

Leicester
City Council

SECOND DESPATCH

MEETING OF THE OVERVIEW SELECT COMMITTEE

THURSDAY, 4 FEBRUARY 2021

Further to the agenda for the above meeting which has already been circulated, please find attached the following:

DRAFT GENERAL FUND REVENUE BUDGET 2021/22

The Director of Finance submits the draft General Fund Revenue Budget 2021/22, which will be considered by Council on 17 February 2021.

The following draft minute extracts, detailing the respective Scrutiny Commissions' discussion on the draft General Fund Revenue Budget report are attached:

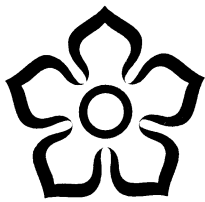
- Economic Development, Transport and Tourism Scrutiny Commission – 14 January 2021 (**Appendix E2**)
- Adult Social Care Scrutiny Commission – 19 January 2021 (**Appendix E3**)
- Health and Wellbeing Scrutiny Commission – 20 January 2021 (**Appendix E4**)
- Neighbourhood Services Scrutiny Commission – 28 January 2021 (**Appendix E6**)

The Overview Select Committee is recommended to consider the draft budget and the comments made by the Scrutiny Commissions, and to pass its comments on these to the meeting of Council on 17 February 2021 for consideration.

Officer contacts

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Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND TOURISM SCRUTINY
COMMISSION

Held: THURSDAY, 14 JANUARY 2021 at 4:00 pm

P R E S E N T:

Councillor Waddington (Chair)
Councillor Sandhu (Vice Chair)

Councillor Broadwell
Councillor Fonseca

Councillor Porter
Councillor Rae Bhatia

Councillor Valand

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108. WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting, reminding everyone that this was a virtual meeting, as permitted under Section 78 of the Coronavirus Act 2020, to enable meetings to take place whilst observing social distancing measures.

At the invitation of the Chair, Members and officers present at the meeting then introduced themselves.

109. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Joel.

110. DECLARATIONS OF INTEREST

Councillor Broadwell declared a Disclosable Pecuniary Interest in relation to the general business of the meeting, in that she was a sole trader running a business building and refurbishing electric bikes.

119. DRAFT GENERAL FUND BUDGET 2021/22 AND DRAFT CAPITAL PROGRAMME 2021/22

The Director of Finance submitted the reports which set out the City Mayor's proposed Draft General Fund Budget 2021/22 and Draft Capital Programme 2021/22.

The Deputy Director of Finance introduced the Draft General Fund Budget report, explaining that this year's budget had been set in a time of extreme uncertainty. The pandemic had hit, after dealing with 10 years of severe funding cuts of over £100m government funding. At present, the full extent of spending which would result from the pandemic restrictions was not known and some services may need to be reshaped to best meet the need of the new environment when the pandemic was over.

The government had now published the draft finance settlement for local government. This however was published after the publication of Leicester's draft budget report and therefore the figures in the final report would be subject to some limited change.

It was explained that this year the budget was a one year stop gap budget, as it was unclear as to the ongoing impact of the pandemic, on spending and on the economic downturn. There had been minimal changes to the budget for 21/22 and no further information had been received from government regarding the budget beyond this period.

The Deputy Director of Finance noted that significant amount of funds still needed to be provided for Social Care which included £10m for adult social care and of this, the government only provided £3m. In order to contribute to this gap, the government proposed that the Council increase Council Tax by an additional 3% which would raise £3.6m but would still result in a shortfall of funds. Leicester City Council along with other councils, were still awaiting the social care funding review. Members' attention was drawn to the table on pg. 5 which set out how the draft budget was balanced with the use of £20m of reserves. However, the Council's ability to use reserves was declining. Substantial savings would need to be made to balance the budget in future years.

Comments received from Members of this Committee would then go to the Overview Select Committee and subsequently Full Council 17 February 2021.

Following comments from Members of the Commission, officers provided the following responses:

- Concerns that it was the wrong time to put pressure on people with an increase in Council Tax and as reported the adult social care precept would only raise £3.6m which would not be sufficient for the gap. It was queried also as to why the Council were investing in specific named projects.

Response from the City Mayor:

The difference between the Capital fund and the draft General Fund Budget 2021/22 was clarified. It was confirmed that the investment of some of the Council's capital resources had been used to enable the regeneration of the city and to ensure a continued revenue stream into the future which did have a positive impact into the Council's position with regard to their revenue budget.

The City Mayor noted that he would be happy to talk in detail about the specific project the Member of Commission was referring to, so as to demonstrate what a good proposal it was in terms of the regeneration of the city and also contribution to the revenue fund.

- Clarification was requested relating to the actual figures that the Council had faced as a result of loss/ cut in government funding?

Response from the Deputy Director of Finance:

It was confirmed that the losses had been very significant, but it was difficult to clarify the exact reduction in funding. The Deputy Director of Finance offered to circulate this information to the particular Member following the meeting.

- It was requested to clarify the budget for 2021/ 22, in relation to Economic Development on page 25 of the report?

Response from the Deputy Director of Finance:

It was noted that these were already approved savings as part of previous spending reviews in previous years budgets. In regard to page 25, the Officer clarified the figures were referring to additional income generation from the workspace units.

Response from the Director of Tourism, Leisure and Inward Investment:
The turnover of the economic regeneration service was noted to be quite significant, this reflected that the service had been particularly effective both at generating income from the commercial workspace portfolio and external grants. Hence, the net cost to the Council was noted as relatively small.

- There would be savings from the conservation team of £25k, how?

Response from the Director of Planning, Development and Transportation:

The Council previously had one conservation officer, which increased to two for the purpose of specific projects. One of the posts had now been reduced to part time (at the employee's request) and the £25k was noted as the savings from this job role.

- Comprehensive financial review, how proposing to go about that?

Response from the Deputy Director of Finance:

The Director of Finance would lead on this and would look at projections put forward by the government with regards to future funding, the ongoing implications of the pandemic, and the position of the Council's reserves.

- The budget proposed a 5% increase in Council Tax and noted the groups who would be significantly impacted by this. Is the Council Tax support

scheme robust to meet the increased needs which may come about?

Response from the City Mayor:

The importance of committing to put adequate funds to one side to provide for those in the most need of relief was noted.

Response from the Deputy Director of Finance:

There had seen an increase in demand for Council Tax support this year as a result of the pandemic. There was also a lot of demand for the various Covid-19 support schemes which became available. Since the budget report was published, the government would be making additional funding available to councils.

AGREED:

1. That the report be noted.
2. That the comments made by the Commission be noted.
3. That the Executive be requested to reflect in the final budget report the relief schemes that may be necessary as a result of the Council Tax increase.
4. That the Finance Officers be thanked for preparation of the report.

DRAFT CAPITAL PROGRAMME 2021/22

The Deputy Director of Finance introduced the draft Capital Programme report explaining that the future position remained uncertain both nationally and with the Council's own finances and therefore a one-year skeleton capital programme had been proposed. Much of the spending which took place in the next financial year would be a catch up of the current year's programme.

The proposed Capital Programme 21/22 was in the order of £20m and separately around £58m of works on Council housing and affordable properties which was set out in the Housing Revenue Account Report.

Details of the Capital Fund projects were summarised in the report and the schemes had been noted in different categories throughout the report based on the type of scheme and whether further approvals were required before the commencing of the scheme and where the capital resources to fund the schemes were also included. The Capital Strategy was included as an appendix.

- In regards to spending capital towards housing, it was stated that at a previous meeting it was reported that the government had set out a strategy which meant that the Council was unable to provide houses built to the highest environmental standards due to the costs of building exceeding the rent that the Council receives. Clarification was requested as to why are we not able to build houses to these environmental standards in Leicester?

Response from the City Mayor:

We are seeking to ensure that in the building of properties that we meet

high environmental standards. There were currently a number of discussions as to what were the highest environmental standards. The City Mayor would be happy to report on this matter to the Housing Scrutiny Commission to ensure funds were spent efficiently and properties built with awareness to help tackle climate emergency.

- The Council previously had a proposal to allocate £7m to purchase ex local authority housing, how has this progressed?

Response from the City Mayor:

It was reiterated as to the difference between the two funds and noted that when investments are used wisely it can produce regeneration of the city and produce income which did support the revenue budget.

There was a commitment to increase the availability of Council owned homes and to meet the growing need for people to have decent affordable homes managed by a responsible landlord. As part of this, the Council would be purchasing some already existing properties but also investing substantially in the construction of new properties.

- With reference to two policy provisions identified as part of this programme, £0.5m to assist with Black Lives Matter, what was envisaged?

Response from the City Mayor:

It was noted that the Council wanted to put significant resources into the commitment that was shared to ensure all that could be done to progress the Black Lives Matter agenda in Leicester. That £0.5m would most like go towards enabling an upgrade to the African Caribbean Centre which would allow for it to be even more effective. In order to do this, discussions would take place with the African and Caribbean community to determine what would be the most useful improvements.

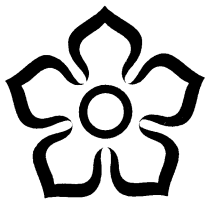
- Commercial activity, any plans for using this policy to acquire properties?

Response from the City Mayor:

The City Mayor was determined that the Council should on an annual basis, produce a report in relation to the Council's corporate estate fund as was previously done. It was anticipated that this report would be brought forward in the next few months with a return to this being an annual report to Council.

AGREED:

1. To bring back a future report to the Housing Scrutiny Commission on how the Council was tackling climate emergency when building houses.



Leicester
City Council

Minutes of the Meeting of the
ADULT SOCIAL CARE SCRUTINY COMMISSION

Held: TUESDAY, 19 JANUARY 2021 at 5:30 pm

P R E S E N T:

Councillor Joshi (Chair)
Councillor March (Vice Chair)

Councillor Batool
Councillor Kaur Saini

Councillor Kitterick
Councillor Thalukdar

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86. APOLOGIES FOR ABSENCE

There were no apologies for absence.

The Chair welcomed everyone to the meeting, and reminded everyone it was a virtual meeting, as permitted under Section 78 of the Coronavirus Act 2020 to enable meetings to take place whilst observing social distancing measures. The procedure for the meeting was outlined to those present. At the invitation of the Chair, all Members and officers present at the meeting introduced themselves.

87. DECLARATIONS OF INTEREST

Councillor Joshi declared an Other Disclosable Interest in that his wife worked for the Reablement Team at Leicester City Council.

88. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the Adult Social Care Scrutiny Commission Meeting held on 10 November 2020 be confirmed as a correct record.

89. PETITIONS

The Monitoring Officer reported that none were received.

90. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that that none were received.

92. DRAFT GENERAL FUND BUDGET AND DRAFT CAPITAL BUDGET 2021/21

The Director of Finance submitted a report setting out the City Mayor's proposed budget for 2021/22. The Commission was recommended to consider and comment on the Adult Social Care element of the budget. The Commission's comments would be forwarded to the Overview Select Committee as part of its consideration of the report before presentation to the meeting of Council in February 2021.

Martin Judson the Head of Finance presented the report to the Commission and noted that the draft budget was a stop gap one-year budget with minimal changes and that finances were to be reviewed again this year in the light of greater certainty over government funding and the impact of the pandemic.

It was noted that an additional £10 Million had been allocated to the adult social care budget, £3 Million of which was funded through central government funding and £3.6m would be raised from the social care precept on the Council Tax. The overall council budget has been balanced in 2021/22 by using £20 million from reserves.

As part of the discussions the Commission discussed extensively the areas of the budget for Adult Social Care. It was noted that the £5.5 Million Substance Misuse budget was now part of the Public Health budget. It was noted that the the cost of care packages were budgeted to increase by 9.3% annually as a result of increasing need together with fee increases of 2.3% which are determined mainly by the increase in national living wage rates in 2021/22

It was noted that the department were ensuring preventative services were commissioned and that there was investment in the reablement and enablement services.

Members of the Adult Social Care Scrutiny Commission raised their concerns over the increase in care package costs of £12.5 million. It was suggested that a detailed report be brought back to the Commission to allow for in depth scrutiny.

The Deputy City Mayor noted that the Adult Social Care cost increases were a national issue. The government have been promising to reform the funding for adult social care for a number of years and we are still waiting for the green paper.

Members of the Commission were concerned with the pressure on communities that a rise in Council Tax would have as a result of the social care precept. It was noted that there was a range of support available for those

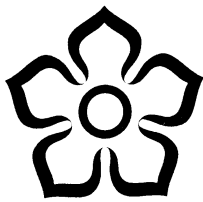
vulnerable families that would be impacted with the increase in Council Tax.

The Director of Adult Social Care noted that, the department undertake significant benchmarking of the spend and how it is distributed, closely and extensively with other cities. The Commission were reassured that necessary services would continue.

AGREED:

that:

1. The Commission note the report,
2. And that, a detailed report be brought back to the Adult Social Care Scrutiny Commission on the increasing cost of packages of £12.5 million.



Leicester
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Appendix E4

MINUTE EXTRACT

Minutes of the Meeting of the HEALTH AND WELLBEING SCRUTINY COMMISSION

Held: WEDNESDAY, 20 JANUARY 2021 at 5:30 pm

P R E S E N T:

Councillor Kitterick (Chair)
Councillor Fonseca (Vice-Chair)

Councillor Aldred Councillor Chamund
Councillor March Councillor Sangster
Councillor Westley

In Attendance:

Councillor Dempster, Assistant City Mayor - Health

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1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. QUESTIONS, REPRESENTATIONS, STATEMENTS OF CASE

There were no Questions, Representations, or Statements of Case.

4. DRAFT REVENUE BUDGET 2021-22

The Chair referred to the Director of Finance's report, which considered the City Mayor's proposed budget for 2021/22 and medium-term projections up to 2024. The Commission was asked to make comment on the public health items relating to its portfolio.

The Assistant City Mayor (Health) commented on key issues within the report, relating to the continued commitment to fund 0-19 services, although this had been put on hold due to recent Covid-19 implications and restrictions. It was expected that consultation would be enhanced to allow the contract concerned to be extended. The further ongoing commitments to mental health services and physical health services would also receive further investment which was welcomed.

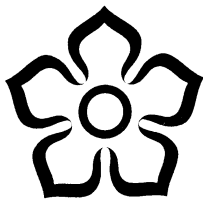
In response to questions put by Commission members, it was confirmed that the budget for substance misuse was included in the Adults Services line in the budget. In terms of the public health grant it was reported that not all of the expenditure related to the grant is included in the Health and Wellbeing budget line with some expenditure included in other budget lines. The Chair asked for confirmation that the grant was being treated in line with other external grants and this was confirmed to be the case.

In respect of the support to contraception and sexual health services a reduction in capacity including services offered by General Practitioners had caused a potential for longer-term concern following Covid-19. It was reported that other services had also experienced capacity issues exacerbated by Covid-19 and the situation was being monitored.

In conclusion the Chair referred to the poor quality of food offered in vending machine and food services at the Council's Leisure Centres, commenting that the current arrangements were not suitable.

It was AGREED to:

- 1) Welcome the commitment to the 0-19 service and to welcome the continued funding, with a monitoring report to be submitted at the appropriate time.
- 2) Note that the capacity of the contraception and sexual health services and other services affected of Covid-19 continue to be monitored and a report be submitted in due course, following Covid-19.
- 3) Undertake a review of contracts for vending machines and other food services at the Council's Leisure Centres.



Leicester
City Council

Minutes of the Meeting of the
NEIGHBOURHOOD SERVICES SCRUTINY COMMISSION

Held: THURSDAY, 28 JANUARY 2021 at 5:30 pm

P R E S E N T:

Councillor Thalukdar (Chair)

Councillor Ali
Councillor Joshi

Councillor Govind
Councillor Solanki

Also Present:

Assistant City Mayor Councillor Master
Deputy City Mayor Councillor Russell

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76. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Aqbany.

77. DECLARATIONS OF INTEREST

There were no Declarations of interest.

78. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the meeting of the Neighbourhood Services Scrutiny Commission 26 November 2020 be confirmed as a correct record.

79. PETITIONS

The monitoring Officer reported that no petitions had been received.

80. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that no questions, representations or statements of case had been received.

82. COUNCIL DRAFT ANNUAL BUDGET REPORTS - REVENUE AND CAPITAL 2021/2022

The Director of Finance submitted a report setting out the City Mayor's proposed budget for 2021/22. The Commission was recommended to consider and comment on the Neighbourhood Services element of the budget. The Commission's comments would be forwarded to the Overview Select Committee as part of its consideration of the report before presentation to the meeting of Council in February 2021.

The Director of Finance presented the report which set out the draft budget proposed at a time of extreme uncertainty. It was noted that over the last 10 years the general fund budget had seen a reduction of £100million per annum and future impacts were unknown.

It was noted that the draft budget is a one-year stop gap budget having minimal changes. The Adult Social Care budget has £10million growth recognising the increasing cost of and demands for adult social care, only £3million of which would come as funding through central government. Government is allowing Councils to increase their Council Tax by an additional 3% to provide further social care funding, although this does not meet the full cost in Leicester and places the funding burden on to local taxpayers.

It was noted that the Council are in a position to further support the budget with £20million from reserves. This was something that many other Councils are not in the position to do.

The Director of Neighbourhoods and Environmental Services noted that the £32million Neighbourhood Services budget is well managed and had been procurement savings of £60,000 however, the department is facing budget pressures on waste management. This is a result of increasing landfill charges and a rise in annual waste collected for landfill. Members of the Commission suggested that the Commission be updated on any departmental spending reviews being considered and that these be brought to an appropriate future scrutiny meeting.

During the discussions Members of the Committee shared their concerns with the rise in Council Tax and the pressures this would add to vulnerable families across the city. It was noted that Council tax increased annually by the maximum 2% and the Adult Social Care precept allowed Councils to increase Council Tax by an additional 3%.

It was noted that there were schemes set up to support those individuals across the city who may struggle with Council Tax: The Council Tax Support Scheme, supported up to 80% of Council Tax and the Council Tax Discretionary Relief Scheme supported those with short term hardships with a relief fund. Members of the Commission suggested that the Council should

ensure there is effective communication with residents and residents were assisted before enforcement action was taken and that data on families receiving support as a result of the increase in Council Tax be brought to a future Commission meeting.

Members of the Commission suggested that due to the circumstances a larger number of people were using the services provided online and that it would be helpful to those people if the services were easily accessible online. It was noted that services were already migrating online before the pandemic and during the pandemic there was a significant growth in online contact. It would be very helpful if Officers could directly include Commission Members to help support the online improvements and act as a critical friend.

AGREED:

- 1) That the Commission note the report,
- 2) That the Commissions comments be passed to the Overview Select Committee,
- 3) And that, the Director of Finance be requested to provide data on the impact on families as a result of the increases to Council Tax to a future meeting.

