



Leicester
City Council

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 8 FEBRUARY 2024 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)
Councillor Surti (Vice-Chair)

Councillor Bajaj
Councillor Dawood

Councillor Dave
Councillor Porter
Councillor Waddington

Also present:

Sir Peter Soulsby
Alretaj Al-Showali
Dina Al-Showali

City Mayor
Youth Representative
Youth Representative

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

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

There were no declarations of interest.

10. REVENUE BUDGET 2024/25

The Director of Finance submitted the City Mayor's proposed Draft Revenue Budget 2024/25, which would be submitted for a decision to Full Council on 21 February 2024.

It was noted that comments on the revenue budget from scrutiny commissions had been published with the document pack, along with an addendum published more recently that covered the comments arising from scrutiny commission meetings held within the last week.

The City Mayor introduced the item and stated that the City Council was encountering an incredibly challenging period. Over the past decade, services other than social care had experienced a 50% reduction in their budgets and this had been managed extremely prudently. He stated that unlike several comparator authorities, a S114 notice had not been served, and although this was not imminently anticipated, the long-term outlook was concerning, with the council's reserves to be spent during 2024/25. He reported that a series of difficult decisions would be required to be taken over the forthcoming year.

The Director of Finance further introduced the item and confirmed that the City Mayor was proposing a balanced budget to Full Council, and that further significant action was required for 2025/26. She also noted that the current version of the report would be amended for Full Council to account for impacts resulting from implementing the increase in National Living Wage, homelessness pressures and government funding announcements.

In response to comments and questions from members, the following points were raised:

- The City Mayor had previously enquired about options around selling artefacts held by the Arts and Museums service. He had been advised that doing so would result in a loss of funding and recognition towards museums and that the benefits of selling artefacts were outweighed by these factors. He stated that he was unaware of other local authorities embarking on such ventures.
- It was not meaningful to make comparisons with the proposed budget against the City Council's budget a decade ago and in the years proceeding. It was confirmed that during that period, costs associated with ASC provision had risen by over £100million.
- A sum of £25.5 was proposed for contingencies and this largely covered costs that related to the local government pay award and energy price pressures.
- The City Council suffered more in comparison to other authorities in respect of the existing council tax bandings and this impacted on tax collection levels. It was pointed out that a 1% increase in council tax would yield £1.4million; a sum small in comparison to other local authorities who imposed a 1% increase.
- It was widely acknowledged that there was significant demand on ASC budgets. Considerable efforts to introduce measures address the pressures were ongoing.
- It was also confirmed that the City Council was undertaking joint departmental approaches when considering ways to deliver budgets for services.
- The increased cost of home to school transport provision, particularly for SEND children and looked after children impacted severely on the City

Council's budget. The City Mayor stated that a nation-wide initiative to tackle the issue would be helpful. He also suggested that the issue continued to be examined by the Children, Young People and Education Scrutiny Commission

- Within the draft budget for 2024/25, there was no proposal to reduce funding towards adventure playgrounds though guarantees could not be given that the current level of funding would remain in subsequent years. The City Mayor confirmed that discussions had taken place with the providers and that these would continue.
- In respect of the serving of S114 notices, the City Mayor confirmed that if the Director of Finance felt that if the City Council could not meet its liabilities, then she would be required to issue a notice. He also pointed out that the notice prevented councils from going bankrupt. Should a notice be serviced, there would be a requirement to hold a Full Council meeting within two weeks which would then result in stopping all non-statutory and non-contractually committed spending. He explained that this position had been adopted in Nottingham and Birmingham and referred to the severe impact that this had in those cities. He stated that the City Council would continue to try to avoid the imposition of a S114 notice and had been reassured by the Director of Finance that a budget could be set this year without the need to serve a notice, but that this position could not be guaranteed for future years given that the council's reserves were due to be exhausted.
- In response to a request for a list of all discretionary services provided by the City Council, it was confirmed a definitive list could not be easily provided as there was not always a clear distinction between statutory and discretionary service provision.
- It was suggested that the detail of future in-year budget saving proposals be shared with the relevant scrutiny commissions.

AGREED:

- (1) That the recommendations for Full Council be noted by the commission; and
- (2) That the detail of future in-year budget saving proposals be considered by relevant scrutiny commissions.