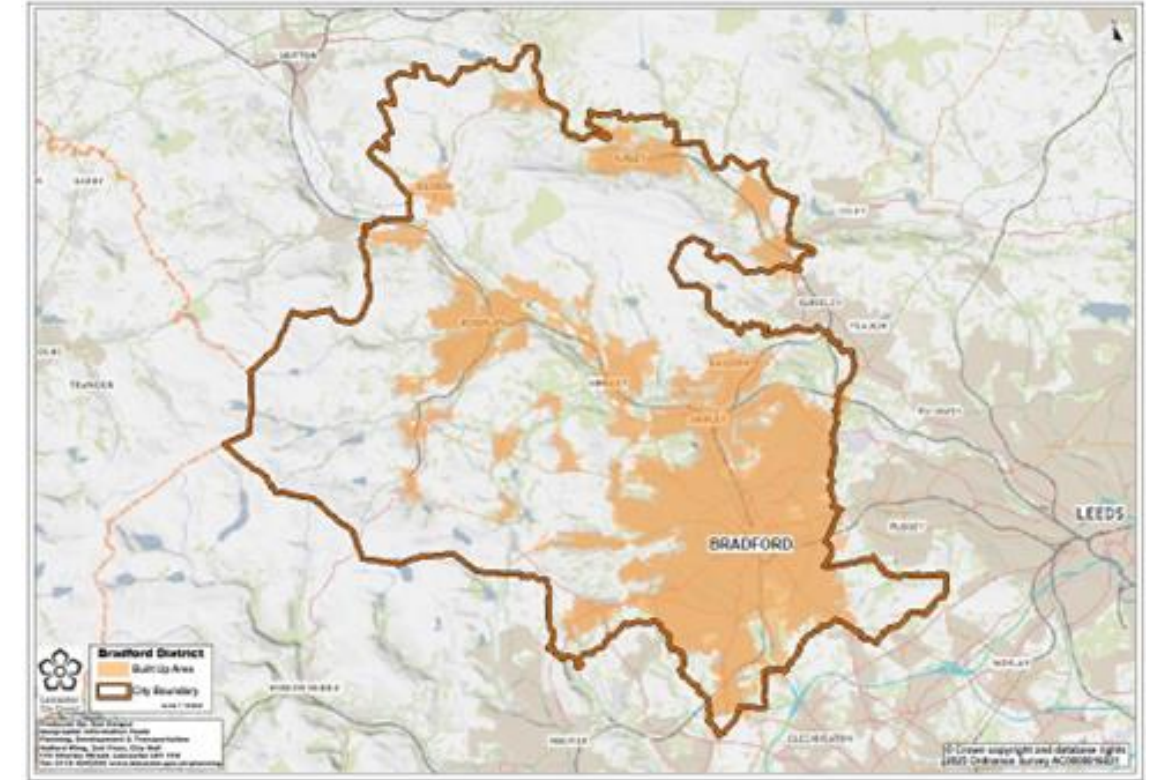
Bradford

Population: 553k

Area km2: 365

Population density
pop'n/km2:

1514



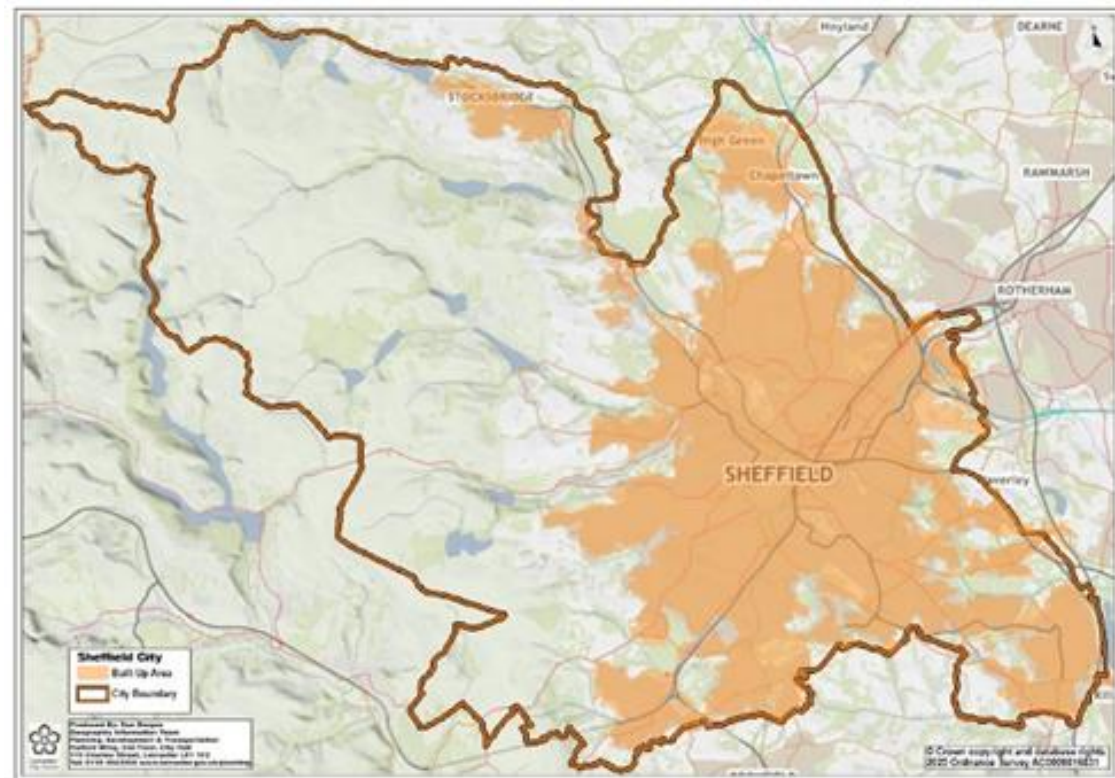
Sheffield

Population: 564k

Area km2: 367

Population density
pop'n/km2:

1540



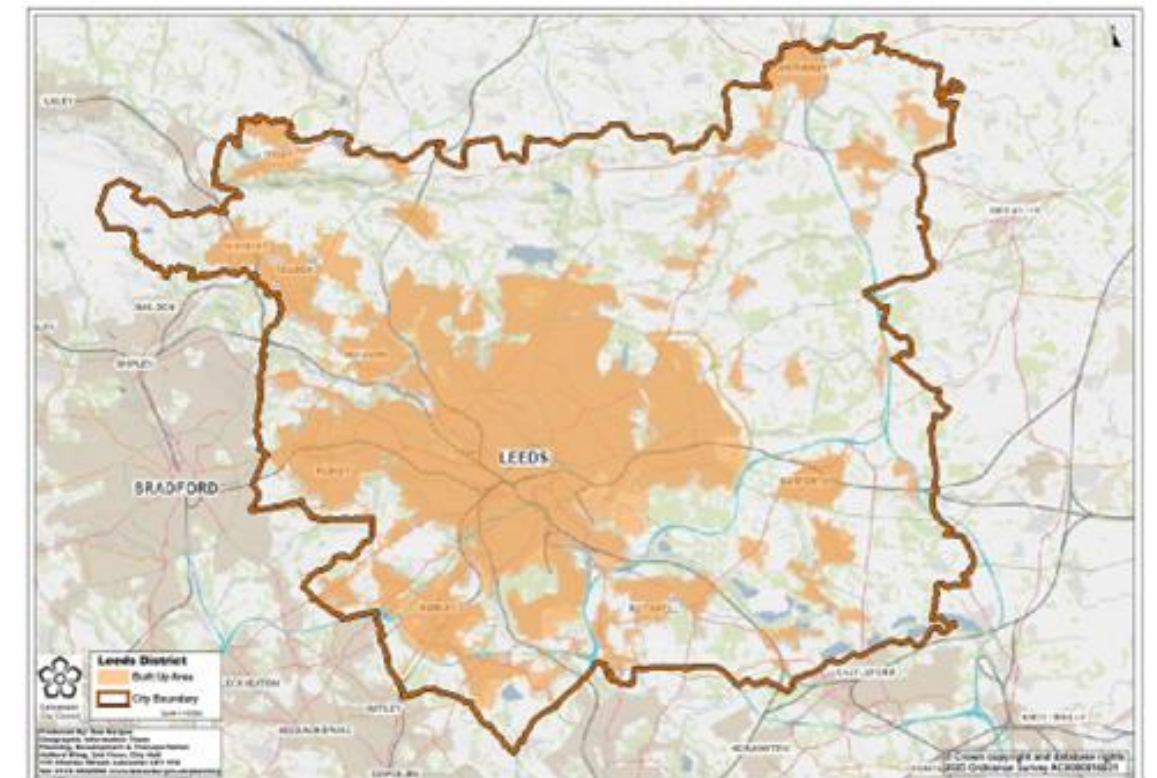
Leeds

Population: 820k

Area km2: 550

Population density
pop'n/km2:

1493

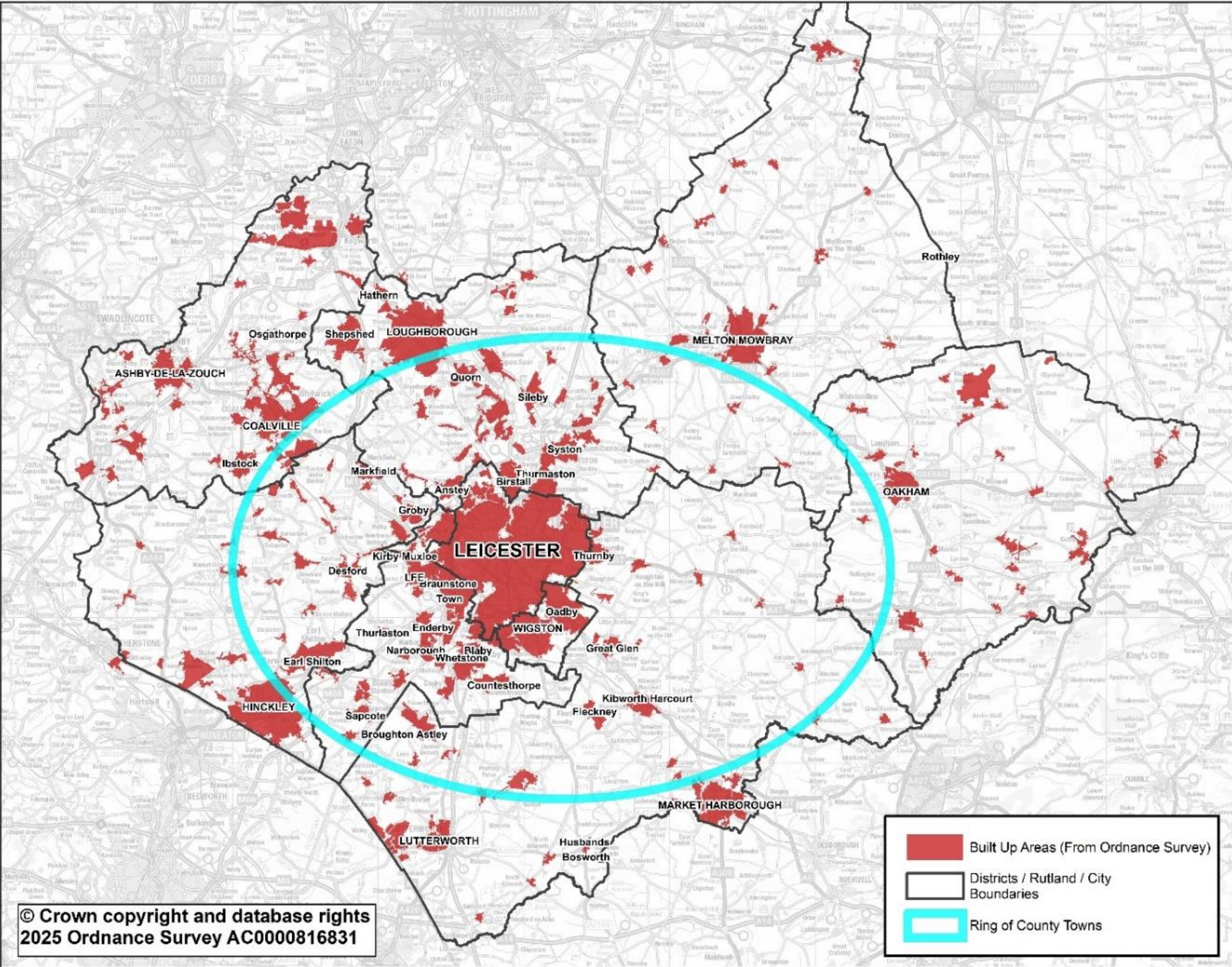


Establishing a sensible boundary for the city

- Coherent geography recognising the city and its suburbs and rural areas
- Recognising how people live their lives – travel to work, shop and leisure facilities
- Room for future city expansion - housing and jobs for local people

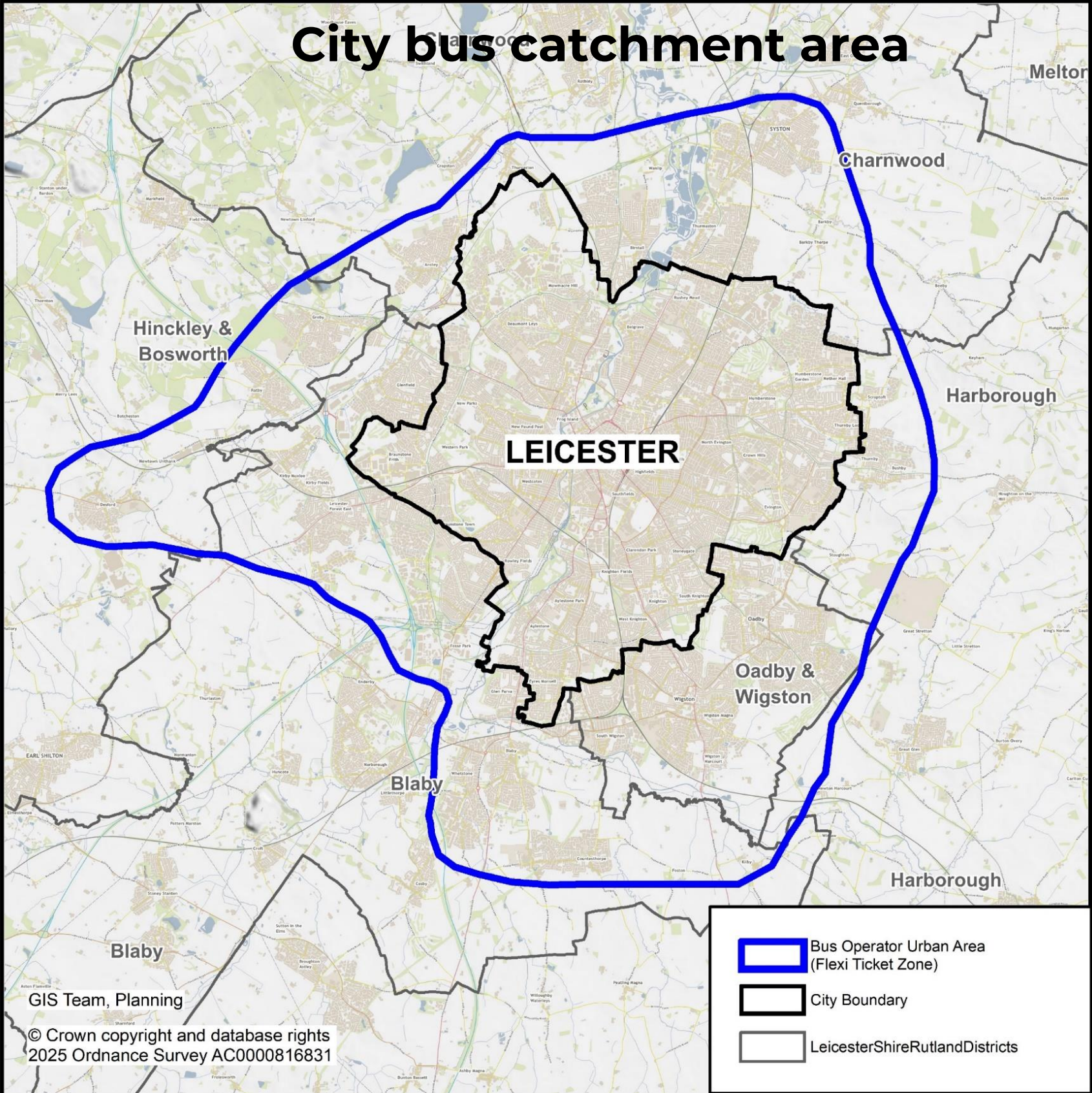


Coherence of central urban city and rural areas with ring of county towns



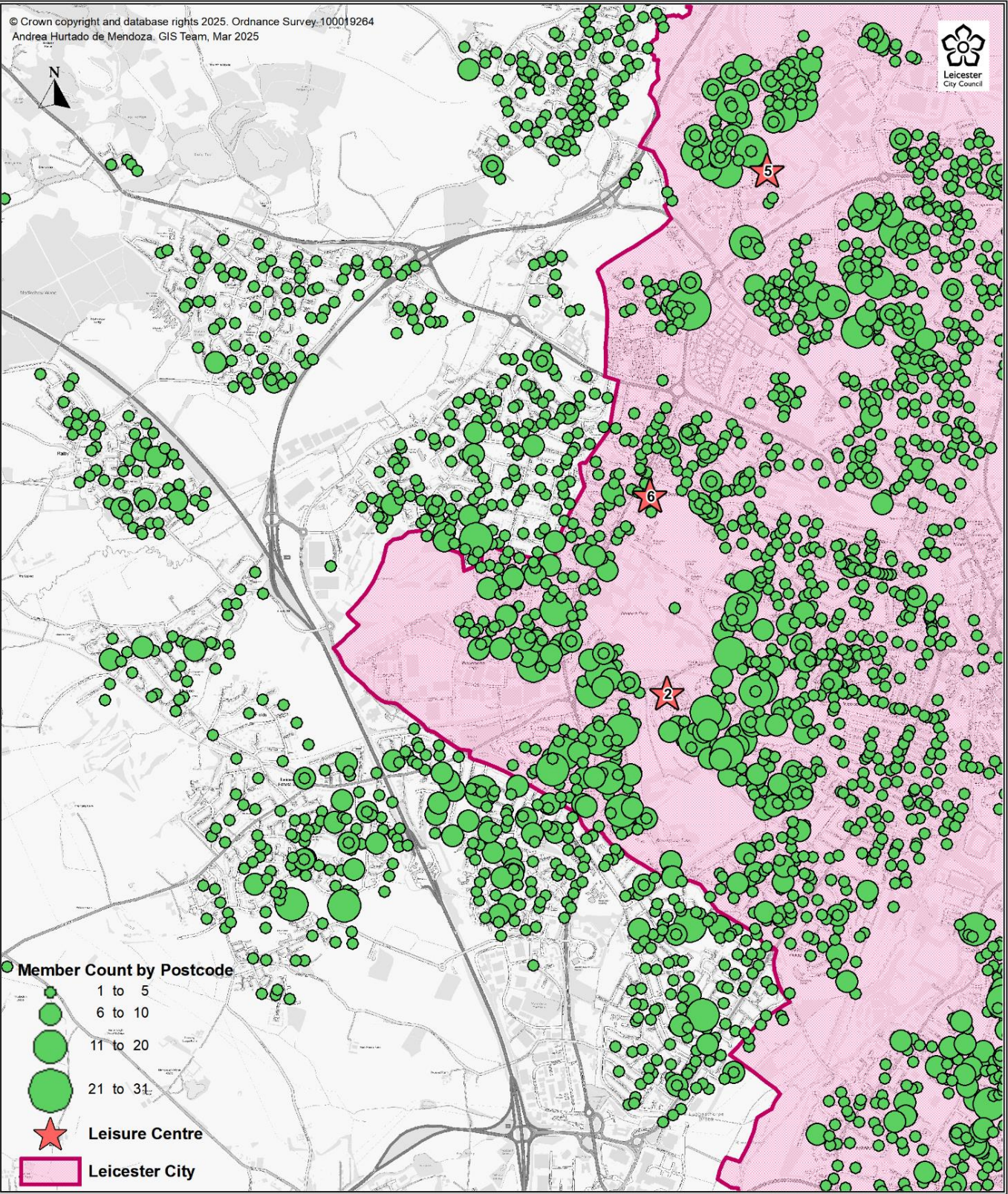
City travel catchments showing high degree of self containment for work, leisure and shopping journeys

22

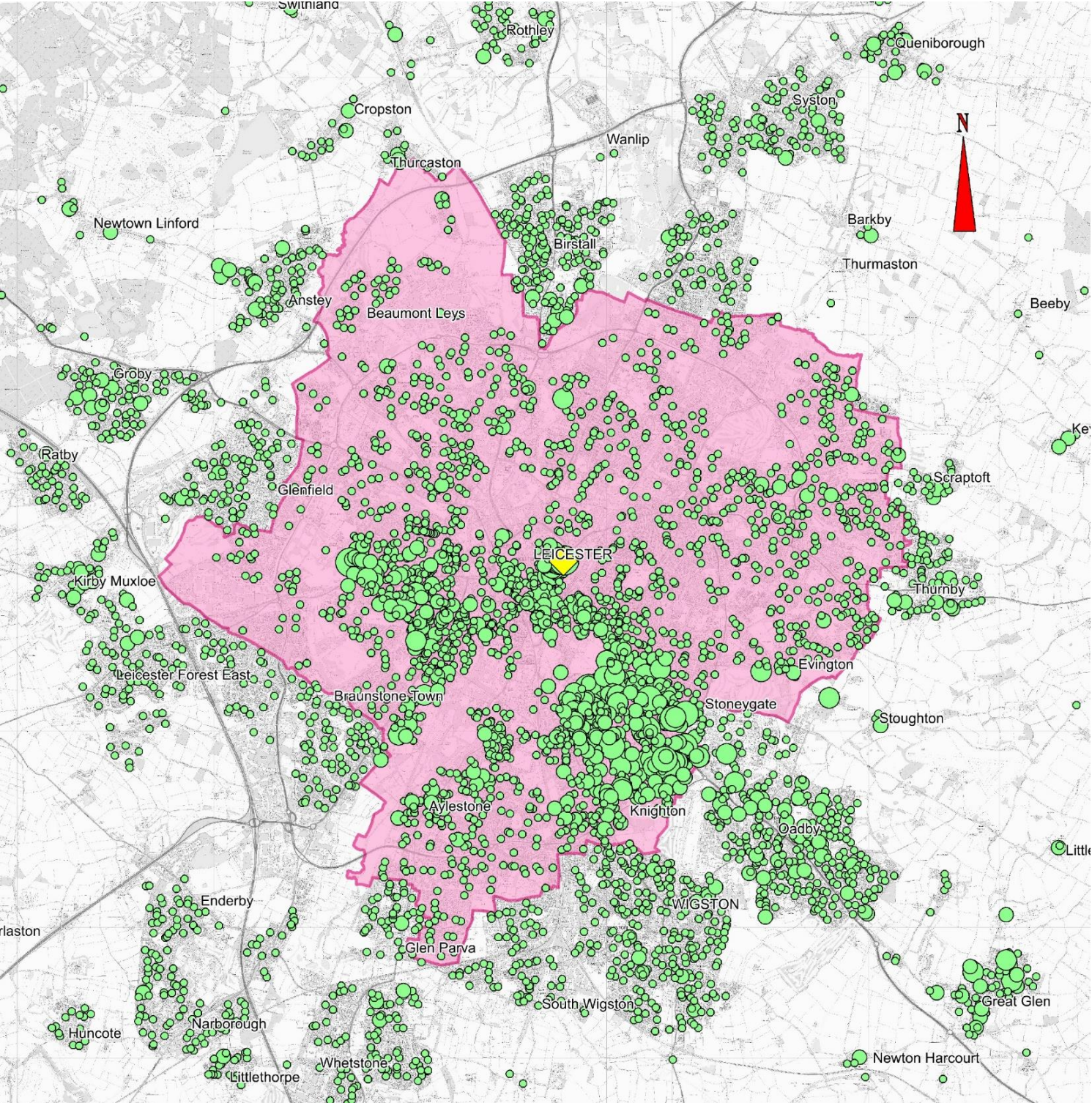


People living in suburbs outside the city boundary regularly travel to use city facilities

City Leisure Centre Memberships



Phoenix Cinema customer database



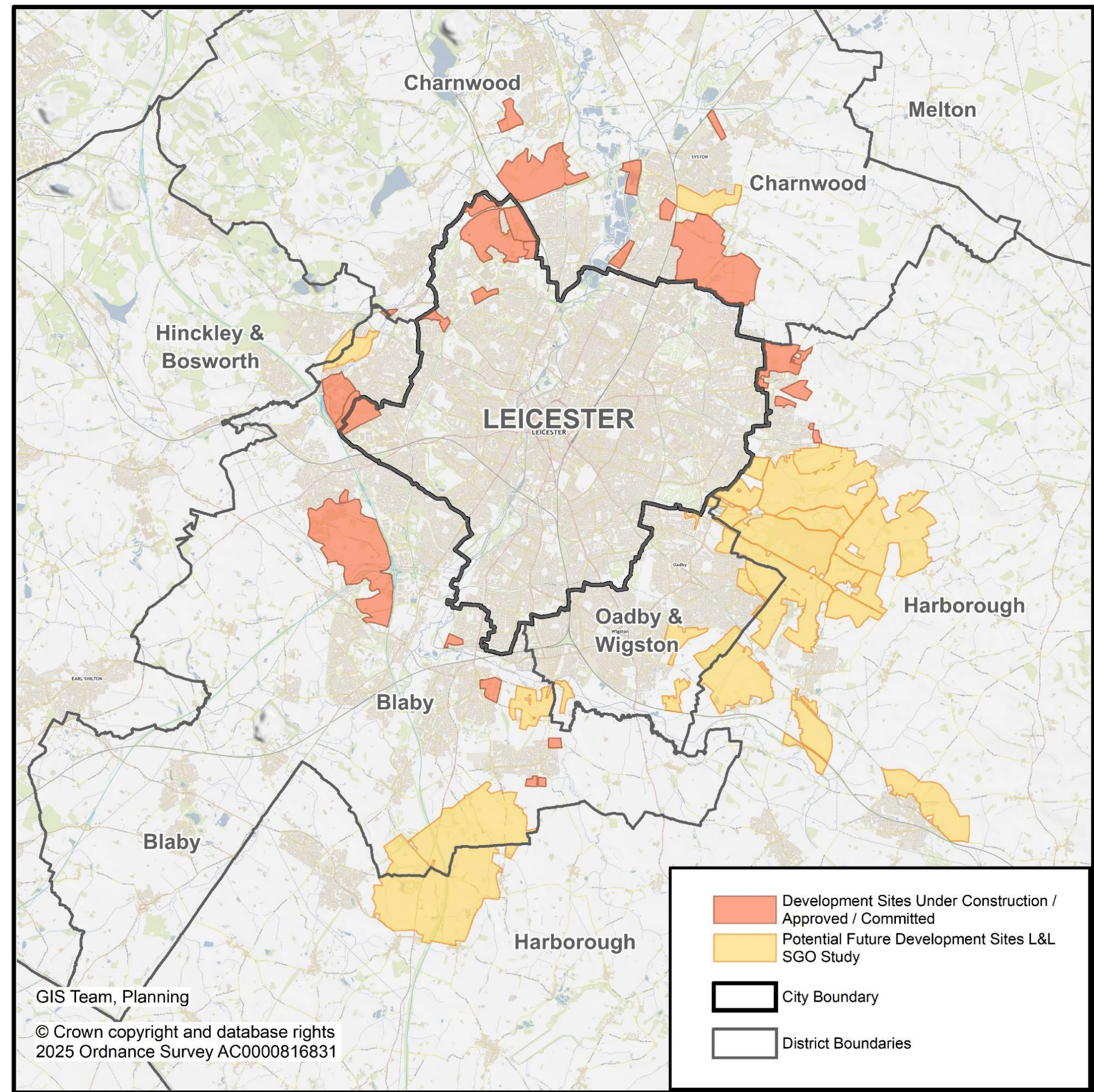
Future Growth

Committed and potential future strategic housing and employment growth sites

24

Room for future long term city growth

Sensible to plan and deliver development coordinated by one unitary council working with development partners/funders



County Council Proposal

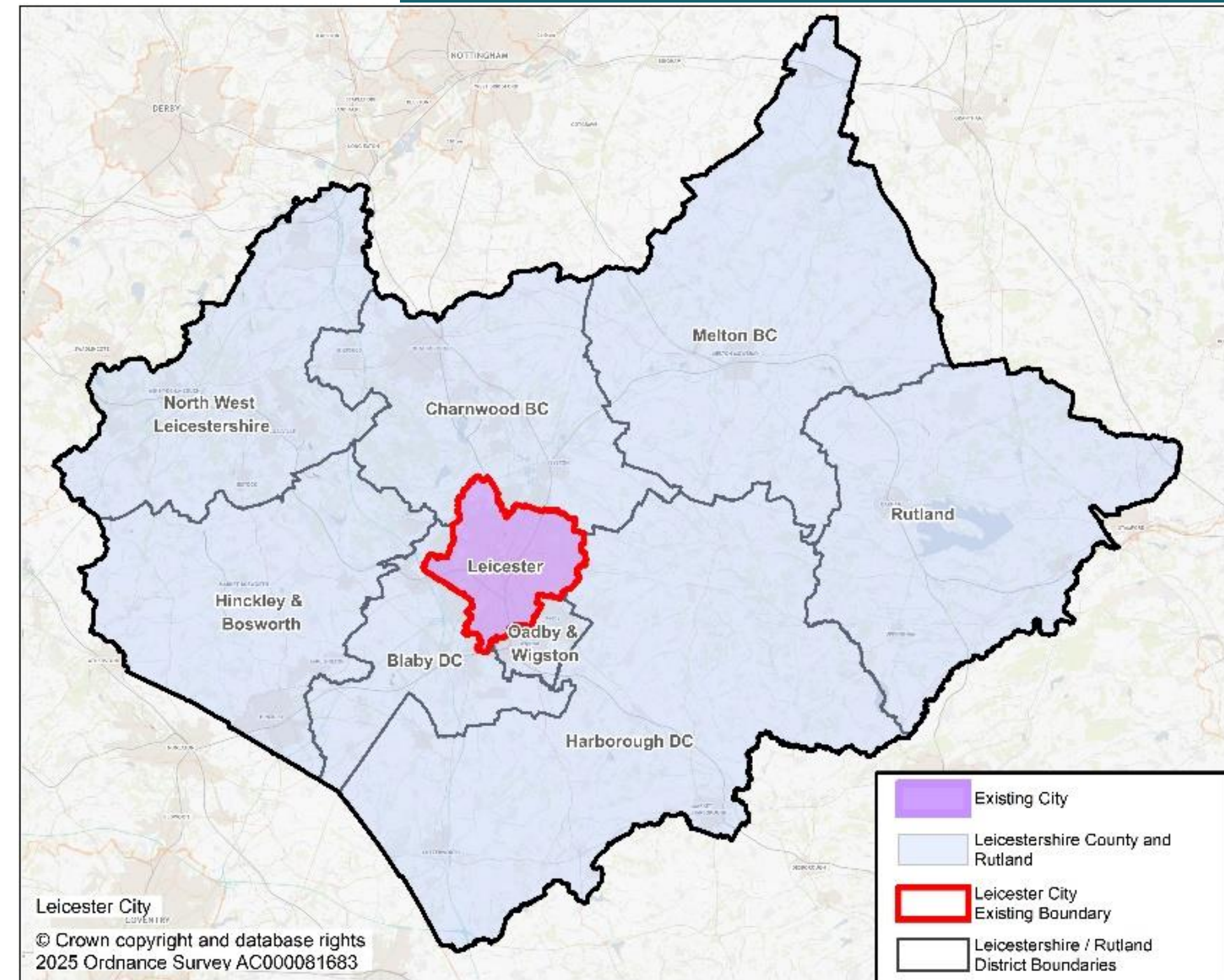
- One unitary council for existing county area and Rutland
- **City excluded – no boundary change**

Population estimates – 2028

Existing City – **392k**

Whole County unitary – **814k**

Very imbalanced councils with substantial variance from Gov't guide population of at least 500k



Districts/Rutland Interim Proposal

- Two unitary councils across current county/Rutland area
- **City excluded -No boundary change**

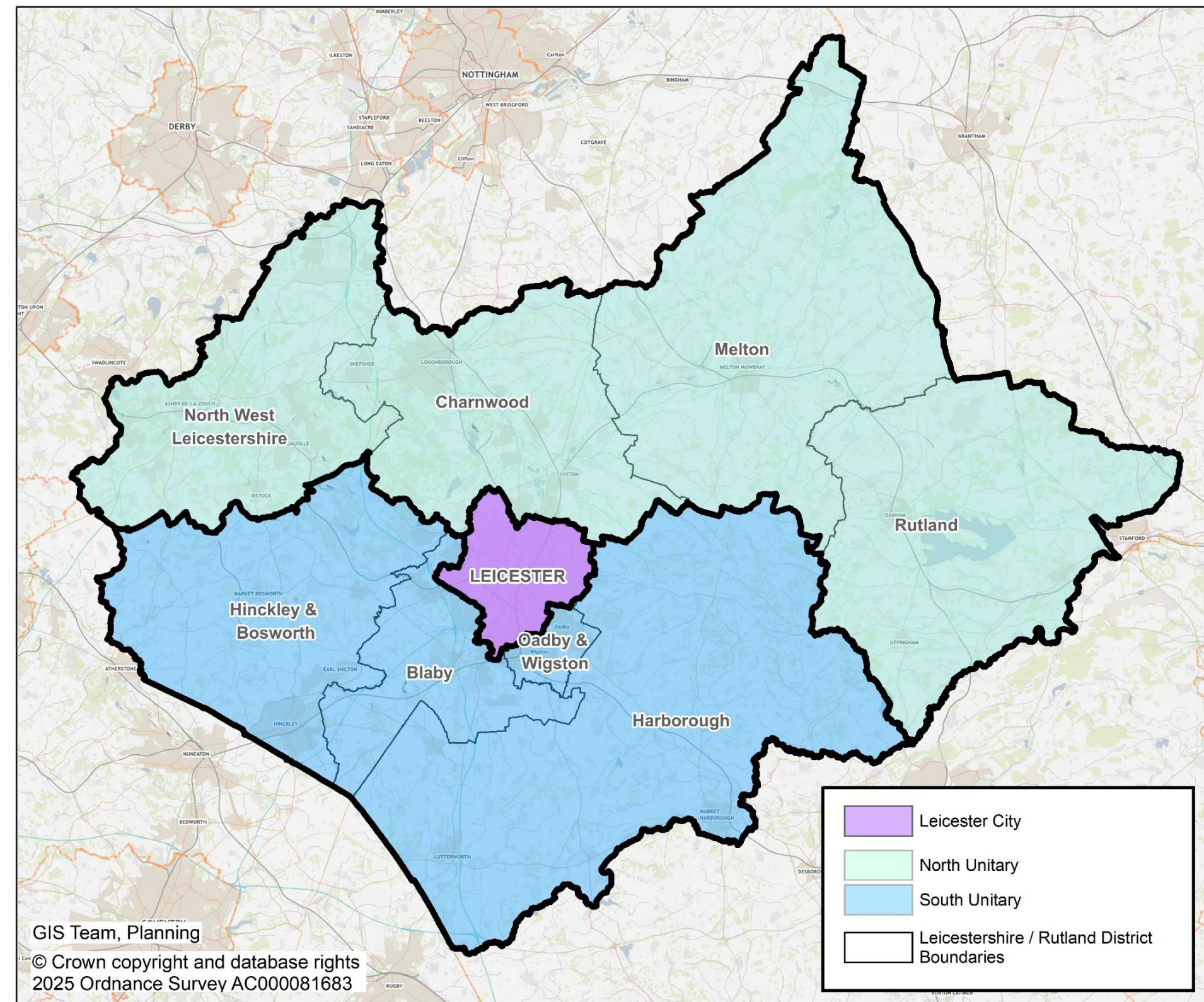
Population estimates – 2028

Existing City – **392k**

North Unitary (NW Leicestershire, Melton, Charnwood, Rutland) – **413k**

South Unitary, (Harborough, O & W, Hinckley & Bosworth, Blaby) – **401k**

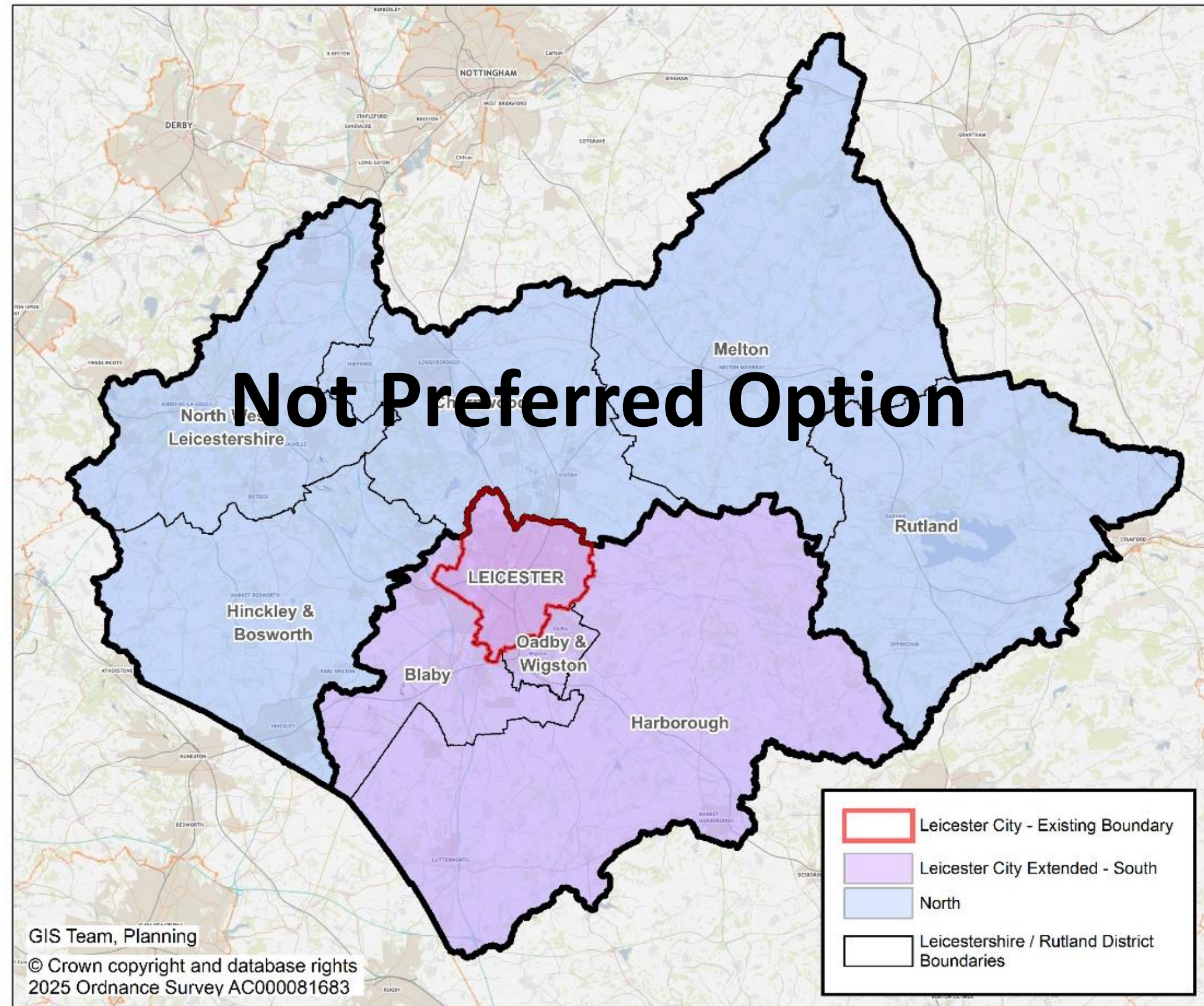
Balanced councils but all below Gov't guide population of at least 500k



Compliant base proposal

- Government/legal advice - compliant proposals should initially be formed using whole districts as building blocks
- To ensure compliance, a suitable base proposal has been identified including the current city council area with Oadby and Wigston, Harborough and Blaby districts
- Detailed boundary change will be requested in parallel to achieve the council's preferred city boundary expansion proposal
- Similar approach to other constrained cities: Brighton, Nottingham and Southampton

27



Compliant base proposal

Unitary 1 – City + three districts

- Oadby and Wigston
- Blaby
- Harborough

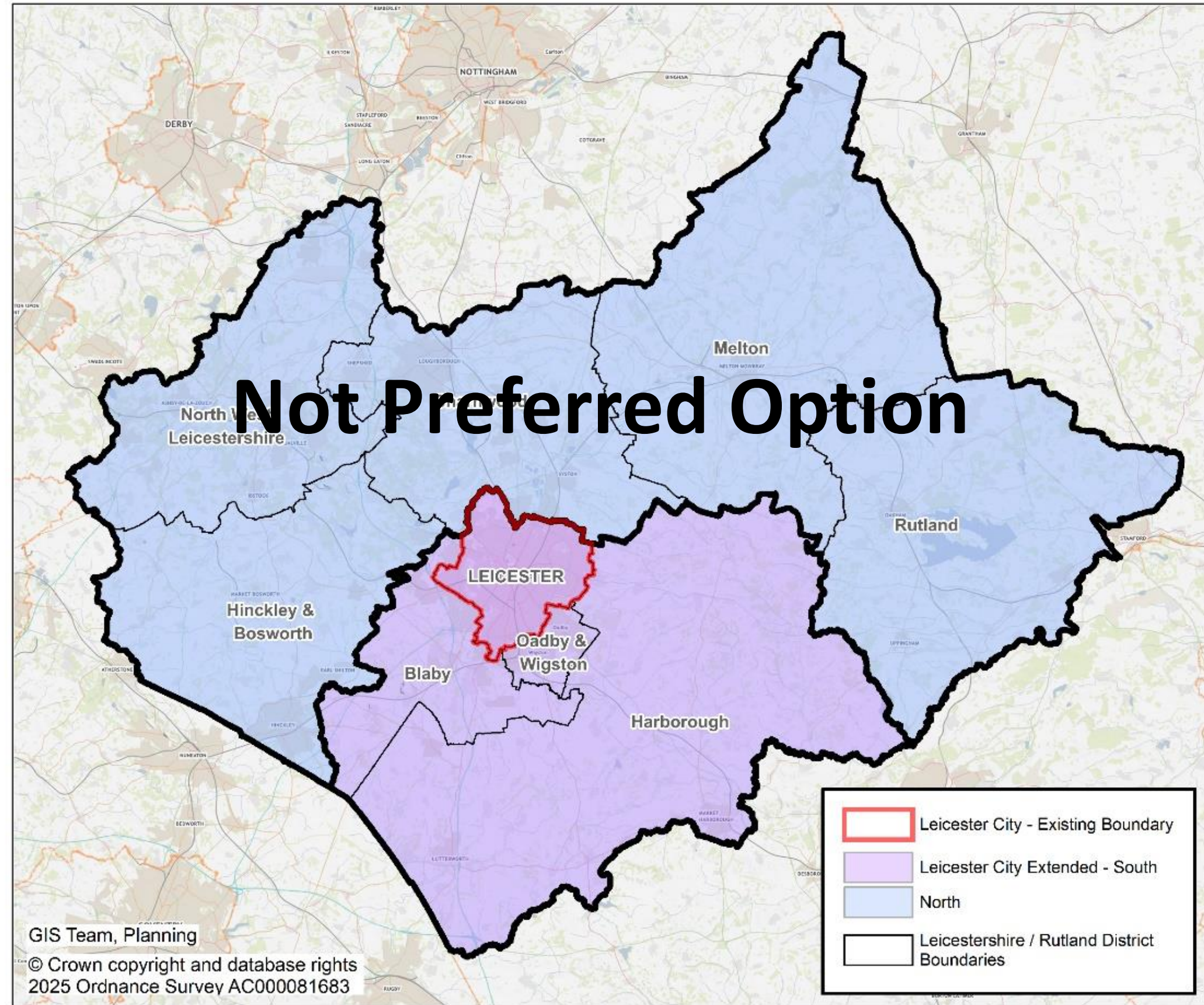
Population (2028) – 673k

Unitary 2 – North Leicestershire and Rutland

Population (2028) – 528k

Both meet Govt 500k+ guide - less
balanced than city preferred option

City boundary includes extensive rural
areas and not urban areas in Charnwood



City Council preferred proposal

- Expanded unitary city council
- New unitary council for remaining Leic's county with Rutland

29

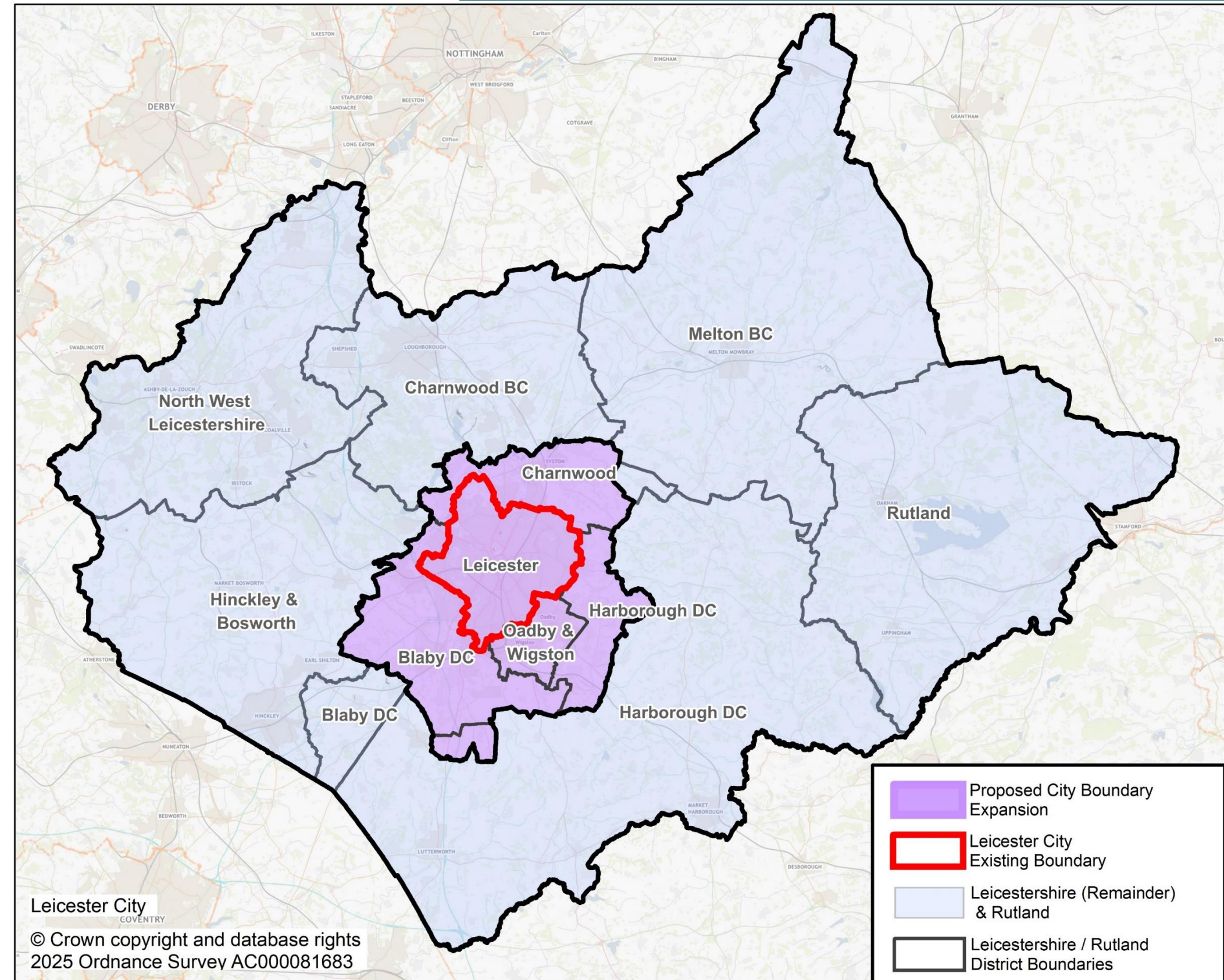
Population - 2028

Expanded City – 622k

County/Rutland – 584k

Balanced councils where both meet

Govt 500k+ guide

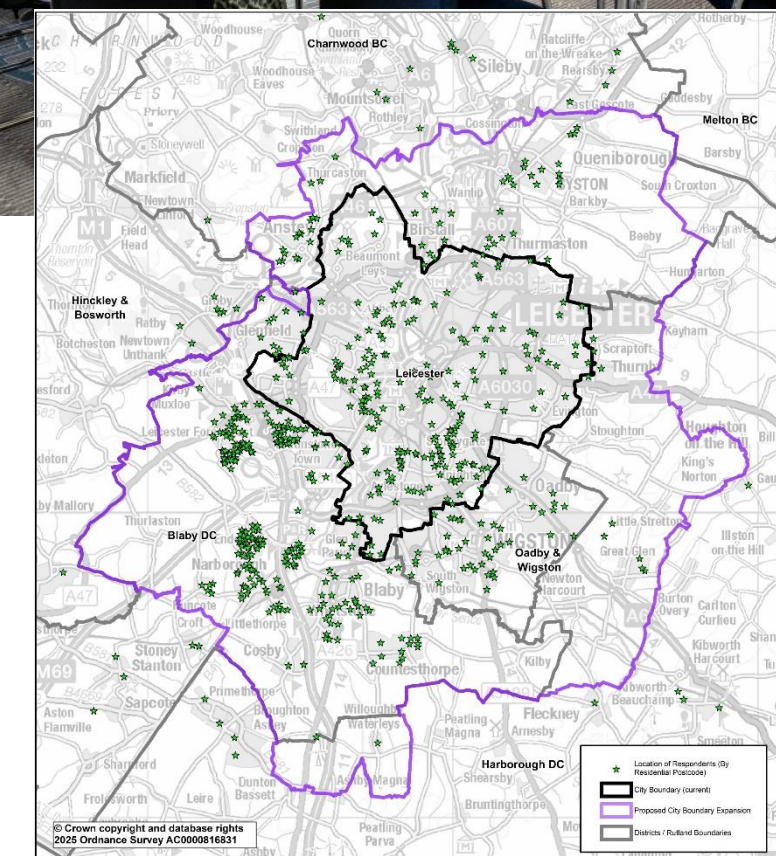


Stakeholder engagement/public consultation

- Engaged c100 **stakeholders** - public bodies, voluntary sector, business, leisure and sports, unions, parish councils
- Stakeholders generally considered the council's preferred city boundary expansion proposal to be sensible for the long-term future of the city and the wider LLR area

Public survey 810 responses - 89% were residents

- 85% strongly agree or agree that councils should reflect how people live, work and travel across the area.
- 85% strongly agree or agree that urban and rural communities face different issues. To be most effective, councils should represent areas that share common issues.
- 46% of ranked efficient services as the most important when thinking about the future of their local council
- 42% raised significant concerns for city expansion
- 15% of respondents have been unsure which council to contact for a service or issue.



City boundary expansion preferred proposal

- ✓ Two unitary councils with **balanced populations meeting the Government's 500,000 + guideline**
- ✓ **Highest annual savings for LLR of £46m....**putting the most back into frontline services
- ✓ Share savings to **better balance budgets** across LLR unitary councils
- ✓ **Equalise the cost per person of service delivery** - difference of only £50 between councils – (£300 - county plan & £340 - district plan)
- ✓ Recognise the **true physical extent of the urban area**, confirmed by how people travel and use facilities across the city



- ✓ Better **balance development opportunities across LLR**
- ✓ **Address growing city development**– est 30,000 homes and 67 ha of employment land required to 2046
- ✓ Replace fragmented services across ten LLR councils with **two simple urban and rural focused unitary councils**
- ✓ Replace fragmented services across the conurbation with **a single joined-up city council** with clarity on who delivers services
- ✓ Maximise economic growth potential **for whole of LLR** by **unlocking a Mayoral Strategic Authority**



Preferred proposal– examples of benefits to people

- ✓ **Clear council responsibility for services** e.g. waste collection and street maintenance not split within streets and neighbourhoods
- ✓ **Simpler streamlined service planning** e.g. only two local plans with city and rural area focus / delivery of urban extensions brought within one council area
- ✓ **Services better focused on needs of urban and rural areas** e.g. city and rural bus services
- ✓ **More sustainable services supported by users from across the whole city** e.g. leisure centres and cultural facilities



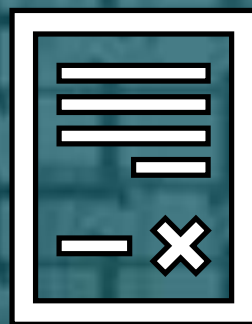
- ✓ **More effective Joined-up services** e.g. common housing support service across whole of urban area – match demand and stock / More able to plan and deliver SEND services
- ✓ **Better value services** – larger councils with better buying power benefitting service users e.g. commissioning adult and children social care services
- ✓ **Delivers most savings for the whole of LLR to support frontline services for all**



Next steps



Full Council
20th Nov



Final submission
to Government
by 28th Nov



Government
consultation
early 2026?

Government
decision
Summer 2026?



Shadow
elections May
2027?



LGR 'go live'
April 2028?

Tracking of Petitions – Monitoring Report

Overview Select Committee

Date of meeting: 1st December 2025

Lead officer: Jessica Skidmore

Useful information

- Ward(s) affected: All Wards – Corporate Issue
- Report author: Jessica Skidmore
- Author contact details: Jessica.Skidmore@leicester.gov.uk
- Report version number: 1

1. Purpose of the Report

To provide Members with an update on the current status of responses to petitions against the Council's target of providing a formal response within 3 months of being referred to the Divisional Director.

2. Recommendations

The Committee is asked to note the current status of outstanding petitions and to agree to remove those petitions marked 'Petition Process Complete' from the report.

3. Detailed report

The Committee is responsible for monitoring the progress and outcomes of petitions received within the Council. An Exception Report, showing those petitions currently outstanding or for consideration at the current Overview Select Committee meeting is attached.

The Exception Report contains comments on the current progress on each of the petitions. The following colour scheme approved by the Committee is used to highlight progress and the report has now been re-arranged to list the petitions in their colour groups for ease of reference:

- **Red** – denotes those petitions for which a pro-forma has not been completed within three months of being referred to the Divisional Director.
- **Petition Process Complete** - denotes petitions for which a response pro-forma has sent to the relevant Scrutiny Commission Chair for comment, subsequently endorsed by the Lead Executive Member and the Lead Petitioner and Ward Members informed of the response to the petition.
- **Green** – denotes petitions for which officers have proposed a recommendation in response to a petition, and a response pro-forma has been sent to the relevant Scrutiny Commission Chair for comment, before being endorsed by the Lead Executive Member.
- **Amber** – denotes petitions which are progressing within the prescribed timescales, or have provided clear reasoning for why the three-month deadline for completing the response pro-forma has elapsed.

In addition, all Divisional Directors have been asked to ensure that details of **all** petitions received direct into the Council (not just those formally accepted via a Council Meeting or

similar) are passed to the Monitoring Officer for logging and inclusion on this monitoring schedule.

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

There are no legal, financial or other implications arising from this report.

7. Background Papers – Local Government Act 1972

The Council's current overall internal process for responding to petitions.

8. Summary of appendices:

Appendix 1 – Table of Current petitions.

9. 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

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

No

Date Petition referred to Divisional Director	Received From	Subject	Type - Cnrc (C) Public (P)	No. of Sig	Ward	Lead Divisional Director	Current Position	Current Status
11/04/2024	Cllr Dave	Peebles Way	(c)	45	Rushey Mead	Sean Atterbury	Petition sent to lead Director. Pro-forma was received from Dan Pearman on 25 September 2025. The petition has been signed off by both the scrutiny Chair and Executive Lead and sent back to the lead officer to be executed.	COMPLETE
17/06/2024	Marcia Stewart	Oakland Avenue	(p)	137	Rushey Mead	Andrew L Smith	Petition sent to lead Director. Pro-forma was received from Dan Pearman on 25 September 2025. The petition has been signed off by both the scrutiny Chair and Executive Lead and sent back to the lead officer to be executed.	COMPLETE
30/04/2025	Cllr Singh Patel	Road Humps on Rosedale Avenue	(c)	34	Rushey Mead	Andrew L Smith	Petition sent to lead Director. Pro-forma was received from Dan Pearman on 25 September 2025. The petition has been signed off by both the scrutiny Chair and Executive Lead and sent back to the lead officer to be executed.	COMPLETE
25/06/2025	Mr / Mrs Jadeja	Parking Issues on Melton Road	(p)	10	Rushey Mead	Andrew L Smith	Petition sent to lead Director Petition pro-forma has been issued to the Scrutiny Chair for comment and sign off. The petition has been signed off by both the scrutiny Chair and Executive Lead on 5 November 2025 and sent back to the lead officer to be executed.	COMPLETE
25/06/2025	Lezley Finch	New Residential Parking Scheme in South Highfields Zone E	(p)	79	Stoneygate	Andrew L Smith	Petition sent to lead Director Petition pro-forma has been issued to the Scrutiny Chair for comment and sign off. The petition has been signed off by both the scrutiny Chair and Executive Lead on 5 November 2025 and sent back to the lead officer to be executed.	COMPLETE
06/08/2025	Linda Scott	Speed Limit and Road Cushions on Bryony Road	(p)	6	Humberston e & Hamilton	Andrew L Smith	Petition sent to lead Director Petition pro-forma has been issued to the Scrutiny Chair for comment and sign off. The petition has been signed off by both the scrutiny Chair and Executive Lead on 6 November 2025 and sent back to the lead officer to be executed.	COMPLETE
06/08/2025	Jaikishan Cantilal	Permit parking Scheme on Gipsy Road	(p)	67	Rushey Mead	Andrew L Smith	Petition sent to lead Director. The officers have drafted the petition pro-forma, waiting to be finalised.	AMBER
28/08/2025	Andy Little	Stop the Proposed School Street for St John the Baptist School	(p)	28	Castle	Andrew L Smith	Petition sent to lead Director. Due to the issue suggested in the petition being related to an ongoing consultation, it has been included as a part of the consultation process.	COMPLETE
04/09/2025	Cllr Malik and Cllr Batool	One-Way Traffic Flow at Dorothy Roundabout	(c)	138	Spinney Hills	Andrew L Smith	Petition sent to lead Director. A site visit with the lead petition has been conducted. Pro-forma expected to be received by Governance Services on 5th December.	AMBER
05/09/2025	Cllr Sood	Neighbourhood Conditions in London Road, Victoria Avenue and Victoria Alley Area	(c)	15	Stoneygate	Sean Atterbury	Petition sent to lead Director. Officers are conducting investigation and have started drafting a response.	AMBER
08/09/2025	B. M. Parmar	Overdue Maintenance of Pine Tree Avenue	(p)	55	Humberston e & Hamilton	Andrew L Smith	Petition sent to lead Director. A meeting has been arranged between officers and the lead petitioner. Officers will consult ward councillors, and have started drafting the pro-forma.	AMBER
22/09/2025	Cllr Porter	Save Leicester's Museums	(c)	192	Castle	Peter Chandler	Petition sent to lead Director	GREEN
29/09/2025	Cllr Singh Sangha	Safer Pedestrian Crossings and Child Safety Measures	(c)	88	Troon	Andrew L Smith	Petition sent to lead Director	GREEN
29/10/2025	Irfan Shah	Gopsall Street Parking	(p)	22	Wycliffe	Andrew L Smith	Petition sent to lead Director	GREEN
03/11/2025	Mr Feizal Mussa	Traffic calming measures on Lanesborough Road	(p)	69	Rushey Mead	Andrew L Smith	Petition sent to lead Director	GREEN

LGSCO Report of Maladministration causing injustice (Housing) – Ms X

Overview Select Committee date: 3rd December 2025

Report of the Director of Housing: Chris Burgin

Useful information

- Ward(s) affected: N/A
- Report author: Zenab Valli
- Author contact details: 0116 454 3573 / Zenab.valli@leicester.gov.uk
- Report version number: 1

1. Summary:

- 1.1 Ms X complained to the Local Government and Social Care Ombudsman (LGSCO) that the Council failed to provide sufficient support with her homelessness and failed to provide suitable accommodation for her and her children.
- 1.2 By report dated 7th October 2024 and formally published on 14th November 2024 the LGSCO, pursuant to her powers under Part III Local Government Act 1974, found that Leicester City Council (LCC) had been guilty of maladministration causing injustice to Ms X. The full report can be found online here - [23 015 268 - Local Government and Social Care Ombudsman](#)
- 1.3 An executive decision was taken on 22nd May 2025 to decline to comply with the two of the seven recommendations of the LGSCO regarding payment of compensation to Ms X. The report and decision notice can be found using the following links [Executive decisions](#) and [LGSCO Decision Notice.pdf](#)
- 1.4 A second report was produced by the LGSCO on 28th August 2025 and published on 10th September 2025 in relation to Ms X, due to the Council's refusal to comply with some recommendations made in their original report. The LGSCO second report can be viewed using this link [23 015 268 fr - Local Government and Social Care Ombudsman](#). The Council presented the findings at a Full Council meeting on 18th September 2025, see link to this report [Executive decisions](#)
- 1.5 Full Council were requested to note the second LGSCO report and that the City Mayor shall write to the Secretary of State in response to this case. It was agreed, to ask Overview Select Committee (OSC) to consider the Council's letter to the Secretary of State, together with his reply, in considering whether a payment be made.
- 1.6 This report is a follow-up and introduces the two letters as described above.

2. Recommendations:

- 2.1 That OSC consider the letter to the Secretary of State and the response from the Minister of Housing.

3. Report:

- 3.1 Further to the summary outlined above, the City Mayor wrote a letter to the Secretary of State for Housing, Communities and Local Government. The letter outlined Leicester's Homelessness position, the challenges around demand for services and spiralling temporary accommodation costs, and setting out our position in response to LGSCO findings and recommendations.

A full copy of City Mayor's letter dated 21st October 2025 can be seen in **appendix 1**.

- 3.2 On 10th November 2025, the Minister of State for Local Government and Homelessness responded by noting the City Mayors comments, recognising the Council are experiencing significant homeless pressures and all that we are doing to eliminate the usage of Bed & Breakfast style accommodation. The Minister has made clear that they do not interfere with the Ombudsman investigation and that it wouldn't be appropriate for them to comment on this specific matter. They clarified that the Government has no intention of changing the law but instead, are determined to tackle the issues of families in this type of accommodation by providing additional investments.

A full copy of the reply from the Minister of State can be seen in **appendix 2**.

Appendix 1

Please ask for: Sir Peter Soulsby
Direct Line: 0116 454 0001
Our Ref: 2025/October/SR/PS/MH
Date: 21 October 2025



Via email: Ministerial.Correspondence@communities.gov.uk

Rt Hon Steve Reed MP
Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Dear Secretary of State,

Leicester City Council has always prided itself on its sufficiency and sympathy in dealing with threatened and actual homelessness. Until 2022 the Authority was very successful in avoiding the use of bed and breakfast temporary accommodation. However, in 2022 the situation locally and nationally began to change dramatically. During 2015 and 2025 the numbers presenting to the city council as homeless increased from 2,163 to 6,891 per year and our provision, on which we spent over £5 million per year, was overwhelmed, as was the case in comparable cities throughout the UK. The Housing Act 1996 and associated 2003 regulations constrain councils from placing families in B&Bs beyond six weeks. Sadly that requirement had for us – and similar urban authorities – become an impossible aspiration.

In 2024 the city council found itself unable to meet its obligations in this regard on, it is estimated, 200 occasions. Again, this is entirely typical of comparable urban authorities. Spend on Homelessness services has rocketed to over £21m a year in great part due to spiralling temporary accommodation costs.

I understand from her press release that the Local Government and Social Care Ombudsman has written to you about a particular complainant from among those 600 families. In that press release the Ombudsman says that the council is “rejecting... findings because it does not believe it should be accountable for leaving a homeless family in bed and breakfast accommodation for longer than the law allows...”.

This significantly misrepresents the council’s position. We have entirely accepted all but one of the Ombudsman’s six recommendations, including a compensation payment of £500, and have made significant improvements to our systems and processes. The final recommendation is to make further payments of £1,300 to acknowledge distress caused, plus £150 per month for every month they were in unsuitable accommodation. I have been advised that were we to make such a payment, it would set a precedent for hundreds of other cases in Leicester alone, which using the same formula, could face the council with a bill of over £220k. This would also have the potential of costing councils nationally over £130 million.

In her news release the Ombudsman asserts: "The remedy we recommend in one case would not necessarily be applicable to others". She has, however, very recently issued us with another draft report with similar recommendations applied to a very similar case. It is simply not plausible to argue that accepting the recommendation in this case would not have wider implications. I also note the deliberate addition of the word "necessarily" in that sentence and the significant difference it makes: i.e. the Ombudsman didn't say it "would not" set a precedent.

We have come to the view that taxpayers' money would be far better invested in acquiring permanent and self-contained temporary accommodation. In the last 12 months the council has spent £45m in the acquisition and lease of 350 self-contained family and single temporary accommodation units. It has also spent over £400m in conjunction with partners to deliver over 1,800 new permanent affordable homes in the city, with a further 800 in train to be delivered by 2027. The simple fact remains that in the two Leicester cases being scrutinised by the Ombudsman, there was nowhere else to place the families. By investing in new temporary and permanent housing stock we have reduced the number of families staying in B&Bs from 421 in 2024 to 164 today.

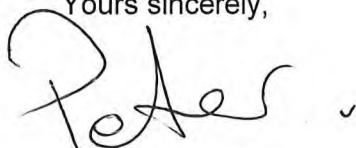
Due to ongoing pressures, officers are currently developing further plans for an additional multi-million-pound capital investment to deliver even more temporary accommodation. Alongside this, we are also planning to recruit additional homelessness staff because of growing service demands, and the substantial efforts needed to secure even more private rented sector properties. Both elements are adding even more pressure to our already heavily constrained revenue budget. Sadly, I must stress that even with all these efforts it may still prove to not be sufficient to address the temporary accommodation crisis in Leicester.

The council's decision not to accept the one outstanding recommendation does not indicate a disregard for the Ombudsman's role and her recommendations. Nor does it, as she implies, signify any wider issues about "how the authority is run". If you, as Secretary of State, or the Ombudsman, could give an assurance that by accepting this recommendation we would not be laying the authority open to a precedent and a potential bill of £220k+, I would be delighted to recommend the council to accept it.

I also urge the Department to review the 2003 regulations, which are well-intentioned but not fit for purpose given today's unprecedented level of need. Indeed, the regulations now have the effect of disadvantaging vulnerable families who often endure multiple moves and extended stays in unsuitable accommodation. A considered review and amendment of the 2003 regulations would be a critical step towards protecting vulnerable households without imposing unworkable conditions on councils.

I would be grateful for your consideration of these points and would welcome any opportunity to discuss them further.

Yours sincerely,



Sir Peter Soulsby
City Mayor

Appendix 2



Ministry of Housing, Communities & Local Government

Alison McGovern MP

*Minister of State for Local Government and
Homelessness*

2 Marsham Street
London
SW1P 4DF

Your reference: 2025/October/SR/PS/MH

Our reference: MC2025/29533

Sir Peter Soulsby
City Mayor
Leicester City Council
115 Charles Street
Leicester
LE1 1FZ

10 November 2025

Dear Sir Peter,

Thank you for your letter of 21 October to the Secretary of State, the Rt Hon Steve Reed OBE MP, regarding homelessness. I am replying as the Minister responsible for this policy area.

I note your comments about the Local Government and Social Care Ombudsman's recent letter to the Secretary of State for Housing, Communities and Local Government. My Department does not interfere with the Ombudsman's investigations or how local authorities choose to respond to their findings, and it would not be appropriate for me to comment on this specific matter.

I do recognise that Leicester City Council are experiencing significant homelessness pressures. I understand that the council is working on delivery of a B&B elimination plan with my Officials, with notable progress being made across a number of actions and interventions over the previous 12 months. This has resulted in the number of families in B&B for 6 weeks or more in Leicester falling by 94.7% from 243 on 30th June 2024 to 13 on 30th June 2025. I am pleased to hear that the recruitment and acquisitions programme in particular is yielding results, and hope that this, along with wider actions in Leicester's B&B elimination plan, will support you to achieve and sustain 0 hotel placements for families. However whilst there are still families in hotels, numbers remain too high.

The Government has no intention of changing the law so that families can be placed in B&B accommodation for more than 6 weeks. B&B accommodation is not suitable accommodation for families to live in, and the Government is determined to tackle this issue. We are addressing this through our Emergency Accommodation Reduction Pilots programme, of which Leicester City Council is one pilot area. We will work with your council to identify solutions that work for your area and share the learning across the country.

The Government is providing £950 million of investment for the fourth round of the Local Authority Housing Fund - the largest investment in the fund to date - to support local authorities

in England to increase the supply of good quality temporary accommodation and drive down the use of costly bed and breakfasts and hotels. This follows an expanded £500 million third round of the Local Authority Housing Fund, supporting local authorities to obtain better quality temporary accommodation.

To tackle the root causes of homelessness and reduce the number of families in temporary accommodation, we must build more homes. The Government confirmed £39 billion for the Social and Affordable Homes Programme, running from 2026 to 2036 at Spending Review. Our ambition is to deliver around 300,000 social and affordable homes over the programme's lifetime, with at least 60% of homes for Social Rent. This follows £800 million in additional programme funding for the Affordable Homes Programme 2021-2026.

Thank you again for writing on this important matter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alison', is centered on the page. The signature is fluid and cursive.

ALISON MCGOVERN MP

Minister of State for Local Government and Homelessness

Mid-Year Review Of Treasury Management Activities 2025/26

Overview Select Committee

Date of meeting: 3 December 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author Chris Raymakers
- Author contact details: Christopher.raymakers@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1. This report reviews how the Council conducted its borrowing and investments during the first six months of 2025/26.
- 1.2. The report commences with an overview of treasury management, including loans and investments at key dates. It then reviews the credit worthiness of investments and implementation of our strategy, provides outcomes on key performance measures and concludes by reviewing compliance against limits set by the Council.
- 1.3. During 2025/26 inflation has edged up slightly starting at 3.5% in April it then fluctuated before settling at 3.8% in July to September.
- 1.4. Despite inflation sticking above 3.5% the bank of England still made two cuts to base rate from 4.5% to 4% in order to stimulate the economy. With inflation stabilising in the second quarter of 2025/26, a further cut is anticipated in the new year.
- 1.5. The Council has been required to carry out planned borrowing during the first six months of this year.

2. Recommended actions/decision

- 2.1. Members of the Overview Select Committee are recommended to note the report and make comments to the Director of Finance and the Executive as they wish.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

- 4.1. Treasury management is the process by which our borrowing is managed, and our cash balances are invested. Whilst there are links to the budget approved annually by Council, the sums in this report do not themselves form part of the budget. Cash balances reported here cannot be used to finance expenditure, except to the extent already shown in the budget report and accounts.
- 4.2. The Council has incurred debt to pay for past capital expenditure.
- 4.3. The Council also needs cash balances. These are needed for day-to-day expenditure (e.g. to pay wages when they are due) and some is set aside to repay back borrowing.
- 4.4. The report commences with an overview of treasury management, including loans and investments at key dates, It then reviews the credit worthiness or investments and implementation of our strategy, provides outcomes on key performance measures, and concludes by reviewing compliances against limits set by the Council.
- 4.5. Reports reviewing treasury management activities are submitted twice a year, this is the first for 2025/26.

Overview of Treasury Management

Main elements of Treasury Management

- 4.6. There are two main elements to treasury management. The first is managing our borrowing, which has been taken out to finance capital expenditure. Most capital schemes are financed by grant or borrowing.
- 4.7. Up until last year the Council had not borrowed for over a decade. However, as cash balances have reduced this period and the increased need to fund the capital programme with borrowing, the Council is once again utilising government borrowing facilities.
- 4.8. Historic debt can sometimes be restructured to save money, i.e. repaying one loan and replacing it with another, and this is always given active consideration. However, Government rules had previously made it prohibitively expensive to repay loans borrowed from the PWLB earlier than the maturity date. Therefore, any repayments would likely be as part of an overall longer-term debt refinancing and rescheduling exercise after taking into account the prevailing interest rates and a full cost benefit analysis.
- 4.9. The revenue budget approved by the Council for each financial year includes provision for the interest payable on this borrowing. It also includes a provision for repaying the borrowing over a number of years (broadly speaking over the economic life of the assets acquired). As noted above, the actual loans have generally not been repaid, hence the funding set aside annually for repayment does help to maintain the cash balances.

- 4.10. The second element is cash management involves managing the Council's investments to ensure the optimum amount of money is in the bank account on a day-to-day basis – so that there is enough money in the account to cover the payments made on the day, but no more (cash held in the bank account earns negligible interest).
- 4.11. The Council's investments have reduced for the reasons detailed earlier in this report but as noted this is not "spare cash". There are a number of key reasons for the level of cash:
- a) As explained above, whilst the Government no longer supports capital spending with borrowing allocations, we are still required to provide money in the revenue budget each year to repay debt on past capital spending.
 - b) We have working balances arising from our day-to-day business (e.g. council tax received before we have to pay wages and suppliers, and capital grants received in advance of the associated capital spending).
 - c) We have reserves as shown in the annual budget report and the annual outturn report, which are essentially held in cash (or to underwrite 'internal borrowing' for new capital spending) until we need to spend them.
 - d) We hold funds previously associated with our role as the accountable body to the former Leicester and Leicestershire Enterprise Partnership (LLEP). These are now held by the Council as the lead Upper Tier Local Authority for the post-LLEP arrangements.

Treasury Management Policy and Monitoring

- 4.12. The activities to which this report relates are governed by the Treasury Management Strategy for 2025/26 which was approved by the Council on 19 February 2025. This establishes an outline plan for borrowing and investment. The strategy was drawn up based on the Council's expected borrowing requirements, its expected cash balances, the outlook for interest rates and the credit worthiness of the banks with whom the Council might invest its cash balances.
- 4.13. A twice-yearly report is submitted to your committee reviewing the treasury activity undertaken in the year. This report is the mid-year report for 2025/26.

Loans and Investments at Key Dates

- 4.14. Table 1 shows the loans (money borrowed by the Council) and investments (money invested by the Council) as at 31/03/2025 and 30/09/2025. The rates shown are the averages paid and received during 2025/26.
- 4.15. The level of gross debt has increased during the first half of the year for the reasons detailed earlier in the report. It is anticipated we will undertake additional borrowing through the second half of the year.

- 4.16. Investments have increased during the first 6 months of the financial year from £54.8m on 31 March 2024 to £109.7m. It is normal for balances to be higher in the first half of the year, as we often receive the income at the start of the year ahead of our need to spend and we have borrowed ahead of the need to spend. It should be noted though that this is £48m less than the position in September 2024.
- 4.17. Interest rates have gradually reduced over the first six months of the year with the Bank of England making two base rates cuts which have impacted on investment rates. As Inflation has stabilised there is likely to be a further cut in early 2026

Table 1 - Loans & Investments

	Position at 31 March 2025 £m	Position at 30 September 2025 £m	Average Rate of Interest
Long-Term Loans			
Public Works Loans Board	134.5	174.5	4.2%
Debt Held by the County Council	19.1	18.7	6.0%
Short-Term Loans			
Local Authority Loans	20	23	4.4%
Gross Debt	173.6	216.2	4.4%
Treasury Investments			
	Position at 31 March 2025 £m	Position at 30 September 2025 £m	Average Rate of Interest
Local Authorities	25.0	30.0	
Money Market Funds	21.8	74.7	
Property Funds	5.0	5.0	
Gross Investments	51.8	109.7	4.2%
NET DEBT	121.8	106.5	

- 4.18. Council has invested £5m in the Threadneedle Property Fund Trust since 2018. At the 30 September 2025 this fund had a value of £4.3m.

Table 2 – Property Funds

Threadneedle St Property Fund	£m
Initial Investment 2018	5.00
Unrealised loss	(0.67)
Value at 30 September 2025	4.33
Interest received on investment	1.55
Overall Gain/(Loss)	0.88

4.19. The Council's (Non-Treasury) Investment Strategy also allows the authority to spend capital or make loans to a third party where it is intended to (at least partly) achieve a return. As at 30 September the Council had the following non-treasury loans with third parties.

Table 3 - Loans & Investments under the Investment Strategy

<u>Loans</u>	Loans outstanding At 30/09/2024 £m	Interest rate
Ethically Sourced Products Ltd	1.0	4%
Leicester Hockey Club CIC	0.4	5%
Leicester Community Sports Arena Ltd	1.4	5%
Chapter of the Leicester Cathedral	0.8	5%
Total All Loans	3.6	4.8%

4.20. It is positive to note that Leicestershire Cricket Club repaid their £2m loan from us at the beginning of September.

4.21. As previously reported, Leicester Community Sports Arena Ltd is currently in arrears in relation to the repayment of their loan.

4.22. Leicester Hockey Club C.I.C. had a loan has also fallen into arrears and have a repayment plan in place and should be caught up in the next 9 months.

Credit Worthiness of Investments & Interest Rate Outlook

4.23. The economic situation in the UK has remained subdued with very low growth, though to date the UK has avoided a recession. Growth is expected to continue to be slow into 2025.

4.24. Interest rates have fallen from 4.5% at the 1 April 2025 to 4% at 30 September. It is expected that if inflation remains stable or starts to reduce then further cuts will be made in 2026.

- 4.25. The November 2025 Bank of England Monetary Policy Committee voted 5-4 to keep interest rates the same showing greater appetite for a cut than previously.
- 4.26. The Council has an indirect exposure to non-UK banks through its investment in money market funds. Money market funds are like “unit trusts” but rather than investing in company shares these funds invest in interest bearing investments such as bank deposits. When we open such funds, they are vetted to ensure that they have strong investment and risk management processes to ensure a high level of credit worthiness in the underlying investments, and we receive advice from our treasury advisor, Link.

Implementation of Borrowing & Investment Strategy

- 4.27. All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices. There have been no breaches of the strategy during the first half of 2025/26.
- 4.28. The strategy approved by Council for 2025/26 envisaged the Council requiring borrowing to be taken out to fund Capital Expenditure after a number of years of utilising cash balances and internal borrowing. The first tranche of borrowing of £40m took place in July while planning to borrow further in October and again in the new year.
- 4.29. Short-term borrowing has been utilised to provide liquidity during the first six months of the year. This borrowing is planned to be repaid in October when the Council takes out a second tranche of long-term borrowing.
- 4.30. The Council will time future borrowing to take place when both need and advantageous interest rates coincide.

Key Performance Measures

- 4.31. The Council benchmarks its investments and the latest data for the investment portfolio is as of 30 September 2025.
- 4.32. Treasury investments comprise internally managed investments, and longer maturity externally managed funds.

Other Prudential Indicators

4.33. Debt and the Authorised Limit and Operational Boundary, is set out in the table below:

	Debt at 30/9/2024 £m	2025/26 Authorised Limit £m	2024/25 Operational Boundary £m	Complied? Yes/No
Borrowing	216	650	550	yes
PFI and Finance Leases	80	500	450	yes
Total debt	296	1,150	1,000	

4.34. 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.

4.35. The operational boundary is a management tool for in-year monitoring and it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Maturity Structure of Borrowing

4.36. This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity of all borrowing were:

	Upper Limit £m	Lower Limit £m	30/09/2025 Actual £m	Complied?
Under 12 months	50	nil	28.25	yes
12 months and within 24 months	80	nil	15.25	yes
24 months and within 5 years	140	nil	12.0	yes
5 years and within 10 years	140	nil	7.5	yes
10 years and within 25 years	180	nil	19.0	yes

25 years and over	250	nil	115.0	yes
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*Note that these figures exclude PFI and finance leases, and amounts owed to Leicestershire County Council. The figures held as under 12 months include money borrowed short term from Local Authorities.

Long-term Treasury Management Investments

4.37. The Council has a limit of £50 million for investments in all types of long-term investments such as property funds, long dated bond funds and equities. The total sum of such investments held by the Council as of 30th September 2025 was the £10m of which £5 was held in property funds. The Council will monitor opportunities for long term investments in order to respond agilely when such opportunities arise.

Gross Debt and the Capital Finance Requirement

4.38. 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. The total debt including PFI and finance leases was £296 million whereas our capital finance requirement is £648m.

Liability Benchmark

4.39. The Treasury Management Strategy is required to include the Liability Benchmark. This compares the underlying need to borrow for capital purposes with the external loans profile over the next 50 years, for existing and approved future expenditure.

4.40. The underlying need to borrow for capital purposes is called the Capital Financing Requirement (CFR). The CFR falls over time as loans are gradually repaid and rises with new borrowing. The historic Housing Revenue Account debt does not have to be repaid and will therefore remain in the CFR.

4.41. After revenue and other balances have been considered, the liability benchmark (the underlying need to borrow for all purposes), is less than the CFR which is the maximum amount that can be borrowed except for very short term cashflow requirements.

4.42. In terms of risks, the Council is exposed to rising interest rates increasing the cost of future borrowing, but this is offset by an exposure to falling interest rates, which would reduce the return received on investments. The Council is also exposed to credit risk on its investments, that is the risk that loans or investments are not repaid although the great majority of its treasury balances are in low-risk investments.

4.43. 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.

Compliance with the Council's Treasury Management Strategy

4.44. For the operational implementation of the Council's Treasury Management Strategy the most important limits and indicators that need to be monitored throughout the year are:

- The authorised limit – the maximum amount of borrowing that the Council permits itself to have outstanding at any one time.
- The operational limit – a lower limit to trigger management action if borrowing is higher than expected.
- Limits on sums to be invested for more than one year

4.45. These limits are monitored and have been complied with.

Use of Treasury Advisors

4.46. The Council have appointed Link group as advisers from 1 October 2024. They advise on all aspects of treasury management, but their main focus is on providing advice on the following matters:

- the creditworthiness of banks
- the most cost-effective ways of borrowing
- appropriate responses to Government initiatives
- technical and accounting matters.

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

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Amy Oliver

Dated: 11th November 2025

5.2 Legal implications

There are no specific legal implications arising from this report, which is for information purposes.

Signed: Kevin Carter – Head of Law - Commercial, Property & Planning

Dated: 07 November 2025

5.3 Equalities implications

This report is for noting and outlines the Treasury activity and highlights investment, performance and the council's compliance to the Treasury and Prudential indicators during the first six months of 2025/26, it has no direct equality impacts

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

Dated: 10 November 2025

5.4 Climate Emergency implications

There are limited climate emergency implications directly associated with this report. However, in general, the Council should consider opportunities to ensure that its investments are not contributing to negative climate and environmental impacts, as relevant and appropriate.

Signed: Phil Ball, Sustainability Officer, Ext 37 2246

Dated: 07 November 2025

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

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6. Background information and other papers:

Treasury Policy 2025/26 approved at Council 19 February 2025

Treasury Management Strategy 2025/26 approved at Council 19 February 2025

Investment Strategy 2025/26 approved at Council 19 February 2025

7. Summary of appendices:

N/A

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

Income Collection April - September 2025

Overview Select Committee

Date of Meeting: 3rd December 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Claire Gavagan, Assistant Director of Finance
- Author contact details: claire.gavagan@leicester.gov.uk
- Report version number: V1

1. Summary

This report details progress made in collecting debts raised by the Council during the first six months of 2025-26, together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that have not been possible to collect at reasonable effort and expense.

This is a routine report made to members twice each year. As expected, the total outstanding debt increased over the first half of the financial year; this is due to the annual cycle of billing for council tax and business rates.

Figures included in this report need to be seen in the context of the total amount of income collected by the Council each year: as at half year 2025/26 the total amount raised from the areas covered in this report was £434m. Whilst some debt is difficult to collect, and some people find it difficult to pay, ultimately, we collect nearly all the money due to us.

2. Recommended actions/decision

2.1 The OSC is recommended to:

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

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

Appendix A provides a summary of all debt.

Appendix B provides more detailed information and narrative for each main category of debt

Appendix C provides a summary of all the write-offs during the period.

Appendix D provides a summary of Write Offs Over £5k for 2025/26

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

5.1 Financial implications

The report details the Council's performance in collecting debts and amounts which have had to be written off.

Signed: Claire Gavagan, Assistant Director of Finance
Dated: 30 October 2025

5.2 Legal implications

There are no specific legal implications arising from this report, which is for information purposes.

Signed: Kevin Carter– Head of Law - Commercial, Property & Planning
Dated: 31 October 2025

5.3 Equalities implications

This report details progress made in collecting debts raised by the Council during the year 2025-26 together with debts outstanding and brought forward from the previous year. The Council must make every effort to collect its due debts. The Council aims to collect debt in a fair, proportionate and respectful manner.

Communications with residents are designed to prompt timely payment from residents who can pay, and early engagement from those who may have difficulties in making payments.

Copies of the Council's debt policy is available on the website
<https://www.leicester.gov.uk/your-council/how-we-work/debt-enforcement/if-you-are-struggling-to-pay>

Recovery action needs to strike a fair balance between sensitivity to debtors who are struggling to pay and the interests of the public as a whole (the income expected is part of our budget).

Effective communications are central to maximising income collection. Timely and accessible communications will help customers make the required payments. It is important to provide information clearly and transparently to debtors on what/how to pay, what to do if they can't pay and what actions we may take; assist them in understanding the situation, their options and what is required of them as individuals before further

recovery progression. It is important to note that while digital communications are efficient, not all residents have equal access to or proficiency with online services.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148
Dated: 27 October 2025

5.5 Climate Emergency implications

None

Signed: Phil Ball, Sustainability Officer, Ext 372246
Dated: 30th October 2025

5.6 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 an income collection report, and therefore no policy changes are proposed.

6. Background information and other papers:

Finance Procedure Rules

Debt Policy

7. Summary of appendices:

Appendix A provides a summary of all debt.

Appendix B provides more detailed information and narrative for each main category of debt

Appendix C provides a summary of all the write-offs during the period.

Appendix D provides a summary of Write Offs Over £5k for 2025/26

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

Summary of all Debt

Income Type	Debts brought forward @01/04/2025 £m	Debt Raised £m	Collected £m	Written Off £m	Debts Outstanding @ 30/09/2025 £m
Non-Domestic Rates (including Costs)	14.89	113.67	(64.94)	(0.45)	63.17
Council Tax (including costs)	38.42	202.70	(105.79)	(0.55)	134.78
Housing Benefit Overpayments	6.68	1.27	(1.34)	(0.13)	6.48
Council Tax Rents (Current tenant arrears)	3.86	49.97	(49.58)	(0.07)	4.18
On & Off-street car parking fines	3.98	3.27	(1.83)	(1.10)	4.32
Moving Traffic Enforcement	0.95	0.88	(0.61)	(0.19)	1.03
Other income	34.25	62.09	(61.38)	(0.32)	34.64
TOTALS	103.03	433.85	(285.47)	(2.81)	248.60

1. Business Rates

1.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
14.89	113.67	(64.94)	(0.53)	63.09

1.2 Background and comparator information

Background Information

Business Rates are a national tax paid by just over 12,600 businesses in Leicester.

Comparator Information

There have been continued improvements in collection performance during 2025/26. The collection rate for the same period over the last two years is shown below:

- Collection to 30 September 2024: 54.99%
- Collection to 30 September 2025: 56.58%

Some of this improvement reflects earlier receipt of upfront payments from certain payers, such as schools. It should also be noted that unpaid debt as at 31 March continues to be actively pursued in the following financial year. By 30 September 2025, previous years arrears have reduced from £14.9m to £12.6m.

In-year and arrears collection will be adversely affected by the receivership and subsequent liquidation of Highcross Shopping Centre Ltd in September 2025 in the second half of this year. This will result in us being required to write-off of £2.5m of arrears. A significant provision was already included in 2024/25 outturn position for the arrears in relation to Highcross. This is a demonstration of how one business can impact on the performance of business rates collection.

Within our benchmark group of 14 Authorities, we are 3rd in order of the highest collection rate.

1.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	9	33
Deceased – No Assets	0	0
Insolvent / Bankrupt/ Liquidated	200	322
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	93	181
Totals	302	536

1.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

From 1 April 2025 the national retail, hospitality, and leisure business rates relief scheme allows for 40% relief to eligible businesses, up to a limit of £110,000 per business. The relief previously was 75%. This will change again from April 2026, with eligible businesses paying rates calculated on a lower multiplier and the scheme will cease to be discretionary.

Charges for 2025/26 are based on the revaluation of the rateable value of all non-domestic properties, effective from 1 April 2023. The next revaluation is due on 1 April 2026.

1.5 measures taken to recover debt

Debt recovery measures

Economic conditions and changing spending patterns continue to impact collection of business rates.

Our normal recovery process is:

- A reminder will be sent if an instalment is missed.
- If the instalment is paid within 7 days of the reminder, the right to pay by instalments is maintained; if a subsequent instalment is missed a final notice will be issued stating that the right to pay by instalments has been lost and the full charge has become payable.
- If the instalment is not paid within 7 days of the reminder, the full charge becomes payable.

A collection processes are being continuously reviewed to improve in-year and arrears collection. As part of this, we are issuing a SMS message to businesses prior to issuing summonses and focusing recovery action on rate payers with high levels of arrears with the help of external solicitors.

We have been working with enforcement agent services, with a view to use improved methods of collection, whilst assisting those businesses facing difficulties by promoting eligibility for reliefs and extended payment arrangements.

For customers struggling to pay we offer a call back service to discuss payment of the outstanding debt and any other support that may be available.

2. Council Tax

2.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
38.42	202.70	(105.79)	(0.73)	134.60

2.2 Background and comparator information

Background information

Council tax is a national tax, determined locally, and charged to around 145,500 properties in Leicester. The amount we collect includes sums charged by the combined fire authority and the police and crime commissioner.

Comparator information

The following shows the percentage debt collection in the year it is raised over the last two years:

- Collection to 30th September 2024 – 50.94%
- Collection to 30th September 2025 – 50.93%

Collection performance remains stable despite the £18.6m increase in the net collectable amount. The higher amount to collect has mainly arisen due to the annual increase in council tax of 5%.

The current collection levels help demonstrate the effectiveness of early engagement, flexible payment arrangements and the continued focus on supporting residents before enforcement action is taken.

It should be noted that unpaid debt on 31st March continues to be collected in the following year. To 30th September 2025, previous years arrears have reduced from £38.4m to £32.5m.

Within our benchmark group of 14 Authorities, we are the 7th in order of the highest collection rate.

2.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	1,201	424
Deceased – No Assets	106	35
Insolvent / Bankrupt/ Liquidated	725	170
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	457	101
Totals	2489	730

2.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The changes to the working age council tax support scheme came into effect this year.

From 1st April 2025, dwellings that are occupied periodically (often referred to as second homes), are subject to a 100% premium. However, regulations allow exceptions to these premiums if certain eligibility conditions are met.

2.5 Summary of measures taken to recover debt

Debt recovery measures

As of 30th September, council tax support has been awarded in respect of 22,570 claims, at a cost of £23.4m to the Council.

The council tax discretionary relief scheme also provides support to households experiencing extreme financial hardship. As at 30th September 2025, just under £0.5m was paid to 995 households to make their council tax payments affordable. This is funded by the Council.

The usual recovery process after a reminder instalment has been missed is:

- If the instalment is paid within 7 days of the reminder, the right to pay by instalments is maintained; if a further instalment is missed, another reminder can be issued; if a third instalment is missed, a final notice will be issued stating that the right to pay by instalments is lost and the full balance becomes payable.
- If the instalment is not paid within 7 days of the first /second reminder, the right to pay by instalments is lost and the full balance becomes payable.
- If the full balance becomes payable and is not paid within 7 days, a summons will be issued, and a liability order sought at the Magistrates Court.

Understanding the struggles households may be experiencing, we continue to encourage residents and ratepayers to contact the Council as soon as possible so that a suitable payment arrangement or any entitlement to discounts, exemptions and discretionary relief can be discussed. Support includes payments arrangements being offered at every stage of recovery, SMS reminders and the promotion of council tax discretionary support.

3. Overpaid Housing Benefit

3.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
6.68	1.27	(1.34)	(0.13)	6.48

3.2 Background and comparator information

Background information

The main cause of housing benefit overpayments is delays in recipients telling the Council of changes to their circumstances, resulting in too much benefit being paid. By its nature overpaid housing benefit is difficult to collect. However, processes are in place to recover debt wherever possible.

Overall, housing benefit debt continues to reduce from £6.68m at 31/03/2025 to £6.48m at 30/09/2025.

Comparator information

Debt outstanding at:

- 31/03/2020 £13.74m
- 31/03/2021 £11.02m
- 31/03/2022 £9.45m
- 31/03/2023 £8.66m
- 31/03/2024 £7.64m
- 31/03/2025 £6.68m

3.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	2	2.7
Deceased – No Assets	3	10.0
Insolvent / Bankrupt/ Liquidated	10	37.0
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	218	85.0
Totals	233	134.7

3.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

From April 2025 the maximum deduction from Universal Credit from overpayments, which can include Housing Benefit, reduced from 25% to 15%. This will continue to reduce recovery of Housing Benefit Overpayment over time.

To assist with reducing the level of housing benefit overpayments, we are working on improving the automation of our processes and working closer with DWP to share data.

3.5 Summary of measures taken to recover debt

Debt recovery measures

Debt is collected by means of deduction from ongoing benefit payments if there is a current entitlement to housing benefit.

Legislation permits us to deduct overpayments from other state benefits. However, when people transfer to universal credit our ability to collect weakens as we are 19th on the priority of creditors list and a maximum of 3 deductions are allowed at one time.

If there is no current housing benefit entitlement, payment is requested from the customer in the first instance before an invoice is raised.

Where no benefits are in payment, but the debtor is in employment we seek to obtain a Direct Earnings Attachment.

Appendix B

The Council continues to work with those struggling to pay on a case-by-case basis, offering payment arrangements. Debt is not waived.

4. Housing Rent

4.1. Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
3.86	49.97	(49.58)	(0.07)	4.18

4.2 Background and comparator information

Background information

The authority currently collects rent from approximately 18,800 tenancies across the City. Approximately, 3,500 of our tenants (19%) are on full or partial Housing Benefit and 10,300 (55%) on Universal Credit. The debt raised & collected includes the element paid by Housing Benefit.

Comparator information

Whilst Council Housing rent arrears have increased by £0.3m since March 2025, the position is in line with September 2024 figures. There is typically a mid-year rise in arrears in part due to two rent free weeks falling in the second half of the financial year.

Rent arrears from former tenants for previous years are included in the debt bought forward.,

4.3. Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	0	0
Deceased – No Assets	0	0
Insolvent / Bankrupt/ Liquidated	0	0
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	73	68
Totals	73	68

4.4. Volume/policy/statutory changes that have occurred during the period and their impact

Changes

It is now over 8 years since the implementation of UC, and the roll out of the full UC commenced at the beginning of 2024. Under the latest plans, it is anticipated the managed migration of the final group of legacy benefit claimants will be completed by 2028/29.

Tenants in receipt of Housing Benefit can have it paid directly into their rent account. However, under UC money is paid directly to the claimant rather than the Council. Vulnerable tenants and those with a history of rent arrears or homelessness may be able to have their rent paid directly to the Council, as landlord, by applying for an Alternative Payment Arrangement (APA).

4.5 Summary of measures taken to recover debt

Debt recovery measures

The Income Management Team are working with the Department for Work & Pensions (DWP) to minimise any impact of UC roll out. Tenants continue to be supported with income maximisation and claims for HB and UC, which can assist with rent payments. The team provide support to claim Discretionary Housing Payments (DHP), so far this year they have distributed £1.1m to help secure tenant and those in temporary accommodation.

Rent Management Advisors are supporting vulnerable tenants to claim and maintain UC and other welfare benefit streams, including disability related benefits.

5. Parking Fines (Penalty Charge Notice)

5.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
3.98	3.27	(1.83)	(1.1)	4.32

5.2 Background and comparator information

Background information

The Council issues penalty notices for both on-street and off-street parking charge evasion, as well as illegal parking. There are two nationally set rates based on the seriousness of the offence, details below.

- £25 or £35 if paid within 14 days.
- £50 or £70 if paid after 14 days.

When the penalty notices are written off, they are done so at the full rate plus any costs incurred.

Comparator information

The percentage of tickets issued during the year, paid at 30th Sept

- 2024/2025 – 66%
- 2025/2026 – 63%

5.3. Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	8,830	657.8
Deceased – No Assets	29	2.7
Insolvent / Bankrupt/ Liquidated	61	6.2
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	4,082	425.3
Totals	13,002	1,092.0

5.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The number of PCNs issues continues to increase in comparison with the same period in 2024/25. This has been facilitated by the continued use of the new system and handheld devices introduced in April 2023 and staff coming more confident and pro efficient with the use.

Income generated by parking PCNs has also steadily increased but will continue to be impacted by changes in working patterns, shopping behaviour and changes to on and off-street parking availability in and around the city.

The number of no-trace cases continues to affect the recovery of debt as vehicles can still be registered with the DVLA without any proof of identity being required which is beyond our control.

5.5. Summary of measures taken to recover debt

Usual Debt recovery measures

- Reminder letters
- Legal action
- Enforcement action (bailiffs)
- Staff training and general discussions and improvements

6. Moving Traffic Enforcement Fines

6.1 Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
0.95	0.88	(0.61)	(0.19)	1.03

6.2 Background and comparator information

Background information

The Council issues penalty notices to motorists for driving in Bus Lanes/Gates or Bus Stop Clearways (red routes) and Moving Traffic Offences for stopping in a box junction and school streets.

These are levied at £70, discounted to £35 if paid within 21 days.

When the penalty notices are written off, they are done so at the full rate plus any costs incurred.

Comparator information

The percentage of tickets issued during the year, paid at 30th Sept

- 2024/2025 – 71%
- 2025/2026 – 62%

6.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	1,598	75.9
Deceased – No Assets	4	0.5
Insolvent / Bankrupt/ Liquidated	23	2.5
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	1,039	109.7
Totals	2,664	188.6

6.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

In the first half of 25/26 a new outgoing bus stop camera was introduced on Evington Road to help improve traffic flow due to the ongoing obstructive parking along this section of the road. Warning notices were issued for the first 2 weeks followed by live PCN's since this has helped to improve driver behaviour and congestion, and a decision has now been made to introduce a second bus stop camera on the incoming lane which we hope to have in place before the end of the year.

6.5 Summary of measures taken to recover debt

Usual Debt recovery measures

- Reminder letters
- Legal action
- Enforcement action (bailiffs)

7. Other Income

7.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off/back £m	Uncollected debt c/f £m
34.25	62.09	(61.38)	(0.32)	34.64

7.2 Background and comparator information

Background information

'Other Income' includes all income other than the sources described above. It covers a wide variety of income from various individuals and organisations. Examples include commercial property rent, adult social care costs relating to residential and non-residential care, and repairs and maintenance charges relating to Council property.

Unlike some other sources of debt, the total debt value can fluctuate based on the type and timing of income being collected. In particular, the debt as at 30 September includes some large invoices raised in late September and consequently not paid by the end of the month.

Comparator information

Although aged debt (over 12 months old) has increased from £5.05m in March 2024 to £7.43m in March 2025, overall debt levels have remained stable. This indicates that the rise is concentrated in a smaller number of long-standing, complex cases rather than a fall in current collection performance.

Our strengthened monitoring and earlier intervention are helping to slow the flow of new debt into the aged category. While some older balances inevitably take longer to resolve, our focus on targeted reviews, specialist case handling and improved data accuracy is beginning to deliver more consistent recovery and greater control over the overall debt position.

- 31/03/2020 £3.48m
- 31/03/2021 £4.33m
- 31/03/2022 £4.48m
- 31/03/2023 £5.25m
- 31/03/2024 £5.05m
- 31/03/2025 £7.43m

7.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	4	16.3
Deceased – No Assets	17	99.0
Insolvent / Bankrupt/ Liquidated	7	43.7
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	26	159.8
Totals	32	318.9

7.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

We recognise that the cost-of-living crisis continues to affect some customers' ability to pay, particularly where energy, food and housing costs remain high. These pressures have the potential to slow down repayment rates and increase the risk of arrears, particularly within Adult Social Care and commercial income streams.

However, a number of targeted measures have helped to offset these risks and contributed to overall arrears remaining stable during the period:

Early engagement and welfare support: We continue to encourage customers in financial difficulty to contact us at an early stage, enabling us to agree affordable repayment plans and signpost to welfare or hardship support where appropriate.

Review of recovery timing and tone: We have refined our reminder schedules and communications to ensure contact remains proportionate and supportive, particularly for vulnerable debtors.

Improved data and reporting: Enhanced monitoring of accounts allows us to track payment behaviour more closely and intervene before arrears become long term.

Targeted recovery in specific areas: For example, Adult Social Care and commercial rent debts are being reviewed jointly with service departments to ensure financial assessments, invoicing and follow-up actions are aligned.

Taken together, these measures have meant that although many customers are under increased financial pressure, arrears have not risen. This reflects the

balance we are striking between maintaining income recovery and providing flexibility for those genuinely struggling to pay.

7.5 Summary of measures taken to recover debt

Debt Recovery Measures

We continue to apply our standard debt recovery procedures while offering support to residents and customers experiencing financial hardship.

Process:

If an invoice remains unpaid after 14 days, we issue a first reminder, followed by a second after seven days. From there, we tailor our recovery approach to the nature of the debt, recognising that, for example, the sensitivities of Social Care debt require a different response to the more commercial focus applied to business debts. This targeted approach ensures we balance firm recovery with fairness and support for those in genuine hardship.

Where a case is suitable for county court enforcement, we issue a Letter of Claim. If payment is still not made after a judgment or recovery order, we may:

- Refer the case to enforcement agents
- Apply for a third-party debt order
- Arrange an attachment to earnings
- Seek a charging order

Cases not suitable for county court enforcement are referred directly to enforcement agents, with debtors encouraged to engage early with our support offers to avoid escalation. Where appropriate, and depending on the circumstances, more complex or high-value debts are referred to Legal Services for further action to secure recovery.

To further strengthen recovery, we have also introduced the use of external partners to issue correspondence and review litigation outcomes, helping us to maximise the effectiveness of enforcement.

Impact:

Overall arrears have stabilised at £34.64m despite ongoing economic pressures, showing that our interventions are helping to prevent new debt from building up. The number of accounts moving into the aged-debt category has reduced, reflecting earlier engagement and better data accuracy.

In Adult Social Care, closer joint working between finance and social work teams has led to quicker resolution of long-standing cases and higher recovery from probate and estates. Early feedback from our external partners also shows faster turnaround times and more consistent follow-up on enforcement cases.

Appendix B

Although it is still early to measure the full benefit, the stable arrears position and slowing growth of aged debt show that our revised approach is improving collection performance and strengthening financial resilience over time.

Summary of all Write Offs

The table below provides detail on the reasons why debt is written off during the year.

Income Type	Unable to trace £000	Deceased - no assets £000	Insolvent/ Bankrupt/ Liquidated £000	Irrecoverable at reasonable effort and expense £000	Total Write offs at 30/09/2025 £000
Non-Domestic Rates (including Costs)	33	0	322	91	446
Council Tax (including costs)	424	35	170	101	730
Housing Benefit Overpayments	3	10	37	85	135
Council Tax Rents-Current Tenant arrears	0	0	0	68	68
On & Off-street car parking fines	658	3	6	425	1,092
Bus Lane Enforcement	76	0.5	2.5	110	189
Other Income	16	99	44	160	319
Total	1,210	147	581	1040	2,978

Appendix D

Write Offs Over £5k for 2025/26

Income Type	No. of Write Offs	Value £000
Non-Domestic Rates (including Costs)	19	449
Council Tax (including Costs)	25	115
Housing Benefit Overpayments	4	36
Council House Rents	0	0
On and Off-Street Car Parking fines	0	0
Bus Lane Enforcement	0	0
Other Income	19	214
Totals	67	814

Executive Decision Capital Budget Monitoring April-September 2025/26

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 03 December 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Claire Gavagan
- Author contact details: claire.gavagan@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1 The purpose of this report is to present the position of the capital programme for 2025/26 as at the end of September 2025.
- 1.2 This is the second capital monitoring report of the financial year. There will be one further quarterly report followed by an outturn report being presented to this committee.
- 1.3 As reported in the previous year's monitoring reports, progressing capital projects continues to be difficult. New pressures in schemes, where possible, 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 £48.7m for the year to date.
 - The progress in delivery of major projects, as shown at Appendix A.
 - The progress on spending against work programmes, as shown at Appendix B.
 - The provisions that remain unspent as shown at Appendix C.
 - That across a number of schemes, £211k has been saved following completion of schemes below budget. Of this, £202k was funded by corporate resources.
 - The transfer of the following schemes from Projects to Provisions: Aikman Avenue District Heating and St Paul's Church. They have been moved to Provisions as they are not yet ready for delivery, with key information and approvals still outstanding.

- £925k currently held in the Property and Operational Estate Work Programme for the Haymarket will be moved to the Corporate Estate Work Programme (see appendix B, para 3.11)
- The prudential indicators presented in Appendix F.
- Approve the following additions to the programme:
 - £485k for Green Homes, financed from government grant funding through the Department for Energy Security and Net Zero. (see Appendix B, para 3.2)
 - £1,036k in 2026/27 for the Corporate Estate Work Programme, financed from the Haymarket Reserve (see Appendix B, para 3.10)
 - £427k for Workspace Fit Out, financed from UKSPF grant funding (see Page 17, Para 2.1)

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 2025/26 Capital programme was initially approved by Council on 19 February 2025. It has subsequently been amended (including through the 2024/25 outturn report).

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 2025/26 capital programme budget and the spend as at the end of September, is shown below:

	2025/26 Budget £'000	2025/26 Spend £'000
Projects	118,849	19,639
Work Programmes	76,230	22,930
Provisions	2,454	0
Schemes Substantially Complete	9,013	6,191
Total Immediate Starts	206,546	48,760
Policy Provisions	16,187	0
Total Capital Programme	222,733	48,760

4.4 A summary of the total approved 2025/26 capital programme budget and the resources that are funding them is shown below:

	£000s					
	Projects	Work Programmes	Provisions	Substantially Complete	Policy Provisions	Total
HRA - Budget	2,737	24,732	835	220	750	29,274
GF - Budget	116,112	51,498	1,619	8,793	15,437	193,459
Total	118,849	76,230	2,454	9,013	16,187	222,733
Ringfenced - HRA	650	2,315	0	0	750	3,715
Unringfenced - HRA	2,087	22,417	835	220	0	25,559
Total HRA	2,737	24,732	835	220	750	29,274
Ringfenced - GF	31,355	4,868	0	1,747	10	37,980
Unringfenced - GF	84,757	46,630	1,619	7,046	15,427	155,479
Total GF	116,112	51,498	1,619	8,793	15,437	193,459

4.5 The following changes have occurred to the capital programme since period 3 2025/26. These movements are included in the table at 4.3 above:

	Budget £000
Decisions since P3 2025/26	
Multi Use Games Area (MUGA)	2,329
St Johns/ Glebelands Bulge Capacity	640
School Capital Maintenance (TMB)	500
Local Transport Schemes (Local Transport Grant)	9,520
Local Transport Schemes (Active Travel Fund Grant)	1,549
Directors Decisions	
Heritage Interpretation Panels	200
Other	30
Net Movements	14,768

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
- Appendix F – Prudential Indicators

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 As part of the budget strategy set for 2025/26 there was a requirement to generate £60m of asset sales that could be used if a capitalisation directive was required. The Council has a significant programme to generate these capital receipts. To the end of the second quarter of 2025/26, the Council has realised £3.6m of General Fund capital receipts.

4.8.2 Over the same period “Right to Buy” receipts from sales of council housing have amounted to £9m. There was an increase in sales completed in Quarter 2 compared to the first three months of the year. The Council is still working through the applications which resulted from changes to the Right to Buy scheme made in November 2024. These changes saw a surge in the number of applications which are currently being processed. Applications have since dropped by around 30% compared to historic levels, which is a smaller reduction than anticipated. Although many applications will not result in a sale of the property, the Council is likely to see high levels of completed sales in the second half of 2025/26 and throughout 2026/27. The changes to scheme eligibility will likely reduce sales thereafter as the number of applications reduces further and people opt to discontinue the process when the reduced level of discount becomes apparent. Assumptions relating to the impact of the change in government policy were included in the HRA’s 2025/26 budget report approved at Council in February 2025.

4.9 Prudential Indicators

This report also presents prudential indicators, in accordance with the CIPFA code.

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

5.1 Financial implications

This report deals entirely with financial matters, the implications of which are contained within the report.

Signed: Amy Oliver, Director of Finance

Dated: 10th November 2025

5.2 Legal implications

There are no adverse legal implications arising in respect of this report. The monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003 which this report seeks to do.

Signed: Kevin Carter, Head of Law

Dated: 7 November 2025

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. The purpose of this report is to present the position of the capital programme for 2025/26 as at the end of September 2025.

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: 23 October 2025

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.

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

Signed: Phil Ball, Sustainability Officer, Ext 2246

Dated: 27 October 2025

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:

- General Fund Capital Programme 2025/26 and HRA Budget (including Capital Programme) approved by Council on 19 February 2025.
- Capital Outturn 2024/25 presented at OSC on 9 July 2025.
- 2025/26 Capital Monitoring P3 Report presented to OSC on 24 September 2025.

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?

Yes. Expenditure exceeding £1m is proposed which has not been specifically approved by Council.

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	Approved Budget £000	2025/26 Spend £000	Forecast (Under) / Overspend £000
Corporate Resources	1,000	23	0
Planning, Development & Transportation	37,804	2,835	0
Tourism, Culture & Inward Investment	15,907	1,230	0
Neighbourhood & Environmental Services	7,716	768	0
Estates & Building Services	6,857	1,562	0
Housing General Fund	35,869	10,171	0
Children's Services	10,957	2,902	0
Housing Revenue Account	2,738	148	0
Total	118,849	19,639	0

- 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	Approved Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CRS	Finance System Replacement	1,000	23	0	Apr-27	Apr-27	Green	Green
CDN (PDT)	Local Transport Schemes	14,199	1,942	0	Mar-24	Dec-27	Green	Green
CDN (PDT)	Waterside Strategic Regeneration Area	2,371	411	0	Mar-23	Jun-26	Green	Green
CDN (PDT)	St George's Churchyard	180	71	0	Aug-18	Dec-25	Green	Blue
CDN (PDT)	Leicester Railway Station - Levelling up	14,230	148	0	Mar-24	TBC	Red	Red
CDN (PDT)	Land South of Phoenix	281	16	0	Jun-25	Dec-25	Amber	Green
CDN (PDT)	Leicester Urban Natural Flood Management	60	16	0	Mar-27	Mar-27	Green	Green
CDN (PDT)	Heritage Development Trust	134	1	0	Mar-25	Dec-26	Green	Amber
CDN (PDT)	Restoring the Soar	562	66	0	Jul-26	Jul-26	Green	Green
CDN (PDT)	Southgates Underpass Lighting	55	0	0	Oct-25	Nov-25	Green	Blue
CDN (PDT)	Strategic Sites	4,934	153	0	Mar-28	Mar-28	Green	Green
CDN (PDT)	Connecting St Margarets	798	11	0	Mar-26	Mar-26	Green	Green
CDN (TCI)	Leicester Market Redevelopment	7,725	1,094	0	Dec-21	Dec-26	Green	Green
CDN (TCI)	12-20 Cank St Link	2,594	148	0	Jan-25	Oct-26	Amber	Green
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	5,037	(12)	0	Mar-22	Jun-26	Green	Green
CDN (TCI)	King Richard III Café	551	0	0	Feb-27	Feb-27	Green	Green
Total		54,712	4,088	0				

Dept/ Division	Project	Approved Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CDN (NES)	Library Self Access Rollout	473	14	0	Sep-24	TBC	Purple	Purple
CDN (NES)	Neighbourhood Services Transformation	1,000	0	0	Mar-27	Mar-27	Green	Green
CDN (NES)	Multi Use Games Areas (MUGAs)	4,844	436	0	Mar-25	Aug-26	Green	Amber
CDN (NES)	Depot Relocation	149	125	0	Mar-25	Mar-26	Green	Green
CDN (NES)	Pest & Dogs Depot Relocations	48	0	0	Mar-25	Mar-26	Green	Green
CDN (NES)	Leisure Centre Improvements	1,072	186	0	Dec-25	TBC	Purple	Purple
CDN (NES)	Green Libraries Project	130	7	0	Mar-25	Mar-26	Green	Amber
CDN (EBS)	Estate Shops	266	1	0	Mar-22	Dec-26	Amber	Green
CDN (EBS)	Replacement Cladding Phoenix Square	2,077	1,516	0	Dec-24	Sep-25	Green	Blue
CDN (EBS)	St Nicholas Wall	362	0	0	Sep-24	Jun-26	Green	Green
CDN (EBS)	Boston Road	1,431	45	0	Jul-25	Sep-26	Purple	Green
CDN (EBS)	Gilroes Cemetery	719	0	0	Sep-25	Feb-26	Amber	Green
CDN (EBS)	Energy Smart Initiatives	2,002	0	0	Jun-26	Jun-26	Amber	Green
CDN (HGF)	86 Leycroft Road Depot	3,794	4	0	Dec-26	Sep-27	Green	Green
CDN (HGF)	Housing Acquisitions - SAP	32,075	10,167	0	Aug-25	Dec-25	Green	Green
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	5,716	1,288	0	Jan-24	Sep-27	Green	Green
SCE (ECS)	S106 School Places (Slater/ Wolsey House)	847	0	0	Sep-26	Sep-26	Green	Green
SCE (ECS)	Pindar Nursery	825	0	0	Mar-23	Sep-27	Purple	Purple
SCE (ECS)	Expansion of Children's Homes	740	696	0	May-23	Oct-25	Green	Blue
SCE (ECS)	Education System Re-tender	1,486	361	0	Mar-26	Mar-27	Green	Green
SCE (ECS)	Beaumont Leys School – Bulge Works - Café and Canopy	110	0	0	-	Oct-25	-	Blue
SCE (ECS)	St Johns/Glebelands Bulge Capacity	640	517	0	-	Nov-25	-	Blue
SCE (ECS)	Early Years - Two Year Olds	593	40	0	-	Mar-26	-	Green
Total (excluding HRA)		116,112	19,491	0				

Dept/ Division	Project	Approved Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CDN (HRA)	Dawn Centre Reconfiguration	1,104	103	0	May-23	Jan-26	Amber	Amber
CDN (HRA)	St Matthews Residential Property Concrete Works	1,633	45	0	Mar-24	Oct-26	Amber	Amber
Total HRA		2,738	148	0				
Total (including HRA)		118,849	19,639	0				

Capital Programme Project Monitoring 2025/26 P6

Corporate Resources

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Finance System Replacement	1,000	0	Apr-27	Apr-27	G
Total	1,000	0			

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

Capital Programme Project Monitoring 2025/26 P6

Planning, Development & Transportation

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Local Transport Schemes	14,199	0	Mar-24	Dec-27	G
Waterside Strategic Regeneration Area	2,371	0	Mar-23	Jun-26	G
St George's Churchyard	180	0	Aug-18	Dec-25	B
Leicester Railway Station - Levelling up	14,230	0	Mar-24	TBC	R
Land South of Phoenix	281	0	Jun-25	Dec-25	G
Leicester Urban Natural Flood Management	60	0	Mar-27	Mar-27	G
Heritage Development Trust	134	0	Mar-25	Dec-26	A
Restoring the Soar	562	0	Jul-26	Jul-26	G
Southgates Underpass Lighting	55	0	Oct-25	Nov-25	B
Strategic Sites	4,934	0	Mar-28	Mar-28	G
Connecting St Margarets	798	0	Mar-26	Mar-26	G
Total	37,804	0			

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

2.1. Leicester Railway Station – Levelling Up – This is a very large and complex contract. The contracting approach has been carefully reviewed, and we have undertaken detailed soft market testing with construction sector. This has confirmed that our approach should be attractive to the market. We anticipate formal relaunch of the main contract to procurement by the end of the calendar year, with an appointment by Autumn of 2026.

2.2. Heritage Development Trust - The project completion date has been aligned to the end date of the external grant funding.

Capital Programme Project Monitoring 2025/26 P6

Tourism, Culture and Inward Investment

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Leicester Market Redevelopment	7,725	0	Dec-21	Dec-26	G
12-20 Cank St Link	2,594	0	Jan-25	Oct-26	G
Leicester Museum and Art Gallery Phase 1	5,037	0	Mar-22	Jun-26	G
King Richard III Café	551	0	Feb-27	Feb-27	G
Total	15,907	0			

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

2.1 This report recommends the addition of £427k for the Workspace Fit Out Project for post completion fit-out costs. This will be funded from external grant funding through the UK Shared Prosperity Fund.

Capital Programme Project Monitoring 2025/26 P6

Neighbourhood and Environmental Services

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Self Access Rollout	473	0	Sep-24	TBC	P
Neighbourhood Services Transformation	1,000	0	Mar-27	Mar-27	G
Multi Use Games Areas (MUGAs)	4,844	0	Mar-25	Aug-26	A
Depot Relocation	149	0	Mar-25	Mar-26	G
Pest & Dogs Depot Relocations	48	0	Mar-25	Mar-26	G
Leisure Centre Improvements	1,072	0	Dec-25	TBC	P
Green Libraries Project	130	0	Mar-25	Mar-26	A
Total	7,716	0			

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

2.1 Library Self Access Rollout – The timing and roll out of library self-access will be dependent on the future Executive Decision on libraries and community centres.

2.2 Multi Use Games Area (MUGAs) - The forecast completion has been extended to reflect the inclusion of the Football Foundation Play zone project.

2.3 Leisure Centre Improvements - This is on hold whilst we undertake the leisure centre review.

2.4 Green Libraries Project - Contractor delays mean that the original timescales will no longer be met, and some work will now take place after Christmas.

Capital Programme Project Monitoring 2025/26 P6
Estates and Building Services

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	266	0	Mar-22	Dec-26	G
Replacement Cladding Phoenix Square	2,077	0	Dec-24	Sep-25	B
St Nicholas Wall	362	0	Sep-24	Jun-26	G
Boston Road	1,431	0	Jul-25	Sep-26	G
Gilroes Cemetery	719	0	Sep-25	Feb-26	G
Energy Smart Initiatives	2,002	0	Jun-26	Jun-26	G
Total	6,857	0			

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

Capital Programme Project Monitoring 2025/26 P6

Housing General Fund

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
86 Leycroft Road Depot	3,794	0	Dec-26	Sep-27	G
Housing Acquisitions - SAP	32,075	0	Aug-25	Dec-25	G
Total	35,869	0			

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

Capital Programme Project Monitoring 2025/26 P6

Children's Services

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	5,716	0	Jan-24	Sep-27	G
S106 School Places (Slater/ Wolsey House)	847	0	Sep-26	Sep-26	G
Pindar Nursery	825	0	Mar-23	Sep-27	P
Expansion of Children's Homes	740	0	May-23	Oct-25	B
Education System Re-tender	1,486	0	Mar-26	Mar-27	G
Beaumont Leys School – Bulge Works - Café and Canopy	110	0	-	Oct-25	B
St Johns/Glebelands Bulge Capacity	640	0	-	Nov-25	B
Early Years - Two Year Olds	593	0	-	Mar-26	G
Total	10,957	0			

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

2.1 Pindar Nursery – This is on hold whilst we review the requirements.

Capital Programme Project Monitoring 2025/26 P6

Housing (HRA)

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Dawn Centre Reconfiguration	1,104	0	May-23	Jan-26	A
St Matthews Concrete Works	1,633	0	Mar-24	Oct-26	A
Total	2,738	0			

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

2.1.Dawn Centre Reconfiguration – There has been delays in agreeing the additional improvements with the contractor, delaying the project.

2.2.St Matthews Concrete Work – Resourcing to undertake the concrete works on the St Matthews Estate and make the upgrades to the St Matthews Centre are shared. The works at the St Matthews Centre have been prioritised which has led to a delay to the wider estate works.

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 25/26 £000	2025/26 Spend £000	Slippage £000	Over/(under) Spend £000
City Development & Neighbourhoods	1,921	71	775	0
Planning, Development & Transportation	13,072	2,969	575	0
Tourism, Culture & Inward Investment	1,014	179	190	0
Neighbourhood & Environmental Services	966	0	120	0
Estates & Building Services	5,721	511	1,309	0
Housing General Fund	11,507	1,555	7,638	0
Children's Services	17,048	2,625	4,899	0
Adult Social Care	250	0	200	0
Total (excluding HRA)	51,499	7,910	15,706	0
Housing Revenue Account	24,731	15,020	1,208	417
Total (including HRA)	76,230	22,930	16,914	417

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2025/26 Spend £000	Slippage £000	Over/ (under) Spend £000
Feasibility Studies	CDN	1,921	71	775	0
Transport Improvement Works	CDN (PDT)	4,764	1,476	0	0
Bus Engine Retrofitting	CDN (PDT)	376	0	0	0
Highways Maintenance	CDN (PDT)	6,091	1,085	0	0
Flood Strategy	CDN (PDT)	321	86	0	0
Festival Decorations	CDN (PDT)	55	7	0	0
Local Environmental Works	CDN (PDT)	400	264	0	0
Architectural & Feature Lighting	CDN (PDT)	30	0	30	0
Front Wall Enveloping	CDN (PDT)	582	0	400	0
Secure Cycle Parking (TCF Funded)	CDN (PDT)	338	2	145	0
Street Nameplates City Branding Programme	CDN (PDT)	24	24	0	0
Historic Building Grant Fund	CDN (PDT)	91	25	0	0
Heritage Interpretation Panels	CDN (TCI)	370	78	70	0
Local Shopping Centres Reopening & Improvement Programme	CDN (TCI)	494	103	120	0
Community Asset Transfer	CDN (TCI)	150	(2)	0	0
Grounds Maintenance Equipment	CDN (NES)	150	0	50	0
Evington Park Depot Staff Welfare Facilities	CDN (NES)	140	0	0	0
Street Cleaning Equipment	CDN (NES)	445	0	0	0
Public Toilet Automatic Locking	CDN (NES)	176	0	0	0
Trees and Woodland Stump Grinder	CDN (NES)	55	0	0	0
Corporate Estate	CDN (EBS)	1,358	90	0	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	4,363	421	1,309	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,775	923	575	0
Repayable Home Repair Loans	CDN (HGF)	121	0	100	0
Vehicle Fleet Replacement Programme	CDN (HGF)	8,323	489	6,963	0
Action Homeless' Supported Living Scheme	CDN (HGF)	288	143	0	0
School Capital Maintenance (CCIP works)	SCE (ECS)	15,897	2,177	4,654	0
School Capital Maintenance (TMBs + other)	SCE (ECS)	756	448	0	0
Foster Care Capital Contribution Scheme	SCE (ECS)	395	0	245	0
Extra Care Feasibility	ASC	250	0	200	0
Total (excluding HRA)		51,499	7,910	15,636	0

Work Programme	Dept/ Division	Approved £000	2025/26 Spend £000	Slippage £000	Over/ (under) Spend £000
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,658	1,562	1,158	0
Council Housing - Boiler Replacements	CDN (HRA)	2,000	1,218	0	0
Council Housing - Rewiring	CDN (HRA)	1,610	608	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,200	536	0	0
Council Housing - Insulation Works	CDN (HRA)	200	126	0	0
Council Housing - External Property Works	CDN (HRA)	1,158	917	0	417
Council Housing - Fire and Safety Works	CDN (HRA)	600	220	0	0
Council Housing - Community & Environmental Works	CDN (HRA)	1,757	65	50	0
Affordable Housing - Acquisitions	CDN (HRA)	6,067	5,895	0	0
Public Realm Works	CDN (HRA)	732	112	0	0
New House Build Council Housing	CDN (HRA)	6,750	3,761	0	0
Total HRA		24,731	15,020	1,208	417
Total (including HRA)		76,230	22,930	16,844	417

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 **Green Homes** – The report recommends the addition of £485k for Green Homes, financed from government grant funding through the Department for Energy Security and Net Zero. The funding from DESNZ (Warm Homes Local Grant scheme) is for energy efficiency and low carbon heating grants for low income private households in Leicester.
- 3.3 **Feasibility Studies** – The feasibility programme includes multiple schemes, with budget expected to slip into next year due to a mix of factors, including contractor withdrawal, staffing gaps, and procurement delays. There has also been a focus on in-year delivery, reducing feasibility activity this year.
- 3.4 **Architectural & Feature Lighting** - There are several projects in the pipeline, and we continue to work with third parties to progress these through to delivery.
- 3.5 **Front Wall Enveloping** - We are currently working through securing the property owner permissions for the Welford Road scheme and progressing procurement of a project manager and contractor to deliver the works. It is now unlikely works will commence much before the end of the financial year and slippage is therefore anticipated.
- 3.6 **Secure Cycle Parking (TCF Funded)** - A contractor has been appointed, and design work is underway, but some projects are likely to slip into the next financial year due to constrained supplier availability.
- 3.7 **Heritage Interpretation Panels** – Research and writing work has been progressing as planned and there is confidence that the current phase will be delivered by the end of the year. The slippage will be used to finance ongoing project management costs in 2026/27
- 3.8 **Local Shopping Centres Reopening & Improvement Programme** - Works are underway for shop front grants and neighbourhood improvements. Work to assess a further two areas for neighbourhood improvements are likely to slip into the next financial year.

- 3.9 **Grounds Maintenance Equipment** - Some slippage is expected due to lead times on made-to-order and imported products.
- 3.10 **Corporate Estate** - This report recommends the addition of £1,036k for the Corporate Estate Work Programme into 2026/27, financed through the Haymarket Reserve. This is a capital reserve which is credited each year with the extent of the revenue surplus generated by the Haymarket Shopping centre and exists to support capital maintenance and reinvestment in the centre.
- 3.11 **Property & Operational Estate Capital Maintenance Programme** - Prioritisation of the Curve has meant that there is insufficient time to procure and get consents for £0.5m of other works that are weather dependent; these will now be programmed for the first quarter of 2026/27. The remainder of the slippage relates to the Haymarket Shopping Centre for which a new strategic approach is being developed; works will be rephased into 2026/27. The report notes the planned transfer of £925k of the Haymarket budget from the Property and Operational Estate Work Programme to the Corporate Estate Work Programme
- 3.12 **Private Sector Disabled Facilities Grant** – Additional grant was awarded to the Council at the end of 2024/25 and whilst efforts have been made to increase contractor capacity, this is taking longer than hoped. Unfortunately, significant work has been undertaken to utilise this funding however the service has seen an uplift in cancellations of works by residents equating to 30% of all cases that officers work on. This has been a major part of the underspend.
- 3.13 **Repayable Home Repair Loans** - To release capacity to maximise delivery of Disabled Facilities Grants, the Home Improvement Team are only processing loans in emergency cases. This will result in slippage of £100k into 2026/27.
- 3.14 **Vehicle Fleet Replacement Programme** - Due to the lead times associated with the procurement of vehicles, £6,963k of the current budget has been slipped into 2026/27.
- 3.15 **School Capital Maintenance (CCIP works)** - Slippage on the programme is due to school's access issues to carry out the larger schemes. Individual Access Needs slippage is due to complexity in pipeline works.
- 3.16 **Foster Care Capital Contribution Scheme** – Slippage mainly due to delays in planning approvals, which are taking longer than anticipated.

- 3.17 **Extra Care Feasibility** - The budget was approved in June 2025. Procurement activities are currently underway to appoint the required services, with appointments anticipated in December 2025. The subsequent work programme is expected to span approximately 8–10 months.
- 3.18 **Council Housing - New Kitchens and Bathrooms** - There is limited contractor capacity to complete upgrades to kitchens and bathrooms with resource being prioritised to the General Fund property acquisitions programme.
- 3.19 **Council Housing - External Property Works** - Works for the roofing replacement programme have been prioritised to mitigate the need for expensive temporary repairs. Positively, it has been possible to make advance progress into next year's programme. Subject to approval of the 2026/27 budget, this will fund the overspend.
- 3.20 **Council Housing - Community & Environmental Works** - £50k remains unallocated on this rolling programme. Community engagement will take place during the year to prioritise schemes on which to allocate this.

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 2025/26 financial year.

Provision	Dept/ Division	Approved £000	2025/26 Spend £000	Remaining Budget £000
Aikman Avenue District Heating	CDN (EBS)	195	0	195
Council House - District Heating	CDN (HRA)	455	0	455
St Paul's Church	CDN (PDT)	400	0	400
District Heating Metering	CDN (HGF)	1,024	0	1,024
District Heating Metering	CDN (HRA)	380	0	380
Total		2,454	0	2,454

- 1.3 Since the previous monitoring report, the following transfer has been made from a Provision to a Project: Early Years - Two Year Olds
- 1.4 Since the previous monitoring report, the following schemes have been moved from Projects to Provisions: Aikman Avenue District Heating and St Paul's Church. They have been moved to provisions as they are sums of money set aside in case they are needed and may not be required. The schemes are not yet ready for delivery, with key information and approvals still outstanding.

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

1.1 As at the end of the quarter two in 2025/26, 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	2025/26 Spend £000	Over/(Under) Spend £000
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	12	0	0
High Streets Heritage Action Zones	CDN (PDT)	177	63	0
Electric Bus Investment and Grant	CDN (PDT)	8	0	0
Pioneer Park - Levelling Up	CDN (PDT)	867	213	0
Air Quality Action Plan	CDN (PDT)	1	0	0
Gresham Business Workspace	CDN (TCI)	8	10	2
Pilot House - Levelling Up	CDN (TCI)	2,201	1,932	0
Climate Change Retail Scheme	CDN (TCI)	17	0	0
Community Digital Grant	CDN (TCI)	7	0	(7)
Jewry Wall Museum Improvements	CDN (TCI)	1,754	1,607	0
PV Panels at Evington Leisure Centre	CDN (NES)	91	0	0
Study Zones	CDN (NES)	56	45	0
St Margaret's Pastures Skate Park	CDN (NES)	295	289	0
Saffron Lane Athletics Stadium S106 Improvements	CDN (NES)	27	0	0
Franklyn Fields Public Open Space	CDN (NES)	31	0	0
SuDS in Schools	CDN (EBS)	66	35	0
Tiny Forests in Leicester Schools and Parks	CDN (EBS)	4	0	(4)
Haymarket Theatre - Internal Completion Works	CDN (EBS)	19	0	0
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	0
Leisure Centre Air Handling Units	CDN (EBS)	14	0	0
The Curve Remedial Works	CDN (EBS)	1,613	1,463	0
Additional Primary School Places	SCE (ECS)	20	0	(20)
Expansion of Oaklands Special School	SCE (ECS)	710	61	0
Overdale Infant and Juniors School Expansion	SCE (ECS)	219	45	(174)
Family Hubs	SCE (ECS)	102	35	0
S106 Additional School Places	SCE (ECS)	366	0	0
Winstanley Contact Centre	SCE (ECS)	18	10	(8)
Bridlespur Way Refurbishment	CDN (HRA)	220	383	0
Total		9,013	6,191	(211)

POLICY PROVISIONS**1. Summary**

- 1.1. As at the end of the 2025/26 financial year, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CDN (TCII)	Tourism & Culture	10
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	1,813
SCE (ASC)	Extra Care Schemes	5,686
Other	Black Lives Matter	435
All	Programme Contingency	2,800
Total (excluding HRA)		15,437
CDN (HRA)	Other HRA Schemes	750
Total HRA		750
Total (including HRA)		16,187

- 1.2. Since the previous monitoring report, £110k from the New School Places Policy Provision has been released to finance the Beaumont Leys School (Bulge Works - Café and Canopy) project.

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.

	2025/26 Authorised Limit £m*	2025/26 Operational Boundary £m*	Debt at 30/09/25 £m	Complied?
Borrowing	650	550	216	Yes
PFI and Finance Leases	500	450	80	Yes
Total debt	1,150	1,000	296	

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	30/09/25 Actual £m	Complied?
Under 12 months	50	Nil	28	Yes
12 months and within 24 months	100	Nil	15	Yes
24 months and within 5 years	150	Nil	12	Yes
5 years and within 10 years	200	Nil	8	Yes
10 years and within 25 years	250	Nil	19	Yes
25 years and over	300	Nil	115	Yes

3. Short-term Treasury Management Investments

The Council is allowed to utilise a broad range of investment instruments but in practice things are kept straight forward concentrating on other Local Authorities & similar bodies, UK Registered Banks and Money Market Funds (MMF). As of 30 September 2025, the council held £100m in short-term investments including £75m in MMFs which allow the Council instant access for liquidity purposes.

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 September 2025 was £10m which includes £5m in property funds, the limit was therefore complied with.

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.

Executive Decision- Revenue Budget Monitoring April- September 2025/26

Overview Select Committee

Decision to be taken by: City Mayor

Date of decision: 3rd December 2025

Lead director/ officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Claire Gavagan
- Author contact details: claire.gavagan@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1. This report is the second in the monitoring cycle for 2025/26 and updates the forecasts presented to the committee in September 2025. The overall forecast spend of £435.1m against the current approved budget of £436.5m, a net underspend of £1.4m.
- 1.2. The main areas of spending variance are:
 - Homelessness, forecasting to use £3m of the contingency set aside for this year. However, we must remember this cost was forecast to have been £21m higher if it had not been for the £45m investment in temporary accommodation.
 - Social care continues to have difficulties in filling posts across the division and this is leading to most of their underspend.
 - Housing benefits supported accommodation where the amount received from DWP is insufficient to cover the costs.
 - Placement costs within children are forecasting a pressure of £0.8m, due to an increase in numbers and the complexity cases.
 - Corporate services are holding budget as a part of a planned approach to achieve their future year savings.
- 1.3. The BIFFA Leicester waste contract is a long-standing agreement that has been in place since 2003 and is valued at £405m over its lifetime. A protracted commercial dispute arose that was eventually settled with a payment to BIFFA of £10m after mediation, less than 2.5% of the contract value. There have been no disruptions to waste collections in Leicester during this period.
- 1.4. The budget strategy agreed at Council in February 2025 set savings targets for divisions. Appendix D notes the management action that has been taken resulting in savings towards the target. The in-year savings target was £12.3m of which £9.2m has been achieved to date.
- 1.5. The cumulative deficit on Dedicated Schools Grant (DSG) continues to grow and is forecast to be £44.76m by March 2026. A time-limited “statutory override” extended to 2027/28 means this does not currently impact the resources available for other services.

2. Recommended actions/decision

2.1. The Executive is recommended to:

- Note the forecast outturn position detailed in the report.
- Approve a reduction in the budget of £1m for post 16 SEND transport consequent to an executive decision of 13th May, and as referred to at Appendix D
- Note the savings to be achieved by Officers to achieve their budget savings target in Appendix D

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

- 4.1. The General Fund budget set for the financial year is £438.6m, before the use of managed reserves. Following savings identified since the budget was set, this has been updated to £436.5m.
- 4.2. Appendix A summarises the original budget, current budget and anticipated spending in 2025/26.
- 4.3. Appendix B provides more detailed commentary on the forecast position for each area of the Council's operations.
- 4.4. Appendix C summarises the latest forecasts for managed reserves.
- 4.5. Appendix D summarises the savings to be achieved to support the budget strategy.

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

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Amy Oliver – Director of Finance

Dated: 11 November 2025

5.2 Legal implications

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

Signed: Kamal Adatia – City Barrister

Dated: 31 October 2025

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. The report provides an early forecast for the 2025/26 financial year.

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: 29 October 2025

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: Phil Ball, Sustainability Officer, Ext 372246

Dated: 30 October 2025

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 19 February 2025 on the General Fund Revenue budget 2025/26.

Revenue Outturn Report presented to OSC on 09 July 2025

Revenue Budget Monitoring April – June 2025/26 presented to OSC on 24 September 2025

7. Summary of appendices:

Appendix A – Period 6 (April-September) Budget Monitoring Summary.

Appendix B – Divisional Narrative – Explanation of Variances.

Appendix C – Updated reserves position.

Appendix D - Savings achieved to support the 2025/26 budget strategy.

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 – a recommendation of over £1m of one-off expenditure is included as part of the report.

Revenue Budget at Period 6 (April – September), 2025-26

Table A

2025-2026	Original Budget £000's	Current Budget £000's	Forecast £000's	Variance P6 £000's	Variance %
Financial Services	10,783.5	10,900.3	11,050.1	149.9	1.38%
Information Services	11,432.3	11,429.5	11,429.5	0.0	0.00%
Corporate Services	9,044.2	9,786.9	8,468.3	(1,318.5)	-13.47%
Legal Services	6,094.8	6,529.7	6,453.5	(76.2)	-1.17%
Corporate Resources & Support	37,354.8	38,646.3	37,401.5	(1,244.8)	-3.22%
Planning, Development & Transportation	14,765.3	14,980.3	14,805.6	(174.7)	-1.17%
Tourism Culture & Inward Investment	3,232.0	3,515.0	3,552.3	37.3	1.06%
Neighbourhood & Environmental Services	41,694.5	42,799.3	53,583.2	10,783.9	25.20%
Estates & Building Services	3,964.6	4,724.1	4,724.1	0.0	0.00%
Departmental Overheads	590.4	597.8	597.8	0.0	0.00%
Housing Services	20,533.3	23,808.9	23,839.0	30.1	0.13%
City Development & Neighbourhoods	84,780.1	90,425.4	101,102.0	10,676.6	11.81%
Adult Social Care & Safeguarding	209,673.2	209,814.1	206,503.1	(3,311.0)	-1.58%
Adult Social Care & Commissioning	(30,713.4)	(30,686.6)	(31,243.1)	(556.5)	1.81%
Sub-Total Adult Social Care	178,959.8	179,127.5	175,260.0	(3,867.5)	-2.16%
Strategic Commissioning & Business Support	3,114.5	2,247.3	2,047.8	(199.5)	-8.88%
Learning Services	23,328.8	21,415.5	20,740.3	(675.2)	-3.15%
Children, Young People & Families	93,180.1	91,477.7	90,289.0	(1,188.7)	-1.30%
Departmental Resources	960.3	4,917.0	4,662.0	(255.0)	-5.19%
Sub-Total Education & Children's Services	120,583.7	120,057.5	117,739.2	(2,318.3)	-1.93%
Total Social Care & Education	299,543.5	299,185.0	292,999.2	(6,185.8)	-2.07%
Public Health	23,448.5	25,121.3	24,728.4	(392.9)	-1.56%
Total Operational	445,126.9	453,378.0	456,231.1	2,853.1	0.63%
Corporate	7,161.2	1,418.2	1,661.4	243.2	17.15%
Capital Financing	6,719.0	6,718.0	9,234.0	2,516.0	37.45%
Contingencies Budgets	10,000.0	7,000.0	-	(7,000.0)	-100.00%
Total Corporate & Capital Financing	23,880.2	15,136.2	10,895.4	(4,240.8)	-28.02%
Public Health Grant	(30,402.3)	(32,049.6)	(32,049.6)	0.0	0.00%
TOTAL GENERAL FUND	438,604.8	436,464.6	435,076.9	(1,387.7)	-0.32%

*Assumes decision within the recommendations is agreed for the budget reductions of £1m for SEND savings

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

	Total General Fund £000's
Original budget	438,605
Savings approved - Outturn 2024/25	(1,140)
Savings approved - Period 6 2025/26	(1,000)
Latest budget	436,465

1.2 The original budgets split between employees, running costs and income are available at: [Budget summaries](#)

Divisional Narrative – Explanation of Variances

Corporate Resources and Support (Chief Operating Officer: Alison Greenhill)

Corporate Resources Department is forecasting to spend £37.4m, £1.2m below the budget, this is a slight increase.

1. Finance (Director – Amy Oliver)

1.1. The Financial Services Division is forecasting to spend £11m, which is an overspend of £0.1m. This solely relates to difficulties with recruiting accountants, with additional agency staff being utilised in the short term to support the division.

2. Corporate Services (Director - Andrew Shilliam)

2.1. Taken together Corporate Services are forecasting to spend £19.9m, which is £1.3m below the budget, after the planned use of reserves within IT. The HR service is forecasting a £0.6m underspend, resulting from vacancies and additional traded income. There is a further underspend of £0.7m across the division from staffing vacancies. The underspend is part of a planned approach to meeting future year savings targets.

3. Legal, Coronial and Registrars, Members and Democratic Services (City Barrister – Kamal Adatia)

3.1. Legal, Coronial and Registrar services are forecasting to spend £6.4m which is an underspend of £0.1m compared to the budget. This is an improvement on the £0.1m overspend reported at Period 3. The underspend solely relates to legal services; although agency staff are currently being utilised to maintain a high level of service, the surplus from vacancies is more than covering this expense.

3.2. An overspend on coronial services of £0.2m is anticipated, this will be offset by underspends within registrar services and the wider division.

City Development and Neighbourhoods (Strategic Director – Richard Sword)

The department is forecasting to spend £101.1m, £10.7m above budget, after the use of £3m corporate provision towards homelessness costs. The position for each division is as follows:

4. Planning, Development & Transportation (Director – Andrew Smith)

- 4.1. The division is forecasting to spend £14.8m resulting in an underspend for the year of £0.2m.
- 4.2. Concessionary fares' reimbursement to bus operators is forecast to be £0.4m under budget. The estimated cost in 2025/26 has increased since period 3, due to further passenger data being available showing increased usage. This shows a continuing pattern of higher concessionary fares costs year-on-year.
- 4.3. Supported bus services (including Park and Ride) are forecast to breakeven, largely due to the receipt of BSIP grant.
- 4.4. An overspend of £0.2m relates to operating the city centre Pedestrian Priority Zone. This is due to increased maintenance costs of the rising bollards.
- 4.5. The Planning service is forecasting a net overspend of over £0.6m, a slight improvement on the overspend reported at period 3. The overspend is mostly due to a continuing shortfall of planning fee income. Despite national development market conditions showing signs of improvement as a result of greenfield land policy being relaxed, this is not expected to have the same benefits in constrained cities with the challenges which come from brownfield sites.
- 4.6. City Highways are expecting to generate an additional £0.3m of income through works carried out by utilities companies. This is offsetting a deficit of £0.3m in off-street carparking income, resulting from timescales for the introduction of increased parking tariffs. Other underspends in lighting and city highways operations combine to provide an expected surplus of £0.3m.

5. Tourism, Culture & Inward Investment (Director – Peter Chandler)

- 5.1. The division is forecasting to spend £3.6m resulting in a breakeven position by year end.

6. Neighbourhood & Environmental Services (Director – Sean Atterbury)

- 6.1. The division is forecasting to spend £53.6m, resulting in a £10.8m overspend by year end. The overspend in relation to the recent settlement explained below. The £0.8m of departmental overspend is an increase of £0.5m from what was reported at period 3. The division is working on plans to manage the £1m overspend and bring this element back in on budget.
- 6.2. Regulatory services are forecast to overspend by £0.3m, partly due to shortages in staffing reducing the generation of building control income. However, fees were increased in August 2025 which will help to mitigate the issue.
- 6.3. Parks and Open Spaces is anticipated to overspend by £0.4m, an increase compared with the £0.2m reported at period 3. Of this, £0.1m relates to trees & woodlands due to additional tree works being required to manage the spread of ash dieback. A further £0.2m relates to an income deficit from reduced landscaping works. The remaining £0.1m relates to bereavement services due to essential repairs being required at Gilroes Crematorium.
- 6.4. Leisure Centres are anticipating a surplus of £0.2m from increased fees and charges across various activities. This is offsetting a £0.1m overspend within Sportivate and Sports Development, relating to revenue repairs and a new website for Active Leicester.
- 6.5. Standards and Development are forecasting to overspend by £0.2m, which relates to a shortfall of income from external contributors towards landscaping works and other external income.
- 6.6. Waste services are forecasting an underspend of £1.4m. The cost of landfill tax is above budget by £2.1m, but this has been more than offset by £3.5m expected to arise from the annual settlement of the current and previous years' contractor accounts.
- 6.7. The BIFFA Leicester waste contract is a long-standing agreement that has been in place since 2003 and is valued at £405m over its lifetime. A protracted commercial dispute arose that was eventually settled with a payment to BIFFA of £10m after Mediation, less than 2.5% of the contract value. There have been no disruptions to waste collections in Leicester during this period. This cost will be funded from the contingency budget and the remaining from the budget strategy reserve.
- 6.8. The budget for 2025/26 includes the delivery of £3.0m of savings across the division. Whilst extensive work is underway, with consultations undertaken where appropriate, it is taking longer to achieve these than planned and as a result these are not expected to deliver in full this year, creating a pressure of £1.3m in the current financial year.

7. Estates & Building Services (Director - Matt Wallace)

- 7.1. The division is forecasting to spend £4.7m, resulting in a breakeven position by year end. This is an improvement on the £0.1m overspend reported at Period 3.
- 7.2. The budget for 2025/26 includes the delivery of £2.3m of savings within the division. Whilst continued work takes place to achieve these, they are unlikely to deliver in full within the current year, creating a £0.3m pressure. However, there are vacancies across the division which will offset this.

8. Departmental Overheads

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

9. Housing General Fund (Director – Chris Burgin)

- 9.1. The division is forecasting to spend £23.8m, achieving a breakeven position after the use of the £3m provision. This is an improvement on the £0.1m overspend reported at Period 3.
- 9.2. The increased costs of provision for homeless households is a national issue. The growth in presentations of homelessness cases in the city continues to put significant demand on the service, whilst grant funding and housing benefit are insufficient to cover the rising costs of temporary accommodation. With the planned use of £3m from the corporate provision, homelessness services are set to live within their budgets, showing the success in the mitigating measures implemented to date.
- 9.3. It is forecast that costs would have been £21m had it not been for the £45m investment into temporary accommodation. This area is subject to frequent reviews, and further work is underway to explore longer-term solutions to this nationally recognised issue.
- 9.4. Wider in the division, there is an overspend in the complaints team of £0.1m due to staffing cost pressures, however this has been offset by savings from vacant posts across the division.

10. Housing Revenue Account (Director – Chris Burgin)

- 10.1. 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 overspend by £0.8m for the year, in line with the position reported at period 3. Revenue is also used for capital spending, and this is reported separately within the capital monitoring report.

- 10.2. Income from core rent and service charges is expected to exceed the budget by £0.9m from higher levels of affordable rents and service charges. This offsets £0.2m of rental loss at the Bridlespur flats during their refurbishment.
- 10.3. The HRA incurs the cost of interest on its debt and receives income from interest on the cash balances which it holds. Interest payable by the HRA on its borrowing is forecast to be below budget by £1.1m due to a reduction in short-term interest rates, alongside lower levels of predicted HRA debt. This will offset a £0.4m shortfall in investment interest due to the reduced rates generating less interest on the HRA's cash balances.
- 10.4. The repairs and maintenance service is forecast to overspend by £2.8m. Whilst there are vacant posts generating underspends of £0.8m, this is more than offset by a £1.4m overspend on external contractors. This relates to increased works as a result of legislation changes for electrical regulations and compliance with updates to Awaab's Law. There have been continued disrepair claims and associated costs driven by law firms before the introduction of fixed recoverable costs, creating a pressure of £1.6m, much of which relates to legal representation and disrepair works being allocated to contractors. An overspend of £0.3m has arisen due to increased routine roof repairs, however this area is receiving increased focus in the capital programme which will help to mitigate the need for frequent revenue expenditure. In the wider division, there are overspends of £0.3m relating to utilities costs of void properties, waste disposal, and pest control costs.
- 10.5. Management and landlord services are expected to underspend by £0.6m, mainly attributable to staffing vacancies across various administrative and support teams.

Adult Social Care (Strategic Director – Laurence Jones)

11. Adult Social Care (Service Directors – Ruth Lake & Kate Galoppi)

- 11.1. Adult Social Care is forecasting to spend £175.2m against a budget of £179.1m, resulting in a forecast underspend of £3.9m. This is an underspend of 2.2% on the current budget.
- 11.2. Approximately £1.3m of this underspend can be attributed to staff vacancies. There continues to be difficulties recruiting to social worker posts as well as recruitment to commissioning teams. The remainder of this underspend of £2.6m relates an increase in income forecast from both individuals and funding contributions from health towards joint-funded packages of care.
- 11.3. Forecasting for care packages is complex and takes into account inflationary and demographic pressures. Costs can fluctuate due to changes in the type of care

needed or due to the numbers of people being cared for. However, Adult Social Care is forecasting to remain in its £233m gross package budget.

- 11.4. Adult Social Care was rated as 'Requires Improvement' by the CQC in July.. ASC will be prioritising the key areas of improvement, initially focussing on the experience of carers, waiting times/timeliness, improved data and governance, and safeguarding. Cost implications of this are factored into the forecast where recruitment to essential posts will provide the necessary resource and capacity to undertake improvements in processes and programmes.

Education and Children's Services (Strategic Director – Laurence Jones)

12. Education and Children's Services (Service Directors – Damian Elcock and Sophie Maltby)

- 12.1. The department is forecasting an underspend of £2.3m, on a budget of £120m which equates to 1.9%. The principal areas of underspend relate to vacancies across the department and reduced costs on SEND home to school transport despite increases in placement costs.
- 12.2. £2.9m of the underspend is due to staffing vacancies across the department. Some posts like social workers and educational psychologists are proving difficult to recruit. However, the department continues its efforts to recruit to vacant posts through recruitment campaigns which emphasise the positives of working for the City such as flexible working, access to the local government pension scheme and other employee benefits.
- 12.3. SEND home to school transport is forecast to underspend by £0.2m. Taxi service quality assurance, increased competition and service efficiency regarding contracts mean average taxi costs have fallen. Assessment improvements coupled with support from alternate methods has also reduced expected requests for service. Due to these efficiencies, £1m of savings from 2026/27 has been brought forward and delivered in 2025/26 which will help the financial position of the Council.
- 12.4. Looked after children and other placement costs are forecast to be £0.8m over the budget. This is due to an increase in numbers of 659 compared to 643 last year and there is the adverse impact of several complex cases on the placement budget. A small number of high-cost placements is impacting the budget.
- 12.5. The cumulative DSG reserve deficit was £22.2m at the end of March 2025. The allocation increased by 8.58% to £88.6m in 2025/26, which has been applied towards inflationary increases.
- 12.6. In the current academic year up to September 2025, the number of new Education, Health, and Care plans (EHCPs) agreed for statutory assessment

was 526, which is a forecast reduction on the previous year's total. With effectively zero real terms funding growth, the in-year deficit grows significantly as the cohort increases. The service has put in place a range of strategies to mitigate the cost impact of the growth in demand for and complexity of SEND support as part of the HNB Management Recovery Plan and Transformation Project. Leicester is also part of the DfE's SEND and alternative provision change programme, alongside Leicestershire and Rutland for the east midlands region.

12.7. The forecast for the current year is an overspend of £21.5m in the high needs block and there is an early years' block adjustment of £1.06m due to our original allocation being reduced based on spring census data. This brings the forecast cumulative deficit on 31 March 2026 to £44.76m.

12.8. Due to a special Government "override" we can maintain the DSG cumulative deficit as a negative balance (normally, we would be expected to write it off against our other reserves). The Government has extended the statutory override until the end of 2027/28 and are expected to provide additional details on SEND deficits in 2026.

Public Health (Director – Rob Howard)

13. Public Health

13.1. The Public Health Service is forecasting being £0.4m below budget.

13.2. The £0.4m underspend is mainly attributed to staff vacancies across various service areas within Public Health and delays in recruiting resulting in the one-off underspend.

13.3. In 2025/26, the Public Health grant was increased by £1.9m. The increased funding has been used to fund providers for Agenda for Change (NHS pay settlements and increased national insurance contributions) and for additional local public health services such as supervised tooth brushing and long-acting reversible contraception (LARC) in a larger number of GP practices.

Corporate Items & Reserves

14. Corporate Items

14.1. 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 £4.2m.

14.2. As in recent years, a net shortfall on housing benefit subsidy is expected, relating to supported accommodation where rents can be significantly higher

than the maximum amount of subsidy paid by the government. The issue has been increasing in recent years and is not unique to Leicester. At period 6, the cumulative subsidy loss stands at approximately £1.4 million, partially offset by a projected surplus from the recovery of overpayments. If this trend continues, the full-year loss is expected to be in the region of £2.5 million.

- 14.3. The budget for capital financing represents the cost of interest and debt repayment for capital spend, less the interest received on balances held by the council. As 2025/26 progresses cash balances have reduced and linked to the capital funding strategy, prudential borrowing has increased. The estimated increase in costs for 2025/26 is approximately £2.5m.
- 14.4. The budget included £1.5m for additional costs arising from new national policies for waste collection and disposal. As more information has become available, no significant additional costs are expected in the current year, and this provision can be released.
- 14.5. Other variances within corporate budgets remain similar to those reported at period 3, and include:
- The council has allocated £0.75m to fund discretionary (hardship) relief for council taxpayers outside the main CTSS. This support is now being funded from government grant received via the household support fund, so this budget is not required.
 - The pay award being higher than the budgeted provision, with an additional cost of £0.7m
 - Additional funding of £0.7m relating to national insurance costs and £0.3m for the Extended Producer Responsibility scheme for waste packaging, in excess of the amounts included in the budget.
- 14.6 Contingencies are held corporately to manage any unexpected cost pressures in the year. The contingencies will offset the pressures in neighbourhoods and environmental services, following the settlement.

Reserves Position

1.1 When the 2025/26 budget was set, an estimated £163.6m was available to support the budget strategy. In the 2024/25 outturn reported to committee in July, additional savings and reserves transfers had increased the amount available to £193.8m. The variances included in this report have updated the position as shown below:

	£m	£m
Resources available 1 April 2025		193.8
Required for 2025/26 budget:		
As set (February 2025)	30.1	
Savings identified*	<u>(2.1)</u>	(28.0)
Underspend as forecast in this report		<u>1.4</u>
Balance to support 2026/27 & future budgets		167.2

*This assumes the savings noted in this report.

1.2 The forecast balance available has improved by £33.5m since the budget was set, which increases the resources available to support future years' budgets. The whole budget position, including reserves, will be reviewed in time for the budget for 2026/27.

Savings Identified

- 1.1 As members are aware, when we set the budget for 2025/26 there were savings targets set for Divisions. Since setting the budget Directors have been working on actions they can take to achieve the savings. This report identifies where Directors have been able to take actions to achieve their savings.
- 1.2 The table below provides detail on savings achieved towards the savings targets approved at Council in February 2025.

Description	2025/26 £000	2026/27 £000	2027/28 £000
Savings Decision Previously Noted in P3 Report	8,729	12,759	13,241
<u>Corporate Services</u>			
Deletion of one vacant post	40	40	40
Review of Partnership Projects	50	50	50
Customer Services organisational review	203	203	203
Communications and Marketing organisational review	207	207	207
CS Subtotal	500	500	500
<u>Housing General Fund</u>			
Reduction in divisional administrative costs	12	12	12
HGF Subtotal	12	12	12
Total Savings Reported in this Report	512	512	512
Total Cumulative Savings Reported	9,241	13,271	13,753

- 1.3 The Council has achieved £13.8 million of the total £23m savings target by 2027/28.
- 1.4 In May, the Executive approved a new SEND travel policy, which will result in savings of £0.9m in 2025/26, rising to £1.9m in 2026/27 and £2.1m in 2027/28. Within this report, it is proposed to bring forward a £1m of the planned saving for 2026/27 in to 2025/26.

**Overview Select Committee
Work Programme 2025 – 2026**

Meeting Date	Item	Recommendations / Actions	Progress
9 July 2025	1. Customer Services Update 2. Revenues and Benefits 3. Revenue Outturn 2024/25 4. Capital Revenue Outturn 2024/25 5. Income Collection 2024/25 6. Treasury Management Annual Report 2024/25 7. Scrutiny Annual Report	2a. Councillors to be provided the detail on the different level of social welfare advice provided. 2b. Information to be provided on dates of where and when welfare rights support is available in neighbourhoods (i.e. in food banks). 2c. Comparator data to be provided for Council Tax income, collection rates. 3. More information to be provided on the saving within Connexions service. 4. Confirmation why dates on the Library Self Access roll-out have been delayed.	2a. Information provided to members. 2b. information provided to members. 2c. Data provided to members. 3. Information provided to members.

Meeting Date	Item	Recommendations / Actions	Progress
24 September 2025	1. Council Tax Support Scheme – Task Group Recommendations. 2. Adventure Playgrounds – Task Group Recommendations. 3. Update on Asset Sales 4. Environmental Impact of Construction Projects 5. Period 3 Revenue Monitoring 6. Period 3 Capital Monitoring	1a) Household support fund to come to Committee. 1b) Data to be provided on the Council Tax discretionary report. 1c) Director of Finance and City Barrister to confirm the consultation requirements when presented to the Executive. 3) Detail to be provided how much the asset sales is as a percentage of total assets. 4) Further details to be provided on ways to solve the issue of District Heating still being 'purple'. 5a) That EDTCE consider falls in Planning and Building Control income in terms of whether it signals a decline in construction in the City or whether it is within the margin of error. 5b) Numbers to be provided on how many staff are capitalised 6a) Timeline to be given on railway station project. 6b) OSC requested Councillors were kept informed of modification to public toilet opening times in their wards.	1a) Added to workplan for first meeting of 2026/27. 1b) To be included in future income collection reports. 1c) Complete 4) Response sent to members 5a) On EDTCE Workplan for January 6b) Ongoing

Meeting Date	Item	Recommendations / Actions	Progress
1 December 2025	1) CTSS Task Group – Executive Response 2) Adventure Playground Task Group – Executive Response 3) Corporate Estate - Annual Report 4) Domestic Abuse and Sexual Violence overview briefing		
3 December 2025	1) Treasury Management mid-year report 2) Income Collection mid-year report 3) Period 6 Capital Monitoring Report 4) Period 6 Revenue Monitoring Report 5) Contract Dispute Settlement – PRIVATE AGENDA	5) To be held in private session.	

Meeting Date	Item	Recommendations / Actions	Progress
28 January 2026	<ol style="list-style-type: none"> 1. Revenue Budget 2. Capital Budget 3. HRA Budget 4. Treasury and Investment Strategy 5. Cyber Security 6. Recruitment – Hard-to-fill posts. 	6) To include information on where vacancies are, the levels of vacancies, and recruitment particularly in social work	
18 March 2026	<ol style="list-style-type: none"> 1. Period 9 Revenue Monitoring 2. Period 9 Capital Monitoring 		
29 April 2026			

Forward Plan Items (suggested)

Topic	Detail	Proposed Date
Household Support Fund	An overview of the Household Support Fund	2026/27
Customer Experience Strategy		TBC
Children's Homes and Planning Issues	<p>Requested at meeting of 1st May 2025 – Planning colleagues to be invited to Provide info on location and ownership of private sector children's homes & regulatory position, advise on use of conditions around time limited use, provide data tracking applications/interventions and provide data showing pattern of applications from smaller care homes.</p> <p>Ofsted, CQC and DfE representatives to be invited.</p>	TBC
Update on Workforce Representation Informal Scrutiny Work		TBC

