



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 4 FEBRUARY 2021 at 4:00 pm

P R E S E N T:

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

Councillor Gee (sub for Councillor Halford)	Councillor Joshi
Councillor Kitterick	Councillor Porter
Councillor Waddington	Councillor Westley

In Attendance:

Sir Peter Soulsby	City Mayor
Councillor Clarke	Deputy City Mayor, Environment and Transportation
Councillor Cutkelvin	Assistant City Mayor, Education and Housing
Councillor Dempster	Assistant City Mayor, Health
Councillor Hunter	Assistant City Mayor, Tackling Racism and Disadvantage
Councillor Master	Assistant City Mayor, Neighbourhood Services
Councillor Myers	Assistant City Mayor, Jobs, Skills, Policy Delivery and Communications
Councillor Patel	Assistant City Mayor, Communities, Equalities and Special Projects
Councillor Singh Clair	Deputy City Mayor, Culture, Leisure, Sport and Regulatory Services

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137. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Halford. Councillor Gee was present as the appointed substitute for Councillor Halford.

The Committee noted that Councillor Thalukdar was present as a substitute Member.

138. DECLARATIONS OF INTEREST

Councillor Joshi declared an Other Disclosable Interest in the general business and budget items of the meeting in that his wife worked in the Reablement Team at the Council.

Councillor Westley declared an Other Disclosable Interest in agenda item Appendix D Draft Housing Revenue Account Budget (Including Capital Programme) 2021/22, in that some members of his family were Council tenants.

In accordance with the Council's Code of Conduct, these interests were not considered so significant that they were likely to prejudice the Councillors' judgement of the public interest. They were not, therefore, required to withdraw from the meeting.

149. DRAFT CAPITAL PROGRAMME 2021/22

The Director of Finance submitted the draft General Fund Revenue budget 2021/22, which would be considered at the meeting of Council on 17 February 2021. The draft had been published in December 2020 and received by all scrutiny commissions. The Overview Select Committee was recommended to consider the draft budget and the comments made by the Scrutiny commissions, and to pass its comments on these to the meeting of Council.

The Director informed the meeting the budget was proposed at a time of extreme uncertainty following 10 years of severe spending cuts and during which time the authority had lost over £100 million of government funding per year. She added it was not yet known the full extent of the spending which would result from pandemic restrictions or the impact of a subsequent economic downturn, and services may need to be shaped to meet the needs of the a new environment which will be faced with the pandemic was over.

When the report was produced it was on the basis of the draft finance settlement, with information on the grant for 2021/22. The final settlement was published on the afternoon of 4 February 2021 and did not amend any figures in the report.

The 12-month stop-gap budget had been recommended to the Executive, when finances would be reviewed when there was more certainty, and in line with the approach there had been minimal changes to the budget.

It was noted extra monies had had to be provided, in particular to social care which had received a further £10million. The government provided a social care grant of £3million, and the opportunity to increase Council Tax by 3% (£3.6million) was welcome but still left £3million short in terms of the cost of growth.

The budget was balanced with the use of £20million reserves. It was noted the authority was fortunate to have reserves which reflected the difficult decisions that had been taken in the past, as many local authorities were now financially unsustainable moving forward.

The Director predicted future years remained harder than ever as it was not known what the government intended to do with the spending review, the impact on business rates and the impact on city centres and downturn in the economy. It was stated an estimate of a funding shortfall in 2021/22 of around £40million could be expected, and that every year reserves would decline.

The City Mayor said it was a difficult budget following a disruptive year, and also the uncertain future. He added the Council's finances were comparatively stable to compared other local authorities due to the difficult decisions Members had had to take and the sound advice given to them from the Director of Finance and colleagues.

The City Mayor stated he had listened very carefully to what has been said by consultees and scrutiny commissions, and would formalise by way of the proposal to be put to Council the intention to recognise the role of scrutiny commissions. In particular the present role of the public health officers who had been stretched to considerable extent, and he believed it was necessary to put some additional resources behind that with a recommendation to Council to add initially a further £200k to that budget to enable them to make some changes to strengthen their team.

The City Mayor was also aware, as Scrutiny Commissions had also pointed out, the increasing needs of the most vulnerable in the community. He intended to top up the Discretionary Council Tax hardship fund in light of exceptional economic difficulties that people were facing, by £500k in the first instance.

The City Mayor also intended to recognise the continued call on the crisis support payments made with an extra £300k in the budget. The City Mayor also noted the likelihood that the Discretionary Housing Payments fund would come under pressure, and it was intended to top up the fund by £900k to provide for those in desperate hardship. The City Mayor noted the initial additions would be kept under review to see if further funds would be required.

He further noted the revenue budgets remain pressurised and by putting additional funds into those service put additional strain on the authority's ability to cope with the scenario ahead and greater austerity from the government, but it was impossible to recognise the needs both of public health and those in most distress as a result of the pandemic.

The City Mayor asked the Overview Select Committee to note the commitment made and hoped that the Committee support the revenue budget being taken to Council. It was added that the growth in social care costs had increased year on year and there was a need to seek ways of managing demand.

in response to Members questions the following was noted:

- The potential impact of a 5% council tax rise had been raised in Economic Development Transport and Tourism Scrutiny Commission who asked for consideration of the budget around hardship grants for those suffering to have some form of mitigation, and Members were pleased the City Mayor had provided figures of increased budgets in those areas. It was asked if the council tax letter when sent could include information on the opportunity to apply for various hardship grants or council tax/ housing support. The Director of Finance informed Members that information was included with council tax bills.
- It was raised that the increase in Council Tax would make it unbearable for some people who were under pressure. It was stated that one of the main drivers for having to increase Council Tax was the increased costs of social care. The City Mayor added that the sums of money raised by the supplements made to Council Tax did little to contribute to increasing costs in those areas over the past 10 years. It was further added that Council Tax was going up in Council's across the country of all political control as a result of funding cuts made by government in the name of austerity.
- It is not possible to break down a households council tax bill to show what their money is spent on penny by penny, but it was noted two-thirds of the Council's budget was spend on social care; vulnerable children and vulnerable adults. The Director of Finance agreed that the long-deferred review of social care funding was absolutely essential to all councils for future sustainability.
- It was suggested the continuing spiralling in costs in adult social care was unsustainable and was there more fundamental work that could be done. The City Mayor agreed with the need to look at social care costs as being paramount, especially at a time when other services were being squeezed.
- Members welcomed the decision on the 0-19 commissioning withdrawal of the budget reduction at this time.
- A note of concern was expressed regarding the sexual health and contraception services as an area for budget reductions. It was appreciated that Covid-19 had changed lots of behaviours, including sexual behaviours, however, it was stated the consequences of poor sexual health or lack of access to contraception could have lifetime consequences.

The Chair noted the report and comments made in Scrutiny Commissions and by Members of Overview Select Committee. It was noted that Members were very pleased that the Council's finances were managed responsibly and prudently by its finance officers, and hoped the government recognised that Leicester City Council were in a better position than neighbouring councils. The Chair thanked Director of Finance and colleagues for their hard work.

AGREED:

That:

1. The report and comments from Members of the Overview Select Committee be noted, and pass to the meeting of Council on 17 February 2021.

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2. The Director of Finance review information regarding opportunities to apply for hardship grants on Council Tax Bills and the Council's website.