

Leicester
City Council

At a meeting of the LEICESTER CITY COUNCIL held at the Town Hall at FIVE O'CLOCK in the afternoon on Wednesday, 19 FEBRUARY 2020 duly convened for the business hereunder mentioned.

=====

BUSINESS

=====

1. **DECLARATIONS OF INTEREST**
2. **STATEMENTS BY THE CITY MAYOR / EXECUTIVE**
3. **MATTERS RESERVED TO FULL COUNCIL**
 - 3.a General Fund Revenue Budget 2020/21
 - 3.b Capital Programme 2020/21
 - 3.c Housing Revenue Account (HRA) Budget (including Capital Programme) 2020/21
 - 3.d Treasury Policy
 - 3.e Treasury Management Strategy 2020/21
 - 3.f Investment Strategy
4. **ANY OTHER URGENT BUSINESS**

Fire & Emergency Evacuation Procedure

- The Council Chamber Fire Exits are the two entrances either side of the top bench or under the balcony in the far left corner of the room.
- In the event of an emergency alarm sounding make your way to Town Hall Square and assemble on the far side of the fountain.
- Anyone who is unable to evacuate using stairs should speak to any of the Town Hall staff at the beginning of the meeting who will offer advice on evacuation arrangements.
- From the public gallery, exit via the way you came in, or via the Chamber as directed by Town Hall staff.

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 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.

PRESENT:

ANNETTE BYRNE, LORD MAYOR
CHAIRMAN

SIR PETER SOULSBY – CITY MAYOR

Abbey Ward

MANJIT KAUR SAINI
VIJAY SINGH RIYAIT

Aylestone Ward

ADAM CLARKE
NIGEL CARL PORTER

Beaumont Leys Ward

HEMANT RAE BHATIA
VI DEMPSTER
PAUL THOMAS WESTLEY

Belgrave Ward

PADMINI CHAMUND
NITA SOLANKI
MAHENDRA VALAND

Braunstone Park and Rowley Fields

SUE BARTON
ELAINE HALFORD

Castle Ward

DANNY MYERS

Evington Ward

DEEPAK BAJAJ
RATILAL BHAGWAN GOVIND

Eyres Monsell Ward

ELAINE PANTLING
KAREN PICKERING

North Evington Ward

LUIS FONSECA
RASHMIKANT JOSHI

Rushey Mead Ward

RITA PATEL
ROSS WILLMOTT

Saffron Ward

ELLY CUTKELVIN

Spinney Hills Ward

MISBAH BATOOL

Stoneygate Ward

KIRK MASTER
SHARMEN RAHMAN

Thurncourt Ward

TERESA ALDRED
STEPHAN GEE

Troon Ward

Westcotes Ward

JACKY NANGREAVE
SARAH RUSSELL

Fosse Ward

TED CASSIDY
SUE WADDINGTON

Humberstone and Hamilton Ward

RUMA ALI
GURINDER SINGH SANDHU
JOHN THOMAS

Knighton Ward

DR LYNN MOORE
GEOFF WHITTLE

Western Ward

LINDSAY BROADWELL
GEORGE COLE
GARY O'DONNELL

Wycliffe Ward

HANIF AQBANY
MOHAMMED DAWOOD

58. DECLARATIONS OF INTEREST

Prior to asking Councillors if they had any interests in the business, the Lord Mayor asked the Monitoring Officer to make a short statement on the declarations of interest process. The Monitoring Officer reminded Members that they didn't need to declare any interests already in their public register. He also reminded members that it was illegal for a member to take part and vote on the budget if they were 2 months or more in arrears of their Council Tax account, but there were no Councillors in this position.

The Monitoring Officer further informed Council that he had sought a dispensation from the Standards Committee for those members who were Council Tenants or who had family who were Council Tenants. This dispensation would enable those members with such an interest to take part and vote in the debate on the General Fund Revenue Budget and the Housing Revenue Account. The Monitoring Officer further advised that if a Member wished to benefit from the dispensation, they would need to identify themselves at the meeting in order to receive the dispensation, and it would be recorded in the minutes of the meeting.

The following Members sought and received dispensations:

Cllr Aldred,
Cllr Chamund
Cllr Nangreave
Cllr Halford
Cllr Aqbany
Cllr Pickering
Lord Mayor, Councillor Byrne

There were no further interests.

59. STATEMENTS BY THE CITY MAYOR/EXECUTIVE

There were no statements by the City Mayor / Executive.

60. GENERAL REVENUE BUDGET 2020/21

The City Mayor submitted his proposed budget for 2020/21 to 2021/22. The report contained details of the financial pressures facing the Council, the proposed budget strategy including assessments of risk, and impact and consultation outcomes.

Details of the City Mayor's Recommendation of General Fund Revenue Budget 2020/21 and the General Fund Revenue Budget and Council Tax 2020/21 – Formal Resolutions were made available at the meeting and are attached to these minutes.

Moved by the City Mayor, seconded by Councillor Cassidy:

That Council:

- 1) Thanks partners and scrutiny committees who have commented on our draft budget;

- 2) Notes the comments made in the City Mayor's formal Decision Notice published on 18 February 2020 and attached as Appendix A to the script and available at the meeting and attached to these minutes;
- 3) Approves the recommendations set out in section 3.1 of the report 'General Fund Revenue Budget 2020/21 to 2021/22 without amendment; and
- 4) Approves the formal budget resolution as set out in Appendix B to the script, made available at the meeting and attached to these minutes.

The Lord Mayor put the motion to the vote.

It was noted that under the requirements of The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 the names of the Councillors voting for or against the proposition or abstaining would be recorded by the City Barrister and Monitoring Officer and included in the minutes of the meeting.

For the motion:

Councillors Aldred, Ali, Aqbany, Bajaj, Barton, Batool, Broadwell, Byrne, Cassidy, Chamund, Clarke, Cole, Cutkelvin, Dawood, Dempster, Fonseca, Gee, Govind, Halford, Joshi, Master, Moore, Myers, Nangreave, O'Donnell, Pantling, Patel, Pickering, Rahman, Rae Bhatia, Riyait, Russell, Kaur Saini, Singh Sandhu, Solanki, Soulsby (City Mayor), Thomas, Valand, Waddington, Westley, Whittle, Willmott.

Against the motion:

Councillor Porter.

The Lord Mayor declared the motion carried.

61. CAPITAL PROGRAMME 2020/21

A report was considered which sought approval of a Capital Programme for the Council for the period 2020/21. Details were included within the report of the resources position and proposed projects. The report had been considered by the Overview Select Committee at its meeting on 12 February 2020 and a copy of the minutes were made available at the meeting and attached to these minutes.

Moved by the City Mayor, seconded by Councillor Cassidy and carried:

That Council:

- 1) Thanks, the Overview Select Committee for their comments on our draft budget, which were attached to the script, made available at the meeting and attached to these minutes;
- 2) Notes the comments made in the City Mayor's formal Recommendation to Council Notice published on 18 February 2020 and attached at Appendix E to the script, made available at the meeting and attached to these minutes; and
- 3) Approves the recommendations set out in section 3 of the report 'Capital Programme 2020/21' without amendment.

62. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2020/21

A report was considered which set out the proposed Housing Revenue Account (HRA) budget (including Capital Programme) for the year 2020/21. The formal Assistant City Mayor – Housing decision notice published on 18 February 2020 was available at the meeting and is attached to these minutes.

Moved by Councillor Cutkelvin, seconded by Councillor Westley and carried:

That Council:-

- 1) Thanks the Tenants' and Leaseholders' Forum, Housing Scrutiny Commission, Overview Select Committee and others who have commented on our draft Housing Revenue Account budget. The comments of the Housing Scrutiny Commission were included in the report and the comments of the Overview Select Committee were attached at Appendix F to the script, made available at the meeting and attached to these minutes;
- 2) Notes the comments made in the Assistant City Mayor, Education and Housing's formal recommendation to Council Notice published on 18 February 2020 and attached as Appendix G to the script, made available at the meeting, and attached to these minutes; and
- 3) Approves the recommendations set out in section 3 of the report 'Housing Revenue Account Budget (including HRA Capital Programme) 2020/21' without amendment.

63. TREASURY POLICY

Moved by the City Mayor, seconded by Councillor Cassidy and carried:

That Council notes the comments of the Overview Select Committee attached at Appendix H to the script, made available at the meeting and attached to these minutes; and approves the Treasury Policy.

64. TREASURY MANAGEMENT STRATEGY 2020/21

Moved by the City Mayor, seconded by Councillor Cassidy and carried:

That Council notes the comments of the Overview Select Committee attached at Appendix I to the script, made available at the meeting and attached to these minutes, and approves the Treasury Management Strategy 2020/21, which includes the annual Treasury Investment Strategy at Appendix B of the report.

65. INVESTMENT STRATEGY 2020/21

Moved by the City Mayor, seconded by Councillor Cassidy and carried:

That Council notes the comments of the Overview Select Committee attached at appendix J to the script, made available at the meeting and attached to these minutes, and approves the Investment Strategy.

66. ANY OTHER URGENT BUSINESS

There being no urgent business, the Lord Mayor declared the meeting closed at 6.52pm.

RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL EXECUTIVE MEMBER

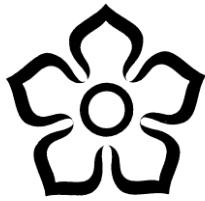
1.	DECISION TITLE	Recommendation of General Fund Revenue Budget 2020/21
2.	DECLARATIONS OF INTEREST	None.
3.	DATE OF DECISION	
4.	DECISION MAKER	City Mayor
5.	DECISION TAKEN	<ol style="list-style-type: none"> 1. To thank scrutiny committees who have considered our draft budget. 2. In response to comments made:- <ol style="list-style-type: none"> a) As the Council is well aware, our financial position is severe as a consequence of Government cuts, and this is compounded by the lack of information enabling us to plan beyond one year. I am very grateful to OSC for supporting the budget proposals; b) I share the concerns of scrutiny committees and others about the inadequacy of funding for social care, and the financial pressures facing the budget more generally. I will continue to make the point to the Government that the costs of urban deprivation need to be properly recognised in the Government's proposed new funding formula, and will make common cause with other authorities through the Special Interest Group of Municipal Authorities; c) In response to a request made by Scrutiny, and my determination to deliver actions arising from the anti-poverty strategy, I propose to provide additional funding from the welfare reform reserve (currently over £3m).



		<p>This will provide funding to the Council Tax Discretionary Relief Scheme, and to deliver the anti-poverty strategy (particularly to increase welfare take-up).</p> <p>3. To note the equality assessment of the proposed tax rise and (in the light of the findings and having regard to the implications) to recommend the budget and tax rise to the Council as proposed in the report, subject to the change described at 2(c) above;</p> <p>4. To ask the Director of Finance to prepare the formal budget resolution for 2020/21, referred to in Section 3 of the Council report.</p>
6.	REASON FOR DECISION	<p>The revenue budget forms part of the budget and policy framework. Its approval is the responsibility of the full Council. The City Mayor is responsible for the preparation of a proposal for Council consideration.</p> <p>A draft budget was published, and a formal decision to that effect was made by the City Mayor on 18th December. The budget was considered by a number of scrutiny commissions, whose comments were considered by Overview Select Committee on 12th February. Minutes of the commissions and Overview Select Committee will be circulated to Council members in advance of the budget meeting.</p>
7.	<p>a) KEY DECISION – Y/N? b) If yes, was it published 5 clear days in advance? Y/N</p>	a) No.
8.	OPTIONS CONSIDERED	Not applicable.
9.	<p>DEADLINE FOR CALL-IN</p> <ul style="list-style-type: none"> • 5 Members of a Scrutiny Commission or any 5 Councillors can ask for the decision to be called-in. • Notification of Call-In with reasons 	Not applicable.

	must be made to the Monitoring Officer.	
10.	SIGNATURE OF DECISION MAKER (City Mayor or where delegated by the City Mayor, name of Executive Member).	





Leicester
City Council

Council

19th February 2020

General Fund Revenue Budget and Council Tax 2020/21 – Formal Resolutions

1. Purpose

- 1.1 The Council is required to set its Council Tax for 2020/21 before 11th March 2020, under the Local Government Finance Act 1992.
- 1.2 If Council approves the City Mayor's proposed budget, the formal resolutions required by the Act are set out below.

Resolutions

- 2. Council is recommended:
 - 2.1 To approve the budget as recommended by the City Mayor, thereby agreeing the recommendations in the report circulated separately (as amended by his proposal).
 - 2.2 To note that the Director of Finance has calculated the Council Tax Base for 2020/21 as 76,101 [Item T in the formula in Section 31B of the Act].
 - 2.3 To agree that the Council Tax requirement for the Council's own purposes for 2020/21 is £122,844,500.
 - 2.4 To agree the following amounts be calculated for the year 2020/21 in accordance with Section 31A and Section 31B of the Act:
 - (a) £825,562,200 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £702,717,700 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £122,844,500 being the amount by which 2.4(a) above exceeds 2.4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act].

(d) £1,614.2298 being the amount at 2.4(c) above (Item R) divided by the amount at 2.2 above (Item T), calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year.

2.5 To note that the Police and Crime Commissioner and Fire Authority have issued precepts to the Council in accordance with Section 40 of the Act as indicated below.

2.6 To agree that the Council, in accordance with Section 30 and 36 of the Act, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for the year 2020/21 for each of the valuation bands.

Valuation Band	Council	Police	Fire	Total
A	1,076.1532	155.4868	45.3067	1,276.9467
B	1,255.5121	181.4013	52.8578	1,489.7712
C	1,434.8709	207.3157	60.4089	1,702.5955
D	1,614.2298	233.2302	67.9600	1,915.4200
E	1,972.9475	285.0591	83.0622	2,341.0688
F	2,331.6653	336.8881	98.1644	2,766.7178
G	2,690.3830	388.7170	113.2667	3,192.3667
H	3,228.4596	466.4604	135.9200	3,830.8400

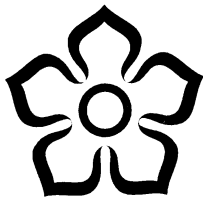
2.7 To note that the following sums are payable in precepts to the Police & Crime Commissioner and the Fire authority (exclusive of collection fund surplus):

(a) Police & Crime Commissioner £17,749,051.45

(b) Fire authority £5,171,824.00

2.8 To note that the relevant basic amount of Council Tax for 2020/21 is not excessive in accordance with principles issued under section 52ZC of the Act and expected to be approved by Parliament (being an increase of less than 4%); and that, since those principles will not be approved before the 19th of February, to delegate the determination under section 52ZB of the Act to the Director of Finance.

2.9 To note that, should the Director of Finance not be able to make the determination referred to in 2.8 above, that resolutions 2.1 to 2.7 above shall be deemed not to be approved, and that an emergency meeting of the Council shall be convened. (This would only occur if the Government changes the referendum principles it has consulted on).



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 12 FEBRUARY 2020 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Joel (Vice-Chair)

Councillor Dawood	Councillor Kitterick
Councillor Govind (sub for Councillor Khote)	Councillor March (sub for Councillor Joshi)
Councillor Halford	Councillor Porter

In Attendance:

Sir Peter Soulsby – City Mayor

* * * * *

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Joshi, Khote, Waddington and Westley.

Councillor March was present as the appointed substitute for Councillor Joshi and Councillor Govind was present as the appointed substitute for Councillor Khote. Councillor Sandhu was appointed as substitute for Councillor Waddington, but submitted apologies for absence.

56. DECLARATIONS OF INTEREST

Councillor Halford declared a Disclosable Pecuniary Interest in agenda item 11, "Housing Revenue Account Budget (Including Capital Programme) 2020/21", in that she was a Council tenant. Councillor Halford remained in the meeting during consideration of this item, but took no part in the discussion or voting thereon.

67. DRAFT CAPITAL PROGRAMME 2020/21

The Director of Finance submitted the draft Capital Programme 2020/21, which would be considered at the meeting of Council on 19 February 2020.

While introducing the report, the Director explained that the capital programme previously had been agreed for two years, as it had been expected that the system of local government funding would change during that period. However, due to other national political priorities, this review had been deferred and would be implemented from 2021/22 at the earliest. Consequently, it was proposed that a one-year capital programme be agreed for 2020/21, although it was recognised that some schemes would run beyond that period.

In response to a Member query, the City Mayor confirmed that the provision for the Reuse Shop at the Gypsum Close Household Waste Recycling site was to finance an expansion of the shop. This was proposed due to the success of the shop, as it could no longer store all of the items for sale within its premises.

In reply to a further Member enquiry, the Director of Finance explained that the Touchdown project was a pilot workspace project. Council-managed buildings outside of the city centre were being assessed to identify where space was available that could be used by Council staff working in a mobile way. For example, staff undertaking visits to various locations could use Touchdown space for a short time between visits. This could include locations such as office space above libraries, or at sports centres, which would avoid staff having to travel in and out of the city centre so often.

The Committee noted that the largest project in the capital programme appeared to be the work to the Jewry Wall Museum. It therefore requested that a report on the project be submitted to the Overview Select Committee, to enable it to gain a full picture of what was being planned. The City Mayor advised the Committee that he would welcome its input on this major initiative.

AGREED:

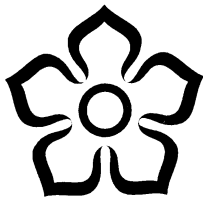
- 1) That, in view of the scale of the investment being made in to the project, the Director of Tourism, Culture and Inward Investment be asked to submit a report to the Overview Select Committee on the work to the Jewry Wall Museum, to enable the Committee to gain an overview of this project and provide input as appropriate;
- 2) That this Committee supports the recommendations set out in the report in relation to the Capital Programme 2020/21.

Councillor Porter left the meeting during consideration of this item

RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL EXECUTIVE MEMBER

1.	DECISION TITLE	Recommendation to Council of the Capital Programme for 2020/21
2.	DECLARATIONS OF INTEREST	None
3.	DATE OF DECISION	18 February 2020
4.	DECISION MAKER	City Mayor
5.	DECISION TAKEN	<ol style="list-style-type: none"> 1) To thank the Overview Select Committee for their comments and their support of the draft programme; 2) To propose that the Council adopts the programme in the report included with the agenda.
6.	REASON FOR DECISION	It is a requirement of the constitution that the City Mayor recommends a capital programme to the Council.
7.	<ol style="list-style-type: none"> a) KEY DECISION – Y/N? b) If yes, was it published 5 clear days in advance? Y/N 	a) No
8.	OPTIONS CONSIDERED	N/A
9.	DEADLINE FOR CALL-IN <ul style="list-style-type: none"> • 5 Members of a Scrutiny Commission or any 5 Councillors can ask for the decision to be called-in. • Notification of Call-In with reasons must be made to the Monitoring Officer. 	N/A – recommendations to Council in respect of the budget and policy framework are exempt from call in.
10.	SIGNATURE OF DECISION MAKER (City Mayor or where delegated by the City Mayor, name of Executive Member).	





Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 12 FEBRUARY 2020 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Joel (Vice-Chair)

Councillor Dawood	Councillor Kitterick
Councillor Govind (sub for Councillor Khote)	Councillor March (sub for Councillor Joshi)
Councillor Halford	Councillor Porter

In Attendance:

Sir Peter Soulsby – City Mayor

* * * * *

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Joshi, Khote, Waddington and Westley.

Councillor March was present as the appointed substitute for Councillor Joshi and Councillor Govind was present as the appointed substitute for Councillor Khote. Councillor Sandhu was appointed as substitute for Councillor Waddington, but submitted apologies for absence.

56. DECLARATIONS OF INTEREST

Councillor Halford declared a Disclosable Pecuniary Interest in agenda item 11, "Housing Revenue Account Budget (Including Capital Programme) 2020/21", in that she was a Council tenant. Councillor Halford remained in the meeting during consideration of this item, but took no part in the discussion or voting thereon.

65. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2020/21

The Director of Housing submitted a report setting out the proposed Housing Revenue Account (HRA) budget for 2020/21, with indicative budgets for the following three years.

The Director introduced the report, explaining that, following a four-year period in which the government required rents to be reduced by 1% each year, the government had announced that for five years from 2020 rents could be increased by up to an amount equivalent to the Consumer Price Index plus 1%. This was welcomed, as the reductions had resulted in a £3million loss in rent for the Council. Overall budget pressures had exceeded £12million. Ongoing financial pressures remained, with the HRA facing a further £11million in budget pressures over the next three years. To manage this and deliver a balanced budget it was a recommendation that rents should be increased.

This proposal had been considered by the Tenants' and Leaseholders' Forum, as well as the Housing Scrutiny Commission. Comments from both bodies were included in the report. The Director drew Members' attention to the Housing Scrutiny Commission's support for the Tenants' and Leaseholders' Forum's proposal that rents should increase by 2.5% (not the proposed 2.7%), service charges should increase by 1.7% (not the proposed 2.0%) and hostel rents should not be increased (instead of applying the proposed 2.0% increase).

The Director of Housing explained that this would reduce income by £180,000 per year. The cap placed on rent increases by the government meant that this money could not be recovered in future years, so over ten years the Council would lose £1.8million that could have been used for investment in improvements to its housing stock and estates and to provide services. Therefore, although this could have had resulted in a small reduction in rent, (on average 14p per week), it would have a significant impact on the Council's HRA budget.

The City Mayor reiterated that the original budget proposal was the start of the process of addressing the problems caused by the previous enforced reduction in rent. The changes proposed were small increases for the people affected, but were significant for the Council's resources. He therefore strongly recommended that the increases included in the original proposal be supported.

Some concern was expressed that the increases in rent and service charges proposed by the Council could have a significant impact on tenants, particularly those already experiencing financial difficulties. The Director of Housing explained that approximately 60% of housing tenants and over 90% of people in Council hostels had their rent paid through Housing Benefit, which would cover any increase in rent. Also, a problem with the proposal made by the Tenants' and Leaseholders' Forum was that although the Forum wished to see a lower increase in rents and service charges, there was no balancing

adjustment proposed to work to be carried out using income from those rents and charges. The Forum agreed that all of the proposed investment in the HRA budget was needed. The Director reminded the Committee that the Council was legally obliged to set a balanced budget, so would have had to reduce the work undertaken to match the reduction in income.

In response to an enquiry from the Committee, the Director of Housing advised that work on removing materials from Goscote House, prior to demolition, would start during 2020, but full demolition of the building was likely to be done in the summer of 2021.

In response to a further enquiry, the Director of Housing also advised that the purchase of the properties in Hospital Close would be undertaken from funding approved at Council in November 2019 and this would not be affected by the final decision on the Housing Revenue Account budget for 2020/21.

It was proposed by the Chair, seconded by Councillor Govind and AGREED that:

- 1) the financial pressures on the Housing Revenue Account be noted
- 2) the comments from the Tenants' and Leaseholders' Forum and the Housing Scrutiny Commission be noted; and
- 3) in view of the implications of the proposals for changes to rents and service charges supported by both bodies, this Committee supports the following proposed changes to rents and service charges for 2020/21:
 - a) 2.7% increase to core rent
 - b) 2.7% increase to garage rent
 - c) 2.0% increase to hostel rent
 - d) 2.0% increase to service charges; and
 - e) no changes to sundry payments and charges.

Further to her declaration of interest in this item, (see minute 56, "Declarations of Interest", above), Councillor Halford remained in the meeting for the duration of this item, but took no part in the discussion or voting.

**RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL
EXECUTIVE MEMBER**

1.	DECISION TITLE	Recommendation to Council of the Housing Revenue Account Budget 2020/21
2.	DECLARATIONS OF INTEREST	None.
3.	DATE OF DECISION	18 February 2020
4.	DECISION MAKER	Assistant City Mayor Education and Housing
5.	DECISION TAKEN	<ol style="list-style-type: none"> 1. To thank the Tenants' and Leaseholders' Forum, Housing Scrutiny Commission, Overview Select Committee and others who have commented on our draft Housing Revenue Account budget; 2. To approve the Housing Revenue and Capital budgets for 2020/21; 3. To note the financial pressures on the HRA and comment on the proposals for delivering a balanced budget; 4. To note the equality assessment of the proposed revenue and capital reductions required to present a balanced budget; 5. To approve the approach to implement a 2.7% increase in rent; 6. To approve the increase in service charges of 2%, and increase in garage rent of 2.7% for 2020/21; 7. To approve the proposal for Hostel rents to increase by 2% for 2020/21; 8. To note that the scheme of virement (included within the General Fund Revenue Budget report) applies also to the HRA budget with total expenditure and total income acting as budget ceilings for this purpose; 9. To note that the capital strategy in that report applies also to the HRA; and 10. To note that the scheme of

		virement (included within the Capital Programme report) shall also apply to the capital programme in this report.
6.	REASON FOR DECISION	<p>The Housing Revenue Account budget forms part of the budget and policy framework. Its approval is the responsibility of the full Council. The City Mayor is responsible for the preparation of a proposal for Council consideration.</p> <p>A draft budget was considered by the Housing Scrutiny Commission on 13 January 2020 and by the Overview Select Committee on 12 February 2020.</p>
7.	<p>a) KEY DECISION – Y/N? b) If yes, was it published 5 clear days in advance? Y/N</p>	No.
8.	OPTIONS CONSIDERED	Not applicable.
9.	<p>DEADLINE FOR CALL-IN</p> <ul style="list-style-type: none"> • 5 Members of a Scrutiny Commission or any 5 Councillors can ask for the decision to be called-in. • Notification of Call-In with reasons must be made to the Monitoring Officer. 	Not applicable.
10.	SIGNATURE OF DECISION MAKER (City Mayor or where delegated by the City Mayor, name of Executive Member).	



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 12 FEBRUARY 2020 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Joel (Vice-Chair)

Councillor Dawood	Councillor Kitterick
Councillor Govind (sub for Councillor Khote)	Councillor March (sub for Councillor Joshi)
Councillor Halford	Councillor Porter

In Attendance:

Sir Peter Soulsby – City Mayor

* * * * *

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Joshi, Khote, Waddington and Westley.

Councillor March was present as the appointed substitute for Councillor Joshi and Councillor Govind was present as the appointed substitute for Councillor Khote. Councillor Sandhu was appointed as substitute for Councillor Waddington, but submitted apologies for absence.

56. DECLARATIONS OF INTEREST

Councillor Halford declared a Disclosable Pecuniary Interest in agenda item 11, "Housing Revenue Account Budget (Including Capital Programme) 2020/21", in that she was a Council tenant. Councillor Halford remained in the meeting during consideration of this item, but took no part in the discussion or voting thereon.

68. TREASURY POLICY

The Committee considered this item and the following two items simultaneously. (Minute 69, "Treasury Management Strategy 2020-21", and minute 70, "Investment Strategy 2020/21", refer.)

The Director of Finance gave a presentation on Investment Strategies, a copy of which is attached at the end of these minutes for information. During the presentation, particular attention was drawn to the following points:

- The Council's Treasury Policy set out the framework for the governance of the Council's borrowing and investments. The Treasury Management Strategy described how this would be done and the Investment Strategy set out the Council's approach to making and holding investments that were not made for normal treasury management purposes;
- Security of the Council's money was paramount;
- Penalty charges were incurred on debts repaid early, so it usually cost less to maintain a debt than to repay it. Nonetheless, money still had to be set aside in the budget to repay debt;
- The Council often had money before it needed to spend it. For example, staff salaries were paid at the end of the month and reserves were maintained. This meant that balances could fluctuate considerably day by day;
- The safer an investment was, the lower the return on it;
- Specialist advisers were used to help with investments, to make sure these investments were robust;
- As the Council's balances continued to grow, efforts continued to find the best ways to make this money work for the city;
- Currently, a better rate of return was received from lending to other local authorities than from bank interest;
- Along with a number of other local authorities, the Council was actively exploring environmentally and socially responsible investment;
- Some local authorities had bought commercial investments located a long way outside of their area and were borrowing very large amounts. This could create a high level of risk and raised questions of how assets managed at long distances could be transparent investments;
- This Council had invested in property in the city for many years. This currently generated approximately £6million income per year to support the Council's budget; and

- There was regular churn on the corporate estate, with properties being bought and sold as necessary.

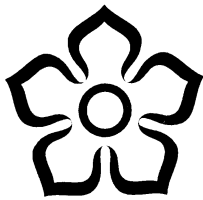
The City Mayor reiterated the importance of the corporate estate to the city and the Council, and advised the Committee that discussions were being held with officers about how the performance of the estate could be made more transparent. One option was to present an annual report that included information such as what the Council held, income from this, expenditure and surpluses. It was hoped that the first such report could be presented to Council in the summer of 2020

In response to a Member's query, the Director of Finance explained that the Council did not invest in property abroad, as due diligence was very hard there. Some years previously, the Council had lent money directly to European banks, but since the collapse of the Icelandic Banks had ceased to do so, even though this Council had not invested in Iceland.

AGREED:

- 1) That the Chief Accountant be asked to circulate details of how to access the map showing all of the property owned by the Council to all Members;
- 2) That the report be noted; and
- 3) That this Committee supports the approach being taken to managing the Council's resources and investing for the future.

Councillor Kitterick left the meeting during the presentation referred to above



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 12 FEBRUARY 2020 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Joel (Vice-Chair)

Councillor Dawood	Councillor Kitterick
Councillor Govind (sub for Councillor Khote)	Councillor March (sub for Councillor Joshi)
Councillor Halford	Councillor Porter

In Attendance:

Sir Peter Soulsby – City Mayor

* * * * *

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Joshi, Khote, Waddington and Westley.

Councillor March was present as the appointed substitute for Councillor Joshi and Councillor Govind was present as the appointed substitute for Councillor Khote. Councillor Sandhu was appointed as substitute for Councillor Waddington, but submitted apologies for absence.

56. DECLARATIONS OF INTEREST

Councillor Halford declared a Disclosable Pecuniary Interest in agenda item 11, "Housing Revenue Account Budget (Including Capital Programme) 2020/21", in that she was a Council tenant. Councillor Halford remained in the meeting during consideration of this item, but took no part in the discussion or voting thereon.

69. TREASURY MANAGEMENT STRATEGY 2020-21

The Committee considered this item plus the previous and following items simultaneously. (Minute 68, "Treasury Policy", and minute 70, "Investment Strategy 2020/21", refer.)

The Director of Finance gave a presentation on Investment Strategies, a copy of which is attached at the end of these minutes for information. During the presentation, particular attention was drawn to the following points:

- The Council's Treasury Policy set out the framework for the governance of the Council's borrowing and investments. The Treasury Management Strategy described how this would be done and the Investment Strategy set out the Council's approach to making and holding investments that were not made for normal treasury management purposes;
- Security of the Council's money was paramount;
- Penalty charges were incurred on debts repaid early, so it usually cost less to maintain a debt than to repay it. Nonetheless, money still had to be set aside in the budget to repay debt;
- The Council often had money before it needed to spend it. For example, staff salaries were paid at the end of the month and reserves were maintained. This meant that balances could fluctuate considerably day by day;
- The safer an investment was, the lower the return on it;
- Specialist advisers were used to help with investments, to make sure these investments were robust;
- As the Council's balances continued to grow, efforts continued to find the best ways to make this money work for the city;
- Currently, a better rate of return was received from lending to other local authorities than from bank interest;
- Along with a number of other local authorities, the Council was actively exploring environmentally and socially responsible investment;
- Some local authorities had bought commercial investments located a long way outside of their area and were borrowing very large amounts. This could create a high level of risk and raised questions of how assets managed at long distances could be transparent investments;
- This Council had invested in property in the city for many years. This currently generated approximately £6million income per year to support the Council's budget; and

- There was regular churn on the corporate estate, with properties being bought and sold as necessary.

The City Mayor reiterated the importance of the corporate estate to the city and the Council, and advised the Committee that discussions were being held with officers about how the performance of the estate could be made more transparent. One option was to present an annual report that included information such as what the Council held, income from this, expenditure and surpluses. It was hoped that the first such report could be presented to Council in the summer of 2020

In response to a Member's query, the Director of Finance explained that the Council did not invest in property abroad, as due diligence was very hard there. Some years previously, the Council had lent money directly to European banks, but since the collapse of the Icelandic Banks had ceased to do so, even though this Council had not invested in Iceland.

AGREED:

- 1) That the Chief Accountant be asked to circulate details of how to access the map showing all of the property owned by the Council to all Members;
- 2) That the report be noted; and
- 3) That this Committee supports the approach being taken to managing the Council's resources and investing for the future.

Councillor Kitterick left the meeting during the presentation referred to above



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 12 FEBRUARY 2020 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Joel (Vice-Chair)

Councillor Dawood	Councillor Kitterick
Councillor Govind (sub for Councillor Khote)	Councillor March (sub for Councillor Joshi)
Councillor Halford	Councillor Porter

In Attendance:

Sir Peter Soulsby – City Mayor

* * * * *

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Joshi, Khote, Waddington and Westley.

Councillor March was present as the appointed substitute for Councillor Joshi and Councillor Govind was present as the appointed substitute for Councillor Khote. Councillor Sandhu was appointed as substitute for Councillor Waddington, but submitted apologies for absence.

56. DECLARATIONS OF INTEREST

Councillor Halford declared a Disclosable Pecuniary Interest in agenda item 11, "Housing Revenue Account Budget (Including Capital Programme) 2020/21", in that she was a Council tenant. Councillor Halford remained in the meeting during consideration of this item, but took no part in the discussion or voting thereon.

70. INVESTMENT STRATEGY 2020/21

The Committee considered this item plus the previous two items simultaneously. (Minute 68, "Treasury Policy", and minute 69, "Treasury Management Strategy 2020-21", refer.)

The Director of Finance gave a presentation on Investment Strategies, a copy of which is attached at the end of these minutes for information. During the presentation, particular attention was drawn to the following points:

- The Council's Treasury Policy set out the framework for the governance of the Council's borrowing and investments. The Treasury Management Strategy described how this would be done and the Investment Strategy set out the Council's approach to making and holding investments that were not made for normal treasury management purposes;
- Security of the Council's money was paramount;
- Penalty charges were incurred on debts repaid early, so it usually cost less to maintain a debt than to repay it. Nonetheless, money still had to be set aside in the budget to repay debt;
- The Council often had money before it needed to spend it. For example, staff salaries were paid at the end of the month and reserves were maintained. This meant that balances could fluctuate considerably day by day;
- The safer an investment was, the lower the return on it;
- Specialist advisers were used to help with investments, to make sure these investments were robust;
- As the Council's balances continued to grow, efforts continued to find the best ways to make this money work for the city;
- Currently, a better rate of return was received from lending to other local authorities than from bank interest;
- Along with a number of other local authorities, the Council was actively exploring environmentally and socially responsible investment;
- Some local authorities had bought commercial investments located a long way outside of their area and were borrowing very large amounts. This could create a high level of risk and raised questions of how assets managed at long distances could be transparent investments;
- This Council had invested in property in the city for many years. This currently generated approximately £6million income per year to support the Council's budget; and

- There was regular churn on the corporate estate, with properties being bought and sold as necessary.

The City Mayor reiterated the importance of the corporate estate to the city and the Council, and advised the Committee that discussions were being held with officers about how the performance of the estate could be made more transparent. One option was to present an annual report that included information such as what the Council held, income from this, expenditure and surpluses. It was hoped that the first such report could be presented to Council in the summer of 2020

In response to a Member's query, the Director of Finance explained that the Council did not invest in property abroad, as due diligence was very hard there. Some years previously, the Council had lent money directly to European banks, but since the collapse of the Icelandic Banks had ceased to do so, even though this Council had not invested in Iceland.

AGREED:

- 1) That the Chief Accountant be asked to circulate details of how to access the map showing all of the property owned by the Council to all Members;
- 2) That the report be noted; and
- 3) That this Committee supports the approach being taken to managing the Council's resources and investing for the future.

Councillor Kitterick left the meeting during the presentation referred to above

