



Leicester
City Council

Minutes of the Meeting of the

ECONOMIC DEVELOPMENT, TRANSPORT AND CLIMATE EMERGENCY
SCRUTINY COMMISSION

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

P R E S E N T :

Councillor Waddington (Chair)

Councillor Batool
Councillor Dawood
Councillor Rae Bhatia

Councillor Chauhan
Councillor Porter
Councillor Whittle

In Attendance

Deputy City Mayor, Councillor Clarke – Climate, Economy and Culture

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47. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr O'Neill.

48. DECLARATIONS OF INTEREST

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

Councillor Batool declared that with regard to Item 8 – Labour Market: Economic Inactivity and ESOL, she was working for the UK Shared Prosperity Fund (UKSPF) project.

49. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the meeting of the Children, Young People and Education Scrutiny Commission held on 7 December 2023 be confirmed as a correct record.

50. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The following question was presented to the Commission by Mr James Blackhall:

Given the council's commitment to Net Zero and supporting those who are economically disadvantaged is it truly acceptable that a flexi four-week ticket is rising by nearly £10?

In response to the question the Director for Planning, Transportation and Development noted that:

Fares for all bus tickets in Leicester were determined commercially by the bus operators, with the Council having no legal control.

Costs for operating buses had been rising faster than inflation for the past 2 years, with driver wages, fuel, insurance and repair work all rising quickly.

As a result commercial bus operators were increasing ticket prices nationally.

Whilst this was regrettable, it should be noted that, through the council working closely with bus operators through the Enhanced Partnership, the Leicester bus network has remained comprehensive, with over 30 high frequency, more reliable routes running throughout the day. Many other areas in England have seen significant service cuts following Covid.

In addition, nearly half the network was now operating with new electric buses with more accessible onboard facilities, real time information displays and new shelters at all main stops across the city.

Bus travel in Leicester remained comparatively good value.

As well as the national £2 single fare there are also travel discounts for the elderly, disabled, for those who are unemployed and for eligible school children.

The range of unlimited, all operator, Flexi tickets remained good value given the significantly improved network now being provided. Compared with other nearby cities such as Nottingham and Derby prices were still competitive. A four-week equivalent flexi ticket in Nottingham cost £85.50 and in Derby £85.00 compared with £74.00 in Leicester.

In addition, following an initiative coordinated by the council, Leicester remained the only area outside of London with all-operator contactless fare capping. This guarantees the cheapest fare for any combination of trips made on any bus operator over a day or week, with no further charge for any travel made once the fare cap has been reached.

There was one free bus service under a government funded trial, namely the Hop! city centre circular.

The Chair thanked Mr Blackhall for the question and Officers for the response.

51. PETITIONS

The Monitoring Officer reported that none had been received.

52. DRAFT GENERAL REVENUE BUDGET 2024/25

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

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

Key points included:

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

- There was £10m of savings in the budget, but this still left a large sum to be met from the reserves.
- A further austerity drive from the government was signalled from 2025-26. Analysis from the Institute of Fiscal Studies showed that there would be a real-terms cut of 3.4% per year for services other than the NHS, aid and defence.
- The Council approach to budget reductions had been to use a managed reserves strategy, however, the proposed budget would make use of all reserves available.
- Some local authorities had been offered exceptional financial support from the government which in some cases allowed them to use the proceeds from the sale of assets to balance the revenue budget, and in some cases allowed councils to increase their council tax above the 5% permitted. However, no local authority had been offered extra money. No exceptional financial support would be offered to Leicester City Council in 24/25 as it was able to balance the budget.
- The commission was directed to Appendix 1 of the report, in particular highlighting those budget ceilings for service areas under the scope of the commission. Decisions already taken had the effect of reducing the budget in some areas (i.e. savings). Service areas and services were expected to manage inflationary pressures in their own budgets.

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

- These savings showed the impact of decisions already taken on next year's budget throughout the year that had been shared through executive decision reports.
- The budget for repairing potholes had not been reduced.
- A comparison of money in the current budget compared with the 2012/13 budget once adjusted for inflation was raised. This would be raised in Overview Select Committee (OSC) as this was an issue about the overall budget rather than specific to this Commission and as such OSC would be a more relevant context. The Head of Finance (CDN) agreed to look into the issue further prior to OSC.
- The peer review had commenced. To date, much of the work had been desktop based and would progress over the coming months with face-to-face work and would result in the identification of potential areas for savings.
- It was not always easy to identify which areas were statutory and which were not. There were elements of statutory services within most budget ceilings. Even if a service was statutory, this did not mean that it could not be provided differently or more cost-effectively. So, savings may still be sought within statutory services; all areas needed to be looked at for potential savings.

- Within the £600m of additional funding for Local Authorities from the government, there was no specific allocation to Leicester City Council (LCC) as yet, however it was thought that LCC would receive around £3m. Of this it was thought that much of this would be ringfenced for Adult Social Care (ASC) due to pressures on the area.
- The national Fair Funding Review of local government funding was reliant on the government. It aimed to produce a revised formula for the allocation of funding to Councils. This was not within the control of the local authority, and it was not clear if or when this work will take place.
- Officers and the executive were looking at ways to balance the budget. The peer review was one element to support this work. If a list of discretionary services existed then this could be shared, but it was reiterated that it was not just discretionary services under review.
- It was requested that the Commission receive reports on the work done by the Executive on proposals for the 2025/26 budget reductions and the areas under review.
- In response to a query about selling assets, it was noted that if the Council could not balance its budget, then, with government permission, the rules on selling assets could be relaxed, however, the council was not yet in that position. With specific regard to potentially selling a museum artefact, it was warned that there may be consequences such as losing accreditation from the Arts Council. It was clarified that this was a Capital matter.
- It was suggested that the Fair Funding Review did not take account of the increase of the city's population since 2011. It was further suggested that an aging population and the cost of care were also budgetary pressures.

AGREED:

- 1) That the report be noted.
- 2) That the Commission receive reports on the work done by the Executive from January on the 2025/26 budget reductions and the areas under review.
- 3) That comments made by members of this commission to be taken into account by the lead officers.
- 4) That the report be brought to Overview Select Committee prior to Full Council.

53. DRAFT CAPITAL PROGRAMME 2024/25

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

Key points included:

- This was a one-year programme of schemes from grants, borrowing and the sale of assets. The programme was limited to one-year due to the uncertainty of resources, the impact of inflation and to ease pressure on revenue budgets.
- The Commission were given a rundown of expenditure relevant to Economic Development, Transport and Climate Emergency, including:
 - £3.3m for the continued Highway Capital Maintenance programme.
 - £2.6m to continue the programme of works constituting the Transport Improvement Programme.
 - £400k for local environmental works within Wards.
 - £300k to continue the Flood Risk Prevention Scheme.
 - £200k for enveloping of front walls.

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

- The Flood Risk Prevention Scheme figure of £300k was established to support the work of the Flooding and Drainage team to bring forward schemes in terms of flood risk management, particularly relating to potential highway drainage and sustainable drainage schemes. This figure was sufficient and supported the team's work with the key partner the Environment Agency. Further to this there were other opportunities to bid for grant funding from the government and through the local levy, including through the Trent Regional Flooding & Coastal Committee to try and find other sources of funding to support that work. Successful examples of the partnership working included the £8m major flood risk management schemes completed along the Rover Soar in recent years to improve the flow of flood water through the city at Aylestone Meadows, Ellis Meadows and a new flood bypass culvert at Loughborough Rd bridge.
- The Council had two machines for clearing drains, one of which was held as a spare, although this spare had been used during the recent flooding incidents. The work of the Cleansing Services team who were responsible for clearing leaf fall was also funded from revenue. Leaf fall had traditionally been a problem and the team had a list of problem areas that needed tackling regularly. This issue also fell under the remit of the Culture and Neighbourhoods Scrutiny Commission
- The Disabled Facilities Grant fell under the remit of Housing Services and the Housing Scrutiny Commission. These grants were offered across the city and not limited to specific Wards.
- The front walls scheme was aimed at repairing collapsing front walls of run-down property frontages along key gateways and in district centres which significantly impact on the street scene appearance making areas look run down and unwelcoming. Areas where front walls had already been tackled included Green Lane Road, Evington Road and Narborough Road. The poor state of walls along Welford Road was the next area being considered in order to improve the street scene.

- Pots of money existed within policy provisions within the capital budget and these were subject to executive decisions to release the money into the programme. This included money needed to assess the scope of a scheme as sometimes it was necessary for a scheme to incur upfront expenditure; officers were able to release up to £250k for this purpose.
- In terms of neighbourhood road repairs, it was clarified that patching needed to be carried out before surface dressing. Money was prioritised for streets where the team were aware of issues, and Ward members were engaged through periodic briefing sessions to identify local neighbourhood priorities.
- In terms of Transport Improvement Works, a list of works was brought to member briefing sessions. This included issues such as 20mph zones, local safety initiatives, cycling and walking initiatives and contributions to statutory functions. This list could be shared with the Commission.
- The reasons behind the speed limit on the A6 included the reduction of death and accidents. There were further plans to introduce a 'Red Route' and a Bus Lane which would make changes on how the road operated. It was considered that a 30mph limit was safer than 40mph due to the proximity of housing and shop fronts. Blackbird Road would also have a 30mph speed limit introduced.
- With regard to the phasing out of the Leicester and Leicestershire Local Economic Partnership (LEP), LCC would continue to receive funding as the accountable body, however, this would be subject to Government arrangements on how it could be spent and could come with conditions.

AGREED:

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

54. LABOUR MARKET: ECONOMIC INACTIVITY AND ESOL

The Director of Tourism, Culture and Inward Investment submitted a report summarising the levels of economic inactivity and English language proficiency across Leicester's labour market, and the interventions commissioned in response to these issues by the UK Shared Prosperity Fund.

The Head of Economic Regeneration presented the report.

Key points included:

- The report concerned features of Leicester's labour markets, specifically economic inactivity and English as a Second Language (ESOL).
- Leicester had a higher-than-average unemployment figure which disguised a distinctive feature of the labour market around economic inactivity.
- Definitions of economic inactivity included people who are not employed, seeking work, or available for work due to various reasons such as students, retirees, homemakers, and those who have given up searching for a job.
- Many people withdrew from the Labour Market during the Covid-19 pandemic, sometimes this was due to them feeling discouraged or due to health issues.
- Many people were involuntarily inactive, and it was thought that they could re-join the workforce with the right encouragement. Support was directed to this target group.
- There was a high proportion of economically inactive people in Leicester, however the share of these who did not want a job was lower in Leicester than the national average, and a quarter were long-term sick.
- Another feature of economic inactivity in Leicester was a low level of proficiency in the English language and the demographic structure of Leicester was a feature of this. 7% of Leicester residents could not speak English which was the third highest percentage out of all Local Authorities in England and only 70% spoke English as a first language compared to just over 90% in England.
- Resource was being directed to areas of need and funding was being allocated to these issues.
- Twelve external organisations were delivering support through the Shared Prosperity programme and there were two projects focused on economic inactivity, and two focussed on ESOL and basic skills.
- Future initiatives from the Department for Work and Pensions (DWP) included one that proposed to allocate funding directly to local authorities focussed on supported employment for disabled people to enter the economy, however, no detail had been announced at the time of the report.

The Head of Adult Education gave a presentation on ESOL provision using slides as attached in the agenda pack.

Key points other than those on the slides included:

- The Twin Training ESOL programme focussed on qualifications to get people into work.
- The Adult Education team with their VCS partners were focused on the Everyday English scheme which provided informal first steps into ESOL, opportunities to build confidence in everyday situations and a limited number of places for asylum seekers and others who were not otherwise eligible for ESOL funding. A caseworker supported individual to progress onto more formal learning opportunities.

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

- Points were raised about the locations of the schemes and services within the city. It was clarified that whilst the organisations involved may be based in a certain location, they delivered support across the city and the area where they were registered did not reflect the focus of their delivery. The delivery would be tracked over the next 18 months and the outcomes of the delivery could be reported back to the Commission. A list of delivery locations and service recipient locations (where postcode declared) could be provided to members of the commission so that they could help to identify gaps in the service and suggest further locations.
- Points were raised about the importance of ESOL to support integration.

A representative of partner-organisation Positive Communities gave a presentation using slides as attached.

Key points other than those on the slides included:

- It was noted that Positive Communities provided support in Stoneygate, Wycliffe, North Evington, Spinney Hills and Evington Wards and the rest of the city was covered by a partner organization called Futures.
- There was considerable demand for the services on offer.
- Mobilisation involved working with partners on community-based marketing and outreach they were now into a period of intensive delivery over the next 15 months to hit targets.
- There was a very strong partnership among members, including the BYCS, and they met regularly.
- A referral mechanism existed to support clients who might want to be supported by different organizations.
- The importance of working with the Council was recognised.
- UKSPF was a shared effort between the Council and all of the various providers. Council officers were thanked for their support.
- A longitudinal evaluation was being undertaken to look at people's journeys across the 18 months and looking at how they could be supported.
- There was a potential to bring partners together to form a legal entity to do further work and bid for tenders.

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

- The programme lasted 18 months. Unit costs per person were similar to the European Social Fund and the Community Renewal Fund. People

would require intensive support. Partners delivered support at minimum cost and there was no excess expenditure, this was very cost effective.

- In response to a query about providing support within places of employment, it was stated that this was not within the scope of the funding criteria, however, if there was an opportunity it was thought that some partners would be enthusiastic, however, it would be up to the government to fund such an initiative. It could be difficult to get employers to release staff to take part in such schemes.
- The funding currently available was less than the previous funding from the European Union.
- In terms of projects being on track it was early days as delivery had just started, but signs were positive. Delivery was above target.
- Some organisations in Positive Communities were ESOL partners and as such they were aligned in delivery.
- Delivery occurred in peaks and troughs.
- Pottery classes offered were very full. Expansion could be difficult due to the facilities being expensive.
- A potential error was flagged in the table showing unemployment figures. This would be checked with the Office of National Statistics.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.
- 3) That outcomes of delivery of ESOL to be brought back to the Commission following tracking over the next 18 months.

55. 20MPH ZONES INFORMAL SCRUTINY

The Chair submitted a report providing an overview of the Commissions examination of the policy regarding the implementation of 20mph streets in Leicester.

Key points included:

- The bespoke method adopted by the Council was seen as preferable to having a default 20mph speed limit. This approach allowed for consultation, improvements and traffic-calming.
- The commitment of achieving 20mph coverage of 80% of suitable streets was supported but recommended aiming for 100% of appropriate residential streets, and it was suggested that these should include post-completion feedback and the air quality data in these areas should be monitored.

- It should be ensured that schemes were self-enforcing and looked at older 20mph streets to see if the traffic calming measures needed to be modernised.

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

- Data presented before the work group suggested that accidents were reduced in 20mph zones. Data on air quality was not widely available as such but monitoring would be undertaken.
- Commentary from the government cautioned against a blanket 20mph limit. The Outcome of the work group landed on the same position in continuing this approach.
- Regarding a future work group on 24-hour bus lanes, guidance was expected from the government, but had so far not been produced.
- The targets were thought to be realistic as they were based on an assessment of what was possible and practical. It was suggested that the Council should stretch its targets.
- The Senior Governance Officer who supported the work group was thanked.
- A schedule of delivery dates and locations of 20mph streets was requested. This could be considered at 6-monthly meetings as this was an opportunity to share the programme.
- Investment would be made in Knighton to reduce speeds.
- Speeding issues in Aylestone were raised along with the possibility of 20mph streets in the Ward.

The Chair noted that this was an illustration of a short task group. The next task group would consider Electronic Vehicle (EV) charging points and the one after that would look at 24-hour bus lanes once government guidance was received. These were also aimed to be short task groups.

Invitations for expressions in sitting on the EV Charging task group would be sent out once the scope of the group was established.

AGREED:

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

56. WATERSIDE VISIT

The Commission were asked how they wanted to proceed with the Waterside visit.

AGREED:

That the relevant office be informed that two members of the Commission wished to have a site visit and a presentation be produced and presented to members in the meantime.

57. STORM HENK FLOODING UPDATE

The City Highways Director submits a report updating the Commission on the response to the flooding impacts in the City arising from Storm Henk.

Key points included:

- The briefing note provided background to the incident. This was a rapidly developing issue as the situation had gone from a steady state on the Monday to rapid flood warnings overnight. The flooding did not manifest itself until the following day and it was not understood until the early hours of the Wednesday as to where the impact was.
- Calls had been responded to and activities had been coordinated. Teams had monitored river levels.
- A number of streets had been badly affected. This had been very distressing for residents.
- The Fire Service had been worked with, especially on Thurcaston Road and Beaumanor Road where people had needed to be evacuated by boat and taken to Rest Centres or other accommodation such as staying with family or friends.
- During the recovery phase, the Council had been very active in affected areas, speaking to people about support needed and cleanup needed and helping them to get back to a situation that was as normal as possible.
- Internally flooded houses would take time to deal with.
- The Council were looking to help people gain access to government grants to help. The Council could also help people to contact insurers and landlords.
- Drop-in sessions were being held in Rushey Mead with partners who could help.
- An email had been sent to all members setting out financial support for residents and businesses. In the long term there would be support for property resilience.
- Work had been undertaken to improve the flow of the River Soar. Had this not been done then the situation would have been worse.

- In terms of defending properties, there were economies of scale which needed to satisfy the Government cost-benefit tests for funding. Sometimes it could cost more to defend a house from flooding than the house was worth.
- Property Resilience Grants were a way forward for some properties to protect themselves.
- The level of rainfall had not been exceptional, but other weather events such as Storm Babet in October 2023 and subsequent rainfall had left the ground saturated.

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

- In terms of access, residents known to be flooded were contacted directly. There was also a website whereby people could obtain links and information and the details they needed.
- There was a community recovery grant of up to £500 available for residents who had been flooded internally. To be eligible for this grant, water would have needed to have entered living space and made a dwelling unliveable for 48 hours. Further to this, eligible houses would receive a Council Tax discount for a minimum of three months. If they had temporary accommodation in the meantime (that was not a second home), the discount might also apply to that. There was financial support for businesses available of up to £2500, details of this offer were available on the Council website.
- If residents enquired with the Council in need of support, officers could help.
- In terms of lessons learned and preventing future incidents, the criteria for a Section 19 investigation under the Water Management Act had been triggered. This would take time as the Environment Agency was responsible for flood risks from rivers. Most causes of flooding in Leicester during Storm Henk were from the River Soar where there had already been meaningful interventions through previous work with the Environmental Agency and it was thought that all meaningful interventions that would currently satisfy the government criteria for getting funding under the current thresholds had been exhausted. It was possible that the government may change the thresholds in future.
- Funding from the government had not increased with inflation. This was a concern. There was a levy scheme whereby the council contributed the Environmental Agency to support a strategic approach to investment across East Midlands Councils.
- A partnership between the insurance industry and the government was ongoing and would remain in place into the 2030s. This partnership was aimed at providing insurance to people struggling to get insurance in flood risk areas. Additionally, members could help residents to look at insurance options.
- The machinery available to the Council for unblocking drains and clearing gullies was adequate. It was further clarified that the flooding that had occurred in June 2023 was due to surface water flooding following an extreme

thunderstorm, whereas the current flooding issues were mostly due to river flooding where river levels had risen due to prolonged and steady rainfall.

- A process had commenced for a more targeted approach gully cleansing, going to specific areas and organising road closures where roads were heavily parked.
- Thurnby brook had burst its banks on Tuesday 2nd January. This was classed as a main river. Managing flood risks from rivers was the responsibility of the Environment Agency, however, the Council worked with them.
- Since it was unclear who residents needed to contact regarding flooding issues, it was suggested that it needed to be made clear who was responsible for which aspects, or to have a single point of contact to direct people.
- There was lots of information on the LCC website, however, it was acknowledged that it was a challenge to help understanding amongst the public.
- It was suggested that residents could sign up to the Environment Agency Flood Warning process. Further to this, the Commission were informed that there was a lot of advice on flood plans available from the Environment Agency. Another option for residents in an emergency flooding situation was to contact the emergency services. Another option in less urgent situations was the Council's out-of-hours phone number.
- New planning applications needed to go through the Flooding and Drainage team. Development on flood plains was restricted, and due process was given to ensure that such developments were not at risk of flooding. If building on a flood plain, part of the planning process looked at mitigating impacts and compensation.
- A point was raised regarding one-way valves in water gullies. This would be discussed outside the meeting.

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.

58. WORK PROGRAMME

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

The work programme was noted.

59. ANY OTHER URGENT BUSINESS

There being no further items of urgent business, the meeting finished at 19:57.