



Leicester  
City Council

## **SECOND DESPATCH**

### **MEETING OF THE OVERVIEW SELECT COMMITTEE**

**THURSDAY, 8 FEBRUARY 2024**

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

#### **10 DRAFT REVENUE BUDGET 2024/25**

Additional minutes extracts from the following Scrutiny Commissions:

Culture and Neighbourhoods – 29 January 2024

Economic Development, Transport, and Climate Emergency – 31 January 2024

Public Health and Health Integration – 6 February 2024

#### **11. DRAFT CAPITAL PROGRAMME 2024/25**

Additional minutes extracts from the following Scrutiny Commissions:

Culture and Neighbourhoods – 29 January 2024

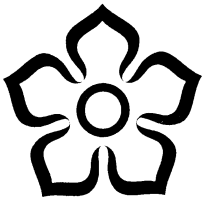
Economic Development, Transport, and Climate Emergency – 31 January 2024

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Leicester  
City Council

**MINUTE EXTRACT**

**Minutes of the Meeting of the  
CULTURE AND NEIGHBOURHOODS SCRUTINY COMMISSION**

Held: MONDAY, 29 JANUARY 2022 at 5:30 pm

**P R E S E N T :**

Councillor Dawood (Chair)  
Councillor Mohammed (Vice Chair)

Councillor Aldred      Councillor Agath  
Councillor Chauhan    Councillor Halford  
Councillor Karavadra   Councillor Singh Johal

**In Attendance:**

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

\* \* \* \* \*

**43. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Cutkelvin.

**44. DECLARATIONS OF INTEREST**

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

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

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

## 49. DRAFT GENERAL REVENUE BUDGET

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

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

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

Key points included:

- The budget was very challenging for the 2024/25 financial year and was the worst outlook that the Council had ever faced.
- Without drastic action, the Council would not be able to balance the budget in the 2025/26 financial year.
- A Section 114 notice would not mean that the Council was bankrupt, as Councils cannot technically go bankrupt. A Section 114 notice would state that the Council's resources could not meet its commitments and as such it could mean a freeze on commitments and government interventions.
- Many other Councils were in a similar position to Leicester.
- Whilst not directly linked to Culture and Neighbourhoods, a growth in statutory services had put pressure on the budget, for example, the costs of Adult and Children's Social Care, pressure on home-to-school transport and the homelessness budget.
- The budget was in a volatile position and there was expected to be a need to add a further £11m to the final budget, largely due to an increase in minimum wage which had raised care costs and homelessness.
- The growth in statutory services and the failure of the government to provide adequate funding had meant it was difficult for local authorities to keep up. Despite pressures and inflation increasing since 2021, the government had only just announced additional funding for local governments, however, this may only amount to around £3m for Leicester City Council.
- There was £10m of savings in the budget, but this still left a large sum to be met from the reserves.
- A further austerity drive from the government was signalled from 2025-26. Analysis from the Institute of Fiscal Studies showed that there would be a real-terms cut of 3.4% per year for services other than the NHS, aid and defence.
- The Council approach to budget reductions had been to use a managed reserves strategy, however, the proposed budget would make use of all reserves available.
- Some local authorities had been offered exceptional financial support from the government which in some cases allowed them to use the proceeds from the sale of assets to balance the revenue budget, and in some cases allowed councils to increase their council tax above the 5% permitted. However, no local authority had been offered extra money. No exceptional financial support

would be offered to Leicester City Council in 24/25 as it was able to balance the budget.

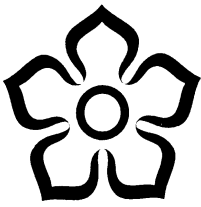
The Committee were invited to ask questions and make comments. Key points included:

- The situation was expected, and it was possible that many services would be cut or lost. The Council was doing what it could with what it had.
- The Council were doing everything possible to deliver services and statutory duties. It was noted that people in need of statutory duties such as social care also benefitted from services such as libraries and leisure centres. Credit was given to officers for their work on preventing a Section 114 notice which would take control of such services away from the Council.
- The information on savings was the impact on the 2024/25 budget of decisions that had already been taken.
- With regard to parks, a number of savings decisions had been made across many areas, including street cleansing and grounds maintenance. A number of options had been explored in a wide review. Work had been undertaken on statutory services and discretionary functions. Parks involved many discretionary functions and many efficiencies had been identified such as removing back-office overheads, consolidating depots which had given a capital receipt to the Council and saved a revenue cost.
- Workforces were shrinking as staff who left the service were not being replaced, however, capacity was being maintained in order to maintain standards and as such there was minimal visible impact to the public due to the work of the team to balance the service. Capacity was also being maintained by introducing technology to deal with reports from the public, allowing more efficient triage of issues and allowing more targeted work and allowing a quicker response.
- Opportunities were being explored for new income on discretionary services.
- Regulatory services had many statutory functions and where they were delivered above a statutory level, the service looked to deliver them to a statutory level.
- In terms of trading standards, each case was assessed on its own merits.
- In the case of many regulatory services, such as Houses of Multiple Occupation licencing or selective licencing, there was no scope for cutting back as the services needed to be sustained and the budget is ring fenced to the scheme.
- It was requested that a breakdown of which services were impacted by savings and how be produced.
- Reviews of discretionary services would be on-going. Savings needed for 2025/26 would impact upon all areas of the Council, in some places this would be very significant.
- The allocation of Government grant funding was based on data that was out of date and did not reflect the current pressures on the city. Issues such as

population increase would need to be reflected in the Fair Funding Review in order to produce more equitable funding. It was not clear when the government would conclude this work.

**AGREED:**

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



Leicester  
City Council

**MINUTE EXTRACT**

Minutes of the Meeting of the  
ECONOMIC DEVELOPMENT, TRANSPORT AND CLIMATE EMERGENCY  
SCRUTINY COMMISSION

Held: WEDNESDAY, 31 JANUARY 2022 at 5:30 pm

**P R E S E N T :**

Councillor Waddington (Chair)

Councillor Batool	Councillor Dawood
Councillor Osman	Councillor Porter
Councillor Rae Bhatia	Councillor Whittle

**In Attendance:**

Councillor Clarke – Deputy City Mayor (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.

## **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.

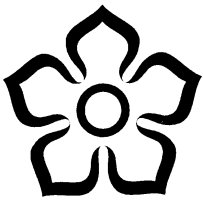
The Committee were invited to ask questions and make comments. Key points included:

- 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.



Leicester  
City Council

Minutes of the Meeting of the  
PUBLIC HEALTH AND HEALTH INTEGRATION SCRUTINY COMMISSION

Held: TUESDAY, 6 FEBRUARY 2024 at 5:30 pm

P R E S E N T :

Councillor Whittle (Chair)  
Councillor Bonham (Vice-Chair)

Councillor March                      Councillor Sahu  
Councillor Singh Sangha

In Attendance:

Councillor Sarah Russell              Deputy City Mayor – Social Care, Health and  
Community Safety

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**33. WELCOME AND APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Modhwadia and Zaman.

**34. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**43. DRAFT GENERAL FUND BUDGET 2024/25**

The Director of Finance submitted a draft report proposing the general fund revenue budget for 2024/25.

The Head of Finance introduced the report and made the following points:

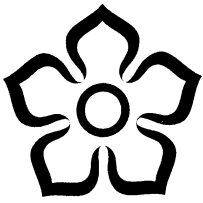
- The medium-term financial outlook was the most severe ever experienced by the City Council.

- Ongoing expenditure is forecast to exceed ongoing income by at least £50million in 2024/5. Further budget savings would need to be identified in the future.
- The City Council's managed reserves policy had been utilised in previous years, though without new money from the Government, the proposed budget would exhaust these reserves.
- Should the City Council be unable to balance its budget in 2025/26, a formal report under section 114 of the Local Government Finance Act 1988 would be required.
- Areas of significant budget growth included adult social care, the implementation of the real living wage, children's social care and homelessness services. These were issues which commonly impacted severely on most local authority's spending.
- In relation to Public Health, the commission was reminded that the division was funded from the public health grant, which had recently increased by 2% to £29.8million. No significant budget adjustments were being proposed for 2024/25.

In response to a question in relation to budget saving associated with the 0-19 Healthy Child Programme, the Director of Finance agreed to provide confirmation of the level of this saving and whether it was proposed to be made from this proposed budget or had been taken previously.

**AGREED:**

- (1) That the draft General Revenue Fund Budget 2024/25, and particularly the elements in respect of Public Health, be noted; and
- (2) That clarity in relation to budget savings associated with the 0-19 Health Child Programme be provide to members.



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**MINUTE EXTRACT**

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CULTURE AND NEIGHBOURHOODS SCRUTINY COMMISSION**

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**P R E S E N T :**

Councillor Dawood (Chair)  
Councillor Mohammed (Vice Chair)

Councillor Aldred      Councillor Agath  
Councillor Chauhan    Councillor Halford  
Councillor Karavadra   Councillor Singh Johal

**In Attendance:**

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

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**44. DECLARATIONS OF INTEREST**

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

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

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

## 50. DRAFT CAPITAL PROGRAMME

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

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

Key points included:

- This was a one-year programme of schemes from grants, borrowing and the sale of assets. The programme was limited to one-year due to the uncertainty of resources, the impact of inflation and to ease pressure on revenue budgets.
- The Commission were given a rundown of expenditure relevant to Culture and Neighbourhoods, including:
  - £1 million for leisure centre refurbishment.
  - £200,000 for Park Depot relocation.
  - £48,000 for the relocation of the pest and dogs depot.
  - £245,000 for grounds maintenance equipment rendered.
  - £300,000 for the community garden gardens and allotments through the Growing Spaces project.
  - £195,000 for heritage interpretation panels
  - £75,000 for historic building grants.
  - £50,000 for festival decorations.
- The operational estate Maintenance Programme would help to maintain buildings out of which services operate.

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

- In response to a query about potentially trying to empower local organisations with the knowledge and experience needed to take over and/or run assets, it was noted that there was a fundamental branch review of everything in the Council and the use of community organisations was a part of this.
- Further to this it was raised that if assets were sold off then that would result in a one-off payment to the Council, whereas if they were held by the Council and leased to organisation then the Council would hold the asset whilst also raising revenue. In response to this it was noted that prior to any decision on asset sale, there would be consideration given to leasing.
- It was noted that in terms of service provision, it was sometimes possible for the third sector to help to deliver services on behalf of the Council, an example of this was the African Caribbean Centre where involvement with the voluntary sector had saved the council around £150,000 per year. Additionally, there were many third sector groups that showed potential to work with the Council and they were being encouraged to come forward as the Council were keen to work with them. Consideration was being given to whether such groups could be supported long-term, perhaps with a view to them eventually running a service (perhaps on behalf of the Council, however, this would take time.

Additionally, before an asset went on the market, it was considered as to whether it could be run by a community group.

- The University of Leicester was being worked with to help understand the potential of community groups working with the Council.
- It was noted that Leicester's Shared Prosperity Fund programme funded a bid from the University of Leicester to work with social enterprises in the city to develop business plans, organisational capacity and skills. Additionally, there was another £350k from the SPF programme for bids from Community Asset Transfer organisations. This could support investment in buildings for energy efficiency, essential repairs, works that could enhance revenue earning etc. This money could be spent in 2024/25. This was outside the Capital Programme.
- In terms of value for money on leisure centres, membership was increasing, so this indicated good investment. Energy efficiency was also being explored as a saving; an example was the solar arrays on Aylestone Leisure Centre. Customer satisfaction with leisure centres was good and there was a £0.5m overachievement in income as a result of an increase in usage linked to the capital scheme.
- It was requested that a report be brought to the Commission on engaging community organisations.

#### AGREED:

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







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**MINUTE EXTRACT**

**Minutes of the Meeting of the  
ECONOMIC DEVELOPMENT, TRANSPORT AND CLIMATE EMERGENCY  
SCRUTINY COMMISSION**

Held: WEDNESDAY, 31 JANUARY 2022 at 5:30 pm

**P R E S E N T :**

**Councillor Waddington (Chair)**

Councillor Batool      Councillor Dawood  
Councillor Osman      Councillor Porter  
Councillor Rae Bhatia      Councillor Whittle

**In Attendance:**

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

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**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.

### 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 (LLEP), 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.

