

Leicester  
City Council

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

**DATE: THURSDAY, 30 JUNE 2022**

**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 Cassidy (Chair)

Councillor Gee (Vice-Chair)

Councillors Batool, Halford, Joel, Joshi, Pantling, Porter, Thalukdar and Westley

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

For Monitoring Officer

**Officer contacts:**

**Francis Connolly (Scrutiny Policy Officer)**

**Angie Smith (Democratic Support Officer),**

Tel: 0116 454 6354, e-mail: [angie.smith@leicester.gov.uk](mailto:angie.smith@leicester.gov.uk)  
Leicester City Council, 115 Charles Street, Leicester, LE1 1FZ

## Information for members of the public

### Attending meetings and access to information

You have the right to attend formal meetings such as full Council, committee meetings, and Scrutiny Commissions and see copies of agendas and minutes.

However, on occasion, meetings may, for reasons set out in law, need to consider some items in private.

Due to COVID restrictions, public access in person is limited to ensure social distancing. We would encourage you to view the meeting online but if you wish to attend in person, you are required to contact the Democratic Support Officer in advance of the meeting regarding arrangements for public attendance. A guide to attending public meetings can be found here on the [Decisions, meetings and minutes page](#) of the Council website.

Members of the public can follow a live stream of the meeting on the Council's website at this link:

<http://www.leicester.public-i.tv/core/portal/webcasts>

Dates of meetings and copies of public agendas and minutes are available on the Council's website at [www.cabinet.leicester.gov.uk](http://www.cabinet.leicester.gov.uk), or by contacting us using the details below.

To hold this meeting in as Covid-safe a way as possible, all attendees are asked to follow current Government guidance and:

- maintain distancing while entering and leaving the room/building;
- remain seated and maintain distancing between seats during the meeting;
- wear face coverings throughout the meeting unless speaking or exempt;
- make use of the hand sanitiser available;
- when moving about the building to follow signs about traffic flows, lift capacities etc;
- comply with Test and Trace requirements by scanning the QR code at the entrance to the building and/or giving their name and contact details at reception prior to the meeting;
- if you are displaying Coronavirus symptoms: a high temperature; a new, continuous cough; or a loss or change to your sense of smell or taste, you should NOT attend the meeting, please stay at home, and get a PCR test.

### Making meetings accessible to all

Wheelchair access – Public meeting rooms at the City Hall are accessible to wheelchair users. Wheelchair access to City Hall is from the middle entrance door on Charles Street - press the plate on the right hand side of the door to open the door automatically.

Braille/audio tape/translation - If you require this please contact the Democratic Support Officer (production times will depend upon equipment/facility availability).

Induction loops - There are induction loop facilities in City Hall meeting rooms. Please speak to the Democratic Support Officer using the details below.

Filming and Recording the Meeting - The Council is committed to transparency and supports efforts to record and share reports of proceedings of public meetings through a variety of means, including social media. In accordance with government regulations and the Council's policy, persons and press attending any meeting of the Council open to the public (except Licensing Sub Committees and where the public have been formally excluded) are allowed to record and/or report all or part of that meeting. Details of the Council's policy are available at [www.leicester.gov.uk](http://www.leicester.gov.uk) or from Democratic Support.

If you intend to film or make an audio recording of a meeting you are asked to notify the relevant Democratic Support Officer in advance of the meeting to ensure that participants can be notified in advance and consideration given to practicalities such as allocating appropriate space in the public gallery etc..

The aim of the Regulations and of the Council's policy is to encourage public interest and engagement so in recording or reporting on proceedings members of the public are asked:

- ✓ to respect the right of others to view and hear debates without interruption;
- ✓ 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:

**Angie Smith, Democratic Support Officer on 0116 454 6354.**

Alternatively, email [angie.smith@leicester.gov.uk](mailto:angie.smith@leicester.gov.uk), or call in at City Hall.

For Press Enquiries - please phone the **Communications Unit on 0116 454 4151.**

## **PUBLIC SESSION**

### **AGENDA**

#### **NOTE:**

Due to COVID restrictions, public access in person is limited to ensure social distancing. We would encourage you to view the meeting online but if you wish to attend in person, you are required to contact the Democratic Support Officer in advance of the meeting regarding arrangements for public attendance.

Separate guidance on attending the meeting is available for officers. Officers attending the meeting are asked to contact the Democratic Support Officer in advance to confirm their arrangements for attendance.

**This meeting will be webcast live at the following link:-**

<http://www.leicester.public-i.tv>

**An archive copy of the webcast will normally be available on the Council's website within 48 hours of the meeting taking place at the following link:-**

<http://www.leicester.public-i.tv/core/portal/webcasts>

### **FIRE / EMERGENCY EVACUATION**

If the emergency alarm sounds, you must evacuate the building immediately by the nearest available fire exit and proceed to the area outside the Ramada Encore Hotel on Charles Street as directed by Democratic Services staff. Further instructions will then be given.

### **1. APOLOGIES FOR ABSENCE**

## **2. DECLARATIONS OF INTEREST**

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

## **3. CHAIR'S ANNOUNCEMENTS**

## **4. MINUTES OF THE PREVIOUS MEETING**

**Appendix A**

The minutes of the meeting of the Overview Select Committee meeting held on 24 March 2022 are attached and Members are asked to confirm them as a correct record.

## **5. TERMS OF REFERENCE FOR SCRUTINY COMMITTEES**

**Appendix B**

To note the Terms of Reference for Scrutiny Committees.

## **6. MEMBERSHIP OF THE OVERVIEW SELECT COMMITTEE**

To note the membership of the Overview Select Committee:

Chair: Councillor Cassidy  
Vice-Chair: Councillor Gee

Councillors Batool, Halford, Joel, Joshi, Pantling, Porter, Thalukdar and Westley

## **7. DATES OF MEETINGS OF THE OVERVIEW SELECT COMMITTEE 2022/23**

To note the dates of the Overview Select Committee meetings as follows:

Thursday 30 June 2022  
Thursday 8 September 2022  
Thursday 3 November 2022  
Thursday 15 December 2022  
Thursday 8 February 2023  
Thursday 23 March 2023

The meetings will commence at 5.30pm.

## **8. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE**

The Monitoring Officer to report on the receipt of any questions, representations and statements of case submitted in accordance with the Council's procedures.

## **9. PETITIONS**

The Monitoring Officer to report on any petitions received.

## **10. TRACKING OF PETITIONS - MONITORING REPORT [Appendix C](#)**

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.

## **11. SURVEY OF LEICESTER [Appendix D](#)**

The Director of Delivery, Communications and Political Governance submits a report which provides the Overview Select Committee with the details of, and some initial insights from, the recent Survey of Leicester. The report also introduces the survey, its scope, and how data from the survey could be used to inform work across the organisation.

The Overview Select Committee is recommended to note the completion the Survey of Leicester, and to consider how survey data could inform the work of Leicester's scrutiny commissions.

## **12. ANTI-POVERTY STRATEGY - MICROSITE DEMO**

An online demonstration will be given at the meeting on a new platform in relation to the Council's anti-poverty strategy.

The microsite can be found at the following link to view in advance of the meeting; <https://www.leicester.gov.uk/anti-poverty/>.

## **13. FINANCE REPORTS**

### **(i) REVENUE BUDGET MONITORING OUTTURN [Appendix E](#) 2021/22**

The Deputy Director of Finance submits to the Overview Select Committee the final report for the monitoring cycle for 2021/22, and reports performance against the budget for the year.

The Committee is recommended to consider the overall position presented within the report and make any observations it sees fit.

### **(ii) CAPITAL BUDGET MONITORING APRIL- [Appendix F](#) MARCH 2021/22**

The Deputy Director of Finance submits a report to the Overview Select Committee which shows the final position of the capital programme at the end of 2021/2022.

The Committee is recommended to consider the overall position presented within the report and make any observations it sees fit.

**(iii) INCOME COLLECTION APRIL 2021 - MARCH 2022** [Appendix G](#)

The Deputy Director of Finance submits a report to the Overview Select Committee which details progress made in collecting debts raised by the Council during 2021/22, together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that it has not been possible to collect after reasonable effort and expense.

The Committee is recommended to consider the overall position presented within the report and make any observations it sees fit.

**(iv) REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2021/22** [Appendix H](#)

The Deputy Director of Finance submits a report to the Overview Select Committee which reviews how the Council conducted its borrowing and investments during 2021/22.

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

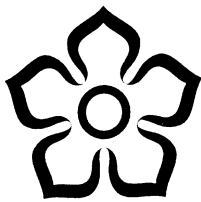
**14. QUESTIONS FOR THE CITY MAYOR**

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

**15. OVERVIEW SELECT COMMITTEE WORK PROGRAMME** [Appendix I](#)

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.

**16. ANY OTHER URGENT BUSINESS**



Leicester  
City Council

# Appendix A

Minutes of the Meeting of the  
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 24 MARCH 2022 at 5:30 pm

P R E S E N T:

Councillor Cassidy (Chair)

Councillor Gee  
Councillor Halford  
Councillor Joel

Councillor Joshi  
Councillor Kitterick  
Councillor Porter

Councillor Westley

In Attendance:

Sir Peter Soulsby  
Councillor Piara Singh Clair  
Councillor Danny Myers

City Mayor  
Deputy City Mayor  
Assistant City Mayor

Also in Attendance:

Rupert Matthews

Police and Crime Commissioner

\* \* \* \* \*

**90. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Thalukdar.

**91. DECLARATIONS OF INTEREST**

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

Councillor Westley declared an interest in agenda item 15. Scoping Document – Housing Crisis in Leicester, that family members were council tenants.

Councillor Halford declared an interest in agenda items to be discussed that family members were council tenants.

In accordance with the Council's Code of Conduct, the interest was not considered so significant that it were likely to prejudice the Councillor's judgement of the public interest. The Member was not, therefore, required to withdraw from the meeting.

## **92. CHAIR'S ANNOUNCEMENTS**

The Chair announced that, as the scrutiny programme for 2021/22 was drawing to a close, he wanted to thank the Overview Select Committee Members for their work on the Committee. He also thanked each of the Committee Chairs for their work on the Committee, for leading varied and interesting programmes of work. He further noted there were still several pieces of task group and review work that were concluding.

The Chair thanked the City Mayor for his full participation with the Committee, along with Executive colleagues who had addressed the Committee when required. His thanks also went to all of the officers who had reported to OSC and the Commissions over the past year, and to Scrutiny and Democratic Support staff.

The Chair informed the meeting the annual report would now be compiled which would summarise scrutiny's activity and outcomes throughout the year. He added that he looked forward to seeing scrutiny continue to examine key and emerging priorities and to carry on engaging with local decision makers, both within the City Council and beyond.

Thanks came from Members of the Committee to the Chair for the way he had conducted the meeting over the year.

## **93. MINUTES OF THE PREVIOUS MEETING**

AGREED:

That the minutes of the meeting held on 10<sup>th</sup> February 2022 be confirmed as a correct record.

## **94. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING**

The Chair informed the meeting there were no actions arising from the last meeting that required an update on their progress, and several issues had been referred to future meetings, and captured in the current work programme.

## **95. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE**

The Monitoring Officer reported that no questions, representations and statements of case had been submitted in accordance with the Council's procedures.

## **96. PETITIONS**



The Monitoring Officer reported that no petitions had been received in accordance with the Council's procedures.

## **97. 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.

The Democratic Support Officer circulated an update on a petition that had been completed since the publication of the report.

AGREED:

That the status of the outstanding petitions be noted, and to remove those petitions marked 'Petition Complete' Ref:21/11/03 and 21/12/01 from the report.

## **98. POLICE AND CRIME COMMISSIONER**

Mr Rupert Matthews, Police and Crime Commissioner for Leicester, Leicestershire and Rutland (PCC), was invited to address the Overview Select Committee about his work in the role to date and his priorities for the future.

Mr Matthews touched on the role of the PCC, what it was and wasn't entitled to do, during which the meeting was informed that:

- The role of PCC was to decide the 'what' and it was the role of the Chief Constable to decide the 'how' of local policing. The public held both the PCC and the Chief Constable to account. Operational matters were the decision of the Chief Constable.
- The Leicester, Leicestershire and Rutland Police and Crime Panel scrutinised the work of the Office of the Police and Crime Commissioner (OPCC).
- The Police and Crime Plan, which each PCC had to produce when they first took up office, was a living document and set out the broad parameters of what the PCC expected of the Chief Constable. The Plan was largely based on the elected PCC's manifesto.
- There were a mass of national guidelines, rules and regulations about what the police were / were not allowed to do, for example, the Home Office mandated how many officers should be licensed, trained and fully updated to carry firearms, which was not a decision that could be made locally, but had cost implications locally for training those officers and having the requisite number of weapons.
- Mr Matthews then went on to pay tribute to Simon Cole, who had left his role as Chief Constable the week prior to the Committee meeting, a role he had held for nearly 12 years. He added Mr Cole had been a tower of strength for the police and community and would be very much missed.
- It would be the PCC's duty to recruit a new Chief Constable, the system for which was largely mandated by the Home Office, though there was room for local discretion and variation on how a Chief Constable was selected and

recruited. The PCC would involve local elected representatives in the city and county to play an advisory role in the process as it was important the voices of elected representatives for the people in the city and county had an opportunity to be heard.

- The Plan had been put out to consultation to the public, the P&CP and the Chief Officer Team of Leicestershire Police. Many changes had been made to produce the first draft of the Police and Crime Plan which was used to produce the final draft, and printed copies would be sent to the council over the next week or so.
- The Peelian Principles still underlay the modern concept of policing by consent, for example, the police are the public, and the public are the police. The PCC said it was essential to draw recruits from as wide a selection of the public as possible, and that the police force is made up as near as possible that they were representative of the communities that they served.
- Public support and confidence in the police had fallen over the past few years, largely to do with incidents and activities not involving Leicestershire Police. The PCC wanted to see support and confidence in the police increase. The PCC would bring a series of reports to the PCP on this which would be public documents, with more detail available from the OPCC.
- The PCC was looking to have further public engagement with the Police, Police Cadets and community.
- There were certain aspects of crime of particular interest to the Members and public they represented, for instance, knife crime with a number of incidents of knife attacks recently with some fatalities. There were several ways to deal with the issues, including police action on the streets, through intelligence and responding reports and calls from the public. The work of the Violence Reduction Network was noted which the city and county were fortunate to have as not all police forces received funding for it. The VRN and PCC were involved in crime reduction work, victim support and navigation of the criminal justice system.
- Over the coming months and years the PCC looked forward to supporting the work of the city council with the police on crime and victim support.
- The Chair fed back that he believed that one person was not an adequate way to undertake the public sector equality duty on an EIA and spending review as there was previously an Ethics, Integrity and Complaints Committee which had previously produced the Diversity and Inclusion report. The Chair asked if the Committee was to be replaced, and if so when would that be. The meeting was informed that the new members of the new body had been appointed, with the date for the first meeting in the not-too-distant future. The role of this body would be advisory and would receive matters referred to them from both the Police and OPCC, such as how the Police were operating, and were they doing so in an ethical way with due regard to equality. It was further noted that the Committee itself could raise issues and concerns with both the PCC and the Chief Constable. With regards to EIAs internal system which the PCC had inherited, he stated he was happy to go back and look system if the Overview Select Committee was not satisfied with the system.

The PCC then received questions from Members and was provided with the following information:

- The Chair welcomed the opportunity of the involvement of Members in the appointment of the new Chief Constable, and he hoped there would be an opportunity for the different communities to have some input in the process. He added that the key point for many was the public sector equality duty, and that for the OPCC it could be seen there was a lot of policies and spending in relation to equality which was important. It was noted that the policies and budget of the Council were scrutinised through Equality Impact Assessments (EIAs), which were very detailed on all equality issues. The Chair asked, when the OPCC was working across the city and county with the different communities and different needs, how was its work and implications assessed. The PCC informed the meeting that the OPCC had a member of staff that routinely looked at everything the OPCC did and drew up an EIA, with only issues of concern being brought to the attention of the PCC, which had been on two occasions over the past 12 months for additional information. A Member then asked how the OPCC could have subjective interpretation of the EIAs when one person had singular oversight of the EIAs and could minimise some of the issues that could be seen differently by another set of eyes. The PCC said he would write to the Chair with more information on the OPCC EIA Policy.
- The PCC had instigated a policy called 'Community Thursdays'. The whole of the force area had been divided into twenty districts which meant in theory the PCC could visit each of these twice a year, to meet a diverse range of people and organisations, in various locations. All councillors and MPs for each area would be written to with an invitation to meet the PCC at the various venues. Members of the community, Members and MPs can contact the PCC directly with issues of concern, through contact details on the website. The PCC also had a proactive social media policy.
- A Member noted that vacancies had arisen in the post of Chief Constable, and in the posts of Chief Executive, Deputy Chief Executive and senior staff in the OPCC, and that an advisor was currently under investigation. It was stated it was crucial that any PCC needed staff in its office and good advisors. It was recognised that the Chief Constable had retired, and that not all of the senior management team had left since the election of the PCC, and there was a full-time acting Senior Finance Officer pending recruitment of a permanent Senior Finance Officer, which had been delayed due to the pandemic.
- Members further noted the OPCC had discretionary grants in its budget, and it was asked what the split was between the city and county. The PCC informed the meeting there were three aspects to the grants. Grants were reserved for people zones, with one people zone in the city and two in the county with none in Rutland, with grant monies split equally between the three zones. The PCC was looking to create two new people zones dependent on funding and was a decision to be made and would affect how grant monies were split up.
- Another grant went to community safety partnerships, including the Safer Leicester Partnership in the city. Through a funding formula, the money was divided between the partnerships and varied in amount. The City of

Leicester received most of the grant monies, whilst money in the County was distributed to the districts.

- £300k per year had been allocated for distribution through a bid process, and was open to any organisation, which each request being looked at on its own merits, value for money, the track record of the organisations delivering that sort of a project and so on. Staff would then produce a score card which was viewed by the PCC and the decision made whether or not to grant funding.
- The PCC was asked about the recruitment and engagement of communities with reference to the PCC's draft plan, where one of the short-term priorities was ensuring the recruitment of officers was representative of the diverse communities within Leicester. He was asked that during his time as PCC, how many recruitment exercises had taken place and how many recruits were there from BAME communities, with information to be broken down for each community. The PCC responded that central government had had an operational uplift across the country, and meant there would be 20,000 more officers across the country at the end of the recruitment process by the end of the next financial year. Leicestershire Police had been recruiting continuously since funding had become available in 2020. The PCC's predecessor instituted a policy which aimed at having one in four new recruits coming from an ethnic minority, with a view to having a police force having a balanced ethnic mix. It was reported that to date of the 178 additional officers recruited in the current financial year, 14% had come from ethnic minorities against a target of 25%. An initial paper on recruitment and retention had been taken to the last the P&CP. However, the PCC stated he was still not satisfied with it as it did not provide detail on what the police were actually doing to recruit more ethnic minority officers, and had asked for another report which would be reported to the next P&CP meeting in June. He added there was a second stage around retention, as anecdotally across the country more ethnic minority than white police officers were leaving the police force around four to five years after joining. It was noted the percentage of recruits from ethnic minorities had increased every year but was not at the 25% target being aimed for. Detail on what was being done around retention would also be reported to the P&CP meeting. Following a request the PCC agreed to provide a breakdown of recruitment numbers by ethnic groups to the Chair and Members.
- A Member referred to reports in the media about problems within the police force at a national level, and what measures the PCC was putting in place to address any problems with the culture in the police force. The PCC responded that Leicestershire Police had very firm guidelines and guidance on issues such as racism and misogyny, and that since he had taken office there had been a number of disciplinary procedures taken against officers, not all in the public domain. In looking at each of the disciplinary cases the PCC was satisfied that Leicestershire Police were dealing with issues in a robust fashion, that procedures were fit for purpose, and that Leicestershire Police held themselves to a very high standard. It was noted that the P&CP could ask for a report on disciplinary which would be a public document.
- A Member referred to the drop-out rate of BAME officers and asked if there were any early indication as to why they were leaving the Police so early on. The PCC stated that this was a national rather than exclusively a local

trend, and said he was not aware of any formal study of exit interviews, and anecdotal information was fed back to the PCC by the Black Police Officers Association or the National Association of Police and Crime Commissioners who were also concerned. He did, however, note that one factor mentioned to the PCC more than most was those officers from communities that do not have a long history of members joining the police force felt they were not supported in their role when dealing with members of their community who were hostile towards them, and were not receiving support from the police to enable them to deal with the issue which was stressful for them.

- The Chair stated the community, businesses and partners had drawn attention to a planned cut in police numbers, and it was assumed that resources were being withdrawn from the city and being placed in and Rutland. The PCC assured the meeting that there had been no cuts in police numbers, but there had in fact been an increase in numbers since he had taken up office, and no cuts were planned, but the funding of police was dependent on national government. It was added that the former PCC had put in place a medium-term financial plan for five years that would have seen police numbers rise to 2,342. However, when the PCC had looked at the plan in which there had been a delayed takeover due to pandemic, he found that if the original budget had been followed, then all available reserves would have been spent by the end of 2024, and there would have been a funding gap of £3million by 2025. It was also found there was also a level of capital expenditure not budgeted for, part of which was moving police staff from the Purple Book system to the Hay system and was expected to cost somewhere in the region of £3million over a three-year period. Further, the call management system was old and some of the equipment was not functioning properly, with nothing in the budget to replace that. The PCC therefore had taken the decision that it would have been reckless to recruit 200 police officers more than the government was giving essential funding for and recruited 100 police officers above the government funding which had come from the precept but had stopped at this point. The figures would be looked at in two years-time as to whether to recruit and had avoided a £3million shortfall.
- Police numbers in the city were not being reduced. Central Government was providing more funds to have more officers than at any time over the past six or seven years, and Leicestershire was in the fortunate position to have more police officers deployed across the area.
- A specific rural crime unit had been established which currently consisted of three full-time officers, and the PCC wanted to increase it to eight full-time officers.
- The PCC discussed training and, as an example, had introduced training for call handlers to recognise language that rural people used when reporting a crime, such as fly grazing and hare coursing, and to ask the farmer specific questions to ascertain if criminal damage was occurring. The PCC was seeking to address the concerns of people in rural areas, who had been neglected in recent years, and that this was down to staff training rather than the deployment of officers, and also down to equipment, for example, four-wheel drive vehicles would be provided to enable officers to police rural areas better.

- The PCC spoke in terms of full-time equivalent of officers, but the Home Office had used actual head count, so there was a mis-match of about 70 officers between full-time equivalent and actual officers. The PCC had also lobbied the Home Office about the funding formula used for police forces which included disparate information, for example, average size of a domestic dwelling, whereas the number of business premises wasn't taken into account at all. It was noted the Government was committed to the figure of an extra 20,000 police officers, and once they had been recruited, trained and deployed on the streets the Government would look at increasing the police numbers.
- The PCC said that there were adequate police numbers but the answer to whether there could be more was also yes. He added that as long as any crime was unsolved or a criminal unpunished or if any victim felt they had not received justice then more should be done, and not just from the police force but other aspects of the criminal justice system such as Magistrates Court, restorative justice and so on.
- With regards to response times to phone calls, Leicestershire Police were better than average. In terms of how quickly the police arrived at a reported crime, it varied dependent on the nature of the crime. For example, a Category One crime where physical violence may be imminent, the Police were classed as good at the last inspection, but clarified that further information would be provided to the Chair and Members.
- In relation to beat officers, the Leicestershire Police had gone through two reorganisations; one seven years ago to make the police more efficient in its use of resources and more effective when responding to serious crime. In doing so in three or four years it was realised that by becoming more effective in its response, the Police had rapidly lost contact between local officers and local areas and communities, had become centralised and they were losing local knowledge. The Police two years ago then developed the Target Operating Model (TOM) to place police local geographically. At the same time the training of recruits and retraining was changed to emphasise the importance of forming good relationships with people, e.g. newsagents who know what is going on in an area.
- The Community Active Scheme, first trialled in the St Phillips area and Lutterworth areas in the County, had been very successful in involving local members of the community and volunteers in going out and educating the local community, speaking the correct language, and in coming from the same cultural background they understood the cultural norms of the community, which was in large part teenage boys.
- The Violence Reduction Network had just had a three-year funding formula agreed by Central Government, allowing for more long-term planning on what they were doing.
- With regards to stop and search it was reported that guidelines for the Police were only to 'Stop and Search' if they had good reason to believe a person was carrying a knife or similar or strong evidence of engaging in a criminal activity. There were however, two sides to stop and search. Firstly, the Police could make the maximum possible use of stop and search so that anyone carrying a knife would be stopped and the knives retrieved. Or secondly, if people were routinely stopped and were not engaged in criminal activity, who were not carrying knives and were perceived to be stopped

unfairly, it could damage community relations. There were some communities that historically had not had a good relationship with the police force and stop and search was seen as a factor of that. It stated that stop and search relied on the personal judgement of the individual officer, and training and experience had a lot to do with getting it right.

- There was a debate on whether there was more hate crime, or whether victims of hate crime were more confident in reporting it as they now felt they would be taken seriously compared to a few years ago. Repeat training of officers was putting more emphasis on hate crime, and it was important the law-abiding public had faith in the police taking it seriously.
- The meeting was informed that, with regards to news reporting on Mr Beale (an advisor for the OPCC), he was not being paid £100,000 per year, but was paid on a day rate, was a personal matter of payment, and that his contract was public but not the figure paid. It was reported that should be legally declared was available on the OPCC website, and was a requirement for all contractors. The meeting was told Mr Beale was a former Chief Constable of two police forces and highly experienced of police matters, and had a lot to contribute. Mr Beale was under investigation for charges unknown.

The Chair thanked the PCC and Members for the thorough discussion. The Chair summarised the discussion with a motion:

- The Committee expressed serious concern with regard to the level of commitment that the PCC had for policing and for the protection of community safety in the city, particularly in light of his reversal of the decision taken previously to increase policing numbers in Leicester. The Committee asked the PCC to strongly reconsider his decision at the earliest possible opportunity in order to provide the level of policing that it felt was necessary for the city.
- The Committee asked the PCC to look urgently at the way in which his office gave regard to the Public Sector Equality Duty and strongly recommended that the OPCC carry out formal Equality Impact Assessments when developing policy and setting budgets.
- The Committee asked for a clear breakdown based on ethnicity in respect of the 14% of BME employees within the constabulary.

The motion was seconded by Councillor Joel. On being put to the vote the motion was carried. Councillor Porter voted against the motion.

The City Mayor also gave thanks to Simon Cole, and stated he was very grateful for his service in the City, County and Rutland as Chief Constable. He added that Simon had been particularly inspirational as a leader to the local police, and had been particularly active and determined to engage with and understand the many different communities in the city and county, and to reflect that in how policing was carried out the area. The City Mayor joined the Committee in wishing him well for the future and saw him go with a lot of gratitude.

The Chair moved that the Committee wished to thank the former Chief Constable, Simon Cole, for many years of dedicated service to policing in Leicester. The Committee wished him all the very best in his retirement from the constabulary.

The motion was seconded by Councillor Joshi, and on being put to the vote the motion was carried.

**RESOLVED:**

That:

- The Committee expressed serious concern regarding the level of commitment that the PCC had for policing and for the protection of community safety in the city, particularly in light of his reversal of the decision taken previously to increase policing numbers in Leicester. The Committee asked the PCC to strongly re-consider his decision at the earliest possible opportunity in order to provide the level of policing that the Committee felt was necessary for the city.
- The Committee asked the PCC to look urgently at the way in which his office gave regard to the Public Sector Equality Duty and strongly recommended that the OPCC carried out formal Equality Impact Assessments when developing policy and setting budgets.
- The Committee asked for a clear breakdown based on ethnicity in respect of the 14% of BME employees within the constabulary.
- The Committee wished to thank the former Chief Constable, Simon Cole, for many years of dedicated service to policing in Leicester. They wished him all the very best in his retirement from the constabulary.

**99. ENHANCING WOMEN'S SAFETY IN LEICESTER**

The Director of Neighbourhood and Environmental Services submitted a report which provided the Overview Select Committee with details of current community safety work around supporting a safer Leicester for women and girls. The report also highlighted how programmes of work were being developed with respect to this agenda and put in place to enhance support for women and girls both at home and in public spaces.

The Deputy City Mayor, Councillor Clair introduced the report which talked about the safety and women of girls. The report also updated on areas of work reported previously to the Committee on the night-time economy and Safer Streets (parks & open spaces), and provided information on Home Office funding to the OPCC and local authorities to address issues of crime and the fear of crime faced by women and girls.

Officers reported that the safer streets element on parks was identified by police based on highest crime and anti-social behaviour statistics, and eight parks and open spaces in the city were identified as needing intervention, and a programme of works was developed and completed, with the last few CCTV cameras having been installed, with city centre operators monitoring and recording footage from the cameras.



Members agreed with the focus on women and girls safety and asked if there was further progress on tackling issues in areas such as St Margaret's underpass. They also highlighted that the need for education was paramount in changing the behaviour of men towards women and girls. Officers reported there was a large campaign planned around behavioural change.

Members also noted the reference to SIA registered door staff who were key in making women feel safer during the night-time economy but there was a lack of faith that women had in the door staff. It was asked if there was further work planned with SIA door staff for improving safety and confidence of women to approach SIA staff.

The agenda item was partially taken, but due to technical problems the Committee was unable to engage fully with the officers online. It was agreed to bring a further report back to a future meeting of the Committee that would also provide more detail on the provision of door staff in serving the night-time economy and respond to issue raised regarding the safety of St Margaret's underpass.

RESOLVED:

That:

1. The report be noted.
2. An update report be brought to a future meeting to include detail around the provision of SIA door staff and training and respond to the issue raised regarding the safety of St Margaret's underpass.

## **100. COVID-19 VERBAL UPDATE**

The City Mayor provided an overview of the latest picture of ward trends, including Covid-19 infection rates and vaccinations. The presentation is attached for information, and the following points were noted:

- Delivery of vaccinations in the city had virtually stalled and was well behind what was being achieved more generally in England.
- The delivery of vaccinations in two particular settings very worrying:  
1/ delivery in schools. There were some exceptions but had vastly failed.  
2/ elderly persons care homes, which was causing considerable concern.
- There was no criticism of NHS management, but that there was a systemic failure as a result of how the Government had formed and reformed the service over many years.
- There were concerns over the integrated care system, as it was very difficult to marshal the NHS locally to deliver vaccinations.
- The science on the slides showed clearly geographical communities where levels of deprivation were significant and levels of vaccinations were very low, and that the Director of Public Health had spoken on the links between deprivation and vaccinations on several occasions.

The Chair noted that the pandemic was not over and the City Mayor and Director of Public Health were keen to emphasise the fact.

Members asked what the Council could do to encourage people to get vaccinated. The City Mayor stated that detailed discussions had been held with the NHS to discuss ways in which the Council could help them, for example, through using pharmacies, which had been used in one or two places in the city and had been very successful. Discussions had taken place with the NHS on the extent to which the model could be used elsewhere.

Councillor Kitterick, Chair of Health Scrutiny Commission, stated the Director of Public Health had provided a report with a full breakdown of areas of deprivation and vaccination take up. It had been noted the people had fallen ill with Covid quite evenly across the city, but the effect on those with Covid was noticeable based on health inequalities in the city.

The City Mayor, Councillor Cassidy and Councillor Kitterick would discuss the sharing of information to all Members.

RESOLVED:

That:

1. The update be noted.
2. The City Mayor, Councillor Cassidy and Councillor Kitterick discuss the sharing of the Report of the Director of Public Health and information therein on the links between the areas of deprivation and vaccination take-up.

## **101. STRATEGIC PRIORITIES UPDATE**

The Director of Delivery Communications and Political Governance submitted a report which summarised the strategic priorities and commitments of the Council.

The Overview Select Committee received a presentation at the meeting from Councillor Myers, Assistant City Mayor for Jobs, Skills, Policy Delivery and Communications, which set out a summary of progress against the key strategic priorities based on each theme for the period 2019 to 2023. The following points were highlighted:

- Within the strategic priorities, there were 95 commitments.
- The pandemic had inevitably impacted on the delivery and feasibility of some areas and there had been redirection of resources, though excellent progress had been made.
- A summary position was provided:
  - 56 (59%) were completed / embedded
  - 29 (31%) were ongoing
  - 6 (6%) had been delayed by Covid-19 - primarily building or Public Health related
  - 4 (4%) were no longer appropriate or feasible, namely, establishing a local lottery, EV Taxi scheme, Unison ethical care charter (prohibitive

in terms of cost) and the affordable undertaking service, as there had been government change and would expose the Council to financial risk.

- A fair city – there was noticeable flexibility to provide financial support through various grant schemes and tax reduction scheme. Fuel poverty had been identified in the city long before it became a news issue. There was an anti-poverty focus including the launch of a strategy with a raft of measures. The Council had maintained its commitment over the holiday hunger programme, had invested in council estates, continued with the front wall improvement scheme, and provided jobs and skills investment with the upskilling of fashion and textiles in the city, and construction hub.
- There had been a challenge around business engagement which was largely down to the pandemic, and the communication channels and relationship with the business community became largely administrative through the business grant schemes. Coming out the other side of the process the authority was much more aware of the wider business community, with more data available and relationships were being re-built.
- Homes for all – £89million had been invested with a council homes improvement programme. The authority had reduced overcrowding in council properties, over 2,000 adaptations had been made to homes, and a private landlord licensing scheme was in progress. There had been further enhancement of homelessness services with wrap around services, and a positive working relationship with St Mungo's was in place.
- 838 Council homes had been provided but there would be a struggle to meet the 1,500 target due an increase in the cost of land and pandemic impacts.

The Chair asked if the target of 1,500 homes would be achieved by 2023 at its end point. The City Mayor responded that he was frustrated that a deal previously proposed and discussed at OSC had fallen through, which had included as part of the mix the building of new and the purchase of some homes. He added that it had required the Council to rethink the mix of construction and other types of accommodation, but work would continue on what could be achieved in the time available, though this would be challenging. It was noted, however, that the number of actual homes being provided in the city was many times that number.

Members welcomed the strategic way forward but noted that affordable housing in the city wasn't affordable any more with the financial crisis being faced in the city, and that long-term commitment to providing social housing was needed, along with the commitment to reduce overcrowding. The Assistant City Mayor said the authority faced a continued uphill struggle against the Right to Buy scheme.

- Connecting Leicester – achievements included the introduction of rapid transit bus corridors, 20mph programme delivered, investment in the cycling network and increased cycling numbers, consultation on a workplace parking levy and the establishment of a Transport Access Group, which had informed a lot of developments across the city. The Council had been incredibly successful in securing funding to deliver the improved transport

infrastructure. A challenge faced was the capacity to deliver programmes to specification with the rising cost of materials post-pandemic.

Councillor Porter asked with regards to the workplace parking levy what the reduction in carbon emissions would be in Leicester as a direct result of the scheme. The City Mayor responded there had been a commitment to consult on the workplace parking levy and a response to the consultation process would be provided in due course which would provide answers to the questions raised by residents and the effects of the scheme.

- Sustainable Leicester – weekly bin collections had been maintained; the city had extended its tree canopy coverage with 17,001 trees planted; there had been major investment to deliver 96 new electric buses on 21 main routes and the council fleet conversion to electric was being progressed.
- A challenge had been the provision to providing free drinking water in public spaces due to the redirection of public health resource, but attention had returned back to the priority to deliver.

*Councillor Porter left the meeting at this point.*

- Health and Care – the Council had protected leisure services and invested in facilities, had piloted the community connectors approach, worked hard to provide employment opportunities for children who are looked after, and maintained the daily mile in schools. Covid 19 had impacted on programmes, for example, learning to swim and the mapping of heart defibrillators.
- Lifelong learning – there had been designated provision for special educational needs, free WiFi was being rolled out across council buildings, and library services had been protected. Challenges had included numbers accessing the Adult Education Service but were now returning to pre-pandemic levels up to around 7,000 people (86%).
- A city to enjoy – investment had been made in parks across the city, with a highly successful festival programme despite the pandemic, for example, Light Up Leicester. The Visit Leicester, Story of Leicester and Museums websites had been updated, with improvements in branding to encourage visitors to the city. New workspace and business support had been developed, for example, the Gresham building. It was noted that before the pandemic it had been observed there was the need for more flexible working, and the challenge was adapting workspace to meet the needs of the ways of working during and post-pandemic.

Members asked if for the foreseeable future staff would work at home rather than in the workplace. Councillor Myers responded the Council was looking at its estate and working patterns, as were other organisations post pandemic.

- Safe and inclusive city – there was a city-wide knife crime strategy, and a focus and investment in women’s safety brought into focus by the murder of Sarah Everard. The city continued to support refugees and asylum seekers and had played a huge role in the Afghanistan resettlement scheme, and were poised to do the same with the Russian invasion of Ukraine. The

Council had further worked on the restorative justice commitment. A challenge had been the progressing of hate crime work with schools due to pandemic impacts.

- Further key achievements were:
  - Securing over £2billion investment in major regeneration schemes.
  - City investment via successful £46million levelling up funding bids, whereby the Council had been successful in all three bids, for Pilot House, Space Park, and Leicester Railway Station.
  - The Council had been successful in all five bids for community renewal fund monies totalling £3million for community projects to support skills and employment.
- Leicester's response to the pandemic had led the way, including the food hub at De Montfort Hall. The way Leicester had led the way during the pandemic had been pitched nationally.
- There had been a huge response and team of officers working during the pandemic, and the Assistant City Mayor, Councillor Myers thanks everyone who worked at the City Council for their work whilst facing the most significant crisis for generations.

The Chair noted that it was important that scrutiny commission Chairs look at the commitments and where appropriate, to discuss them at Commission meeting.

The Chair thanked the Assistant City Mayor, Councillor Myers for the report.

AGREED:

1. That in conjunction with Scrutiny Officers and Lead Directors, scrutiny commission Chairs consider the extent to which the Council's commitments be covered in work programmes for the next municipal year.

## **102. REVENUE BUDGET MONITORING, APRIL - DECEMBER 2021/22**

The Deputy Director of Finance submitted a report to the Overview Select Committee which was the third in the monitoring cycle for 2021/22 and forecast the expected performance against the budget for the year. The Committee is recommended to consider the overall position presented within the report and make any observations it sees fit.

Amy Oliver, Head of Finance, provided the following information:

- The current position was in line with the previous position reported to committee, showing an overspend £8.4m.
- As had previously been reported there was a significant income loss as a direct consequence of COVID, particularly in City, Developments and Neighbourhoods. The costs associated to the pandemic were manageable within the one-off sums the Council had set aside to support the pandemic.
- It was noted Adult Social Care were forecasting an underspend of £7million which would be used to offset the overspend in Children's Services. As an explanation for the underspend, the budget mostly comprised of the cost of

packages for the care of individuals. Each year, the cost increased due to increasing numbers of people receiving services, the changing needs of those already in receipt of packages and the contractual fee increases (essentially the increase in the national living wage and other price inflation).

- The Council had used a model for a number of years to set the budgets which has proved robust with actual gross package costs close to budget. The model was based on the trends of cost increases both from the increasing needs of people already receiving care and the growth in numbers newly receiving care. Unsurprisingly the pandemic had a significant impact on these trends with greater reluctance to access services, in particular during the lockdowns and there were nearly 100 fewer people in residential care at the end of March 2021 compared to the start of the pandemic.
- The impact of COVID in 2020 had continued into 2021/22. Whilst overall numbers receiving care at the start of 2021/22 was in line with the budget set, there had been fewer package cost increases than previous years and fewer people in residential care.
- The cost pressures in SEN home to school transport related to the £1million saving built into the budget for 2021/22 in anticipation for a new framework contract being in place with fixed taxi charge rates at a unit rate. Unfortunately, prior to the contract going live the providers refused to take on the individual contracts awarded at the new framework rate. Therefore, the Council was left with no option but to abandon the framework. A new contract was starting from mid-April with existing contracts being honoured until the summer term. In addition, to the framework being abandoned the unit costs for SEN transport had significantly increased 26% higher than 2020.

In response to Members' questions, the following information was provided:

- With regards to the total overspend of £8million related to one-off costs arising from the pandemic and continued losses of income, but were accommodated with monies set aside at last year's outturn position. Money from the 2022/23 budget one-off funding had also been set aside as the effects of Covid were still having an impact.
- The Adult Social Care underspend of £7million forecast was set in Autumn 2020 at which time it was unclear how the pandemic would develop during the remaining months of 2020/21.

The Chair thanked the officer for the report.

AGREED:

1. That the overall position of the budget be noted.

### **103. CAPITAL BUDGET MONITORING, APRIL - DECEMBER 2021/22**

The Deputy Director of Finance submitted a report to the Overview Select Committee to show the position of the capital programme at the end of December 2021 (Period 9). The Committee was recommended to consider the

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

Amy Oliver, Head of Finance, presented the report and drew Members' attention to the following:

- The report contained two decisions:
  - St Margaret's Gateway – an additional £800k to be funded from monies set aside for potential additional costs on current schemes associated with the Covid-19 pandemic.
  - Green Homes scheme – an additional £1.6million was being asked for to be funded from government grant.

Councillor Kitterick asked for a position update on Jewry Wall Museum which was costing £15million that covered the latest contractual procurement and financial issues. He also asked that updates be provided on Abbey Pumping Station and Leicester City Football Club planning decisions.

Councillor Clair, Deputy City Mayor responded, and confirmed that he expected that Jewry Wall would come within budget. He further informed those present that there had been some sickness and the requirement for officers to take leave within the Planning team. It was further reported there had been an issue regarding technology and equipment in planning. He added there was a commitment to providing more resources in planning and a progress report had been requested.

Councillor Kitterick welcome the opportunity to receive briefing note on the planning process and timescales taken when currently dealing with planning applications in light of delays.

The Chair noted the current position on the budget.

AGREED:

That:

1. The current budget position be noted.
2. An update report on the Jewry Wall Museum be circulated to scrutiny members that covered the latest contractual procurement and financial issues.
3. A briefing note on the planning process and timescales taken when dealing with planning application be circulated to scrutiny members.

#### **104. SCOPING DOCUMENT- HOUSING CRISIS IN LEICESTER**

The Overview Select Committee was asked to receive and endorse the Scoping Document 'Housing Crisis in Leicester' (Housing Scrutiny Commission).

Councillor Westley, Chair of Housing Scrutiny Commission introduced the document. He stated that it was recognised that there was a housing crisis and

welcomed what the Council was achieving to the best of its ability in providing affordable housing but stated that levelling up did not work.

The scoping document set out the purpose and aims of the review to look in the long term at purely social housing. It was recognised that the needs of the population in Leicester had increased, with impacts on health, education and working life, and a lack of a decent home for people led to complications.

The Chair of Housing welcomed Members who were not on the Housing Scrutiny Commission to give evidence and take part in the review as the issue was city-wide and would be a complex and challenging study. The working party would also need to look at the issue of available land, and how the Right to Buy policy had undermined the housing stock over the years and could not be sustained.

The Chair felt that it needed to be defined what a housing crisis was, but acknowledged the review was scoped in such a way that it did not cover everything. He suggested one thing that could be looked at further on was the impact it had on families and individuals without housing.

The Chair noted the review and endorsed it with a definition of housing crisis to be determined.

AGREED:

1. That the Housing Scrutiny Review of the housing crisis in Leicester (definition to be determined) be endorsed.

## 105. QUESTIONS FOR THE CITY MAYOR

1. Question from the Chair, Councillor Cassidy:  
*It goes without saying that we all want to do everything we can to support those suffering as a result of the perilous situation that has unfolded in Ukraine. Can the City Mayor outline the lines of support that the City Council and our partner agencies can provide in terms of distributing aid and in offering refuge to those fleeing the conflict?*

The City Mayor responded to the question and made the following points:

- He recognised it was an important question and all were aware of the unfolding tragedy as a result of Russian aggression. The city was proud of its past in supporting refugees and would support those fleeing Ukraine.
- An online registration for the sponsorship scheme had opened and responses were being registered. It was noted the Home Office handling of the situation was far from enthusiastic and effective. The sponsors and guests were being asked to put themselves forward and be matched. Sponsors would be enhanced DBS checked.
- There were a number of important functions along with the responsibility to safeguarding, checking properties, guests and sponsors, and checking accommodation.



- Advice would also be provided with specialists, public health services, mental health services, and education personnel on hand.
- School places would be found for children and employment sought for adults.
- As part of next steps, council representatives would be meeting with Ukrainian community representatives and Association of Ukrainians in Britain.
- The city was proudly diverse and there would be challenges but were not unsurmountable.

The City Mayor stated the Ukrainian community locally had been utterly brilliant, and he paid tribute to the work of Councillor Russell, Deputy City Mayor, who had been working with the Ukrainian community.

The Council was working to deliver immediate support needs and longer term needs for those that might be in the community for some time to come. Members would be kept fully briefed as the situation developed.

The Chair thanked the City Mayor, officers working on supporting the Ukrainian refugees, and Councillor Russell who was providing excellent care to the community. It was further noted that the generosity of the people of Leicester had been tremendous, with a van load of essential goods having left for Poland. Thanks were also given for Councillor Cank who was coordinating a response.

The City Mayor thanked Councillor Cassidy for his constructive and appropriate Chairing and scrutiny. Further updates on the situation in Ukraine and work with the community would be provided.

#### **106. OVERVIEW SELECT COMMITTEE WORK PROGRAMME**

The work programme for the Committee was noted.

#### **107. ANY OTHER URGENT BUSINESS**

There being no other items of urgent business, the meeting closed at 8.56pm.



## SCRUTINY COMMITTEES: TERMS OF REFERENCE

### INTRODUCTION

Scrutiny Committees hold the Executive and partners to account by reviewing and scrutinising policy and practices. Scrutiny Committees will have regard to the Political Conventions and the Scrutiny Operating Protocols and Handbook in fulfilling their work.

The Overview Select Committee and each Scrutiny Commission will perform the roles set out in Article 8 of the Constitution in relation to the functions set out in its Terms of Reference.

Scrutiny Committees may: -

- i. review and scrutinise the decisions made by and performance of the City Mayor, Executive, Committees and Council officers both in relation to individual decisions and over time.
- ii. develop policy, generate ideas, review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas.
- iii. question the City Mayor, members of the Executive, committees and Directors about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to their initiatives or projects.
- iv. make recommendations to the City Mayor, Executive, committees and the Council arising from the outcome of the scrutiny process.
- v. review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Committee and local people about their activities and performance; and
- vi. question and gather evidence from any person (with their consent).

**Annual report:** The Overview Select Committee will report annually to Full Council on its work and make recommendations for future work programmes and amended working methods if appropriate. Scrutiny Commissions / committees will report from time to time as appropriate to Council.

The Scrutiny Committees which have currently been established by the Council in accordance with Article 8 of the Constitution are:

- Overview Select Committee (OSC)
- Adult Social Care Scrutiny Commission
- Children, Young People and Education Scrutiny Commission (which also sits as the statutory Education Committee)

- Economic Development, Transport and Climate Emergency Scrutiny Commission
- Health and Wellbeing Scrutiny Commission
- Heritage, Culture, Leisure and Tourism Scrutiny Commission
- Housing Scrutiny Commission
- Neighbourhood Services Scrutiny Commission (which also sits as the statutory Crime and Disorder Committee).

## **SCRUTINY COMMITTEE: OVERVIEW SELECT COMMITTEE**

The Overview Select Committee **will**:

- Scrutinise the work of the City Mayor and Deputy City Mayors and areas of the Council's work overseen by them.
- Consider cross cutting issues such as monitoring of petitions
- Consider cross-cutting issues which span across Executive portfolios.
- Manage the work of Scrutiny Commissions where the proposed work is considered to have impact on more than one portfolio.
- Consider work which would normally be considered by a Scrutiny Commission but cannot be considered in time due to scheduling issues.
- Report annually to Council.
- Be responsible for organising and agreeing the work of scrutiny and the Commissions including agreeing annual work programmes and approving reports produced by the Commissions

## **SCRUTINY COMMISSIONS**

Scrutiny Commissions **will**:

- Normally undertake overview of Executive work, reviewing items for Executive decision where it chooses.
- Engage in policy development within its remit.
- Normally be attended by the relevant Executive Member(s), who will be a standing invitee.
- Have their own work programme and may make recommendations to the Executive on work areas where appropriate.
- Consider requests by the Executive to carry forward items of work and report to the Executive as appropriate.
- Report on their work to Council from time to time as required.
- Be classed as specific Scrutiny Committees in terms of legislation but will refer cross cutting work to the OSC.

---

## **Tracking of Petitions – Monitoring Report**

Overview Select Committee

Date of meeting: 30 June 2022

Lead officer: Angie Smith

---

### Useful information

- Ward(s) affected: All Wards – Corporate Issue
- Report author: Angie Smith
- Author contact details: angie.smith@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





## Appendix 1

| Date Petition referred to Divisional Director | Received From  | Subject  | Type - Cncr (C) Public (P) | No. of Sig | Ward          | Date Receipt Reported to Council (C) / Committee (Cttee) | Lead Divisional Director | Current Position  | Scrutiny Chair Involvement              | Date of Final Response Letter Sent to Lead Petitioner | Current Status    | Ref. No. |
|---|----------------|--|----------------------------|------------|---------------|--|--------------------------|---|---|---|-------------------|----------|
| 19/11/2021                                    | Razina Imtiaz  | Petition on behalf of residents who are very concerned for the safety of users on the A47 and Downing Drive junction, and the request for a 4-way traffic lights system at the junction. | (p)                        | 445        | Evington      | 25/11/2021 (C)   | Andrew L Smith           | Petition was presented to Council 25/11/21. A meeting was held with the lead petitioner and local residents on 13th December 2021 to discuss the issue. The meeting was also attended by the Head of the City of Leicester College, Leicestershire Police and local resident. Officers observed some drivers driving on grass verges and some cases of drivers driving on the wrong side of the road to avoid queuing. 15% of drivers exceeded the speed limit. Officers felt the speed limit was too high for the location and proposed a 30mph speed limit. Officers have considered the junction and suggest the following actions for consideration for future funding: work with Leics. CC and Leicestershire Police to reduce the speed limit from 40mph to 30mph; evaluate the existing layout of the junction, its priorities and lane markings, evaluate the existing crossing and space allocated to pedestrians and cyclists; from these actions develop an alternative design for future funding consideration. Petitioners had requested a signal controlled junction, with signals on all arms, but officers do not consider this an appropriate solution and that the above measures are adequate. | Proforma returned by the Scrutiny Chair | Final letter awaited                                  | GREEN             | 21/11/02 |
| 22/11/2021                                    | Ross Skinner   | Petition to ban allotment fires in residential areas in Leicester  | (p)                        | 4          | Abbey         |  | John Leach               | At this state, given the low number of complaints citywide it is proposed that a full bonfire ban is not imposed outright, but instead societies are reminded of their responsibilities to be mindful of surrounding properties should they choose to have a bonfire during the allowed months. The number of complaints will continue to be monitored by the city council who will reproach any societies who are deemed to be causing a nuisance. Any further follow-up complaints will be enforced by the Noise & Pollution Control Team as part of their regulatory function.   | Proforma returned by the Scrutiny Chair | 04/04/2022  | PETITION COMPLETE | 21/11/04 |
| 22/01/2022                                    | Richard Dean   | Parking development request on Dominion Road and residents parking scheme to be piloted  | (p)                        | 28         | Western       |  | Andrew L Smith           | Proforma completed and a letter to be sent to the lead petitioner.  | Proforma returned by the Scrutiny Chair |   | GREEN             | 22/01/01 |
| 21/02/2022                                    | Dana Hirst     | Save Stocking Farm Youth Centre  | (p)                        | 131        | Abbey         | (c) 23 February 2022                                     | Matt Wallace             | Petition was presented at Council 23/2/22. The building is now open as a community shop, café and zone.   |   |   | PETITION COMPLETE | 22/02/02 |
| 24/02/2022                                    | Joseph Higgitt | Petition asking the council to stop the Workplace Parking Levy   | (p)                        | 13         | Beaumont Leys |  | Andrew L Smith           | The petition was sent to officers as part of the consultation exercise on the Workplace Parking Levy. The consultation has now closed and its findings analysed. A report would be considered in due course.  |   |   | PETITION COMPLETE | 22/02/03 |

RED - Pro-forma not completed within 3 months of being referred to Divisional Director

PETITION PROCESS COMPLETE - Scrutiny Chair commented on Pro-forma, Lead Executive Member signed off response and final letter sent to Lead Petitioner.

GREEN - Lead Executive Member consulted on proposed response and Pro-forma sent to Scrutiny Chair

AMBER - Petition response progressing within 3 months of being referred to Divisional Director

## Appendix 1

| Date Petition referred to Divisional Director | Received From | Subject   | Type - Cncr (C) Public (P) | No. of Sig | Ward                   | Date Receipt Reported to Council (C) / Committee (Cttee) | Lead Divisional Director | Current Position   | Scrutiny Chair Involvement              | Date of Final Response Letter Sent to Lead Petitioner | Current Status    | Ref. No. |
|---|---------------|---|----------------------------|------------|------------------------|--|--------------------------|--|---|---|-------------------|----------|
| 07/03/2022                                    | Rory Palmer   | Petition from Residents of Raeburn Road asking to be included in the Clarendon Park permit scheme   | (p)                        | 24         | Castle                 |  | Andrew L Smith           | Proforma completed and a letter to be sent to the lead petitioner. | Proforma returned by the Scrutiny Chair |   | GREEN             | 22/03/01 |
| 08/03/2022                                    | Sally Ruane   | Petition requesting the Joint Health Scrutiny Committee scrutinise the draft constitution of the Leicester, Leicestershire and Rutland Integrated Care System while there is time to build the insights of scrutiny into the final version. | (p)                        | 129        | Citywide               | 15/2/22 L,L&R Joint Health Scrutiny                      | Ivan Browne              | Response to be provided by Health Partners.                        |   |   | PETITION COMPLETE | 22/03/02 |
| 18/02/2022                                    | Lynda Kaspruk | Hungarton Boulevard Safety Measure Request  | (p)                        | 1876       | Humberstone & Hamilton | (c) 23 February 2022                                     | Andrew L Smith           | To be debated at a future meeting of Council.                      |   |   | AMBER             | 22/02/01 |
| 25/04/2022                                    | Raju Nana     | Parking issues in Newington Street area. Request for residents parking and for the moving of a private garage business  | (p)                        | 13         | Belgrave               |  | Andrew L Smith           | Petition sent to lead director                                     |   |   | AMBER             | 22/04/01 |
| 16/06/2022                                    | Ayisha Tayoub | Petition regarding disabled bay Baggrave Street   | (p)                        | 37         | North Evington         |  | Andrew L Smith           | Petition sent to lead director                                     |   |   | AMBER             | 22/06/01 |

28

RED - Pro-forma not completed within 3 months of being referred to Divisional Director

PETITION PROCESS COMPLETE - Scrutiny Chair commented on Pro-forma, Lead Executive Member signed off response and final letter sent to Lead Petitioner.

GREEN - Lead Executive Member consulted on proposed response and Pro-forma sent to Scrutiny Chair

AMBER - Petition response progressing within 3 months of being referred to Divisional Director



# *Survey of Leicester*

Lead director: Miranda Cannon, Director of Delivery,  
Communications, and Political Governance

---

## Useful information

- Ward(s) affected: All
- Report author: Matt Curtis
- Author contact details: [matthew.curtis@leicester.gov.uk](mailto:matthew.curtis@leicester.gov.uk)
- Report version number plus Code No from Report Tracking Database:

### 1. Purpose of report

- 1.1 To provide the Overview Select Committee with the details of, and some initial insights from, the recent Survey of Leicester.
- 1.2 To introduce the survey, its scope, and how data from the survey could be used to inform work across the organisation.

### 2. Summary

- 2.1 The Survey of Leicester took place in the Autumn of 2021 with the aims of:
  - Better understanding the lives of Leicester’s residents, their households, and communities, with special interest in how they interact with the internet, media and the council.
  - Beginning to understand how covid has impacted on the lives of Leicester residents.
- 2.2 The survey was conducted in-house by a team drawn from across Leicester City Council. The survey used two methods of data collection: an online questionnaire, and a fieldwork questionnaire undertaken at the doorstep using paper copies and tablet computers.
- 2.3 Questions were derived from a range of sources. Most were adapted from questions in other household surveys including the Census 2021, the Scottish Household Survey, and the Leicester Health and Wellbeing Survey 2018. Others were written for this survey, focussing on topics for which there is currently a lack of local data, particularly household finances, digital literacy, and how residents interact with the council and the media. Many of the survey questions were adapted to focus on households rather than individuals, so are not directly comparable with other local or national surveys.
- 2.4 In total, 3,272 responses were collected from Leicester adults. 60% were submitted online, and 40% completed offline. After applying a simple, age-based balance weighting, the sample was reasonably representative of Leicester’s population by several characteristics: ethnicity, housing tenure, deprivation, and broad area of the city.
- 2.5 Like any survey, the Survey of Leicester is subject to biases in selection and response. These biases are increased by the non-random data collection and use of existing LCC communications channels to recruit participants.

- 2.6 Used critically, with an appreciation of the survey's biases, the survey is a valuable strategic intelligence tool and contributes to the council and its partners' understanding of the city. As well as broad insights about the city overall, the survey allows comparison between subgroups such as ethnicity, age, and housing tenure. Survey insights can be used as evidence to support bids and strategic needs assessment, identify inequalities, and plan services.
- 2.7 Insights from the survey are intended to be used to support Leicester City Council projects and activities. Survey results will also be disseminated more widely in the coming months. To allow Leicester residents to explore the results, a headline report will be published, and data tables will be made available on Leicester's Open Data Platform.

### **3. Recommendations**

- 3.1 To note the completion the Survey of Leicester.
- 3.2 To consider how survey data could inform the work of Leicester's scrutiny commissions.

### **4. Financial, legal and other implications**

#### 4.1 Financial implications

There are no direct financial implications arising from this report.  
*Martin Judson, Head of Finance*

#### 4.2 Legal implications

There are no direct legal implications arising.  
*Kamal Adatia, City Barrister and Head of Standards*

#### 4.3 Climate Change and Carbon Reduction implications

There are no climate emergency implications associated directly with this report. However, the survey findings may be useful in further developing the council's response to the emergency.

Duncan Bell, Climate Change Manager, Sustainability Team. Ext. 37 2249

#### 4.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a duty 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, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

This report presents insights into the findings of the Survey of Leicester 2021. The survey aims are to glean a better understanding about the lives of Leicester's residents, their households, and communities and gathered evidence from a wide range of sources and covers a range of different topics.

A key reason for requiring data on a range of topics is to be able to fulfil the public sector equality duty. For example, survey data can assist public authorities in carrying out EIAs when they assess and review policies and practices.

Along with more established surveys such as the national census it can provide information that the council needs in order to develop policies and to plan, fund and run our public services.

The council can use data to improve the lives of people in the city and help shape various public services. Having accurate up to date information about the characteristics, attitudes and behaviour of people living in Leicester can help to better understand and tackle inequalities.

Other information gathered can help the council to identify areas of deprivation, enabling them to better target services.

However, it is recognised that there are a number of barriers and challenges which can potentially limit or hinder participation in surveys of any kind. These include lack of awareness, lack of understanding, privacy concerns, language, mistrust in/lack of engagement with officialdom, impairments such as physical or learning disabilities, and known limitations around the 'reachability' of communities and groups. Some relate specifically to digital participation, such as digital access or connectivity issues, lack of digital skills or confidence, data security concerns and mistrust of digital systems.

Equalities Officer, Surinder Singh, Ext 37 4148

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

## **7. Background information and other papers:**

N/A

## 8. Summary of appendices:

Two documents are appended to this item:

- Appendix A – Survey of Leicester Scrutiny briefing slides
- Appendix B – Survey of Leicester questions list

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

No

## 10. Is this a “key decision”?

No

## 11. If a key decision please explain reason

**In determining whether it is a key decision you will need consider if it is likely:**

- to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council’s budget for the service or function to which the decision relates.
- to be significant in terms of its effects on communities living or working *in two or more wards in the City*.

Expenditure or savings will be regarded as significant if:

- (a) In the case of additional recurrent revenue expenditure, it is not included in the approved revenue budget, and would cost in excess of £0.5m p.a.;
- (b) In the case of reductions in recurrent revenue expenditure, the provision is not included in the approved revenue budget, and savings of over £0.5m p.a. would be achieved;
- (c) In the case of one off or capital expenditure, spending of over £1m is to be committed on a scheme that has not been specifically authorised by Council.

In deciding whether a decision is significant you need to take into account:

- Whether the decision may incur a significant social, economic or environmental risk.
- The likely extent of the impact of the decision both within and outside of the City.
- The extent to which the decision is likely to result in substantial public interest
- The existence of significant communities of interest that cannot be defined spatially.





# Survey of Leicester

Scrutiny briefing slides

# Survey of Leicester



The Survey of Leicester was conducted in the Autumn of 2021 with the aims of:

- Better understanding the lives of Leicester's residents, their households, and communities, with an emphasis on how they interact with the internet, media and the council.
- Beginning to understand how Covid-19 has impacted on the lives of Leicester residents.

The survey used two methods of data collection:

**Online** – Citizen Space questionnaire open to all. Promoted via LCC online channels, social media, emails to council staff, residents with a LCC website account, and major employers.

**Fieldwork** – Household interviews conducted by LCC staff on the doorstep using either paper questionnaires or iPads. Targets for fieldwork were initially directed by the selection of small areas based on household tenure and later, by groups and areas with low online response rates.

In total, 3,272 valid responses, aged 18+ with a Leicester postcode, were collected. Around 40% were collected by fieldworkers and 60% online. The sample was reasonably representative of Leicester's adult population.



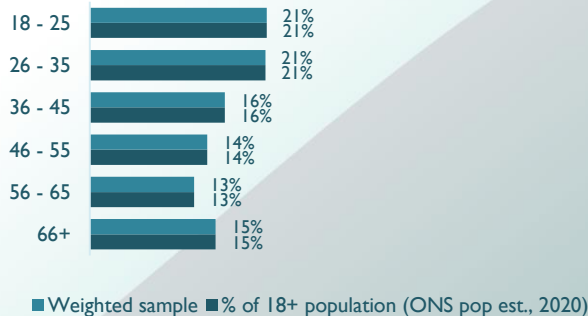
# Weighted respondent profile

A simple balance weighting has been applied to each respondent to make the analysis more representative.

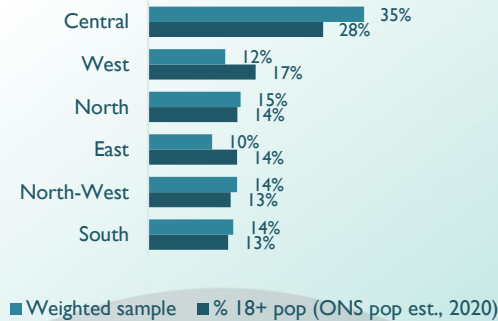
Age was chosen as the weighting variable because it was the characteristic with the greatest disparity between the sample and the population so the weighted sample's population reflects the estimated Leicester population by age.

37

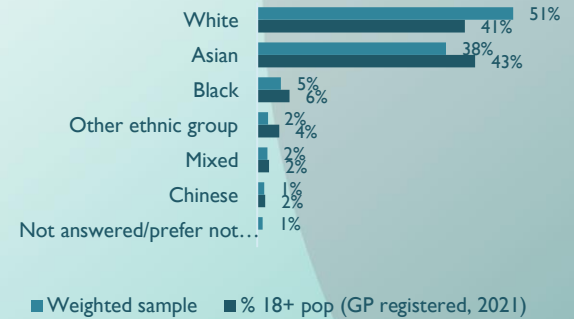
Age band



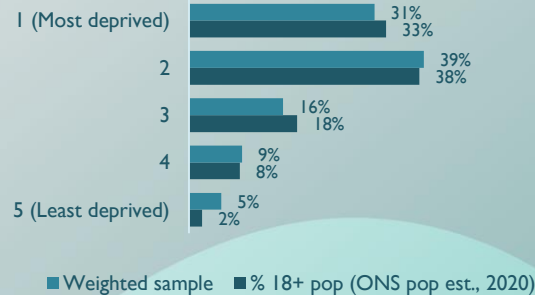
Broad city area



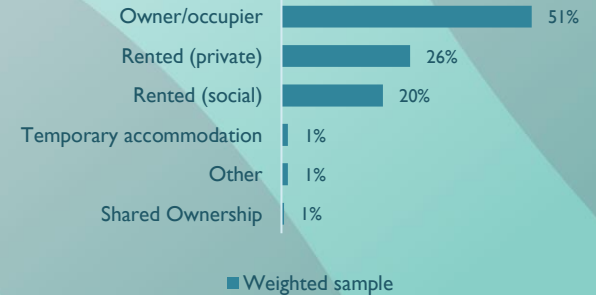
Broad ethnicity



IMD2019 Quintile



Housing tenure\*



\*Without the census there is no directly comparable data source for population by housing tenure. ONS 2022 Dwellings by Tenure estimates indicate 52% of Leicester dwellings are owner-occupied, 26% private rented, and 23% social rented. Respondents were not asked their gender, which has negative implications for the known representativeness of the survey.

# Reliability and appropriate uses

Like any survey, the Survey of Leicester is subject to biases which can affect the reliability and validity of the results. The questionnaire design and sampling strategy were less sophisticated than some surveys which cover similar topics, and this likely increases the impact of these biases.

However, the survey achieved a large sample which was reasonably representative of Leicester overall by the known characteristics the survey collected data on. While recognising the limitations of the survey, we should feel confident in using it as a tool for high-level insight and intelligence.

## ∞ **What we should do with survey results**

- Treat the survey critically, as a piece of 'best available' rather than 'definitive' intelligence
- Gain broad insight about the city's population
- Compare large subgroups (broad ethnicity, broad area of the city, age band)
- Use the survey as evidence to support bids, strategic needs assessment, and service planning

## **What we shouldn't do with survey results**

- Directly compare results with other surveys
- Compare small sub-groups (<100 responses)
- Compare online and offline results

# Questionnaire

Questions were organised around six themes:



## About your household Q1-13

*Personal/household characteristics, housing tenure*



## Digital access and internet Q34-42

*How, where, and why the internet is accessed, digital literacy*



## Health and Wellbeing Q14 -24

*Service use, caring, support networks, social isolation*



## News and information Q43-45

*Local news sources, reasons for following news, social media*



## Money and finances Q25-33

*Impact of the pandemic, hardship, financial wellbeing*



## Leicester City Council and you Q46-55

*Views on LCC communications channels*

Questions were derived from a range of sources. Most were adapted from questions in other household surveys including the Census, Scottish Household Survey, and Leicester Health and Wellbeing Survey. Others were written for this survey, focussing on topics for which there is currently a lack of local data.

Many of the survey's questions are about households rather than individuals, so are not directly comparable with other local or national datasets.

The online and fieldwork questionnaires were almost identical, with a few changes to question composition.

# Headlines at a glance



Most respondents reported high or very high life satisfaction, and most had a support network they could call on in times of need. Loneliness was an issue for one in eleven respondents

Leicester households are generally well connected. A small proportion of Leicester residents are 'digitally excluded', however even this group tends to have some access to the internet.



40



Households are more likely to feel worse off than better off since the start of the COVID-19 pandemic. Two in five households experienced financial hardship in the last couple of years and had difficulty paying for living costs.

Most households get local news from television, radio, and news websites. Two in five get news from social media, although this is usually in addition to other sources.

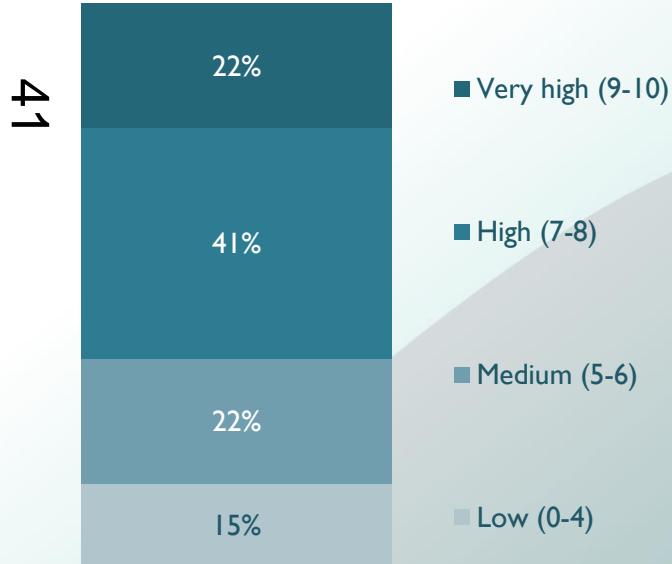


Three quarters of households visited the LCC website in the last 6 months. Respondents expressed interest in a range of channels for getting information about the council, both offline and online.

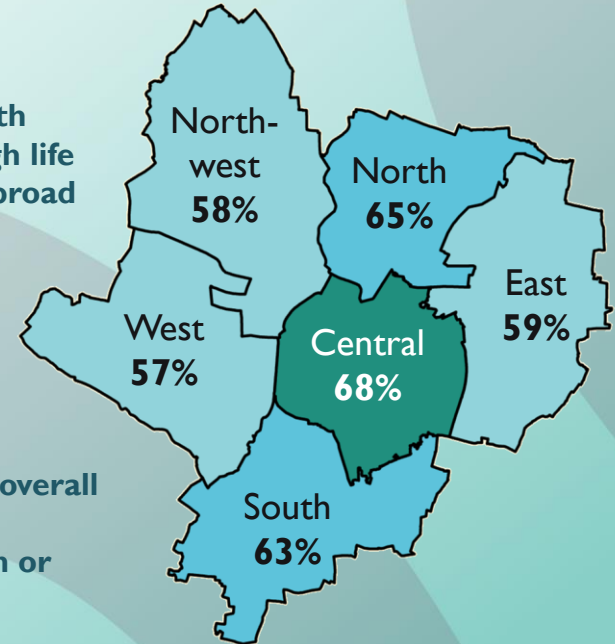
# Life satisfaction

Most respondents rated their life satisfaction as high or very high. 18-25 year olds, those living in central Leicester, and respondents who felt financially better off now compared to before the pandemic were more likely to report high life satisfaction. Living alone, living in social housing, and living in a household with caring responsibilities were associated with lower life satisfaction.

**Q.14 Overall, how satisfied are you with your life nowadays? On a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.**



Percentage of respondents with high or very high life satisfaction by broad city area.



**63%**  
of respondents overall rated their life satisfaction high or very high.

# Loneliness

Almost one in ten respondents felt lonely often or always. Loneliness affected people of all ages and ethnicities, although none of these categories were statistically significantly more likely to feel more lonely than the Leicester overall. Feeling lonely often or always was more common among those living in the most deprived areas of Leicester. Social housing tenants were twice as likely as Leicester residents in general to feel lonely often or always.

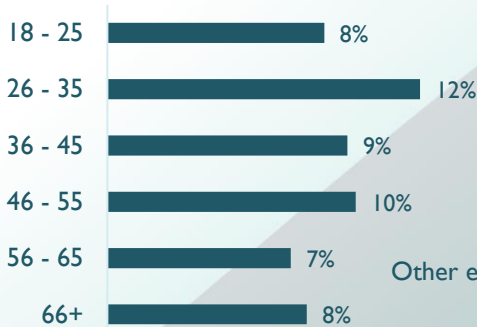
## Q.16 How often do you feel lonely?

■ Often/always
 ■ Some of the time
 ■ Occasionally
 ■ Hardly ever
 ■ Never

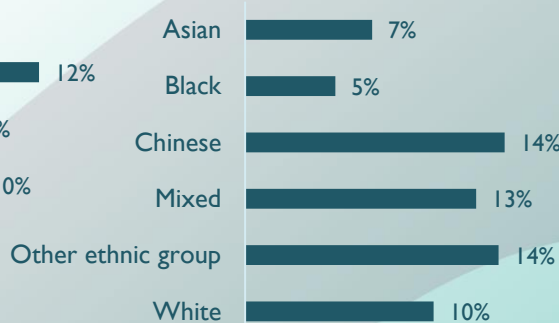


### Lonely often or always

#### Age



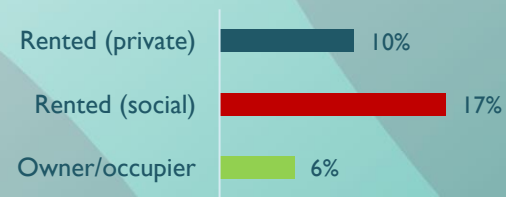
#### Ethnicity



#### IMD2019 Quintile



#### Housing tenure



#### Statistical comparison to Leicester





# Household finances and the pandemic

34% of respondents feel worse off now compared to before the pandemic. 17% feel better off. Those aged 36-45 were more likely to feel worse off compared to Leicester overall. Owner occupiers, people aged over 66, and those living in the least deprived areas of the city were less likely to feel worse off.

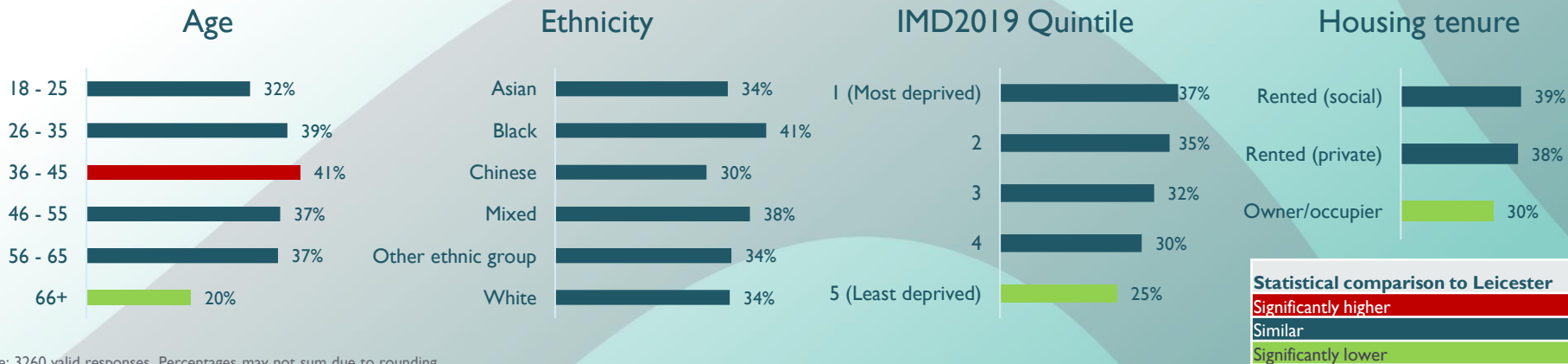
## Q.25 Financially, how do you feel now compared to before the pandemic?

■ Much worse off ■ Slightly worse off ■ About the same ■ Slightly better off ■ Much better off ■ Don't know



43

### % feeling much worse off or slightly worse off



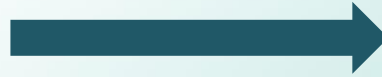
**Statistical comparison to Leicester**  
 Significantly higher  
 Similar  
 Significantly lower

Base: 3260 valid responses. Percentages may not sum due to rounding.

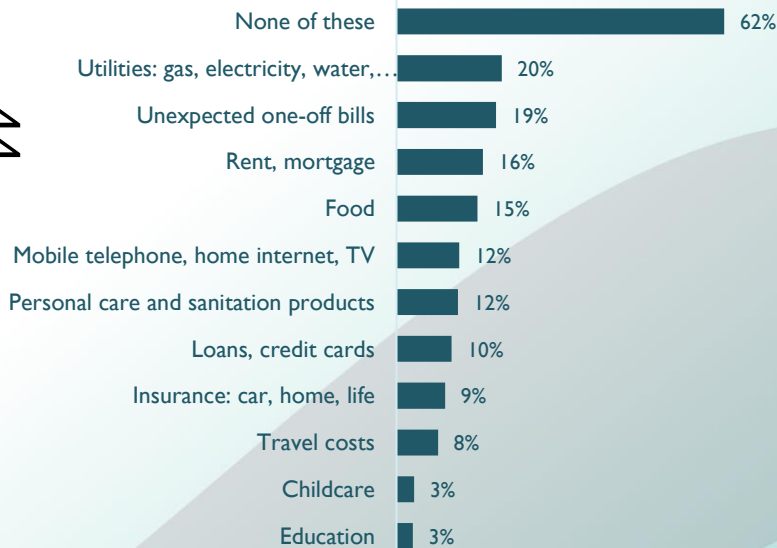
# Hardship and financial wellbeing

38% of respondents reported difficulty paying for at least one category of living cost since the start of the COVID-19 pandemic. Those reporting financial hardship were significantly more likely to report other adverse financial circumstances, and were less likely to be comfortable asking family and friends for financial help.

## Q.27 Since the start of the COVID-19 pandemic, has it been difficult to pay for...



44



|   | Reported difficulty paying for something | No difficulties paying for anything | Leicester overall |
|---|--|-------------------------------------|-------------------|
| Always/regularly run out of money   | 34%                                      | 1%                                  | 14%               |
| Feel slightly/much worse off compared to before pandemic                  | 61%                                      | 19%                                 | 35%               |
| Missed a household bill in the last 6 months                              | 28%                                      | 2%                                  | 12%               |
| Ever taken a payday loan  | 13%                                      | 2%                                  | 6%                |
| Couldn't cover more than one month's living costs if main income was lost | 52%                                      | 12%                                 | 27%               |
| Definitely/probably comfortable asking family/friends for financial help  | 51%                                      | 62%                                 | 59%               |

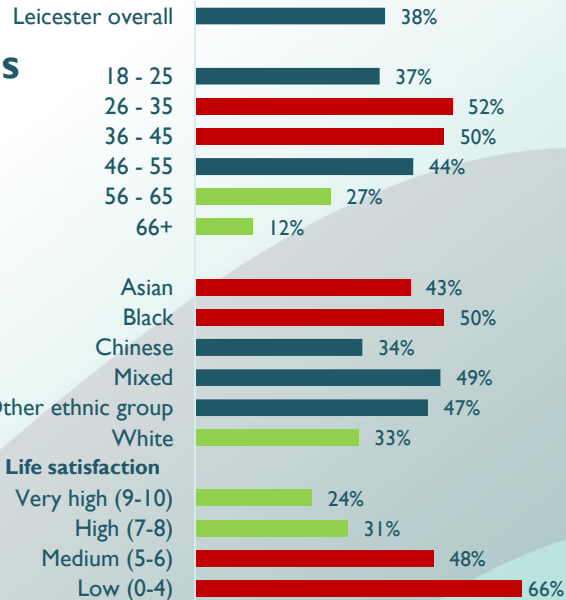
# Groups experiencing financial hardship

Respondents' personal characteristics and the characteristics of their household were associated with having difficulty paying for living costs. 26-45 year olds and Asian and Black respondents were more likely to have had difficulty paying for something. Renters, those with children in the household, and those with large households were also more likely to have experienced hardship.

## Q.27 Since the start of the COVID-19 pandemic, has it been difficult to pay for... (Any living cost)

### Personal characteristics

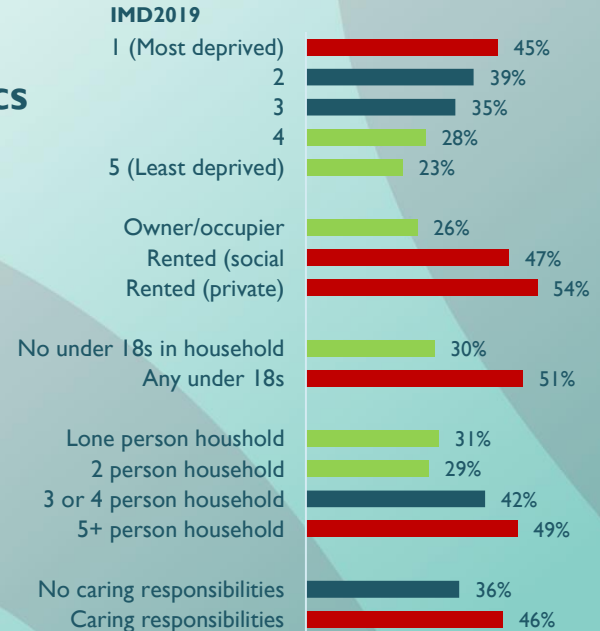
45



Statistical comparison to Leicester



### Household characteristics

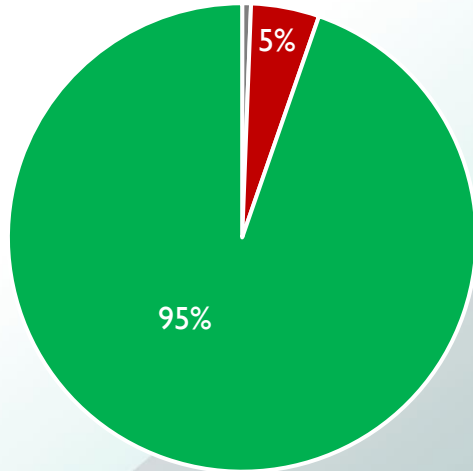


# Internet access

The large majority (95%) of respondents have access to the internet at home. Most households use at least one type of device to access the internet for personal use. Mobile phones, computers, and tablets are the most popular devices for accessing the internet. Almost a third of those without internet access at home did not report any way of accessing the internet.

## Q.34 Does your household have access to the internet at home?

46

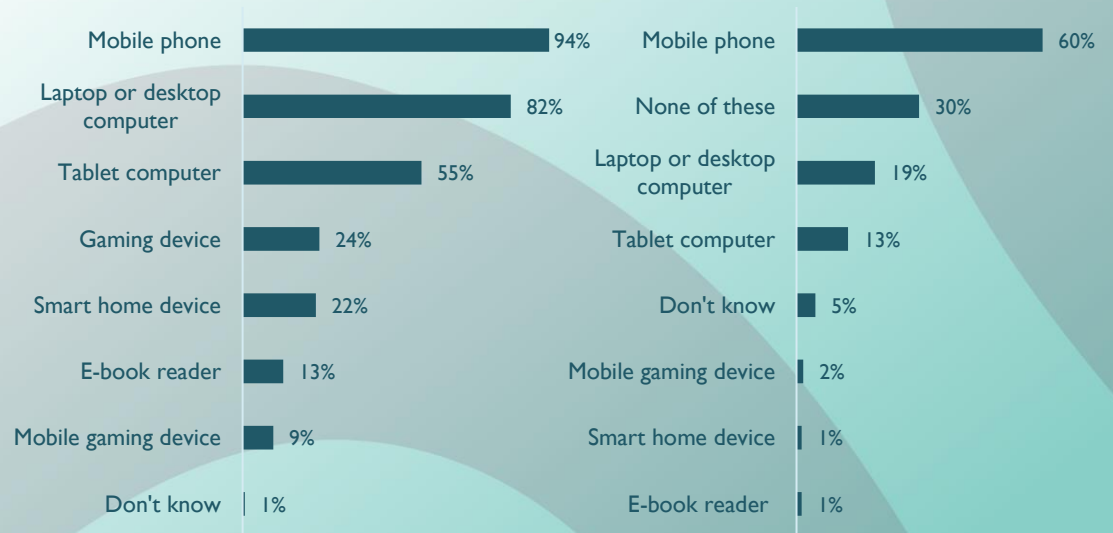


■ Don't know ■ No ■ Yes

## Q.35 How do members of your household access the internet for personal use?

*Those with internet access at home*

*Those without internet access at home*

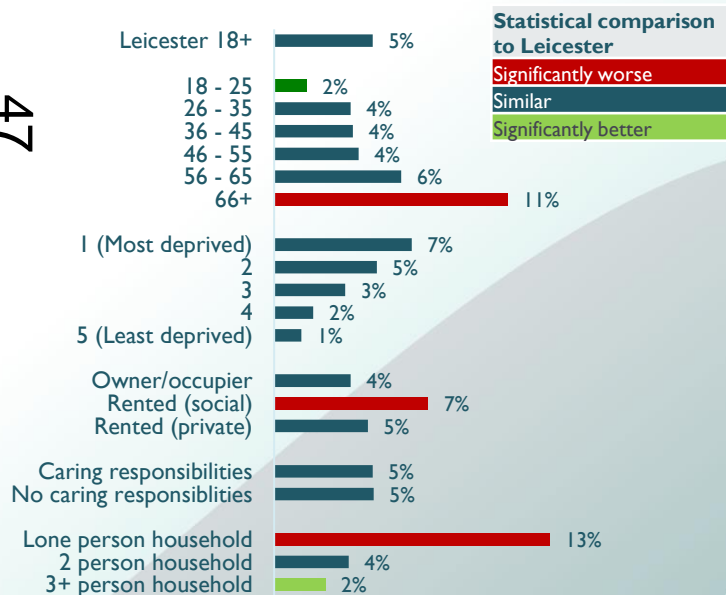


# Digital exclusion

Respondents aged 66+, those living in social housing, and lone person households were more likely than the Leicester overall to not have internet access at home. Almost a third of those without home internet access say they do not find out any information about Leicester City Council. However, the LCC website is still the most popular way for the digitally excluded to get information.

## Q.34 Percentage without access to the internet at home by group

47



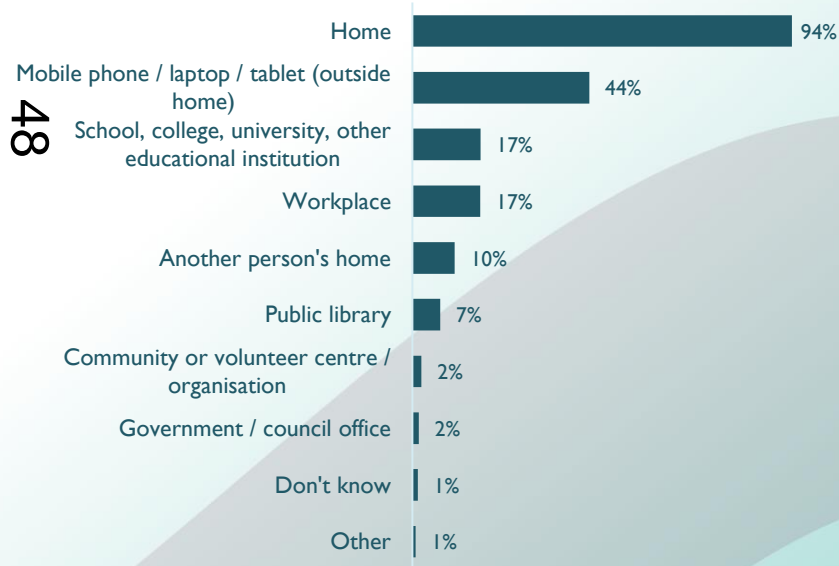
## Q.47 How do you currently find out about Leicester City Council news and the services it provides?

|   | Households without home internet access | Households with home internet access |
|---|---|--------------------------------------|
| Do not find out any information                     | 32%                                     | 14%                                  |
| Leicester.gov.uk council website                    | 31%                                     | 59%                                  |
| Direct mail to household                            | 21%                                     | 18%                                  |
| Printed information provided by the council         | 21%                                     | 21%                                  |
| Word of mouth (e.g. friends, neighbours, relations) | 17%                                     | 20%                                  |
| Council texts, emails and e-newsletters             | 16%                                     | 22%                                  |
| Your Leicester e-newsletter                         | 14%                                     | 29%                                  |
| Local media (e.g. newspapers, TV, radio)            | 12%                                     | 15%                                  |

# Internet access settings

Most households accessed the internet for personal use in at least one setting. Almost half of respondents used a mobile device to access the internet when they were away from home, and a significant proportion accessed the internet at their place of education or employment. One in ten households used public buildings to access the internet, and these settings were more important for some groups.

## Q.36 Where do members of your household access the internet for personal use?



**10%** of households accessed the internet at one or more type of public building, including libraries, community or volunteer centres, and government or council offices.

**1%** of households only accessed the internet in public buildings.

### Groups more likely to use public buildings to access the internet

**28%**  
No internet access at home

**16%**  
18-25 year olds

**15%**  
Searched for job online in last 3 months

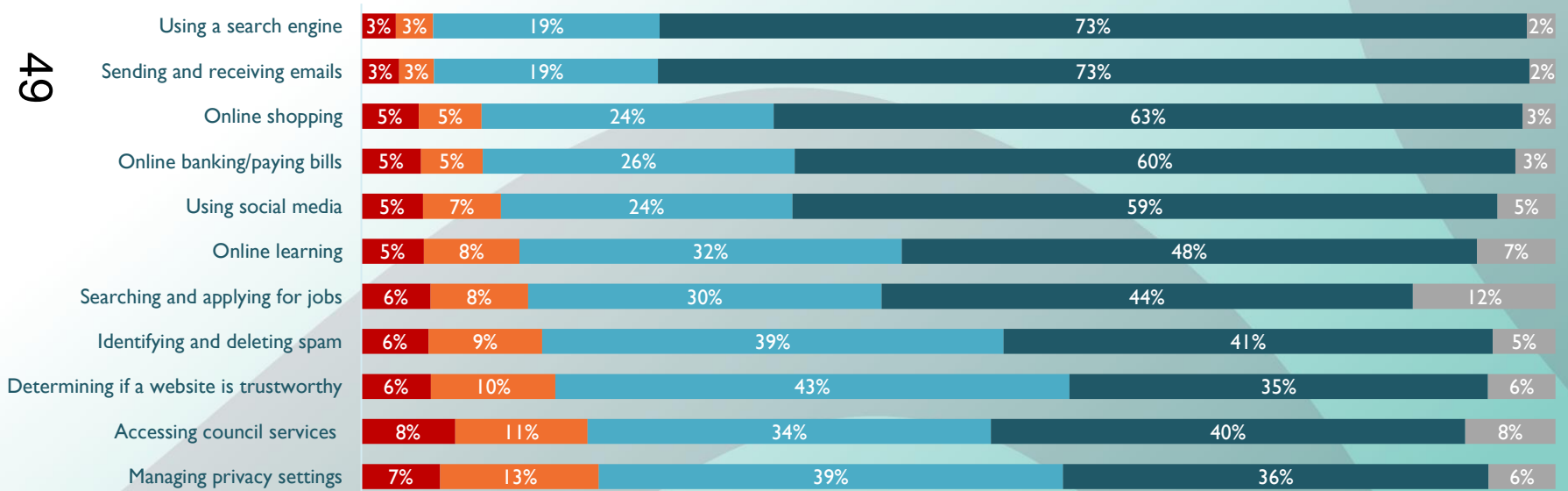
# Digital literacy

The majority of respondents were at least fairly confident they could do most common tasks online. However, one in six did not feel confident in their ability to determine if a website is trustworthy, and one in five respondents were either not at all or not very confident in their ability to use the internet to access council services or manage online privacy settings.

## Q.39 How confident are you, or members of your household, doing the following?

■ Not at all confident ■ Not very confident ■ Fairly Confident ■ Very Confident ■ Don't know

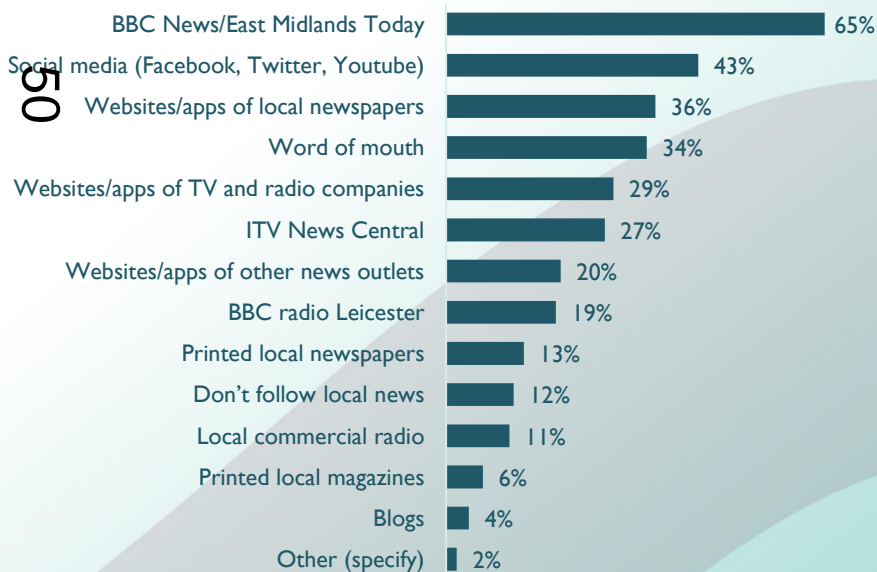
49



# Local news

Two-thirds of respondents reported watching BBC News or East Midlands Today to get local news. Social media was the second most important source of news, but very few households reported only getting news from social media. Three quarters of households consumed news because they are interested in what's happening in Leicester.

## Q.43 Thinking particularly about local news, which of the following does your household use?



## Q.44 Thinking about some of the reasons people might have for following local news, which of these reasons apply to your household?





# Next steps

- Use survey insight to support work across Leicester City Council
- Disseminate findings to wider stakeholders, including local partners and Leicester residents
  - Headline results summary report (September 2022)
  - Publication of data tables on the Leicester Open Data platform (September 2022)



## Survey of Leicester questions

- 1: Postcode
- 2: Is the property owned or rented?
- 3: How long has this property been occupied?
- 4: How long have you lived in Leicester
- 5: If you have been in Leicester less than 5 years, where are you originally from?
- 6a: How many people live in the household? Under 18
- 6b: How many people live in the household? 18-65
- 6c: How many people live in the household? 66+
- 6d: How many people live in the household? Total
- 7: How are [the people in your household] related to you?
- 8: How many rooms in total are in the household? (do not count bathrooms, toilets, halls or landings).
- 9: How many people currently living in the household live away during term-time for education or study?
- 10: How many people are living in the household temporarily? (less than six months)
- 11: Which of these ethnic groups live in the household?
- 12: Which of these languages are spoken in the household?
- 13: This question is about the sex or gender of people who live in your household
- 14: Overall, how satisfied are you with your life nowadays? On a scale of 0 to 10, where 0 is “not at all” and 10 is “completely”.
- 15: How often do you feel isolated from others?
- 16: How often do you feel lonely?
- 17: Have you, or someone from your household, accessed any health services within the past 12 months?
- 18: Does anyone in your household have a physical or mental health condition or illness lasting (or expected to last) 12 months or more?
- 18a: Does anyone in your household have a physical or mental health condition or illness lasting (or expected to last) 12 months or more? If Yes, does this condition or illness reduce their ability to carry out day-today activities?
- 19: Does anyone in your household have difficulty seeing (even when wearing glasses)?
- 20: Does anyone in your household have difficulty hearing (even when using a hearing aid)?
- 21: Does anyone in your household look after, or give any help or support to, anyone because of a physical or mental health condition or illness?

- 22: If Yes, how many people are cared for and what is your household's relationship with them?
- 23: If your household provides support or care, is help provided from others?
- 24: If you needed to, would you feel comfortable asking friends or family for help if...?
- 24a: If you needed to, would you feel comfortable asking friends or family for help if you needed a lift to get somewhere urgently?
- 24b: If you needed to, would you feel comfortable asking friends or family for help if you were ill in bed and needed help at home?
- 24c: If you needed to, would you feel comfortable asking friends or family for help if you were in financial difficulties and needed to borrow money (£100 for example)
- 24d: If you needed to, would you feel comfortable asking friends or family for help if you needed comfort and support to get you through a personal crisis (e.g. anxiety or loneliness)
- 25: Financially, how do you feel now compared to before the COVID-19 pandemic?
- 26: Since the start of the COVID-19 pandemic, how often have you or your household run out of money before the end of the week or month?
- 27: Since the start of the COVID-19 pandemic, has it been difficult to pay for...
- 28: How long would you be able to cover living costs if the household's main source of income was lost?
- 29: If you were unable to pay all of your household's bills, which three bills would you pay first? (select three only)
- 30: Has a household bill payment been missed in the last...
- 31: Does your household have access to any of the following borrowing options?
- 32: Has anyone in your household ever taken out a payday loan?
- 33: If Yes, what was the money used for?
- 34: Does your household have access to the internet at home?
- 34a: If Yes, which provider does your household use to connect to the internet?
- 34b: Does your household use the internet to work from home?
- 35: How do members of your household access the internet for personal use?
- 36: Where do members of your household access the internet for personal use?
- 37: Does anyone aged under 16 in your household have access to a personal computer, laptop or tablet?
- 38: On average, how often is your household active online / using the internet?
- 39: How confident are you, or members of your household, doing the following?
- 39a: Accessing council services
- 39b: Determining if a website is trustworthy

- 39c: Identifying and deleting spam
- 39d: Searching and applying for jobs
- 39e: Managing privacy settings
- 39f: Online learning
- 39g: Online shopping
- 39h: Online banking/paying bills
- 39i: Sending and receiving emails
- 39j: Using a search engine
- 39k: Using social media
- 40: In the last three months, what has your household used the internet for?
- 41: If you, or someone else in your household, doesn't access the internet, which of these might encourage you to do so?
- 42: Would you, or anyone in your household, benefit from support or training in how to access services or carry out transactions online?
- 43: Thinking particularly about local news, which of the following does your household use?
- 44: Thinking about some of the reasons people might have for following local news, which of these reasons apply to your household?
- 45: Which of these social media platforms / apps does your household regularly use?
- 46: Have you ever wanted to make contact with the council and not been able to?
- 46a: Reason not able to make contact
- 47: How do you currently find out about Leicester City Council news and the services it provides?
- 48: How would your household like to receive news and information from Leicester City Council?
- 49: How easy is it to understand the information Leicester City Council provides?
- 49a: LCC website
- 49b: Your Leicester e-Newsletter
- 49c: Social media
- 49d: Printed materials
- 49e: Over the phone
- 49f: Email
- 50: Do you know of Leicester City Council's bi-weekly e-newsletter, Your Leicester?
- 50a: Do you have any comments on how we can improve the newsletter? (anything we should add, etc)

51: Do you currently subscribe to any of the council's e-newsletters?

51a: Newsletters subscribed to

52: Did you know that Leicester City Council has social media accounts on Facebook and Twitter?

52a: Would you recommend the Leicester City Council social media channels to your family or friends? ONLINE ONLY

53: How often have you visited the council's website in the past six months? (approximately)

53a: ONLINE ONLY For which of the following reasons did you visit the website?

53a: FIELDWORK ONLY What was your main purpose for visiting the website?

53a.i: FIELDWORK ONLY What types of thing do you search for on the website?

53b: Did you manage to do what you wanted to do / find what you were looking for [on LCC website]?

54: How would you rate the council website for the following things:

54a: website rating - quality of content/information

54b: website rating - Ease of use

54c: website rating - Requesting services

54d: website rating - Reporting problems

54e: website rating - Making a payment

54f: website rating - Overall impression

55: Do you access council services via MyAccount?

55a: If No, would you consider accessing services via MyAccount?

56: Ethnic background

56a: Broad ethnicity

57: Age

58: Sexual orientation. Do you consider yourself to be ...

59: Disability

60: How would you define your religion or belief?

---

# **Executive Decision- Revenue Budget Monitoring Outturn 2021/22**

To be considered by OSC on: 30<sup>th</sup> June 2022

Decision to be taken by: City Mayor

Decision to be taken on: 30<sup>th</sup> June 2022

Lead director: Colin Sharpe, Deputy Director of Finance

---

## Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: 1

### 1. Summary

This report is the final one in the monitoring cycle for 2021/22 and reports performance against the budget for the year. The report essentially shows that the Council spent at budget in 2021/22, but this was not a typical year, and there are a number of factors to take into account to explain the true position.

The first of these is the covid pandemic, the major cost impact of which has been on fee income in City Development and Neighbourhoods (particularly car parking) and Sports Services. A further £3m of non-operational pandemic related costs were charged to corporate budgets. In 2020/21, the Government provided significant support to councils to assist with meeting the costs associated with the pandemic. The level of financial support from Government reduced in 2021/22, although Government provided an unringfenced grant of £11m and various other grants with terms and conditions attached. Most of the grants with attached conditions have been treated as income to the services which received them and spent the money (and hence do not affect the net outturn). Some grants, however, are treated as corporate and are further explained in paragraph 16 below.

Some of the longer-term financial impacts of the pandemic are difficult to predict, especially fee income levels. In the 2022/23 budget, one-off funding has been set aside to support some areas of the budget while income levels recover. There are no further covid grants in 2022/23.

The second explanatory factor is the position of social care. Both adults' and children's social care services have been affected by the pandemic, as reported previously. The cost of adult social care mostly comprises the cost of packages of care for individuals. Each year, the cost increases due to increasing numbers of people receiving services and changes in the needs of those already in receipt of packages. The Council has a model for projecting these costs which has proved robust over a number of years, but the pandemic has given rise to underspends as people have shown increased reluctance to access services (direct pandemic related costs being met by the Government or the CCG). This was the case in 2020/21 and has continued into 2021/22. The underspend in Adult Social Care has also been compounded by the continued difficulties in recruiting staff.

As previously reported, an overspend in Education Children's Services is due to placement costs for looked after children together with cost pressures in SEND home to school transport, and increasing numbers of applications by parents for special needs support. This was compounded by an increased number of high cost placements. The overspend can be funded from the underspend in Adult Social Care.

The final factor is essentially presentational rather than an actual impact on the overall position. A staff pay award for 2021/22 has cost £3.6m, but the award was made so late in the year that budgets could not be allocated to departments, and provision continues to be held in central budgets. Thus, departmental budgets are showing additional pressures of £3.6m which should have been financed by a transfer of £3.6m from corporate budgets.



This would have led to a £1m overspend on corporate budgets (similar to the period 9 forecast) rather than a £2.5m underspend, which is not real.

Like other authorities, the cost of our high needs' education provision continues to rise inexorably, and despite increased government funding the Dedicated Schools Grant reserve is expected to be in deficit to the tune of £9m by the end of 2022/23. Legally, this sits outside the Council's main general fund.

Schools have continued to add to their balances, due to continuing to receive their budget allocations despite saving money during lockdown.

## **2. Recommended actions/decision**

2.1 The Executive is recommended to:

- Note the outturn position detailed in the report
- Approve the following earmarked reserve changes:
  - a) transfer the amounts as detailed in Corporate Resources and Support, at Appendix B to the ICT Development Fund reserve.
  - b) transfer the amounts in City, Developments and Neighbourhoods, as detailed in Appendix B, paras 5.1, 7.1, 8.1, 10.1 to reserves.
  - c) transfer the amounts in Adult Social Care as detailed in Appendix B, Paras 12.10 and 12.11 to reserves.
  - d) transfer the Deliver Communications and Political Governance reserve to the ICT Development Fund reserve as detail in Appendix C, para 4.2.
  - e) transfer the £409k underspend to the managed reserves strategy to support future year budgets.
- To approve reductions to the budget arising from the Fundamental Budget Review described at paragraph 17, and delegate authority to the Director of Finance to determine the specific budget ceilings affected.

2.2 The OSC is recommended to:

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

## **3. Scrutiny / stakeholder engagement**

N/A

## **4. Background and options with supporting evidence**

The General Fund budget set for the financial year 2021/22 was £288.1m.

Appendix A – Outturn (April 2021 – March 2022) Budget Monitoring summary.

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

Appendix C explains the Council's earmarked reserves

## **5. Detailed report**

See appendices

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

### 6.1 Financial implications

This report is solely concerned with financial issues.

### 6.2 Legal implications

This report is solely concerned with financial issues.

### 6.3 Equalities implications

No Equality Impact Assessment (EIA) has been carried out as this is not applicable to a budget monitoring report.

### 6.4 Climate Emergency implications

This report is solely concerned with financial issues.

### 6.5 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.

## **7. Background information and other papers:**

Report to Council on the 17th February 2021 on the General Fund Revenue budget 2021/2022.  
Period 3 Monitoring report presented to OSC on 16<sup>th</sup> September 2021.  
Period 6 Monitoring report presented to OSC on 16 December 2021.  
Period 9 Monitoring report presented to OSC on 24<sup>th</sup> March 2022.

## **8. Summary of appendices:**

Appendix A – Outturn (April-March) Budget Monitoring Summary  
Appendix B – Divisional Narrative – Explanation of Variances  
Appendix C- Earmarked Reserves

## **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?**

Yes – recurrent savings in excess of £0.5m.

## Revenue Budget at Outturn (April – March), 2021-22

| <b>2021-22</b>  | <b>Current Budget</b> | <b>Outturn</b>   | <b>Variance</b>  |
|---|-----------------------|------------------|------------------|
|   | <b>£000's</b>         | <b>£000's</b>    | <b>£000's</b>    |
| Financial Services  | 11,218.4              | 11,218.4         | 0.0              |
| Information Services  | 9,124.4               | 10,165.1         | 1,040.7          |
| Human Resources & Delivery, Communications & Political Governance | 10,934.1              | 9,893.4          | (1,040.7)        |
| Legal Services  | 3,361.4               | 3,361.4          | 0.0              |
| <b>Corporate Resources &amp; Support</b>                          | <b>34,638.3</b>       | <b>34,638.3</b>  | <b>(0.0)</b>     |
| Planning, Development & Transportation                            | 13,828.3              | 17,956.4         | 4,128.1          |
| Tourism Culture & Inward Investment                               | 4,598.2               | 5,984.2          | 1,386.0          |
| Neighbourhood & Environmental Services                            | 31,855.7              | 31,959.7         | 104.0            |
| Estates & Building Services                                       | 5,761.7               | 6,001.7          | 240.0            |
| Departmental Overheads  | 818.3                 | 651.0            | (167.3)          |
| Housing Services  | 3,341.8               | 4,238.1          | 896.3            |
| <b>City Development &amp; Neighbourhoods</b>                      | <b>60,204.0</b>       | <b>66,791.0</b>  | <b>6,587.0</b>   |
| Adult Social Care & Safeguarding                                  | 136,119.0             | 141,169.1        | 5,050.1          |
| Adult Social Care & Commissioning                                 | (16,816.0)            | (30,792.4)       | (13,976.4)       |
| <b>Sub-Total Adult Social Care</b>                                | <b>119,303.0</b>      | <b>110,376.7</b> | <b>(8,926.3)</b> |
| Strategic Commissioning & Business Support                        | 1,836.1               | 1,524.5          | (311.6)          |
| Learning Services   | 13,899.2              | 15,571.2         | 1,672.0          |
| Children, Young People & Families                                 | 65,643.4              | 66,465.3         | 821.9            |
| Departmental Resources  | 1,541.8               | 364.8            | (1,177.0)        |
| <b>Sub-Total Education &amp; Children's Services</b>              | <b>82,920.5</b>       | <b>83,925.9</b>  | <b>1,005.4</b>   |
| <b>Total Social Care &amp; Education</b>                          | <b>202,223.5</b>      | <b>194,302.6</b> | <b>(7,920.9)</b> |
| <b>Public Health &amp; Sports Services</b>                        | <b>23,589.7</b>       | <b>26,130.8</b>  | <b>2,541.1</b>   |
| Housing Benefits (Client Payments)                                | 500.0                 | (511.4)          | (1,011.4)        |
| <b>Total Operational</b>  | <b>321,155.5</b>      | <b>321,351.3</b> | <b>195.8</b>     |
| Corporate Budgets   | 4,787.6               | 2,235.2          | (2,552.4)        |
| Covid Related Costs /Income                                       | 0.0                   | 3,217.3          | 3,217.3          |
| Capital Financing   | 6,786.0               | 5,516.5          | (1,269.5)        |
| <b>Total Corporate &amp; Capital Financing</b>                    | <b>11,573.6</b>       | <b>10,969.0</b>  | <b>(604.6)</b>   |
| Public Health Grant   | (27,293.5)            | (27,293.5)       | 0.0              |
| Managed Reserves Strategy   | (17,300.9)            | (17,300.9)       | 0.0              |
| <b>TOTAL GENERAL FUND</b>   | <b>288,134.7</b>      | <b>287,726.0</b> | <b>(408.7)</b>   |

## **Divisional Narrative – Explanation of Variances**

### **Corporate Resources and Support**

Corporate Resources Department spent £33.5m, £1.1m less than the budget. It is proposed that the £1.1m saving is used to support the growing needs for IT development spending as discussed below.

#### **1. Finance**

- 1.1. The Financial Services Division spent £10.5m, £0.7m less than the budget. This was mainly due to vacancies across the Business Services Centre and within Customer Services.

#### **2. Information Services**

- 2.1. Information Services spent £10.2m, £1m more than the budget. The service has incurred additional cost, largely associated with a growing need for equipment to support flexible working, and for security software. The service maintains a reserve specifically to cover equipment and other development needs which are incurred at irregular intervals, but this is now under pressure. It is therefore proposed to utilise savings elsewhere in the department to continue to support the growing needs in ICT.

#### **3. Human Resources, Delivery Communications & Political Governance (DCPG)**

- 3.1. Human Resources spent £3.6m, £0.7m less than the budget and DCPG spent £6m, £0.6m less than the budget. The combined saving of £1.3m is predominantly due to vacant posts together with additional income from traded activities by HR, Health and Safety and the translation service.

#### **4. Legal, Registration & Coronial Services**

- 4.1. The division spent at budget. Within this, Legal Services spent £3.3m, £0.1m less than the budget due to vacant posts.
- 4.2. Coronial Services spent £0.1m more than the budget after receiving £0.4m of support from corporate budgets (as in previous years). The increased level of corporate support is due to higher levels of activity (continuing the trend of spending since the start of the pandemic). The net £0.1m overspend has been offset by an underspending in Registration Services which arose due to vacancies and additional fee income.

## **City Development and Neighbourhoods**

The department overspent by £6.6m on a net budget of £60m, due to the impact of the pandemic. The continued loss of income is anticipated to continue into 2022/23, for which provision was made in the 2022/23 budget. The position for each division is as follows:

### **5. Planning, Development & Transportation**

5.1. The division overspent by £4.1m. COVID-19 has resulted in a significant loss of income in relation to car parking, bus lane enforcement and planning fees, totalling £4m. Additionally, this report requests that £0.9m of income from various government grants is transferred to departmental reserves, as expenditure against those grants will be incurred in future years.

### **6. Tourism, Culture & Inward Investment**

6.1. The division overspent against budget by £1.4m. Income fell short of budget by £2.5m with the most significant impact of COVID-19 being at De Montfort Hall and the markets. These shortfalls have been partially offset by savings on running costs.

### **7. Neighbourhood & Environmental Services**

7.1. The division has overspent by £0.1m. Whilst there has been a shortfall in income within Regulatory Services associated with a drop in building control fees and licensing income, this has largely been offset by savings on running costs and by holding posts vacant. Cost pressures are emerging within Waste Management, particularly in relation to landfill tax; one-off income was received in the year to manage this. Additionally, this report requests that £1.7m of government grant income is transferred to departmental reserves to finance expenditure which will be incurred in future years.

### **8. Estates & Building Services**

8.1. The division overspent by £0.2m. The corporate estate has underachieved its income target but savings on the running costs of buildings along with staffing vacancies have minimised the impact. Additionally, this report requests that £160k of government grant income is transferred to departmental reserves to finance expenditure which will be incurred in future years.

### **9. Departmental Overheads**

9.1. This holds the departmental budgets for added years' pension costs and departmental salaries. An underspend of £0.2m arose during the year,

principally due to a reduction in the level of bad debt provision required for the department.

## **10. Housing General Fund**

10.1. The Housing General Fund overspent by £0.9m. Additional temporary accommodation costs linked to COVID-19 led to an overspend of £1.1m in Homelessness Services. This was only partially offset by a reduction in prudential borrowing costs from COVID-19 related delays to fleet replacement. Additionally, this report requests that £0.7m of government grant is transferred to reserves to finance expenditure which will be incurred in future years.

## **11. Housing Revenue Account**

11.1. The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the Council's housing stock. The HRA overspent by £0.8m, excluding revenue used for capital spending (which is reported in the capital outturn report).

11.2. Rental income was £0.1m higher than budget, with a further £0.2m becoming available as a result of a reduction in the amount of bad debt provision required.

11.3. The Repairs and Maintenance service overspent by £0.6m. Additional investment in speeding up the turnaround of void properties will help to avoid lost rental income whilst vacant. Unavoidable responsive repair work to the district heating network added to the overspend.

11.4. Management and Landlord Services overspent by £0.4m. The principal driver for this was the cost of council tax on void properties, which exceeded the budget by £0.5m. This will also be helped by the additional investment in the turnaround of void properties.

11.5. The HRA makes contributions towards general fund activities as well as being charged for its fair share of overheads. These were £0.2m more than the budget.

11.6. The interest payable by the HRA on its debt was £0.1m lower than the budget.

## **Adult Social Care**

### **12. Adult Social Care**

- 12.1. The department spent £110.4m, £8.9m less than the budget of £119.3m. The underspend is the result of a range of factors including the pandemic. The main factors were: the average cost of people receiving care at the start of 2021/22 was lower than had been budgeted due to the ongoing covid impacts; the level of increase in assessed need for people already in receipt of services has not returned to the pre-pandemic trend; and take up of some services by those receiving direct payments has continued to be at a lower rate than had been budgeted. In addition, a small proportion of the underspend resulted from: income from fees which was affected by the pandemic has recovered better than expected; additional funds have also been received from the CCG to cover short term social care costs following hospital discharge; and finally there continued to be staffing vacancies in social work and directly provided services despite ongoing efforts to recruit.
- 12.2. £9.6m of grant funding from the DHSC has been paid to providers during the year. This funding contributed towards the additional costs associated with infection control and prevention, testing, specific support regarding the Omicron variant and workforce retention and recruitment. An additional £4.7m of funding from the CCG was also paid to providers' staff as part of a retention reward package.
- 12.3. The NHS continued to provide a national discharge fund to temporarily cover the additional costs of care until 31 March 2022 for those people discharged from hospital (in other words these temporary costs incurred by ASC are recovered from the NHS via the CCG and people do not have to make any financial contribution themselves). For the period April to June 2021 the funded care could last up to six weeks and for the period July to March 2022 up to four weeks. The level of funded care required has dropped very significantly from 2020/21 levels, as the number of hospital discharges requiring care has reduced (£3.2m was recharged in 2020/21 and only £0.5m in 2021/22).
- 12.4. The overall cost of care for those 5,125 people in receipt of care at the start of the year was lower than the budget, which was set in Autumn 2020, at which time it was unclear how the pandemic would develop during the remaining months of 2020/21. The reduction in the number of older people in care homes in 2020/21 and the lower than trend rate of increasing need for older people in 2020/21 (probably reflecting a reluctance to access services) meant that those 5,125 people, at the start of 2021/22 cost £1.9m less than was assumed in the budget.



- 12.5. The rate of increase in need of those people already receiving care at the start of the year has been discussed many times in these reports and recently as part of the Adult Social Care Commission working group. The trend in the rate has been a continual increase since measurement began in 2015/16 - however 2020/21 saw a reduction to 5% compared to 5.9% in 2019/20 and this was believed to be due to lower levels of interaction by people with the service during lock-downs. The 2021/22 budget was set whilst we were still in lock-down in September 2020 and the prudent assumption made then was that the rate would return to pre-pandemic levels of 6%. This assumption was reinforced by the potential for latent demand in 2020/21 being shifted forward into 2021/22 such that catching up on reviews might even cause a spike in the rate. The final rate for 2021/22 was 4.6% resulting in a further budget saving of £2m. It is not clear at this stage to what extent the rate is still being affected by either the legacy of the pandemic, the backlog of reviews, the increased use of strength based social work practice, some other variation or a combination of the above. Despite the backlog of reviews, the percentage of existing people who had a package change was actually comparable with pre-pandemic levels at 38%; however, the average increase in these package costs was lower than previously seen which drove the overall rate down to 4.6%.
- 12.6. In terms of new people entering the care system (and who are still receiving care at the end of the year), there has been a net inflow of 225 people (4.4% increase) by the end of March, 71 (2.4% increase) of whom are older people and 154 (7.1% increase) of working age. Net growth in 2020/21 was only 0.9% (46 people), but this was because of abnormally high numbers of older people leaving the care system during the pandemic and not a reduction in numbers entering the care system. Whilst the number of older people leaving care reduced significantly in 2021/22 compared with last year, numbers entering the system remain at broadly similar levels.
- 12.7. The degree to which those people with direct payments have been able/willing to access services, in particular day care, was reduced in the first part of 2021/22 and therefore people have not been fully spending their direct payments. Therefore, funding that would have been allocated to people for this activity has been retained.
- 12.8. Recruitment to posts within ASC remains a challenge, with many posts being on the national 'shortlist' for hard to fill roles. This includes qualified social workers, occupational therapists, best interest assessors and approved mental health professionals. As a consequence, many of these posts have remained unfilled despite ongoing attempts to recruit, resulting in an underspend on staffing budgets. A similar issue is noted in care roles within directly provided reablement and crisis services. As all of these roles are critical to the delivery of social care, recruitment remains a priority and therefore sufficient funding will be retained in the budget. However, given the

difficulties experienced in recruitment and hence that underspends are likely to be ongoing into future years, there will be some adjustment of budgets to recognise vacancy rates.

- 12.9. The lower base cost of people receiving care at the start of the year, the lower rate of increase in need, the lower uptake of direct payment services, difficulties recruiting, a better recovery in fee income and unbudgeted additional NHS hospital discharge related income means that ASC underspent by £8.9m, with £6.7m related to gross package costs. It should be noted however that gross package costs still increased year on year by £8.6m from £133.7m in 2020/21 to £142.3m in 2021/22. The budget for package costs in 2021/22 included growth of £15.4m for fee increases, increase in need and growth in numbers.
- 12.10. It is proposed that the under-spend in ASC is offset against the over-spend in Education and Children's Services with the remaining under-spend of £7.9m to be transferred to the Managed Reserve to support the Council's overall budget strategy.
- 12.11. The CCG have made additional voluntary BCF contributions to ASC of £11.3m this year and these are to be transferred to an earmarked reserve for use in joint working projects. This funding will provide further investment in projects which will enable both health and social care services to recover more quickly from the impacts of the pandemic for the benefit of Leicester residents.

## **Education and Children's Services**

### **13. Education and Children's Services**

- 13.1. The department spent £83.9m, £1m more than the budget. As outlined in previous monitoring reports, the over-spend is due to placement costs for children who are looked after, together with cost pressures in SEN home to school transport, the special education service and increasing numbers of referrals by parents for support for their disabled children.
- 13.2. Savings of £1m in SEN home to school taxi costs were assumed in the budget for 2021/22, in anticipation of a new framework contract being in place which fixed taxi charge rates at a unit rate which was fair and equitable to both providers and the Council. Providers bid to be placed on the new framework contract following a comprehensive engagement process explaining the basis of the new contract and the unit rates. Sufficient providers were awarded a place on the new framework. Unfortunately, in December 2020, prior to the contract going live in January 2021, taxi providers refused to take on the individual contracts awarded at the new

framework rate. The Council was left with no alternative other than to extend the previous contract arrangements and abandon the new framework and the associated savings.

- 13.3. In addition to the loss of savings, unit costs have also increased significantly in 2021/22 by 20% compared to the previous year, largely due to the pandemic.
- 13.4. There has been significant further progress in the use of personal transport budgets (at lower cost than taxi provision) with a greater proportion of new referrals taking this route. A revised SEN home to school transport policy has been consulted upon. The new policy more clearly defines the council's SEN transport related responsibilities and emphasises further the options that are available for the parent in respect of personal transport budgets. Greater emphasis is also being placed on promoting independence through travel training. Overall, around 1,450 pupils were supported with their travel either by taxi, in-house fleet or personal budget.
- 13.5. The number of children who are looked after and other placements at the start of the year (656) was higher than that assumed when the budget was set in the Autumn of 2020 (598). This followed an increase in the rate of numbers entering care in the second half of 2020/21 and the impact of delays in the courts processing adoption orders delaying numbers leaving care.
- 13.6. Overall, there has been a net reduction of 8 in the numbers of children who are looked after and other placements from 656 at the start of the year to 648 at the end. New entrants to care who remain in care at the end of the year have been relatively consistent since 2018/19 (152 in 2018/19, 138 in 2019/20, and 139 in 2020/21) with 152 this year. The number of existing placements leaving in the year has varied more widely during the same period (164 in 2018/19, 188 in 2019/20, 104 in 2020/21 which was affected by delays in court proceedings, and 160 this year). Whilst the budget was accurate for the number of leavers, the number of entrants was 14 more than the budget.
- 13.7. The average unit cost of new entrants has varied significantly from month-to-month dependent upon the complexity of need and therefore the type of provision. The final average entry unit cost was £41k per annum compared to the budget of £40k and also higher than the £37k seen in 2020/21.
- 13.8. The average unit cost of those leaving care in the year has been £25k, with the majority having been in lower cost foster care or placed with parents. The shift in the mix of placements towards those with higher costs means that the carrying cost of the current 648 placement population has increased from

£45.7k to £49.4k per placement. Numbers of external residential placements have decreased (to 51 from 58) but internal foster placements and those waiting adoption or placed with parents have also reduced, with a shift to more semi-independent and independent sector foster placements.

- 13.9. In the calendar year 2021 the special education service experienced a 38% increase compared to 2020 in the numbers of referral requests for Education, Health and Care (EHC) plans and a 23% increase compared to the pre-pandemic year 2019. This high referral rate has continued into the first quarter of 2022. Other LAs have experienced similarly unusually high request rates and this may be a post pandemic effect. The capacity of the service has been increased to deal with this high level of referrals to prevent an unacceptably high backlog of assessments developing. The situation in terms of referral rates is being monitored constantly.
- 13.10. Although to a lesser extent, there has also been an increase in the number of open cases in the disabled children's service resulting in an increase in ongoing support costs. This issue is being reviewed currently to determine whether this is likely to be sustained going forward.
- 13.11. There continue to be difficulties in recruiting qualified social workers, and there is a continued reliance on agency staff as well as our own trainee staff. This has resulted in staffing underspends in social care and to a lesser extent across other services; taken together, the impact of SEN home to school transport, the higher number of children who are looked after and other placements, the increase in EHC plan requests and requests for support from the disabled children's service results in an overall overspend for Education and Children's Services of £1m.
- 13.12. It is proposed that the over-spend in Education and Children's Services is offset against the under-spend in Adult Social Care.
- 13.13. As outlined in previous reports, demand for SEN places and other SEN support costs funded from the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) exceeds the available funding. The number of EHC plans has increased at an average rate of 12.9% over the last five years, but the funding allocation is not based on numbers of EHC plans, it is based predominantly on proxy SEN indicators and historic spend. The overspend in 2021/22 was £6.1m (£4.9m in 2020/21). Commissioned placements and support were provided for on average 3,226 children and young people, a 10% increase on 2020/21.
- 13.14. The 2022/23 DSG HNB allocation has increased by £6.1m and there is also an additional supplementary grant of £2.5m to cover '*additional costs*

*including the health and social care levy*. The additional funding is not ring-fenced and will be added to the overall HNB funding available, giving an £8.6m increase in total.

- 13.15. Nevertheless, after allowing for the increase in demand for places in 2022/23 and an allowance for pay, pension and other inflation, the HNB will remain in deficit in 2022/23 by £5.7m despite this additional funding.
- 13.16. The overall LA DSG reserve balance has moved into a deficit of £3.6m at the end of March 2022. This will be carried forward into the following financial year and not offset against DSG block allocations from the DfE. This deficit will rise by the forecast 2022/23 overspend from the HNB of £5.7m, i.e. a forecast cumulative reserve deficit of £9.3m by the end of March 2023.
- 13.17. The Council continues working on managing the HNB expenditure. Capital works are proceeding to provide the necessary placement capacity, in particular our dedicated specialist provision; special school funding rates have been reviewed; funding support for SEN within mainstream settings has been reviewed; even whilst ensuring there is sufficient in-house capacity to deal with all demand, there is a recognition that there will always be some need by exception for independent/non maintained sector provision and we are reviewing the value for money of this provision.
- 13.18. Whilst the actions outlined above will improve the financial sustainability of the existing provision, the long-term demand forecasts for placements indicates a further net increase of well over 800 placements in the next ten years.
- 13.19. The current HNB DfE funding formula will not adequately compensate the Council for this forecast level of growth. The funding increase in 2022/23 by the DfE was part of a 3-year commitment to increase school funding and high needs funding. The recent publication of the SEND review green paper does not indicate any new additional revenue funding for the HNB or details of any changes to the formula. The DfE have previously stated that *'Numbers of EHC plans are not to be used as a robust indicator of underlying need because the way they are used varies considerably across local areas, and the number of plans is therefore not necessarily directly associated with the local authority's need to spend.'*
- 13.20. The green paper which is now being consulted upon acknowledges this issue and contains recommendations to standardise the writing of EHC plans; it is also looking to introduce a new national framework of banding and price tariffs for funding, matched to levels of need and types of education provision. This should help with consistency in funding, provided of course this is coupled with recognition that the HNB is still under-funded nationally.

Introducing standard bands for funding need will take time. In the medium term the demand for SEN will remain a significant cost pressure for both the DSG and the general fund (in terms of taxi costs and assessment costs).

- 13.21. In 2020/21 maintained primary and secondary schools increased their cumulative carry forwards significantly by £9.2m, in part due to cost savings during lock down whilst continuing to receive the same budget allocation. In 2021/22 maintained primary and secondary schools have still increased their carry forward balances, although to a lesser extent, by a total of £5.4m in the year (primary £0.8m, secondary £4.6m), rising to £30.1m at the year-end (primary £14.7m, secondary £15.4m). These cumulative balances represent 16% of primary school annual budgets and 25% of secondary school annual budgets. Maintained special school and PRUs cumulative carry forwards are negative £0.15m at the end of the year with one school contributing significantly to the overall deficit position resulting from legacy issues which have now been resolved. There has been an increase in the in-year carry forwards, however with a mixture of small deficits and surpluses totalling £0.4m.

## **Public Health**

### **14. Public Health**

- 14.1 Public Health spent £22.7m, £0.9m more than the core budget of £21.8m. The spend includes £1.2m on the test & trace Covid-19 programme which is ultimately being funded from the COMF (Contain Outbreak Management Fund) grant. Excluding the test and trace expenditure, core public health spend is £0.3m less than the budget.
- 14.2 The pandemic continued to have an impact on services this financial year. The sexual health service, normally paid for based on activity, has been paid at a fixed amount in the year because of lower numbers of patients, to ensure the financial viability of the provider.
- 14.3 A backlog of sexual health and contraception related cases has built up over the past 18 months and the service is keen to address this where possible in 2022/23 by commissioning additional activity, using departmental reserves where necessary.
- 14.4 Similarly, the NHS health checks service provided by GPs has a backlog of work and incentives may be required to increase numbers going forward into 2022/23. Across adult related services as a whole (including sexual health, health checks together with mental health and substance misuse) there was an overall underspend of £0.2m.

- 14.5 Lifestyle services have suffered a loss of income from Sports Services because of a lack of referrals for gym classes during lockdown for those people with weight issues and for smokers. However, this was offset by additional weight management funding from the CCG and additional BCF contributions.
- 14.6 There were vacancies in the main public health team earlier in the year (now fully established) resulting in an underspend of £0.2m.

## **15. Sports Services**

- 15.1 Sports Services spent £3.4m, £1.6m more than the budgeted subsidy of £1.8m due to the pandemic. Only 3 gyms were open in the first quarter of the year, operating at a reduced capacity and with advance booking required. The wider leisure centre estate opened at the end of June. For the year as a whole, leisure centre income was 61% of the budget but staffing and other operating costs were around 85%.
- 15.2 Nevertheless, health and fitness membership numbers have recovered well and by March stand at around 10,000, 11% more than the pre-COVID levels, assisted by the capital expansion at Aylestone, Evington and Cossington. Swimming members are at 87% of pre-COVID levels (around 5,500) with recovery being hampered temporarily by difficulties in recruiting swim instructors.

## **Corporate Items**

### **16. Corporate Items**

- 16.1 The corporate budgets cover the Council's capital financing costs, items such as audit fees, bank charge and levies.
- 16.2 The true position in respect of corporate budgets is an overspend of £1m, less than forecast at period 9. The overspend is chiefly due to the pay award being higher than anticipated, reduced support from the Government of in respect of uncollected council tax and business rates compared to what we expected, the £0.4m pressure in Coroners described above, and some unfunded pension costs. The figure in the table at Appendix A (£2.6m underspend) is misleading: the final pay award for 2021/22 was determined so late that provision could not be allocated to departments before the end of the year, and the cost of the award has been charged to departments without any corresponding budget adjustment.
- 16.3 Capital financing has achieved savings of £1.3m. The Council's debt servicing costs are fixed, and savings arise from interest on cash balances. Cash balances have been higher than expected, partly due to grants received and

held prior to being spent. Savings have also been achieved due to locking into higher interest rates than those prevailing for most of the year.

- 16.4 A corporate cost centre has continued to be used for significant costs directly attributable to the pandemic, other than those which cannot be distinguished from normal departmental activity (such as income shortfalls). The final spend was £3.2m.
- 16.5 Compensation from the Government for housing benefit payments amounted to £0.5m more than the amount spent, leading to a budget saving of £1.0m. This is a consequence of performance in recovery of overpayments. Due to recent improvements in benefits processing (and consequent underspends) it is now believed that the budget of £0.5m is no longer required and the service can be provided within the level of funding provided by the Government.
- 16.6 Whilst the table at Appendix A includes a number of covid grants paid directly to services, other covid grants are corporate in nature and have not been reflected in the figures. In 2021/22, the Council received unringfenced grant of £11.5m to support the costs associated with the pandemic. Additionally, grant of £3m was received to part meet the costs of income shortfalls, and £3m (Contain Outbreak Management Fund) to support test and trace and other costs of directly managing the outbreak, along with a number of smaller grants. These grant sums compensate the council for expenditure incurred on the pandemic, which is described in the narrative above. It is proposed to set aside £4.8m to support covid costs approved in the 2022/23 budget and a further £2m for any residual covid costs in 2022/23. This leaves £13m which is therefore available to support the Council's budget strategy unless any further covid related pressures emerge such as a new variant (there are no further grants due in 2022/23).
- 16.7 At the outturn for 2020/21, the Council set aside £10.9m within managed reserves for covid related revenue expenditure in 2021/22. This is no longer required.

## **17. Fundamental Budget Review**

- 17.1 The Fundamental Budget Review seeks to achieve £40m of savings from future budgets, to manage the impact of government funding settlements which are expected to be inadequate.
- 17.2 Where savings are made as part of a service review, decisions will be taken in the normal manner through a decision report. Where savings are incidental or can be made through management action, it is proposed to continue our previous practice of seeking approval to budget adjustments through routine



budget monitoring reports. This is the first such report to include such adjustments, but many more will follow.

17.3 Approval is sought to make the following budget reductions:

|   | 2022/23    | 2023/24    | 2024/25      |
|---|------------|------------|--------------|
|   | £000       | £000       | £m           |
| Increased sports income, following recent investment in leisure centres   |            |            | 276          |
| Removal of budget for a lunch club which has ceased to function   | 10         | 10         | 10           |
| Use of loss reduction fund to pay for highways inspection activity  | 30         | 30         | 30           |
| Managed vacancy factor within Adult Social Care.  | 200        | 200        | 200          |
| Housing benefit budgets – this budget represents the difference between the amount we pay to housing benefit recipients and the reimbursement we receive from the Government. Due to improvements in administration of these payments, and recent underspends, this budget is no longer required. | 500        | 500        | 500          |
| <b>TOTAL</b>  | <b>740</b> | <b>740</b> | <b>1,016</b> |

### Earmarked Reserves – Year-end Summary

#### 1. Summary

- 1.1. Earmarked reserves represent sums set aside for specific purposes. This is in contrast to the annual revenue budget, which exists to support the Council's day-to-day operations. Reserves are however increasingly being used to mitigate future budget pressures.
- 1.2. Reserves are created or dissolved with the approval of the City Mayor. Directors may make contributions to reserves provided that the purpose of the reserve is within the scope of the budget from which the contribution was made. Directors may withdraw money from reserves to support spending that is consistent with the purpose for which the reserve was created.
- 1.3. Earmarked reserves can be divided into different categories: information on the larger reserves in each category is detailed below.

#### 2. Ring-fenced reserves

Ringfenced reserves, are funds held by the Council but for which we have obligations to other partners or organisations

- 2.1 The following reserves are ringfenced for schools;

| 2021-22                                  | Balance at<br>31st March<br>2021 | Total in Year<br>Transfers | Balance at 31<br>March 2022 |
|--|----------------------------------|----------------------------|-----------------------------|
|  | £000                             | £000                       | £000                        |
| DSG not delegated to schools             | 1,433                            | (5,076)                    | (3,643)                     |
| School Balances                          | 24,108                           | 5,988                      | 30,096                      |
| School Capital Fund                      | 2,753                            | (262)                      | 2,491                       |
| Schools Buy Back                         | 2,429                            | (514)                      | 1,915                       |
| <b>Total School Ring Fenced Reserves</b> | <b>30,723</b>                    | <b>136</b>                 | <b>30,859</b>               |

- 2.2 DSG not delegated to schools is principally for spending on the High Needs Block. This currently has a negative balance, and the Council is working with the Government to seek resolution. Schools' balances have increased for the reasons explained in the report.

2.3 The following reserves are ringfenced funding.

| 2021-22   | Balance at 31st March 2021 | Total in Year Transfers | Balance at 31 March 2022 |
|---|----------------------------|-------------------------|--------------------------|
|   | £000                       | £000                    | £000                     |
| Education & Skills Funding agency Learning Programmes | 1,112                      | (141)                   | 971                      |
| Arts Council National Portfolio Organisation Funding  | 845                        | (526)                   | 319                      |
| NHS Joint Working Projects                            | 9,420                      | 15,593                  | 25,013                   |
| <b>Total Ring Fenced Resources</b>                    | <b>11,378</b>              | <b>14,925</b>           | <b>26,303</b>            |

2.4 **NHS Joint Working Projects:** the government has provided funding for joint working between adult social care & the NHS. The £16m increase is explained in Appendix B above.

### 3. Capital Programme Reserve

This reserve supports approved spending on the Council's capital programme. This is a provisional balance until the capital financing is completed for 2021/22.

| 2021-22                          | Balance at 31st March 2021 | Total in Year Transfers | Balance at 31 March 2022 |
|----------------------------------|----------------------------|-------------------------|--------------------------|
|                                  | £000                       | £000                    | £000                     |
| <b>Capital Programme Reserve</b> | 97,587                     | 1,247                   | <b>98,834</b>            |

### 4. Departmental Reserves

Departmental reserves are held by services to fund specific projects or identified service pressures identified.

| 2021-22   | Balance at 31st March 2021 | Total in Year Transfers | Balance at 31 March 2022 |
|---|----------------------------|-------------------------|--------------------------|
|   | £000                       | £000                    | £000                     |
| Financial Services Reserve                      | 3,670                      | 1,449                   | 5,119                    |
| ICT Development Fund                            | 8,434                      | 2,044                   | 10,479                   |
| Delivery, Communications & Political Governance | 3,477                      | (1,037)                 | 2,439                    |
| Housing   | 2,358                      | 444                     | 2,802                    |
| City Development (Excl Housing)                 | 11,301                     | 1,370                   | 12,671                   |
| Social Care Reserve                             | 18,483                     | (8,484)                 | 9,999                    |
| Health & Wellbeing Division                     | 4,292                      | 1,340                   | 5,632                    |
| Other Departmental Reserves                     | 464                        | -                       | 464                      |
| <b>Total Other Departmental Reserves</b>        | <b>52,480</b>              | <b>(2,873)</b>          | <b>49,606</b>            |

Detail on the larger reserves is provided below: -

- 4.1 **City Developments and Neighbourhoods:** to meet known one-off costs relating to highways activities, provisions for insurance claims, re-procurement of the waste management PFI contract and other contingent events, in addition to funding for projects that have carried forward into 2022-23.
- 4.2 **Delivery Communications & Political Governance:** this is principally for elections and other projects within the department. It is proposed as part of this report to transfer £1.0m to the ICT reserve for ICT development spend.
- 4.3 **ICT:** rolling funds for network and server upgrades, mobile airtime and upgrade of PC stock, remote working. This reserve includes the proposed transfer of £2.1m as detailed earlier in this report.
- 4.4 **Financial Services:** for expenditure on improving the Council's main financial systems; spikes in benefit processing and overpayment recovery.
- 4.5 **Health & Wellbeing:** to support service pressures, channel shift and transitional costs.
- 4.6 **Housing:** to meet spikes in temporary accommodation costs, hold grant funding for homelessness projects and refugee resettlement programmes.
- 4.7 **Social Care Reserve:** this reserve is available to fund pressures within Adults and Children's services. It is currently mainly supporting the pressures in Children's services particularly in relation to Looked After Children placement costs.

## 5. Corporate reserves

Corporate reserves are those held for purposes applicable to the organisation as a whole and not any specific service and are administered corporately

| 2021-22                                  | Balance at 31st March 2021 | Total in Year Transfers | Balance at 31 March 2022 |
|--|----------------------------|-------------------------|--------------------------|
|  | £000                       | £000                    | £000                     |
| Managed Reserves Strategy                | 70,261                     | 13,009                  | 83,270                   |
| Covid-19 -Business Rates deficit reserve | 25,720                     | (12,323)                | 13,396                   |
| Business Support Grants                  | 2,722                      | (2,722)                 | -                        |
| BSF Financing                            | 8,638                      | 397                     | 9,035                    |
| Insurance Fund                           | 10,609                     | 887                     | 11,495                   |
| Severance Fund                           | 4,827                      | -                       | 4,827                    |
| Service Transformation Fund              | 5,867                      | (672)                   | 5,195                    |
| Welfare Reserve                          | 3,428                      | (879)                   | 2,550                    |
| Anti-Poverty Reserve                     | 3,000                      | -                       | 3,000                    |
| Other Corporate Reserves                 | 973                        | (973)                   | -                        |
| <b>Total Corporate Revenue Resources</b> | <b>136,045</b>             | <b>(3,276)</b>          | <b>132,768</b>           |

Detail on these reserves is provided below: -

- 5.1 **Managed Reserves Strategy:** a key element to delivering our budget strategy, as set out in the budget report for 2022-23. It includes £6.8m to manage ongoing pressures arising from the pandemic, as described above. A further £24m is committed to fund the 2022/23 budget.
- 5.2 **Covid-19 Business Rates Deficit Reserve:** the government provided grant funding in 2020/21 to enable councils to pay additional business rate reliefs. However, due to the way local tax is accounted for, the reliefs do not affect the general fund until after 2020/21. This reserve is essentially an accounting reserve which is fully committed.
- 5.3 **Business Support Grants Reserve:** the government provided grant funding in 2020/21 to support businesses during the pandemic. The balance of funding was used in 2021/22.
- 5.4 **BSF Financing:** to manage costs over the remaining life of the BSF scheme and lifecycle maintenance costs of the redeveloped schools.
- 5.5 **Severance Fund:** to facilitate ongoing savings by meeting the redundancy and other costs arising from budget cuts.
- 5.6 **Insurance Fund:** to meet the cost of insurance claims: nearly all our costs are met from this fund. The required balance will be reviewed by an actuary.

- 5.7 **Service Transformation Fund:** to fund projects which redesign services enabling them to function effectively at reduced cost.
- 5.8 **Welfare Reserve:** this reserve provides support for welfare reform and welfare support more generally.
- 5.9 **Anti-Poverty Reserve:** this reserve will support the Anti-Poverty Strategy.





**Executive Decision  
Capital Budget  
Monitoring  
April-March  
2021/22**

To be considered by OSC on: 30<sup>th</sup> June 2022

Decision to be taken by: City Mayor

Decision to be taken on: 30<sup>th</sup> June 2022

Lead director/officer: Colin Sharpe, Deputy Director of  
Finance

---

## Useful information

- Ward(s) affected: All
- Report author: Ben Matthews, Senior Capital Accountant
- Author contact details: ben.matthews@leicester.gov.uk

### 1. Summary

- 1.1 The purpose of this report is to show the position of the capital programme at the end of 2021/22.
- 1.2 This is the final capital monitoring report of the financial year, following similar monitoring reports at Periods 3, 6 and 9.
- 1.3 As reported previously, the COVID-19 pandemic has had a significant impact on the capital programme, with many schemes delayed. In addition, increased costs of materials and labour on schemes are starting to be realised. In most cases, the cost pressures are manageable within current budgets. For those where it is not these are reported as they are identified, and decisions recommended as necessary. Funding was set-aside for this purpose in the 2021/22 and 2022/23 capital programme.

### 2. Recommended actions/decision

- 2.1 The Executive is recommended to:
  - Note total spend of £149m for the year.
  - Note the progress in delivery of major projects, as shown at Appendix A.
  - Note progress on spending work programmes, as shown at Appendix B, and approve the carry-forward of resources into 2022/23 for schemes where spend has slipped into 2022/23 (£17.2m).
  - Note that the majority of provisions remain unspent as shown at Appendix C and approve the carry forward of the Early Years – Two Year Olds provision into 2021/22 (£141k), Appendix C, Para 1.4.
  - Note that across a number of schemes, £3.4m has been declared as savings following completion of schemes within budget. Of this £0.5m was funded by Corporate resources and will now be available for future capital projects.
  - Approve the following additions:
    - £3,770k to Greener Homes, funded by government grant and match funding, see Appendix A, Housing, Para 2.5.

- £314k to Connecting Leicester, funded by government grant, see Appendix A, Planning, Development & Transportation, 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 and options with supporting evidence

4.1 The 2021/22 Capital programme was approved by Council on 17<sup>th</sup> February 2021. It has subsequently been amended following decisions and through monitoring exercises.

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, there is no attention given to in-year financial slippage;
- (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 schemes in previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years.

4.3 A summary of the total approved 2021/22 capital programme as at Period 12 is shown below:

|                                | <b>£000</b>    |
|--------------------------------|----------------|
| Projects                       | 261,327        |
| Work Programmes                | 149,112        |
| Provisions                     | 191            |
| Schemes Substantially Complete | 18,292         |
| <b>Total Immediate Starts</b>  | <b>428,922</b> |
| Policy Provisions              | 20,479         |
| <b>Total Capital Programme</b> | <b>449,401</b> |

4.4 The following changes have occurred to the capital programme since period 9:

|  | <b>£000</b>   |
|--|---------------|
| Pioneer Park - Levelling Up  | 24,683        |
| Green Homes  | 1,600         |
| S106 Additional School Places                                      | 857           |
| St Margaret's Gateway  | 800           |
| Expansion of Children's Homes                                      | 500           |
| Community & Environmental Works (Re-profiled from 22/23 programme) | 240           |
| Other  | 285           |
| <b>Net Movements</b>   | <b>28,965</b> |

These movements are included in the table at 4.3 above.

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

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

4.6 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.

#### 4.7 Capital Receipts

4.7.1 At Period 12, the Council has realised £1,671k of General Fund capital receipts, of which £1,042k is unallocated to the approved capital programme.

4.7.2 “Right to Buy” receipts from sales of council housing have amounted to £18.3m received in year.

**5. Detailed report**

N/A

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

### 6.1 Financial implications

This report is solely concerned with financial issues.

Colin Sharpe, Deputy Director of Finance, 37 4001

### 6.2 Legal implications

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

Kamal Adatia, City Barrister & Head of Standards

### 6.3 Equalities implications

No Equality Impact Assessment (EIA) has been carried out as this is not applicable to a budget monitoring report.

### 6.4 Climate Emergency implications

This report is solely concerned with financial issues.

### 6.5 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.

## **7. Background information and other papers:**

Capital Programme 2021/22 approved by Council on 17th February 2021.

Housing Revenue Account Budget (including Capital Programme) 2021/22 approved by Council on 17th February 2021.

2020/21 Capital Monitoring Outturn Report presented to OSC on 26<sup>th</sup> May 2021.

2021/22 Capital Monitoring P3 Report presented to OSC on 16<sup>th</sup> September 2021.

2021/22 Capital Monitoring P6 Report presented to OSC on 16<sup>th</sup> December 2021.

2021/22 Capital Monitoring P9 Report presented to OSC on 24<sup>th</sup> March 2022.

## **8. Summary of appendices:**

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

## **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?**

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 on pages 11-26 within this Appendix.

| Department / Division                  | Remaining Budget<br>£000 | 2021/22 Spend<br>£000 |
|--|--------------------------|-----------------------|
| Corporate Resources                    | 208                      | 3                     |
| Smart Cities                           | 190                      | 37                    |
| Planning, Development & Transportation | 145,182                  | 24,976                |
| Tourism, Culture & Inward Investment   | 38,627                   | 5,823                 |
| Neighbourhood & Environmental Services | 2,285                    | 1,231                 |
| Estates & Building Services            | 29,045                   | 15,796                |
| Adult Social Care                      | 2,510                    | 0                     |
| Children's Services                    | 28,812                   | 5,158                 |
| Public Health                          | 2,226                    | 144                   |
| Housing Revenue Account                | 12,242                   | 5,505                 |
| <b>Total</b>                           | <b>261,327</b>           | <b>58,673</b>         |

1.2 A list of the individual projects is shown in the table on pages 9-10 of this report. 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 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/<br>Division | Project  | Remaining<br>Budget<br>(£000) | 2021/22<br>Spend<br>(£000) | Forecast<br>O/(U)spend<br>(£000) | Original<br>Completion<br>Date | Forecast<br>Completion<br>Date | Previous<br>Reported<br>RAG Rating | Project<br>RAG Rating<br>@ P12 |
|-------------------|--|-------------------------------|----------------------------|----------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------|
| CRS               | Corporate LAN/WAN Network Cisco Infrastructure Replacement | 208                           | 3                          | 0                                | Dec-21                         | Jun-22                         | Amber                              | Green                          |
| SC                | Smart Cities Pilot Projects                                | 190                           | 37                         | 0                                | Dec-20                         | TBC                            | Amber                              | Purple                         |
| CDN (PDT)         | Connecting Leicester                                       | 52,214                        | 12,973                     | 0                                | Nov-20                         | Mar-24                         | Green                              | Amber                          |
| CDN (PDT)         | Waterside Strategic Regeneration Area                      | 6,903                         | 1,909                      | 0                                | Mar-23                         | Jun-26                         | Green                              | Green                          |
| CDN (PDT)         | St George's Churchyard                                     | 803                           | 54                         | 0                                | Aug-18                         | Dec-22                         | Amber                              | Green                          |
| CDN (PDT)         | Ashton Green   | 658                           | 399                        | 0                                | Mar-21                         | Mar-22                         | Green                              | Green                          |
| CDN (PDT)         | City-wide Parkmap TRO review, signs and lines upgrades     | 200                           | 49                         | 0                                | Mar-21                         | Sep-22                         | Amber                              | Amber                          |
| CDN (PDT)         | North West Leicester Regeneration Area                     | 871                           | 160                        | 0                                | Mar-22                         | Mar-23                         | Green                              | Green                          |
| CDN (PDT)         | St Margaret's Gateway                                      | 12,951                        | 8,621                      | 0                                | Sep-22                         | Jun-22                         | Red                                | Green                          |
| CDN (PDT)         | High Streets Heritage Action Zones                         | 1,935                         | 594                        | 0                                | Apr-24                         | Apr-24                         | Green                              | Green                          |
| CDN (PDT)         | Saffron Brook  | 840                           | 8                          | 0                                | Mar-23                         | Mar-23                         | Green                              | Green                          |
| CDN (PDT)         | Stocking Farm Community Shop                               | 150                           | 0                          | 0                                | Mar-22                         | May-22                         | Amber                              | Green                          |
| CDN (PDT)         | Leicester Railway Station - Levelling up                   | 22,643                        | 93                         | 0                                | Mar-24                         | Mar-24                         | Green                              | Green                          |
| CDN (PDT)         | Electric Bus Investment                                    | 20,331                        | 0                          | 0                                | Dec-23                         | Dec-23                         | Green                              | Green                          |
| CDN (PDT)         | Pioneer Park - Levelling Up                                | 24,683                        | 116                        | 0                                | Dec-24                         | Dec-24                         | N/A                                | Green                          |
| CDN (TCI)         | Jewry Wall Museum Improvements                             | 15,358                        | 1,992                      | 0                                | Mar-23                         | TBC                            | Red                                | Red                            |
| CDN (TCI)         | Leicester Market Redevelopment                             | 2,597                         | 240                        | 0                                | Dec-21                         | Mar-23                         | Green                              | Green                          |
| CDN (TCI)         | Abbey Pumping Station                                      | 239                           | 0                          | 0                                | Mar-19                         | Jun-22                         | Amber                              | Green                          |
| CDN (TCI)         | Onsite Construction Skills Hub                             | 848                           | 140                        | 0                                | Dec-22                         | Jun-23                         | Green                              | Green                          |
| CDN (TCI)         | Leicester Museum and Art Gallery Phase 1                   | 2,376                         | 503                        | 0                                | Mar-22                         | Mar-23                         | Green                              | Green                          |
| CDN (TCI)         | Visit Leicester Relocation                                 | 263                           | 99                         | 0                                | Nov-21                         | Aug-22                         | Amber                              | Green                          |
| CDN (TCI)         | Growth Hub   | 1,506                         | 792                        | 0                                | Jun-23                         | Jun-23                         | Green                              | Green                          |
| CDN (TCI)         | Phoenix 2020   | 1,900                         | 1,201                      | 0                                | Mar-23                         | Mar-23                         | Green                              | Green                          |
| CDN (TCI)         | Fashion Technology Academy                                 | 332                           | 173                        | 0                                | Aug-23                         | Aug-23                         | Green                              | Green                          |
| CDN (TCI)         | De Montfort Hall   | 1,440                         | 426                        | 0                                | Mar-22                         | Nov-22                         | Green                              | Green                          |
| CDN (TCI)         | Pilot House  | 11,768                        | 257                        | 0                                | Mar-24                         | Mar-24                         | Green                              | Green                          |
| <b>Total</b>      |  | <b>184,207</b>                | <b>30,839</b>              | <b>0</b>                         |                                |                                |                                    |                                |

| Dept/<br>Division            | Project   | Remaining<br>Budget<br>(£000) | 2021/22<br>Spend<br>(£000) | Forecast<br>O/(U)spend<br>(£000) | Original<br>Completion<br>Date | Forecast<br>Completion<br>Date | Previous<br>Reported<br>RAG Rating | Project<br>RAG Rating<br>@ P12 |
|------------------------------|---|-------------------------------|----------------------------|----------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------|
| CDN (NES)                    | Abbey Park Precinct Wall                                    | 605                           | 482                        | 0                                | Mar-22                         | Jul-22                         | Green                              | Amber                          |
| CDN (NES)                    | Library Improved Self-Access Pilot                          | 210                           | 155                        | 0                                | Mar-21                         | Mar-22                         | Amber                              | Blue                           |
| CDN (NES)                    | Reuse Shop Expansion  | 505                           | 300                        | 0                                | Jul-20                         | Apr-22                         | Green                              | Green                          |
| CDN (NES)                    | Western Park Sanitisation Tree Works                        | 500                           | 259                        | 0                                | Mar-23                         | Mar-23                         | Green                              | Green                          |
| CDN (NES)                    | Digital & Performance Suite                                 | 65                            | 0                          | 0                                | Mar-23                         | Mar-23                         | N/A                                | Green                          |
| CDN (NES)                    | St Margaret's Pastures Skate Park                           | 400                           | 35                         | 0                                | Jan-23                         | Jan-23                         | N/A                                | Green                          |
| CDN (EBS)                    | Estate Shops  | 905                           | 172                        | 0                                | Mar-22                         | Sep-22                         | Green                              | Green                          |
| CDN (EBS)                    | Haymarket Theatre - Internal Completion Works               | 579                           | 222                        | 0                                | Mar-21                         | Sep-22                         | Green                              | Green                          |
| CDN (EBS)                    | Haymarket Bus Station - Toilet Expansion and Refurbishments | 573                           | 444                        | 0                                | Dec-20                         | Mar-22                         | Green                              | Blue                           |
| CDN (EBS)                    | Energy Efficiency Technology                                | 25,097                        | 14,958                     | 0                                | Mar-20                         | Jun-22                         | Amber                              | Amber                          |
| CDN (EBS)                    | Aylestone Leisure Centre PV Panels                          | 1,639                         | 0                          | 0                                | Aug-22                         | Feb-23                         | Green                              | Amber                          |
| CDN (EBS)                    | Leycroft Road Energy Reduction Works                        | 252                           | 0                          | 0                                | May-22                         | May-22                         | Green                              | Green                          |
| SCE (ASC)                    | Extra Care Schemes  | 2,510                         | 0                          | 0                                | Aug-20                         | Mar-25                         | Purple                             | Amber                          |
| SCE (ECS)                    | Additional SEND Places (including Pupil Referral Units)     | 16,311                        | 4,909                      | 0                                | Dec-19                         | Dec-22                         | Amber                              | Amber                          |
| SCE (ECS)                    | Overdale Infant and Juniors School Expansion                | 3,315                         | 32                         | 0                                | Nov-21                         | Jan-23                         | Amber                              | Amber                          |
| SCE (ECS)                    | Expansion of Oaklands Special School                        | 4,458                         | 84                         | 0                                | Mar-22                         | Dec-22                         | Amber                              | Amber                          |
| SCE (ECS)                    | Pindar Nursery  | 921                           | 129                        | 0                                | Mar-23                         | Mar-23                         | Green                              | Amber                          |
| SCE (ECS)                    | Glebelands Primary School Modular Building                  | 250                           | 4                          | 0                                | Aug-22                         | Aug-22                         | Green                              | Green                          |
| SCE (ECS)                    | S106 Additional School Places                               | 857                           | 0                          | 0                                | Sep-23                         | Sep-23                         | N/A                                | Green                          |
| SCE (ECS)                    | Expansion of Children's Homes                               | 2,700                         | 0                          | 0                                | May-23                         | May-23                         | N/A                                | Green                          |
| PH                           | Leisure Centres Phase 2                                     | 2,226                         | 144                        | 0                                | Nov-22                         | Nov-22                         | Green                              | Green                          |
| <b>Total (excluding HRA)</b> |   | <b>249,085</b>                | <b>53,168</b>              | <b>0</b>                         |                                |                                |                                    |                                |
| CDN (HRA)                    | St Leonard's Tower Block - Lift                             | 496                           | 331                        | (121)                            | Mar-18                         | Mar-22                         | Green                              | Blue                           |
| CDN (HRA)                    | Goscote House Demolition                                    | 4,587                         | 2,011                      | 0                                | Jan-20                         | Mar-23                         | Green                              | Amber                          |
| CDN (HRA)                    | New House Build Council Housing                             | 2,825                         | 2,825                      | 0                                | Apr-23                         | Jun-23                         | Green                              | Green                          |
| CDN (HRA)                    | Tower Block Sprinkler Systems                               | 1,299                         | 22                         | 0                                | Apr-22                         | Mar-23                         | Green                              | Green                          |
| CDN (HRA)                    | Property Conversions  | 435                           | 286                        | 0                                | Mar-22                         | Mar-23                         | Green                              | Green                          |
| CDN (HRA)                    | Feasibility Study for Sheltered Housing                     | 250                           | 0                          | 0                                | Apr-22                         | Mar-23                         | Purple                             | Purple                         |
| CDN (HRA)                    | Bridlespur Way Refurbishment                                | 300                           | 0                          | 0                                | TBC                            | Mar-23                         | Purple                             | Purple                         |
| CDN (HRA)                    | Climate Change & Retrofitting Feasibility                   | 250                           | 0                          | (250)                            | Mar-22                         | Mar-22                         | Green                              | Green                          |
| CDN (HRA)                    | Greener Homes   | 1,800                         | 30                         | 0                                | Mar-22                         | Jul-22                         | Amber                              | Green                          |
| <b>Total HRA</b>             |   | <b>12,242</b>                 | <b>5,505</b>               | <b>(371)</b>                     |                                |                                |                                    |                                |
| <b>Total (including HRA)</b> |   | <b>261,327</b>                | <b>58,673</b>              | <b>(371)</b>                     |                                |                                |                                    |                                |

## **Commentary on Specific Projects**

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

## Capital Programme Project Monitoring 2021/22 Outturn

### Corporate Resources

#### 1. Projects Summary

| Project Name  | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|---|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Corporate LAN/WAN Network<br>Cisco Infrastructure Replacement | 208                     | 0                           | Dec 2021                 | June 2022                | <b>G</b>   |
| <b>Total</b>  | <b>208</b>              | <b>0</b>                    |                          |                          |            |

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

## Capital Programme Project Monitoring 2021/22 Outturn

### Smart Cities

#### 1. Projects Summary

| Project Name                | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|-----------------------------|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Smart Cities Pilot Projects | 190                     | 0                           | Dec 2020                 | TBC                      | P          |
| <b>Total</b>                | <b>190</b>              | <b>0</b>                    |                          |                          |            |

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

2.1 **Smart Cities Pilot Projects** – This project is currently on hold, whilst future schemes are decided.

## Capital Programme Project Monitoring 2021/22 Outturn

### Planning, Development & Transportation

#### 1. Projects Summary

| Project Name   | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|--|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Connecting Leicester                                   | 52,214                  | 0                           | Nov 2020                 | March 2024               | A          |
| Waterside Strategic Regeneration Area                  | 6,903                   | 0                           | March 2023               | June 2026                | G          |
| St George's Churchyard                                 | 803                     | 0                           | Aug 2018                 | Dec 2022                 | G          |
| Ashton Green   | 658                     | 0                           | March 2021               | March 2022               | G          |
| City-wide Parkmap TRO review, signs and lines upgrades | 200                     | 0                           | March 2021               | Sep 2022                 | A          |
| North West Leicester Regeneration Area                 | 871                     | 0                           | March 2022               | March 2023               | G          |
| St Margaret's Gateway                                  | 12,951                  | 0                           | Sep 2022                 | June 2022                | G          |
| High Streets Heritage Action Zones                     | 1,935                   | 0                           | April 2024               | April 2024               | G          |
| Saffron Brook  | 840                     | 0                           | March 2023               | March 2023               | G          |
| Stocking Farm Community Shop                           | 150                     | 0                           | March 2022               | May 2022                 | G          |
| Leicester Station Improvements                         | 22,643                  | 0                           | March 2024               | March 2024               | G          |
| Electric Bus Investment                                | 20,331                  | 0                           | Dec 2023                 | Dec 2023                 | G          |
| Pioneer Park – Levelling Up                            | 24,683                  | 0                           | Dec 2024                 | Dec 2024                 | G          |
| <b>Total</b>   | <b>145,182</b>          | <b>0</b>                    |                          |                          |            |

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

### 2.1 **Connecting Leicester** – The delay to the forecast completion date of the scheme is as a result of delays with in-house and contractor capacity due to the pandemic.

As part of this report, we are proposing an additional £314k for Connecting Leicester. This is a net addition following reduction of £1,861k of government funding that was withdrawn owing to the government paying these grants directly to the recipients. However, the Council has been successful in obtaining £2,175k DfT Active Travel grant funding, this is for walking and cycling improvement works on Melton Road and Saffron Lane.

### 2.2 **City-wide Parkmap TRO review, signs and lines upgrades** - A delay has occurred due to completing survey work of the pedestrian preference zone and resolving data queries arising from the upload of the survey information onto the new software. The software provider and surveying contractor are liaising to resolve these issues and completion is now expected in September.



## Capital Programme Project Monitoring 2021/22 Outturn

### Tourism, Culture and Inward Investment

#### 1. Projects Summary

| Project Name                             | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|--|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Jewry Wall Museum Improvements           | 15,358                  | 0                           | March 2023               | TBC                      | R          |
| Leicester Market Redevelopment           | 2,597                   | 0                           | Dec 2021                 | March 2023               | G          |
| Abbey Pumping Station                    | 239                     | 0                           | March 2019               | June 2022                | G          |
| Onsite Construction Skills Hub           | 848                     | 0                           | Dec 2022                 | June 2023                | G          |
| Leicester Museum and Art Gallery Phase 1 | 2,376                   | 0                           | March 2022               | March 2023               | G          |
| Visit Leicester Relocation               | 263                     | 0                           | Nov 2021                 | Aug 2022                 | G          |
| Growth Hub                               | 1,506                   | 0                           | June 2023                | June 2023                | G          |
| Phoenix 2020                             | 1,900                   | 0                           | March 2023               | March 2023               | G          |
| Fashion Technology Academy               | 332                     | 0                           | Aug 2023                 | Aug 2023                 | G          |
| De Montfort Hall                         | 1,440                   | 0                           | March 2022               | Nov 2022                 | G          |
| Pilot House                              | 11,768                  | 0                           | March 2024               | March 2024               | G          |
| <b>Total</b>                             | <b>38,627</b>           | <b>0</b>                    |                          |                          |            |

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

2.1 **Jewry Wall Museum Improvements** – Progress is continuing to be made to identify and appoint suitable contractors to resume phase 1 works after the previous contractor went into administration. Alongside this, given the scale and complexity of the scheme, work is still being undertaken to consider the procurement and delivery plan for the entire scheme.

## Capital Programme Project Monitoring 2021/22 Outturn

### Neighbourhood and Environmental Services

#### 1. Projects Summary

| Project Name                       | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|------------------------------------|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Abbey Park Precinct Wall           | 605                     | 0                           | March 2022               | July 2022                | A          |
| Library Improved Self-Access Pilot | 210                     | 0                           | March 2021               | March 2022               | B          |
| Reuse Shop Expansion               | 505                     | 0                           | July 2020                | April 2022               | G          |
| Western Park Sanitation Tree Works | 500                     | 0                           | March 2023               | March 2023               | G          |
| Digital & Performance Suite        | 65                      | 0                           | March 2023               | March 2023               | G          |
| St Margaret's Pastures Skate Park  | 400                     | 0                           | Jan 2023                 | Jan 2023                 | G          |
| <b>Total</b>                       | <b>2,285</b>            | <b>0</b>                    |                          |                          |            |

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

- 2.1 **Abbey Park Precinct Wall** – The extension to the completion date represents additional works agreed with Historic England, for which grant funding has been added to the capital programme.

## Capital Programme Project Monitoring 2021/22 Outturn

### Estates and Building Services

#### 1. Projects Summary

| Project Name  | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|---|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Estate Shops  | 905                     | 0                           | March 2022               | Sep 2022                 | G          |
| Haymarket Theatre - Internal Completion Works               | 579                     | 0                           | March 2021               | Sep 2022                 | G          |
| Haymarket Bus Station - Toilet Expansion and Refurbishments | 573                     | 0                           | Dec 2020                 | Mar 2022                 | B          |
| Energy Efficiency Technology                                | 25,097                  | 0                           | March 2022               | Jun 2022                 | A          |
| Aylestone Leisure Centre PV Panels                          | 1,639                   | 0                           | Aug 2022                 | Feb 2023                 | A          |
| Leycroft Road Energy Reduction Works                        | 252                     | 0                           | May 2022                 | May 2022                 | G          |
| <b>Total</b>  | <b>29,045</b>           | <b>0</b>                    |                          |                          |            |

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

**2.1 Aylestone Leisure Centre PV Panels** – There have been delays to the scheme as an initial procurement was unsuccessful. Therefore, an alternative procurement route has now been identified and tender documents will go to market shortly.

**2.2 Energy Efficiency Technology** - The energy efficient technology (EET) scheme is based on a cost per carbon ton achieved over the lifetime of the technology installed. Due to the well-publicised increased costs of materials in the UK construction industry there is a strong likelihood the Council will need to increase its contribution towards the scheme. Final costs are currently being reviewed and will be reported once they are fully validated. Nonetheless this scheme represents a significant investment of £25m from the government's Salix programme into decarbonisation measures across the city as part of the Council's Climate

Emergency Action Plan. Whilst the contribution is more than originally anticipated and has escalated due to pressures outside of our control, the programme nevertheless represents extremely good value for the city.

## Capital Programme Project Monitoring 2021/22 Outturn

### Adults

#### 1. Projects Summary

| Project Name             | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|--------------------------|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Extra Care – Two Schemes | 2,510                   | 0                           | Aug 2020                 | March 2025               | A          |
| <b>Total</b>             | <b>2,510</b>            | <b>0</b>                    |                          |                          |            |

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

2.1 **Extra Care – Two Schemes** - A soft market testing exercise was completed in January to understand the appetite from the market to develop the two schemes. This approach has informed the future specification and it is anticipated a procurement exercise will start in the summer. The new contract is likely to be awarded early next year, with a build time of 24 months.

## Capital Programme Project Monitoring 2021/22 Outturn

### Children's Services

#### 1. Projects Summary

| Project Name   | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|--|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Additional SEND Places (including Primary Pupil Referral Unit) | 16,311                  | 0                           | Dec 2019                 | Dec 2022                 | A          |
| Overdale Infant and Juniors School Expansion                   | 3,315                   | 0                           | Nov 2021                 | Jan 2023                 | A          |
| Expansion of Oaklands Special School                           | 4,458                   | 0                           | March 2022               | Dec 2022                 | A          |
| Pindar Nursery   | 921                     | 0                           | March 2023               | March 2023               | A          |
| Glebelands Primary School Modular Building                     | 250                     | 0                           | Aug 2022                 | Aug 2022                 | G          |
| S106 Additional School Places                                  | 857                     | 0                           | Sept 2023                | Sept 2023                | G          |
| Expansion of Children's Homes                                  | 2,700                   | 0                           | May 2023                 | May 2023                 | G          |
| <b>Total</b>   | <b>28,812</b>           | <b>0</b>                    |                          |                          |            |

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

**2.1 Additional SEND Places (including Primary Pupil Referral Unit)** – Initially the scheme was delayed for a design revision at the Rowans (Ellesmere). Since then there have been difficulties in procuring a suitable supplier to deliver works at the Rowans (Ellesmere), Knighton Lane (Leicester Partnership School) and the Armadale Centre (Netherhall School). These difficulties have led to a wider review of the requirements for the scheme, which is going to result in an additional delay to the current forecast completion date.

- 2.2 Overdale Infant and Juniors School Expansion** – There are ongoing discussions around the requirements for this scheme, for which the impact is not yet clear. A further update will be provided once the impact is known.
- 2.3 Expansion of Oaklands Special School** - As previously reported this scheme has been delayed due to ongoing contract negotiations with the proposed contractor. These negotiations have recently concluded which will allow the scheme to proceed.
- 2.4 Pindar Nursery** – There is a delay to the current forecast completion date for this scheme, as pupils are still located at Pindar Nursery whilst waiting on the wider review of the requirements for the SEND scheme.



## Capital Programme Project Monitoring 2021/22 Outturn

### Public Health

#### 1. Projects Summary

| Project Name            | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|-------------------------|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| Leisure Centres Phase 2 | 2,226                   | 0                           | Nov 2022                 | Nov 2022                 | <b>G</b>   |
| <b>Total</b>            | <b>2,226</b>            | <b>0</b>                    |                          |                          |            |

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

## Capital Programme Project Monitoring 2021/22 Outturn

### Housing

#### 1. Projects Summary

| Project Name                            | Remaining Budget (£000) | Over / (Under) Spend (£000) | Original Completion Date | Forecast Completion Date | RAG Rating |
|---|-------------------------|-----------------------------|--------------------------|--------------------------|------------|
| St Leonard's Tower Block - Lift         | 496                     | (121)                       | March 2018               | March 2022               | <b>B</b>   |
| Goscote House Demolition                | 4,587                   | 0                           | Jan 2020                 | March 2023               | <b>A</b>   |
| New Build Council Housing               | 2,841                   | 0                           | April 2023               | June 2023                | <b>G</b>   |
| Tower Block Sprinklers                  | 1,299                   | 0                           | April 2022               | March 2023               | <b>G</b>   |
| Property Conversions                    | 435                     | 0                           | March 2022               | March 2023               | <b>G</b>   |
| Feasibility Study for Sheltered Housing | 250                     | 0                           | April 2022               | March 2023               | <b>P</b>   |
| Bridlespur Way Refurbishment            | 300                     | 0                           | TBC                      | March 2023               | <b>P</b>   |
| Retrofitting Feasibility                | 250                     | (250)                       | March 2022               | March 2022               | <b>G</b>   |
| Greener Homes                           | 1,800                   | 0                           | March 2022               | July 2022                | <b>G</b>   |
| <b>Total</b>                            | <b>12,242</b>           | <b>(371)</b>                |                          |                          |            |

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

- 2.1 Goscote House** – The project completion date has been extended to March 2023 due to the extended time taken for the Health and Safety Executive to sign off risk assessments for the demolition.
- 2.2 Feasibility Study for Sheltered Housing** – As reported previously, capacity within the contracts management team is such that other work has been prioritised. This will be progressed in 2022/23 as other projects reach their conclusion.

- 2.3 Bridlespur Way Refurbishment** - The refurbishment of Bridlespur Way will lead to a time-limited reduction in the availability of temporary accommodation for families. Therefore, the scheme has been deferred until current pressures on temporary accommodation alleviate. The scheme will progress in 2022/23.
- 2.4 Retrofitting Feasibility** – As previously reported, this piece of work will not now be carried out by external consultants but will instead be undertaken by internal staff funded from revenue resources.
- 2.5 Greener Homes** – Additional Government grant has been received for the next phase of the scheme. Only an element of this funding is being added to the capital programme due to there being budget remaining from the first phase (the budget having been overstated). Of the £3.8m addition, £2.9m is government grant and £0.9m is match funding to be funded from HRA underspends reported elsewhere in this report. £2.1m of this money will be paid over to Registered Providers to use on their own housing stock, with the remaining balance to be used on the Councils own housing stock.

**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 21/22<br>£000 | 2021/22 Spend<br>£000 | Slippage<br>£000 | Over/(under) Spend<br>£000 |
|--|------------------------------------|-----------------------|------------------|----------------------------|
| City Development & Neighbourhoods      | 182                                | 119                   | 63               | 0                          |
| Planning, Development & Transportation | 17,009                             | 13,248                | 3,655            | (106)                      |
| Tourism, Culture & Inward Investment   | 1,323                              | 831                   | 492              | 0                          |
| Neighbourhood & Environmental Services | 730                                | 319                   | 411              | 0                          |
| Estates & Building Services            | 8,807                              | 5,492                 | 3,192            | (123)                      |
| Housing General Fund                   | 9,476                              | 4,199                 | 5,228            | (49)                       |
| Adult Social Care                      | 0                                  | 0                     | 0                | 0                          |
| Children's Services                    | 6,199                              | 3,745                 | 2,454            | 0                          |
| <b>Total (excluding HRA)</b>           | <b>43,726</b>                      | <b>27,953</b>         | <b>15,495</b>    | <b>(278)</b>               |
| Housing Revenue Account                | 48,744                             | 44,820                | 1,751            | (2,173)                    |
| <b>Total (including HRA)</b>           | <b>92,470</b>                      | <b>72,773</b>         | <b>17,246</b>    | <b>(2,451)</b>             |

## 2. Summary of Individual Work Programmes

| Work Programme  | Dept/<br>Division | Approved<br>£000 | 2021/22<br>Spend<br>£000 | Slippage<br>£000 | Over/(under)<br>Spend<br>£000 |
|---|-------------------|------------------|--------------------------|------------------|-------------------------------|
| Feasibility Studies   | CDN               | 182              | 119                      | 63               | 0                             |
| Transport Improvement Works                                     | CDN (PDT)         | 6,051            | 4,978                    | 1,073            | 0                             |
| Bus Engine Retrofitting   | CDN (PDT)         | 621              | 423                      | 198              | 0                             |
| Air Quality Action Plan   | CDN (PDT)         | 598              | 233                      | 365              | 0                             |
| Highways Maintenance  | CDN (PDT)         | 6,360            | 5,599                    | 761              | 0                             |
| Townscape Heritage Initiative - Business Grants                 | CDN (PDT)         | 98               | 0                        | 0                | (98)                          |
| Flood Strategy  | CDN (PDT)         | 298              | 298                      | 0                | 0                             |
| Festive Decorations   | CDN (PDT)         | 76               | 76                       | 0                | 0                             |
| Local Environmental Works                                       | CDN (PDT)         | 559              | 558                      | 1                | 0                             |
| Legible Leicester   | CDN (PDT)         | 135              | 112                      | 23               | 0                             |
| Leicester Strategic Flood Risk Management Strategy              | CDN (PDT)         | 426              | 407                      | 19               | 0                             |
| Potential Strategic Development Sites Assessment                | CDN (PDT)         | 140              | 75                       | 65               | 0                             |
| Architectural & Feature Lighting (Grant)                        | CDN (PDT)         | 200              | 0                        | 200              | 0                             |
| Front Wall Enveloping   | CDN (PDT)         | 265              | 86                       | 179              | 0                             |
| Replacement Doors & Windows St Saviours Rd (Grant)              | CDN (PDT)         | 46               | 12                       | 34               | 0                             |
| Transforming Cities Work Programmes                             | CDN (PDT)         | 697              | 236                      | 461              | 0                             |
| Campbell Street Feasibility Study                               | CDN (PDT)         | 186              | 0                        | 186              | 0                             |
| Conservation Building Grants                                    | CDN (PDT)         | 69               | 40                       | 29               | 0                             |
| Street Nameplates City Branding Programme                       | CDN (PDT)         | 100              | 39                       | 61               | 0                             |
| On-Street Charging  | CDN (PDT)         | 66               | 58                       | 0                | (8)                           |
| Environment Agency Feasibility Studies                          | CDN (PDT)         | 18               | 18                       | 0                | 0                             |
| Heritage Interpretation Panels                                  | CDN (TCI)         | 284              | 159                      | 125              | 0                             |
| Retail Gateways (Grant)   | CDN (TCI)         | 239              | 165                      | 74               | 0                             |
| Leicester Museum and Art Gallery                                | CDN (TCI)         | 347              | 277                      | 70               | 0                             |
| Cank St Feasibility   | CDN (TCI)         | 57               | 27                       | 30               | 0                             |
| Local Shopping Centres Reopening & Improvement Programme Grants | CDN (TCI)         | 396              | 203                      | 193              | 0                             |
| Parks Plant and Equipment                                       | CDN (NES)         | 151              | 105                      | 46               | 0                             |
| Parks and Open Spaces   | CDN (NES)         | 579              | 214                      | 365              | 0                             |
| Euston Street Store   | CDN (EBS)         | 36               | 36                       | 0                | 0                             |
| Property & Operational Estate Capital Maintenance Programme     | CDN (EBS)         | 2,518            | 1,586                    | 932              | 0                             |
| Replacement cladding Phoenix Square                             | CDN (EBS)         | 562              | 373                      | 189              | 0                             |
| Green Homes   | CDN (EBS)         | 3,776            | 2,333                    | 1,443            | 0                             |
| Phoenix & Sovereign House                                       | CDN (EBS)         | 1,090            | 842                      | 248              | 0                             |
| CCTV Newarke Houses/Guildhall                                   | CDN (EBS)         | 85               | 59                       | 26               | 0                             |
| Depots Refurbishment  | CDN (EBS)         | 290              | 1                        | 289              | 0                             |
| Affordable Warmth   | CDN (EBS)         | 450              | 262                      | 65               | (123)                         |
| Private Sector Disabled Facilities Grant                        | CDN (HGF)         | 2,100            | 1,922                    | 178              | 0                             |
| Repayable Home Repair Loans                                     | CDN (HGF)         | 200              | 1                        | 150              | (49)                          |
| Vehicle Fleet Replacement Programme                             | CDN (HGF)         | 7,176            | 2,276                    | 4,900            | 0                             |
| School Capital Maintenance                                      | SCE (ECS)         | 5,782            | 3,640                    | 2,142            | 0                             |
| Foster Care Capital Contribution Scheme                         | SCE (ECS)         | 417              | 105                      | 312              | 0                             |
| <b>Total (excluding HRA)</b>                                    |                   | <b>43,726</b>    | <b>27,953</b>            | <b>15,495</b>    | <b>(278)</b>                  |

| Work Programme  | Dept/<br>Division | Approved<br>£000 | 2021/22<br>Spend<br>£000 | Slippage<br>£000 | Over/(under)<br>Spend<br>£000 |
|---|-------------------|------------------|--------------------------|------------------|-------------------------------|
| Council Housing - New Kitchens and Bathrooms          | CDN (HRA)         | 4,434            | 3,361                    | 0                | (1,073)                       |
| Council Housing - Boiler Replacements                 | CDN (HRA)         | 3,100            | 2,623                    | 0                | (477)                         |
| Council Housing - Rewiring                            | CDN (HRA)         | 1,988            | 1,830                    | 0                | (158)                         |
| Council Housing - Disabled Adaptations & Improvements | CDN (HRA)         | 1,437            | 1,137                    | 300              | 0                             |
| Council Housing - Insulation Works                    | CDN (HRA)         | 186              | 10                       | 0                | (176)                         |
| Council Housing - External Property Works             | CDN (HRA)         | 2,798            | 2,689                    | 0                | (109)                         |
| Council Housing - Fire and Safety Works               | CDN (HRA)         | 1,905            | 1,021                    | 884              | 0                             |
| Community & Environmental Works                       | CDN (HRA)         | 2,475            | 2,475                    | 0                | 0                             |
| Affordable Housing - Acquisitions                     | CDN (HRA)         | 28,410           | 28,410                   | 0                | 0                             |
| Affordable Housing - RPs & Others                     | CDN (HRA)         | 489              | 489                      | 0                | 0                             |
| Public Realm Works                                    | CDN (HRA)         | 953              | 386                      | 567              | 0                             |
| Business Systems                                      | CDN (HRA)         | 569              | 389                      | 0                | (180)                         |
| <b>Total HRA</b>                                      |                   | <b>48,744</b>    | <b>44,820</b>            | <b>1,751</b>     | <b>(2,173)</b>                |
| <b>Total (including HRA)</b>                          |                   | <b>92,470</b>    | <b>72,773</b>            | <b>17,246</b>    | <b>(2,451)</b>                |

### 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. Due to the pandemic, there has been a lot of slippage from the previous year.
- 3.2 **Grant Related Work Programmes** – As previously reported, several of the Council's work programmes involve provision of grants to local businesses. Uptake has been lower than expected, as a result of COVID-19 related delays and issues within the construction industry. The remaining funding will slip in to 2022/23.
- 3.3 **Transport Improvement Works** - Progress with several schemes has been impacted by COVID-19, causing delays in availability of contractors and delivery of materials, leading to slippage of £1,073k.
- 3.4 **Bus Engine Retrofitting** – The current retrofitting scheme is complete, and savings were made by operators. The remaining funds (£198k) are to be carried forward to be spent on new retrofits or approved measures set out in the Leicester Local Nitrogen Dioxide Plan 2021.
- 3.5 **Air Quality Action Plan** - Slippage of £365k into 2022/23 is required for future electric vehicle charger installations. This slippage is a result of issues related to finding suitable locations for the installations due to power supply requirements and consultations required.
- 3.6 **Highways Maintenance** – Two bridge maintenance schemes have been delayed to Summer 2022 due to new environmental permitting requirements and developer sewer construction works on Barkbythorpe Road. This has added £360k to the amount slippage reported at P9. As reported at P9, the remaining slippage relates to the new asset management IT system and maintenance schemes that have been reprogrammed into early 2022/23 due to issues with contractor availability.
- 3.7 **Townscape Heritage Initiative – Business Grants** – This programme was completed in April 2021 and a saving of £98k has been identified on this scheme.

- 3.8 **Potential Strategic Development Sites Assessment** - Land promotion work for the draft Local Plan has not progressed at the pace originally envisaged due to delays in the planning process imposed by new government advice. This work will need to slip £65k into 2022/23 and is likely to be completed during the second quarter.
- 3.9 **Front Wall Enveloping** – The Green Lane Road scheme is complete and the Narborough Road Scheme is programmed to complete in 2022/23.
- 3.10 **Transforming Cities Work Programmes** – Slippage of £461k relates to three cycle hub schemes. The St Margaret’s Bus Station hub forming part of the larger redevelopment scheme and two further schemes the LRI and Humberstone Gate hubs that have been delayed due to resource constraints.
- 3.11 **Campbell Street Feasibility** – As previously reported, slippage of £186k is due to delays in securing an appropriate consultant to cover the scheme. Appointments have now been made and works will proceed in 2022/23.
- 3.12 **Street Nameplates City Branding Programme** – This delay has been mainly due to resourcing issues, therefore works on the St Georges Cultural Quarter will slip into 2022/23.
- 3.13 **Heritage Interpretation Panels** – The majority of the £125k slippage is due to supplier delays, the panels have been ordered and are awaiting delivery.
- 3.14 **Leicester Museum and Art Gallery** – Slippage on the scheme is due to contractor delays when carrying out the internal works package.
- 3.15 **Parks Plant and Equipment** – Supply chain issues have resulted in equipment not being delivered within the original timeframe.
- 3.16 **Parks and Open Spaces** – Slippage of £365k relates to the Victoria Park Bandstand, Aylestone Recreation Ground and Rally Park schemes. As previously reported, delays on the Victoria Park and Aylestone Recreation Ground schemes are the result of ongoing consultations. Rally Park Ball Court is delayed due to reprioritisation of other works.
- 3.17 **Property & Operational Estate Capital Maintenance Programme** – As previously reported at period 9, elements of this programme have slipped whilst the larger decarbonisation programme for the Council’s estate is considered.



Further slippage since period 9 is due to material delays, contractor staffing shortages and unforeseen additional compliance works required. However, these works have now been completed in the first few weeks of the new financial year.

- 3.18 **Replacement Cladding Phoenix Square** – This funding is for initial pre-tender support whilst the Council awaits the outcome of the full funding application. An element of the slippage is due to ongoing contract negotiations in procuring surveys and works not being progressed until the full funding is in place.
- 3.19 **Green Homes** – As previously reported at period 9, slippage is forecast due to increased cases of COVID-19 over the winter limiting the contractor's ability to access properties to survey and install energy efficiency measures in residents' homes.
- 3.20 **Phoenix & Sovereign House** – The completion of Phoenix House lifts is due to slip into 2022/23, due to additional planning being required due to part of the building having listed status.
- 3.21 **Depot Refurbishment** – Both schemes are delayed until the spring to reduce the impact on services.
- 3.22 **Affordable Warmth** - The impact of COVID-19 over the winter has limited the contractor's ability to access properties to survey and install energy efficiency measures in residents' homes. This has resulted in slippage of £65k and an underspend of £123k.
- 3.23 **Disabled Facilities Grants** – As previously reported, slippage is due to COVID-19 delays and the availability of contractors.
- 3.24 **Repayable Home Repairs Loans** –The service area has been focusing on the delivery of Disabled Facilities Grants this year to clear backlogs as a result of COVID-19 disruptions. The service area will be refocusing on Repayable Home Repairs loans next year. This has resulted in slippage of £150k and savings of £49k.
- 3.25 **Fleet Replacement** – Slippage has increased to £4.9m due to ongoing global factors affecting new vehicle delivery lead times, including steel shortages and microchip supply issues. This has particularly impacted electric vehicles.

- 3.26 **School Capital Maintenance** – Additional works and national issues such as contractor availability and material delays have contributed to slippage on this programme. Further slippage which has previously been reported, is as a result of additional works being identified linked to the decarbonisation scheme, which have subsequently been programmed for a later date to minimise disruption to schools.
- 3.27 **Foster Carers – Capital Contribution** - Applications for this funding continue to be received, with a further £72k spend committed. This capital investment supports the Council's wider placement sufficiency requirements to ensure adequate suitable accommodation for Looked After Children. There are ongoing discussions with foster carers about the possibility of adaptations to support additional children, which will be set against the slippage of £300k.
- 3.28 **Kitchens & Bathrooms** – The quantity of work undertaken during lockdown was significantly lower than normal, leading to a £1.1m underspend against this budget.
- 3.29 **Boiler Replacements** – An underspend of £477k reflects a reduction in the numbers in the demand for boiler replacements during the year.
- 3.30 **Re-Wiring** – This is a demand-led budget and as such £158k of surplus budget brought forward from 2020/21 was not required this year.
- 3.31 **Disabled Adaptations** – There has been limited capacity to make referrals for adaptations to properties to enable occupation by people on the housing register who are waiting for a suitable council property to become available. Slipping £300k of this budget will enable this work to be carried out in 2022/23.
- 3.32 **Insulation works** - These works are now incorporated within the Green Homes project resulting in an underspend of £176k.
- 3.33 **Fire & Safety Works** – There has been a national delay in the process for manufacturers of fire doors gaining accredited approval for their use from government resulting in slippage of £884k. Existing doors continue to be monitored to ensure they remain safe, and as the situation has improved recently, new doors are now being fitted which will continue into 2022/23.
- 3.34 **Public Realm Works** – As previously reported, slippage on this work programme is associated with a parking scheme at Ottawa Road and delays in contractor

availability and formal scheme sign off will now result in much of this being spent in 2022/23.

3.35 **Business Systems** – Delays to service development projects means that work which was due to take place this year will now be undertaken in 2022/23. The remaining element is revenue expenditure and will therefore be funded from revenue budgets.

**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 As at the end of Period 12, £9k of the budgets for capital provisions had been spent.
- 1.3 Normally provisions are there if needed. The sums below are for the 2021/22 financial year.

| Provision                   | Dept/<br>Division | Approved<br>£000 | 2021/22<br>Spend<br>£000 | 2021/22<br>Total<br>£000 | Remaining<br>Budget<br>£000 |
|-----------------------------|-------------------|------------------|--------------------------|--------------------------|-----------------------------|
| Empty Homes Purchase        | CDN (HGF)         | 50               | 9                        | 9                        | 41                          |
| Early Years - Two Year Olds | SCE (ECS)         | 141              | 0                        | 0                        | 141                         |
| <b>Total</b>                |                   | <b>191</b>       | <b>9</b>                 | <b>9</b>                 | <b>182</b>                  |

- 1.4 The Early Years capital funding is to support development of places for early education for the city. It was not advisable for expansion and development of provision to take place in 2021/22, given the continued risks of sustainability of providers. In the year ahead as the picture becomes clearer, it is anticipated that this funding will be required to support small project development cases, as it's likely providers will need to remodel and respond to changes in demand. Approval is sought to slip the remaining £141k in to the 22/23 programme.

**PROJECTS SUBSTANTIALLY COMPLETE****1. Summary**

- 1.1 As at the end of Period 12, the following schemes were nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

| <b>Project</b>                                      | <b>Dept/<br/>Division</b> | <b>Approved<br/>£000</b> | <b>2021/22<br/>Spend<br/>£000</b> | <b>Over/(Under)<br/>Spend<br/>£000</b> |
|---|---------------------------|--------------------------|-----------------------------------|--|
| Leicester North West Major Transport Scheme         | CDN (PDT)                 | 309                      | 220                               | 0                                      |
| Pioneer Park  | CDN (PDT)                 | 627                      | 600                               | 0                                      |
| Pioneer Park Commercial Workspace (formerly Dock 2) | CDN (PDT)                 | 193                      | 84                                | 0                                      |
| Ashton Green Highways Infrastructure                | CDN (PDT)                 | 4,260                    | 4,260                             | 0                                      |
| Gresham Business Workspace                          | CDN (TCI)                 | 250                      | 186                               | 0                                      |
| Museums Security Programme                          | CDN (TCI)                 | 125                      | 125                               | 0                                      |
| St Mary's Allotments                                | CDN (NES)                 | 206                      | 153                               | (42)                                   |
| Highways and Parks Public Toilet Refurbishment      | CDN (NES)                 | 76                       | 76                                | 0                                      |
| Library RFID Self-Service System                    | CDN (NES)                 | 330                      | 295                               | (10)                                   |
| 11-15 Horsefair Street                              | CDN (EBS)                 | 136                      | 3                                 | (78)                                   |
| Haymarket House, Car Parks & Lifts                  | CDN (EBS)                 | 568                      | 158                               | (230)                                  |
| Demolition of Former Anchor Recovery Centre         | CDN (EBS)                 | 13                       | 1                                 | (12)                                   |
| Haymarket Centre                                    | CDN (EBS)                 | 9,960                    | 9,895                             | (65)                                   |
| ICT Investment - Phase 2 - Liquidlogic              | SCE (ASC)                 | 42                       | 0                                 | (42)                                   |
| Additional Primary School Places                    | SCE (ECS)                 | 72                       | 6                                 | 0                                      |
| Additional Secondary School Places                  | SCE (ECS)                 | 114                      | 111                               | (3)                                    |
| Children's Residential Homes                        | SCE (ECS)                 | 156                      | 39                                | (58)                                   |
| Relocation of Sexual Health Clinic                  | PH                        | 36                       | 33                                | (3)                                    |
| Leisure Centre Improvement Programme                | PH                        | 819                      | 817                               | (2)                                    |
| <b>Total</b>  |                           | <b>18,292</b>            | <b>17,062</b>                     | <b>(545)</b>                           |

**POLICY PROVISIONS****1. Summary**

1.1. As at Period 12, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

| <b>Department/<br/>Division</b> | <b>Policy Provision</b>              | <b>Amount<br/>£000</b> |
|---------------------------------|--------------------------------------|------------------------|
| CDN (PDT)                       | Ashton Green Infrastructure          | 400                    |
| CDN (PDT)                       | Strategic Acquisitions               | 4,000                  |
| CDN (TCII)                      | Tourism & Culture                    | 550                    |
| CDN (TCII)                      | Highways, Transport & Infrastructure | 3,364                  |
| CDN (Various)                   | People & Neighbourhoods              | 392                    |
| SCE (ASC)                       | Extra Care Schemes                   | 4,500                  |
| SCE (ECS)                       | New School Places                    | 5,773                  |
| Other                           | Black Lives Matter                   | 500                    |
| <b>Total (excluding HRA)</b>    |                                      | <b>19,479</b>          |
| CDN (HRA)                       | Other HRA Schemes                    | 1,000                  |
| <b>Total HRA</b>                |                                      | <b>1,000</b>           |
| <b>Total (including HRA)</b>    |                                      | <b>20,479</b>          |

1.2. Releases from policy provisions since the 2020/21 Outturn (reflected in the tables above) are listed below:

- £25k policy provision for Skate Park Feasibility
- £1,000k policy provision for Phoenix 2020
- £500k policy provision for Western Park Sanitisation Tree Works
- £1,000k policy provision for Leisure Centres Phase 2
- £895k policy provision for Pindar Nursery
- £250k policy provision for Glebelands Primary School Modular Building
- £600k policy provision for Additional SEND Places
- £2,200k policy provision for Expansion of Children's Homes
- £375k policy provision for St Margaret's Pastures Skate Park

1.3. In addition to the above policy provisions, £4.7m is being held as a programme contingency to manage cost pressures from construction inflation or for any emerging capital needs, such as match funding for any new government programmes.

---

# **Income Collection April 2021 – March 2022**

Decision to be taken by: N/A

Overview Select Committee  
Date of meeting: 30<sup>th</sup> June 2022

Lead director: Colin Sharpe,  
Deputy Director of Finance

---

### **Useful information**

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: V1

## **1. Summary**

This report details progress made in collecting debts raised by the Council during 2021-22, together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that it has not been possible to collect after reasonable effort and expense.

This is a routine report made to members twice each year. Performance was affected by the pandemic, with most areas responsible for collection having to do more to support those struggling to pay. However, it is positive to note that performance is going back to pre-pandemic levels.

Figures included in this report need to be seen in the context of the total amount of income collected by the Council from the public each year, in 2021/22 this was £445m. Whilst some debt is difficult to collect, and some people find it difficult to pay, ultimately we collect nearly all of the money due to us. It is currently estimated less than 2% is eventually written off. Although it should be noted debt is continuing to be impacted by the pandemic, but it is positive to note arrears and debt collection are improving.

## **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 is 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 2021/22

#### **5. Detailed report**

See appendices

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

#### 6.1 Financial implications

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

Amy Oliver, Head of Finance

#### 6.2 Legal implications

Where appropriate debts are the subject of legal action through the courts.

Jeremy Rainbow – Principal Lawyer (Litigation) Ext 37 1435

#### 6.3 Equalities implications

The Council must make every effort to collect its due debts. The Council's policy aims at ensuring that the Council collects debt in a fair, proportionate and respectful manner.

Copies of the policy are available on the Council's 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). Significant efforts have been made to be fair during the pandemic.

#### 6.4 Climate Emergency implications

No climate change implications.

#### 6.5 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 an Income Collection report, and therefore no policy changes are proposed.

#### **7. Background information and other papers:**

Finance Procedure Rules

Debt Policy

#### **8. Summary of appendices:**

Appendix A is a summary of all debt.

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

Appendix C is a summary of all write offs;

Appendix D is a summary of Write Offs Over £5k for 2021/22.

#### **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

Summary of all Debt

| Income Type                                | Debts brought forward @01/04/2021<br>£m | Debt Raised<br>£m | Collected<br>£m | Written Off<br>£m | Debts Outstanding @ 31/03/2022<br>£m |
|--|---|-------------------|-----------------|-------------------|--------------------------------------|
| Non-Domestic Rates (including Costs)       | 17.30                                   | 89.59             | (92.25)         | (0.98)            | 13.66                                |
| Council Tax (including costs)              | 25.68                                   | 156.14            | (151.40)        | (1.20)            | 29.22                                |
| Housing Benefit Overpayments               | 11.62                                   | 2.66              | (3.69)          | (0.49)            | 10.10                                |
| Council House Rents-Current Tenant arrears | 3.23                                    | 79.59             | (79.55)         | (0.19)            | 3.08                                 |
| On & Off-Street car parking fines          | 1.76                                    | 3.18              | (1.66)          | (1.34)            | 1.94                                 |
| Bus Lane Enforcement                       | 0.95                                    | 1.37              | (1.27)          | (0.34)            | 0.71                                 |
| Other Income                               | 14.51                                   | 123.64            | (115.55)        | (0.30)            | 22.30                                |
| <b>TOTALS</b>                              | <b>75.05</b>                            | <b>456.17</b>     | <b>(445.37)</b> | <b>(4.84)</b>     | <b>81.01</b>                         |

## 1. Business Rates

### 1.1 Headline Figures for period under review including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 17.30                      | 89.59             | (92.25)              | (0.98)                 | 13.66                      |

### 1.2 Background and comparator information

#### Background Information

Business Rates are a national tax paid by approximately 12,900 businesses in Leicester.

#### Comparator Information

Debt collection was significantly affected by the pandemic; however it is positive to note the improvements in collection during 2021/22. Below shows the collection rate over the last three years and shows it is back to pre-pandemic levels:

- Collection 2019/20 – 95.68%
- Collection 2020/21 – 89.66%
- Collection 2021/22 – 95.86%

Although during the year a large number of businesses continued to receive business rate relief, reducing the amount to be collected.

It should be noted that unpaid debt on 31<sup>st</sup> March continues to be collected in the following year.

As at 31<sup>st</sup> March 2022, our collection performance places us 8<sup>th</sup> out of 13 authorities with comparable populations.

### 1.3 Debt write-off

| Reason for Write Off<br>↓   | No.        | Value<br>£000 |
|---|------------|---------------|
| Unable to Trace   | 9          | 129           |
| Deceased – No Assets  | 0          | 0             |
| Insolvent / Bankrupt/ Liquidated  | 121        | 770           |
| All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons | 75         | 83            |
| <b>Totals</b>   | <b>205</b> | <b>982</b>    |

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

#### Changes

For 2021/22 the expanded retail and nursery discounts were applied at 100% for the first three months, 1 April 2021 to 30 June 2021, and at 66% for the remaining period this year.

From 1 July 2021 there was also a cap applied to the relief per business in the retail, leisure and hospitality sectors, set at £105K or £2M, depending on whether the business in occupation was closed or would have been required to close based on Government guidance as at 5 January 2021. For eligible childcare nurseries the relief cap was £105,000, applicable again from 1 July 2021. Consequently, the amount of collectable debt increased.

Businesses continued to face further pressure due to Omicron variant and whilst further grant support was provided by the Government, collection of overdue debt was challenging. The outstanding debt may be reduced by the application of retrospective rates reliefs during 2022/23.

### 1.5 Summary of measures taken to recover debt

#### Debt recovery measures

Due to the pandemic, recovery action was paused in April 2020, normal recovery action resumed from April 2021.

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.
- If the full charge becomes payable and is not paid within 7 days, a summons will be issued, and a liability order sought at the Magistrates' Court. Costs become payable at this stage.

## 2. Council Tax

### 2.1 Headline Figures for period under review including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 25.68                      | 156.14            | (151.40)             | (1.20)                 | 29.22                      |

### 2.2 Background and comparator information

#### Background information

Council tax is a national tax, charged to c.142,000 properties in Leicester. The amount we collect includes sums charged by the fire authority and police and crime commissioner.

#### Comparator information

The following shows the percentage debt collection in the year it is raised. It is pleasing to note debt collected is starting to approach pre-covid levels.

- Collection 2019/20 – 94.64%
- Collection 2020/21 – 91.64%
- Collection 2021/22 – 92.97%

It should be noted that unpaid debt on 31st March continues to be collected in the following year. To 31<sup>st</sup> March 2022 we had collected £8.4m of the £25.68m prior years' debt due.

As at 31<sup>st</sup> March 2022, our collection performance places us 8<sup>th</sup> out of 13 authorities with comparable populations.

### 2.3 Debt write-off

| Reason for Write Off<br>↓   | No.         | Value<br>£000 |
|---|-------------|---------------|
| Unable to Trace   | 744         | 668           |
| Deceased – No Assets  | 168         | 138           |
| Insolvent / Bankrupt/ Liquidated  | 250         | 235           |
| All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons | 432         | 158           |
| <b>Totals</b>   | <b>1594</b> | <b>1,199</b>  |

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

#### Changes

The Council Tax Discretionary Relief policy was also reviewed at the beginning of the 2021/22, to ensure that the process of applying for relief was made as simple as possible. During 2021/22, £1.1m relief was paid.

In May 2021, the Debt Respite Scheme (Breathing Space) legislation was enforced giving taxpayers breathing space and giving legal protections from creditor action for up to 60 days. The protections include pausing all enforcement action and contact from creditors and freezing most interest and charges on debts. The uptake of this is currently low but this may increase going forward as a consequence of the cost of living crisis.

### 2.5 Summary of measures taken to recover debt

#### Debt recovery measures

Due to the pandemic, recovery action was paused in April 2020, normal recovery action resumed from April 2021.

The usual 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.

At every stage of the recovery process, the council tax payer is offered a formal payment arrangement. Within the recovery process, safeguards are in place to protect the most vulnerable.

Leicester Magistrates Court has from May 2021 provided regular liability order hearing dates which are on average held twice monthly. Understanding the challenges households and businesses may be experiencing, we continue to encourage them 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.

### 3. Overpaid Housing Benefit

#### 3.1 Headline Figures for period under review including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 11.62                      | 2.66              | (3.69)               | (0.49)                 | 10.10                      |

#### 3.2 Background and comparator information

##### Background information

The main cause of housing benefit overpayments is delays in recipients telling the Council of changes in their circumstances, resulting in too much benefit being paid. By its nature, overpaid housing benefit is difficult to collect. Overall, housing benefit debt continues to reduce:

- 31/03/2019 £15.50m
- 31/03/2020 £13.11m
- 31/03/2021 £11.62m
- 31/03/2022 £10.10m

##### Comparator information

There is no like for like comparator information available.

### 3.3 Debt write-off

| Reason for Write Off<br>↓  | No.          | Value<br>£000 |
|--|--------------|---------------|
| Unable to Trace  | 93           | 75            |
| Deceased – No Assets   | 17           | 49            |
| Insolvent / Bankrupt/ Liquidated   | 35           | 79            |
| All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on | 914          | 285           |
| <b>Totals</b>  | <b>1,059</b> | <b>488</b>    |

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

#### Changes

The migration to Universal Credit continues to impact on our ability to collect debt from ongoing benefit. A claimant moving onto UC is notified of any outstanding balance immediately and given a range of options to make repayment.

The HB Debt Service Project allows the Council to submit cases to HMRC to gain details of any employment so that subsequent applications can be made to employers for Direct Earnings Attachments. This obligates employers to recover overpayments from their employees' earnings. Currently, £0.57m is being collected from earnings.

In May 2021, the Debt Respite Scheme (Breathing Space) legislation was enforced giving those in housing benefit arrears breathing space and giving legal protections from creditor action for up to 60 days. The protections include pausing all enforcement action and contact from creditors and freezing most interest and charges on debts. The uptake of this is currently low but this may increase going forward as a consequence of the cost of living crisis.

### 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. (A maximum of 3 deductions are allowed at any one time – if rent, council tax & utility bills are owed – the Council would not receive any monies in relation to the housing benefit debt).

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.

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 including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 3.23                       | 79.59             | (79.55)              | (0.19)                 | 3.08                       |

##### 4.2 Background and comparator information

###### Background information

The authority currently collects rent from approximately 19,300 tenancies across the City. 7,200 of our tenants (37%) are on full or partial Housing Benefit and 6,400 (33%) on Universal Credit. The debt raised & collected includes the element paid by Housing Benefit.

###### Comparator information

###### Changes

Arrears have decreased by £150k over the year; this is a positive outcome given the continuing impact of the COVID-19 pandemic; with furlough support having ended in September 2021 and the temporary uplift in Universal Credit (UC) having ended in October 2021, an adverse movement in rent arrears was predicted. Whilst the overall debt has remained stable, the cost of living crisis may affect this going forward.

##### 4.3 Debt write-off

| Reason for Write Off<br>↓   | No.        | Value<br>£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 ons | 331        | 186           |
| <b>Totals</b>   | <b>331</b> | <b>186</b>    |

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

##### Changes

It is now over 3 years since the implementation of Universal Credit (UC) and it is anticipated that the full UC migration will be completed by 2024. However, due to COVID-19, full UC migration and roll-out may be delayed further.

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).

The continuing expectation is that tenants should be paying their rent and abiding by all terms of their tenancy agreement to the best of their ability. Various support is available to assist tenants to pay their rent as normal.

In May 2021, the Debt Respite Scheme (Breathing Space) legislation was enforced giving tenants the right to legal protections from landlord action, with a standard breathing space giving legal protections from creditor action for up to 60 days. The protections include pausing all enforcement action and contact from creditors and freezing most interest and charges on debts. This scheme has limited uptake so far but this may increase with the cost of living crisis.

#### 4.5 Summary of measures taken to recover debt

##### Debt recovery measures

The Housing Income Management Team are working collaboratively with the Department for Work & Pensions (DWP) and work coaches from the local Job Centre Plus 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 also provide support to claim Discretionary Housing funds.

The additional recruitment of Rent Management Advisors (RMA) was approved in the summer to deal with potential surges in UC claims. The RMA role has expanded to all benefits following a successful a 6-month pilot, with an aim to support all council tenants in maximising income, claiming benefits & sustaining tenancies by preventing court action.

The ultimate sanction for rent arrears is eviction as the option of last choice, however the team works with tenants to prevent this.

## 5. Parking Fines (Penalty Charge Notice)

### 5.1 Headline Figures for period under review including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 1.76                       | 3.18              | (1.66)               | (1.34)                 | 1.94                       |

### 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:

- (a) £25 or £35 if paid within 14 days;
- (b) £50 or £70 if paid after 14 days.

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

#### Comparator information

The percentage of tickets issued during the year, paid at 31<sup>st</sup> March.

- 2020/21 - 68%
- 2021/22 - 75%

### 5.3 Debt write-off

| Reason for Write Off<br>↓   | No.           | Value<br>£000 |
|---|---------------|---------------|
| Unable to Trace   | 8,116         | 787           |
| Deceased – No Assets  | 16            | 2             |
| Insolvent / Bankrupt/ Liquidated  | 143           | 15            |
| All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons | 5,356         | 541           |
| <b>Totals</b>   | <b>13,631</b> | <b>1,345</b>  |

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

Changes

There has been a reduction in the number of PCN's being issued, which could be attributed to changing workforce behaviours and reduced on-street parking availability in the city.

**5.5 Summary of measures taken to recover debt**

Usual debt recovery measures

- Reminder letters
- Legal action



## 6. Bus Lane Enforcement Fines

### 6.1 Headline Figures for period under review including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 0.95                       | 1.37              | (1.27)               | (0.34)                 | 0.71                       |

### 6.2 Background and comparator information

#### Background information

The Council issues fines for driving in bus lanes with enforcement schemes. Fines are levied at the rate of £60, which is discounted to £30 if paid within 14 days.

The clearways outside London Road Train Station are levied at the rate of £70, which is discounted to £35 if paid within 21 days.

The debt collection for bus lane enforcement debt is currently carried out on our behalf by Nottingham City Council.

#### Comparator information

The percentage of tickets issued during the year, paid at 31<sup>st</sup> March:

- 2020/21 - 63%
- 2021/22 - 64%

### 6.3 Debt write-off

| Reason for Write Off<br>↓   | No.          | Value<br>£000 |
|---|--------------|---------------|
| Unable to Trace   | 1,480        | 64            |
| Deceased – No Assets  | 15           | 1             |
| Insolvent / Bankrupt/ Liquidated  | 41           | 4             |
| All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons | 4,025        | 272           |
| <b>Totals</b>   | <b>5,561</b> | <b>341</b>    |

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

Changes

As pandemic restrictions have been eased and more traffic is returning to the roads, there has been an increase in contravention, but not to pre-covid levels.

All cameras are now active apart from Abbey Street which is due to change from being a bus gate to a bus lane once the renovation of St Margaret's bus station has been fully completed.

**6.5 Summary of measures taken to recover debt**

Usual debt recovery measures

- Reminder letters
- Legal action

## 7. Other income

### 7.1 Headline Figures for period under review including costs

| Uncollected debt b/f<br>£m | Debt raised<br>£m | Debt collected<br>£m | Debt written off<br>£m | Uncollected debt c/f<br>£m |
|----------------------------|-------------------|----------------------|------------------------|----------------------------|
| 14.51                      | 123.64            | (115.55)             | (0.30)                 | 22.30                      |

### 7.2 Background and comparator information

#### Background information

“Other Income” includes all income other than the sources described above and is collected by the Business Service Centre. It covers a wide variety of income from various individuals and organisations. Examples include commercial rent, adult social care costs relating to residential and non-residential care, and repairs & maintenance charges relating to council property.

Unlike other sources of debt, we are never too concerned about the actual amount outstanding, this is because debt can be raised at any time of the year. For example, £9m of debt was raised during March 2022 that was not paid at the year end. Therefore, we focus on aged debt as the main measure of performance.

#### Comparator information

Debt over 12 months old (aged debt) has increased for the second time in 5 years:

- 31/03/2019 £3.59m
- 31/03/2020 £3.48m
- 31/03/2021 £4.33m
- 31/03/2022 £4.48m

The level of debt over 12 months old is believed to have increased because of the Covid-19 pandemic.

## 7.3 Debt write-off

| Reason for Write Off<br>↓  | No.          | Value<br>£000 |
|--|--------------|---------------|
| Unable to Trace  | 68           | 13            |
| Deceased – No Assets   | 55           | 21            |
| Insolvent / Bankrupt/ Liquidated   | 24           | 18            |
| All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on | 1,403        | 248           |
| <b>Totals</b>  | <b>1,550</b> | <b>300</b>    |

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

Changes

## 7.5 Summary of measures taken to recover debt

Debt recovery measures

The debt recovery measures detailed below are part of our normal process, but the Council continues to offer support where required for those suffering financial hardship. We also continue to adhere to the extended national restrictions on enforcement.

Normally:

A first reminder is issued at 14 days when an invoice remains unpaid. Seven days later a second reminder is issued.

A letter before action, known as a letter of claim, follows if the case is suitable for enforcement in the county court. If the Council obtains a judgement or an order for recovery of an award and if payment is still not forthcoming, the next actions can include:

- Referral to an enforcement agent
- Third party debt order
- Attachment to earnings
- Charging Order

Cases not suitable for enforcement through county court procedures are referred to enforcement agents for collection.

**Summary of all Write Offs**

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

| <b>Income Type</b>                   | <b>Unable to trace<br/>£0</b> | <b>Deceased -<br/>no assets<br/>£0</b> | <b>Insolvent/<br/>Bankrupt/<br/>Liquidated<br/>£0</b> | <b>Irrecoverable at<br/>reasonable<br/>expense/including<br/>adjustments for costs<br/>and write ons<br/>£0</b> | <b>Total Write Offs<br/>@ 31/03/2022<br/>£0</b> |
|--------------------------------------|-------------------------------|--|---|---|---|
| Non Domestic Rates (including Costs) | 129                           | 0                                      | 770   | 83  | 982   |
| Council Tax (including Costs)        | 668                           | 138                                    | 235   | 158   | 1,199   |
| Housing Benefit Overpayments         | 75                            | 49                                     | 79  | 285   | 488   |
| Council House Rents                  | 0                             | 0                                      | 0   | 186   | 186   |
| On and Off-Street Car Parking fines  | 787                           | 2                                      | 15  | 541   | 1,345   |
| Bus Lane Enforcement                 | 64                            | 1                                      | 4   | 272   | 341   |
| Other Income                         | 13                            | 21                                     | 18  | 248   | 300   |
| <b>Totals</b>                        | <b>1,736</b>                  | <b>211</b>                             | <b>1,121</b>  | <b>1,773</b>  | <b>4,841</b>                                    |

**Write Offs Over £5k for 2021/22**

| <b>Income Type</b>                   | <b>No. of Write Offs</b> | <b>Value<br/>£000</b> |
|--------------------------------------|--------------------------|-----------------------|
| Non Domestic Rates (including Costs) | 39                       | 734                   |
| Council Tax (including Costs)        | 7                        | 43                    |
| Housing Benefit Overpayments         | 14                       | 67                    |
| Council House Rents                  | 8                        | 53                    |
| On and Off-Street Car Parking fines  | 0                        | 0                     |
| Bus Lane Enforcement                 | 0                        | 0                     |
| Other Income                         | 7                        | 44                    |
| <b>Totals</b>                        | <b>75</b>                | <b>941</b>            |

---

## **Overview Select Committee**

### **Review of Treasury Management Activities**

### **2021/22**

Overview Select Committee  
Date of Meeting: 30<sup>th</sup> June 2022

Lead director: Colin Sharpe, Deputy Director of Finance

---

## Useful information:

- Ward(s) affected
- Report authors: Amy Oliver  
Nick Booth
- Author contact details: [Amy.oliver@leicester.gov.uk](mailto:Amy.oliver@leicester.gov.uk)  
[Nick.booth@leicester.gov.uk](mailto:Nick.booth@leicester.gov.uk)
- Report version number 1

## 1. Summary

- 1.1 This report reviews how the Council conducted its borrowing and investments during 2021/22.
- 1.2 During 2021/22 we continued to see disruption as a consequence of the pandemic with continued lockdowns, which although reduced still significantly impacted the economy. Then towards the end of the year, the Russian invasion of Ukraine also created further disruption and uncertainty.
- 1.3 The year started with record low interest rates with a base rate of just 0.1% and an expectation that they would remain lower for longer. There was even a concern that rates would turn negative. However, towards the end of the year rates started to rise significantly for the first time since the banking crisis of 2008, with three rises in base rate by the Bank of England to 0.75%. This was in response to increased inflationary pressures. This rise in interest rates (and the expectation of further rises) has allowed the Council to take advantage of better returns in the market particularly as a number of 2 year loans to other local authorities made in 2019/20 came to maturity. Income received from investments has also held up due to high levels of cash balances as a result of receiving grant ahead of need.
- 1.4 The outlook for the economy remains uncertain with the emergence of strong inflationary pressures (including increased energy prices) and tax rises.

## 2. Background

- 2.1 Treasury management is the process by which our borrowing is managed, and our cash balances are invested. Whilst there are links to the budget, the sums in this report do not form part of the budget. Cash balances reported here cannot be spent, except to the extent shown in the budget report and revenue outturn report.
- 2.2 The Council has incurred debt to pay for past capital expenditure.
- 2.3 The Council also has cash balances. These are needed for day to day expenditure (e.g. to pay wages when they are due). A substantial proportion can only be used to repay debt but (because of Government rules) it is prohibitively expensive to repay debt early. Thus, they are held in investments.
- 2.4 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.
- 2.5 Reports reviewing treasury management activities are submitted twice a year. The previous report was presented to your committee on 16th December 2021.



### 3. **Recommendations**

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

### 4. **Overview of Treasury Management**

#### Main elements of Treasury Management

- 4.1 There are two main elements to treasury management. The first is managing our borrowings which have been taken out to finance capital expenditure. Most capital schemes are now financed by grant, and only a limited number of schemes are financed by borrowing (generally those which pay for themselves). In the past the Government expected us to borrow but allowed for the cost of borrowing in our grant settlement, and we still have a lot of debt which was taken to meet this capital expenditure.
- 4.2 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. In recent years, Government rule changes have normally made it prohibitively expensive to repay loans borrowed from the Public Works Loans Board earlier than the scheduled maturity date.
- 4.3 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).
- 4.4 The second element is cash management which 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).
- 4.5 The Council has substantial investments but this is not “spare cash”. There are four reasons for the level of investments:-
- (a) Whilst the Government no longer supports capital spending with borrowing allocations, we are still required to provide money in the budget each year to repay debt. Because of the punitive rules described above, we are not usually able to repay any long-term debt, and therefore have to invest the cash;
  - (b) We have working balances arising from our day to day business (e.g. council tax received before we have to pay wages, and capital grants received in advance of capital spending);
  - (c) We have reserves, which are held in cash until we need to spend them;
  - (d) This year, investments have been bolstered by grants received for the pandemic prior to need to spend.

#### Treasury Management Policy and Monitoring

- 4.6 The activities to which this report relates were governed by the Treasury Strategy for 2021/22 which was approved by the Council on 17th February 2021. This establishes an outline plan for borrowing and investment. The strategy for 2022/23 was approved by the Council on 23rd

February 2022 and governs the treasury strategy from that point. The Treasury Strategy is drawn up in the light of 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.

- 4.7 A twice-yearly report is submitted to your Committee reviewing the treasury activity undertaken in the year. This report is the final report for 2021/22

#### Loans and Investments at Key Dates

- 4.8 Table 1 below shows the loans (money borrowed by the Council) and investments (money invested by the Council) as at 30/09/2021 and at 31/03/2022. The rates shown are the averages paid and received during 2021/22.
- 4.9 The level of gross debt (total loans borrowed) has remained unchanged. No new long-term loans have been borrowed and no debt restructuring has taken place during the year.
- 4.10 Investments have decreased by £32m from £353m to £321m. This change is within the range of what is normal (for example if grant income has been spent) and reflects the usual pattern of balances declining towards the end of the financial year, though the decline in balances during the second part of the financial year was somewhat less than experienced in recent years.
- 4.11 There was a deliberate shift since the second half of the 2019/20 financial year to increase investments held by other local authorities and reduce investments held by banks. This was in part to take advantage of some good rates offered by local authorities for fixed periods up to 3 years and in part to reduce exposure to individual banks. At the end of the 2021/22 financial year, the Council's deposits with banks were restricted to a secured deposit with Nationwide plus exposure to Barclays who act as our bankers. We may in the future look to increase our deposits with banks if they can be secured by other assets.
- 4.12 The Council has continued to make use of Money Market Funds which comprise a basket of a number of short dated (usually no more than 90 days) loans. The funds that we use are very low risk and comprise only of securities with very high credit ratings and provide liquidity. We have never lost any money in investing in these funds, but the downside of their safety is that returns are generally quite low.

**Table 1- Loans & Investments**

|  | Position at<br>30/09/2021<br>Principal<br>£M | Position at<br>31/03/2022<br>Principal<br>£M | Average<br>Rate |
|--|--|--|-----------------|
| <b>Long Term<br/>Fixed Rate<br/>Loans</b>            |  |  |                 |
| Public Works<br>Loan Board<br>(PWLB)                 | 134  | 134  | 4.2%            |
| Bank Loans   | 25   | 25   | 4.5%            |
| <b>LOBO Loans</b>                                    |  |  |                 |
| Bank Loans   | 20   | 20   | 4.5%            |
| <b>Short Term<br/>(less than 6<br/>months) Loans</b> |  |  |                 |
| Local Authority<br>Loans                             | NIL  | NIL  | N/A _           |
| <b>Gross Debt</b>                                    | <b>179</b>                                   | <b>179</b>                                   | <b>4.3%</b>     |
| <b>Treasury<br/>Investments</b>                      |  |  |                 |
| Banks and Build<br>Soc                               | 5  | 5  |                 |
| Other Local<br>Authorities                           | 175  | 188  |                 |
| Government<br>Debt                                   | 73   | NIL  |                 |
| Management<br>Office                                 |  |  |                 |
| Money Market<br>Funds                                | 92   | 120  |                 |
| Property Funds                                       | 8  | 8  |                 |
| <b>Total Treasury<br/>Investments</b>                | <b>353</b>                                   | <b>321</b>                                   | <b>0.6%</b>     |
| <b>NET<br/>INVESTMENTS</b>                           | <b>174</b>                                   | <b>142</b>                                   |                 |

4.12 The investments include £8m in property unit trusts. These are unit trusts which invest in property (as opposed to more traditional unit trusts that invest in shares). These trusts have recovered in value during 2021-22 having declined during the previous year. This is not reflected in the table above because our strategy is to hold the investments long term for income and that short-term changes in capital values are not the prime focus of our investment.

4.13 The dividends received on the units in the year totalled £285,830 which have held up remarkably well during the covid lockdown.

- 4.14 The treasury strategy permits investments in property funds up to a total value of £30M but no further such investments have been made during the last year. However, we shall continue to review this position.
- 4.15 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. Since 30<sup>th</sup> September, the Council has made no further loans to third parties. The Council has now incurred expenditure totalling £15.8m on the Haymarket Shopping Centre and Pioneer Park. These schemes are now complete and operating successfully. A summary of loans and investments made under the Investment Strategy is shown in table 2 below.

**Table 2- Loans & Investments under the Investment Strategy**

| <b>Investment</b>                        | <b>Total Capital Expenditure or loans outstanding £m</b> | <b>Percentage Return 2021/2022</b> |
|--|--|------------------------------------|
| <b><u>Loans</u></b>                      |  |                                    |
| Ethically Sourced Products               | £1.2m  | 4%                                 |
| Leicestershire County Cricket Club       | £2.3m  | 5%                                 |
| <b><u>Other Investments</u></b>          |  |                                    |
| Haymarket Centre Redevelopment           | £10.42m  | 2.3%                               |
| Pioneer Park*                            | £5.36m   | 2%                                 |
| <b>Total All Loans &amp; Investments</b> | <b>£19.28m</b>   | <b>2.6%</b>                        |

\* It should be noted that Pioneer Park received some grant funding towards the capital cost, so that the actual return on the Council's own funding was greater than the 2% shown.

- 4.16 At the end of 2021 the Council also acquired the Haymarket Shopping Centre for just under £10 million including Stamp Duty Land Tax. This was funded through revenue reserves specifically set aside for property purchases and required no loan funding.
- 4.17 The repayments of loans to Ethically Sourced Products and Leicestershire County Cricket Club are up to date.
- 4.18 Also governed by the Investment Strategy is the Council's investment property portfolio. The performance of the Corporate Estate at the time of writing was expected to be reported separately to scrutiny committee.

## **5. Credit Worthiness of Investments & Interest Rate Outlook**

- 5.1 During 2021/22 we continued to see uncertainty in the economy as a consequence of the pandemic, the Russian invasion of Ukraine and increasing inflationary pressures. However, despite this, we did not see the financial system like fail like it did in the financial crisis of 2008. This indicated that the corrective measures undertaken then to strengthen the banks have worked.

- 5.2 The core expectations of the Council's treasury advisors, Arlingclose, at the beginning of 2021-22 financial year was that base rate would remain very low and rise slowly to 0.5% by March 2023. However, following a significant increase in inflationary pressures particularly relating to energy prices, the Bank Rate has already risen to 0.75% and is expected to rise to at least 1.25% in 2022/23 and possibly higher. This increase in rates (most of which has occurred at the beginning of 2022) has allowed the Council to increase its income from investments which should become more pronounced in the 2022-23 financial year.
- 5.3 The governments of the largest world economies, including the UK, have implemented measures to make banks less likely to fail but also to reduce the impact on the financial system and on tax payers if they do fail. The measures for dealing with a failing bank see investors who have lent or deposited money (which includes us) taking significant losses before there is any tax payer support ("bail in"). Our assessment of risk is based both on the risk that banks fail (as measured by credit ratings) and also on the level of losses that we might face should the banks require capital support to prevent failure.
- 5.4 These developments are reflected in the Council's approach to managing credit risk in its treasury strategies for 2021/22 and 2022/23. It has adopted a cautious stance over the whole period covered by this report and has only directly lent to strong UK banks, other local authorities and the UK Government. Other lending has been part of pooled funds (see 5.7 below).
- 5.5 The position is continually under review. One factor is that other regulatory developments are continuing to require or push banks towards greater financial robustness. One change has been that banks are now required to "ring fence" bank deposits from other riskier activities.
- 5.6 More than two years ago, we sought to reduce our exposure to bank deposits, partly to reduce risk, and partly to increase liquidity. The monies withdrawn from banks have mostly been placed in money market funds and on deposit with other Local Authorities.
- 5.7 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, and we receive advice from our treasury advisor, Arlingclose. Investing in this way helps manage credit risk by having a high level of diversification amongst the underlying banks and institutions to whom money is lent. Interest rates on these funds are low, because we have immediate access to the funds.
- 5.8 The Treasury Strategies for 2021/22 & 2022/23 permit investment in property funds. Investments of £8m are held in two funds, the Lothbury Property Trust and the Threadneedle Property Unit Trust.

## 6. **Implementation of Borrowing & Investment Strategy**

- 6.1 The strategy approved by Council for 2021/22 envisaged using cash balances instead of borrowing. This strategy has been adhered to.
- 6.2 Total investment income during 2021/22 was £1.99 million. This was £560k better than originally budgeted due to rising interest rates and because cashflow proved to be greater than anticipated.

- 6.3 Given that the Council continues to have a high level of investments, active consideration is given to the possible early redemption of a limited amount of debt. This, however, is not straightforward as debt repayment usually involves the payment of a premium. The level of such premia is generally high and premature debt redemption is usually not financially viable.
- 6.4 As at 31/03/2022 we held £20m of “LOBO” loans. These are fixed rate, but permit the lender to ask for a rate rise. We have the option to repay if they do. Members may be aware of some criticism of LOBOs nationally, principally in respect of authorities which have complex mechanisms for calculating interest rates (we do not). We do not expect the lender to ask us for a rate rise, though we would be pleased to receive a request as we would then take the opportunity to repay. To all intents and purposes, they are simply fixed rate loans.

## 7. **Key Performance Measures**

- 7.1 The most important performance measures are the rate of interest on the Council’s borrowings, the timing of borrowing decisions, the timing of decisions to prematurely repay debt and the return on investments. No new long-term loans have been borrowed and no further loans have been prematurely repaid.
- 7.2 The Council benchmarks its investments and the latest data for the investment portfolio as at 31<sup>st</sup> March 2022.
- 7.3 Treasury investments comprise internally managed investments, and longer maturity externally managed funds.
- 7.4 The following table compares our performance against that of participating authorities. This information is available for internally managed investments (including money market funds) and externally managed funds. It is a “snapshot” of investments held at 31<sup>st</sup> March 2022 (table 3 above shows the average for the year).

**Table 3 – Key Performance Data**

| <b>Investment</b>       | <b>Leicester City Council Revenue return</b> | <b>All Authorities’ Revenue return(1)</b> |
|-------------------------|--|---|
| Internally managed      | 0.54%  | 0.46%                                     |
| Longer term investments | 3.80%  | 3.90%                                     |
| <b>Total</b>            | <b>0.63%</b>                                 | <b>0.97%</b>                              |

1. per Arlingclose

- 7.5 The average rate of interest on all investments for participating authorities at 31<sup>st</sup> March 2022 is 0.97% whilst the Council’s own rate is 0.63%. This is mainly explained by differences on income from longer term investments, in that the Council has fewer longer dated strategic funds invested in assets such as property and equities than many other authorities. These strategic funds performed well in 2021-22 as the economy recovered from the pandemic.
- 7.6 The Council has a lower proportion of longer-term investments than the average authority. Whilst this will reduce income returns, it also reduces our risk from capital losses which is particularly important following recent events.
- 7.7 As at 31<sup>st</sup> March 2022 the Council’s own longer term investments comprised units in property unit trusts. These carry less risk than some other investment types and the lower risk equates to a lower investment return. In addition, we selected property fund managers that invested in

good quality properties with reliable tenants and such funds have a lower rate of return than more adventurous property funds or (for example) funds that invest in the shares of companies.

7.8 Higher investment returns are always available if higher risk is accepted. Risk can take the form of credit risk (money due is not paid) or market risk (the value of investments fall). However, the trade-off between risk and reward was considered when investment strategies were set for 2021/22 and in the current economic climate continues to be a most important consideration.

7.9 In practice, there is no such thing as a representative “average” authority. The benchmarking data shows a division between the authorities that use longer term and more risky assets (about half of all authorities) and those adopting a more cautious approach. We fall between the two as we have only a small proportion of longer-term assets.

## 8. **Use of Treasury Advisors**

8.1 The Council are advised by Arlingclose Ltd. 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.

## 9. **Compliance with the Council's Treasury Strategy**

9.1 As required by the statutory borrowing framework, the Council is required to set a number of prudential limits and indicators. These limits are set annually and can be found within the budget and treasury strategy.

9.2 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.
- The maximum proportion of debt that is fixed rate.
- The maximum proportion of debt that is variable rate.
- Limits on the proportion of debt maturing in a number of specified time bands.
- Limits on sums to be invested for more than 364 days.

9.3 These limits are monitored and have been complied with. However, on the 29th of November 2021 the Council did breach its limit on money held with Barclays Bank when it unexpectedly without notice received £26.9m late in the day with no time to lend it out. Consequently, the Council had a balance overnight of £34.6m with Barclays in our deposit account which was nearly £20m over our £15m limit. This £15m limit is not set in law but is self-imposed by the Council. The breach was corrected the next day and in practice was not a major risk. It did not result in any loss to the Council.

## 10. **Financial and Legal Implications**

10.1 This report is solely concerned with financial issues. Kamal Adatia, Legal Services, has been consulted as Legal Advisor and there are no legal issues.

11. **Other Issues**

| OTHER IMPLICATIONS            | YES/NO | Paragraph Within Supporting information | References |
|-------------------------------|--------|---|------------|
| Equal Opportunities           | No     |   |            |
| Policy                        | No     |   |            |
| Sustainable and Environmental | No     |   |            |
| Crime and Disorder            | No     |   |            |
| Human Rights Act              | No     |   |            |
| Elderly/People on Low Income  | No     |   |            |
| Corporate Parenting           | No     |   |            |
| Health Inequalities Impact    | No     |   |            |
|                               |        |   |            |

12. **Background Papers**

12.1 The Council’s Treasury Management Strategy - “Treasury Strategy 2021/22” (Council 17<sup>th</sup> February 2021) and Treasury Management Strategy 2022/2023” (Council 23<sup>rd</sup> February 2022) and The Council’s Treasury Policy Document – “Framework for Treasury Decisions” – Council 19<sup>th</sup> February 2020.

13. **Consultation**

13.1 Arlingclose Ltd (the Council’s Treasury Management advisers).

14. **Author**

14.1 The authors of this report are Nick Booth, Treasury Manager, on extension 37 4063 & Amy Oliver, Head of Finance, on extension 37 5667.

Colin Sharpe  
Deputy Director of Finance.



**Overview Select Committee**  
**Draft Work Programme 2022 – 2023**

| Meeting Date            | Topic   | Actions Arising/Notes | Progress |
|-------------------------|---|-----------------------|----------|
| Thursday<br>30 June     | 1) Survey of Leicester<br>2) Anti-poverty Strategy – Microsite demo<br>3) Finance reports – to include:<br>(i) Revenue Budget Monitoring 2021-22 outturn<br>(ii) Capital Budget Monitoring 2021 -22 Outturn<br>(iii) Income Collection April 2021 – March 2022<br>(iv) Review of Treasury Management Activities 2021/22<br>4) Questions to City Mayor<br>5) Work Programme 2022/23 – draft planning |                       |          |
| Thursday 8<br>September | 1) Corporate Parenting Session<br>2) Corporate Estate Annual Report<br>3) Tackling Racism, Race Inequality and Disadvantage – update on plans and progress<br>4) (i) Revenue Monitoring April – June 2022<br>(ii) Capital Monitoring April – June 2022<br>5) Scrutiny Task Group Final Reports<br>6) Scrutiny Annual Report 2022/23   |                       |          |

| Meeting Date                    | Topic  | Actions Arising/Notes | Progress |
|---------------------------------|--|-----------------------|----------|
| Thursday 3 November             | 1) IT Transformation/Ways of Working – update<br>2) Women’s Safety Update<br>3) (i) Revenue Monitoring April – September 2022<br>(ii) Capital Monitoring April – September 2022<br>(iii) Mid Year Treasury Management Activities Report<br>(iv) Income Collection April – September 2022 |                       |          |
| Thursday 15 December            |  |                       |          |
| Wednesday 8 February            | 1) Housing Revenue Account (including Capital Programme) 2022/23<br>2) General Revenue Fund<br>3) Capital Programme<br>4) Treasury Management Strategy 2022/23<br>5) Treasury Policy<br>6) Investment Strategy 2022/23<br>7) Equalities Strategy Refresh                                 |                       |          |
| Thursday 30 <sup>th</sup> March | 1) (i) Revenue Monitoring April – December 2022<br>(ii) Capital Monitoring April – December 2022   |                       |          |

### Forward Plan Items (suggested)

| Topic   | Detail   | Proposed Date      |
|---|--|--------------------|
| Refugee Resettlement Programme update   | Officers to advise appropriate timescale   | TBC                |
| Corporate Consultation Process  |  | TBC                |
| Workplace Parking Levy – Consultation Findings  | To be brought to OSC once it has been to EDTCE   | TBC                |
| Boundary Commission Review – follow-up  |  | Late 2022          |
| Key Strategic Priorities Update   | An annual update.  | TBC - December?    |
| Local Plan  | To be taken to OSC and other relevant scrutiny commissions ahead of a Full Council decision. | TBC                |
| Universities – Civic Agreement  | As suggested to Cllr Cassidy when he previously met University reps.                         | TBC                |
| Scrutiny Task Group Final Reports:<br>ASC – Cost of Care Packages   |  | September          |
| HWB - 'The experience/development of black people working in health services in Leicester and Leicestershire' |  | September          |
| HCLT – Women’s Participation in Sport   |  | November           |
| Housing – Housing Crisis in Leicester   |  | September/November |
| Cost of Living Crisis Scoping Document  |  | September          |

