



## MINUTE EXTRACT

Leicester  
City Council

### Minutes of the Meeting of the HOUSING SCRUTINY COMMISSION

Held: MONDAY, 7 JANUARY 2019 at 5:30 pm

#### P R E S E N T:

Councillor Westley (Chair)  
Councillor Alfonso (Vice Chair)

Councillor Aqbany  
Councillor Corral

Councillor Joshi  
Councillor Newcombe

#### In Attendance

Councillor Connelly – Assistant Mayor for Housing

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#### **56. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Byrne and Willmott.

#### **57. DECLARATIONS OF INTEREST**

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

Members stated their declarations were included on each Councillor's Register of Interests and there were no further declarations to be made.

#### **61. ANNUAL BUDGET**

The Director of Finance submitted a report which set out the City Mayor's proposed budget for 2019/20 to 2021/22. The Housing Scrutiny Commission was recommended to pass any comments to the Overview Select Committee as part of its consideration of the report before it would be presented to the Council meeting on 20 February 2019.

The Head of Finance presented the report, and the following information was provided:

- The report included matters that Full Council needed to consider when

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- budget and council tax levels were set.
- The report gave details of existing programmes involving spending cuts, and highlighted former decisions that affected Council services. It was noted that all savings programmes were required, and additional funding for services had been progressed over the past four years through the spending review process. The budget report did not introduce new spending cut proposals.
  - A council tax increase of 3% was noted.
  - The body of the report also included information on pressures on statutory responsibilities, required spending review savings, targets for departments and key spending pressures.
  - The report provided a one-year budget with projections in spending and income in definite terms, as changes had been signalled in government finance for 2021 on how business rates would be collected and distributed. It could only be assumed that the budget would not vary significantly, but definitive figures could not be given due to changes which might be made at a national level.

In response to Commission Members' questions, the following information was given and noted:

- The £3.1million included non-HRA budget, covering homelessness costs.
- The spending review programme had been running across the Council for a number of years to allow a balanced budget to be achieved to reflect the significant budget reduction. It had led to a series of decisions (Executive and budget monitoring reports, for example, December 2016, and Executive decision around the Homelessness Strategy Spending Review).
- The Business Rates Retention Scheme allowed for councils to retain half of collected rates. Leicester City Council also received some of the pool of funding distributed to local authorities. The Government had been consulting on increasing the localisation up to 75%, which was intended to incentivise local authorities to drive economic regeneration but which increased the risk for councils that did not increase business rates. If business units became empty, part of the cost for loss of business rates income was to be borne by the Council.
- Members said that with so many shops closing down it was hoped the Council could do something to regenerate business. It was noted there would still be some redistribution should business rates retention be increased to 75%, but that the government over recent years had reduced revenue support while increasing business rates, and over time business rates would provide an increasing amount of the Council's income, with increasingly less from the distribution pool.
- Concern was raised about the demographic pressures in Adult Social Care and growth in numbers of looked-after children, and about the potential funding gap increase in 2021/22 from £16.2 to £50m should the Government not provide sufficient funding. It was acknowledged that it would be difficult for the Council to manage should figures of that magnitude materialised and the level of funding available across councils was a widespread concern for local government generally.

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- The Assistant Mayor for Entrepreneurial Councils was working with Council officers to drive funding.
- It was noted that figures in the report had been rounded to the nearest £100k but that the totals were correct.

The Chair noted that a balanced budget had to be presented to Council but with significant budget cuts, officers had worked well to present the budget as written.

It was confirmed that the report would be submitted to Council on 20 February 2019, and the Housing Scrutiny Commission Members supported the draft budget as proposed.

It was AGREED that:

1. The draft budget report be noted as proposed.