

Leicester  
City Council

**MEETING OF THE HERITAGE CULTURE LEISURE AND TOURISM  
SCRUTINY COMMISSION**

**DATE: TUESDAY, 10 JANUARY 2023**

**TIME: 5:30 pm**

**PLACE: Meeting Room G.01, City Hall, Charles Street, Leicester, LE1  
1FZ**

**Members of the Committee**

Councillor Halford (Chair)

Councillors Dr Barton, Broadwell, Dawood, March, Master and Shelton

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

For Monitoring Officer

**Officer contacts:**

**Jessica Skidmore (Democratic Support Officer),**

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# **PUBLIC SESSION**

## **AGENDA**

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

#### **2. DECLARATIONS OF INTEREST**

Members will be asked to declare any pecuniary or other interests they may have in the business to be discussed.

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

**Appendix A**

The minutes of the meeting of the Heritage, Culture, Leisure and Tourism Scrutiny Commission held on Tuesday, 8 November 2022 have been circulated and Members are asked to confirm them as a correct record.

#### **4. PETITIONS**

The Monitoring Officer to report on the receipt of any petitions submitted in accordance with the Council's procedures.

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

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

#### **6. COUNCIL DRAFT BUDGET REPORTS**

The Director of Finance submits reports on the Council's draft revenue budget and capital programme budget for the financial year 2023/24.

##### **(i) DRAFT REVENUE BUDGET REPORT**

**Appendix B**

The Director of Finance submits a report on the Council's draft revenue budget for the financial year 2023/24.

**(ii) DRAFT CAPITAL PROGRAMME BUDGET** **Appendix C**

The Director of Finance submits a report on the Council's draft capital programme budget for the financial year 2023/24.

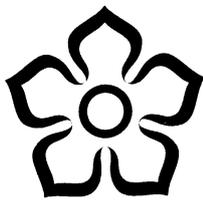
**7. COST OF LIVING IMPACT UPDATE - SPORTS SERVICES** **Appendix D**

The Director of Delivery, Communications and Political Governance submits a report on the cost-of-living impact upon sports facilities and services in Leicester.

**8. WORK PROGRAMME** **Appendix E**

The current work programme is attached, and the Commission will be asked to consider this and make comments or suggestions for additional items as it considers necessary.

**9. ANY OTHER URGENT BUSINESS**



Leicester  
City Council

Minutes of the Meeting of the  
HERITAGE CULTURE LEISURE AND TOURISM SCRUTINY COMMISSION

Held: TUESDAY, 8 NOVEMBER 2022 at 5:30 pm

P R E S E N T :

Councillor Halford (Chair)

Councillor Dr Barton  
Councillor Dawood

Councillor March  
Councillor Master

In Attendance

Deputy City Mayor Councillor Clair – Culture, Leisure Sport and Regulatory Services

\* \* \* \* \*

**41. CHAIRS ANNOUNCEMENTS**

The Chair welcomed those present and led introductions.

The Chair announced that item 7 of the agenda on Heritage Action Zones had been withdrawn from this meeting and would be rescheduled in due course.

The Chair extended thanks to the Head of Arts & Museums and the Director for Tourism, Culture & Inward Investment for sharing the excellent news that the City council's museums service had been confirmed as a member of the Arts Councils National Portfolio of funded organisations for 2023-26 which meant the council would benefit from extra Arts Council England investment.

**42. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Shelton.

**43. DECLARATIONS OF INTEREST**

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

There were no declarations of interest.

**44. MINUTES OF THE PREVIOUS MEETING**

AGREED:

That the minutes of the previous meeting held on 20<sup>th</sup> September

2022 were an accurate record.

#### **45. PETITIONS**

The Monitoring Officer reported there were no petitions.

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

The Monitoring Officer reported there were no questions, representations or statements of case.

#### **47. PROVISION OF SWIM LEICESTER FOR ADULTS IN LEICESTER**

The Director of Delivery, Communications and Political Governance submitted a report on the provision for swimming and swimming lessons in Leicester.

Deputy City Mayor Clair introduced the report advising members that this report had a particular focus on adults and reminded them of a previous update about the Learn to Swim programme for children.

It was noted that a Swim Leicester survey had been undertaken receiving approximately 500 responses that showed not all were being reached or engaged to participate in swimming programmes. It was acknowledged that Leicester was a multi-cultural city and there were barriers to further overcome to increase adult participation in swimming lessons.

The Chair invited Summaya Mughal a BBC presenter to address the commission to talk about her experience.

Summaya Mughal, BBC presenter addressed the commission about her recent swimming challenge “Brown Girl Can’t Swim” and talked about her experiences of being unable to swim and how she had taken up the challenge to learn to swim within 8 weeks, and how as part of that journey she also explored why South Asian women were less likely to swim and why cultural barriers stopped her from learning to swim during school years.

Summaya explained how, supported by Active Nottingham during the challenge, she had engaged with diverse communities and worked with the black swimming association to look at the lack of representation of black and Asian people in recreational and elite swimming and how she hoped to break down misconceptions and encourage more people to take up swimming.

Referring to some of the barriers that had been identified as part of “Brown Girl Can’t Swim”, Summaya explained that accessibility was very important; separate classes for men and women were good but did not remove the barriers for all, she suggested more thought was needed around swimming programmes to avoid key times/dates e.g., prayer times; school pick up/drop off times or having more times that suited people who worked all day. Another considerable issue was around modesty, e.g., the type of swimwear that could be worn. Changing rooms also presented issues and having changing rooms

that allowed people to exit straight into the pool rather than have a lengthy walk would be better.

Communication was suggested as another key factor that could be used to break down barriers, e.g., pool websites could be used to promote awareness of swimwear that could be worn and so remove swimwear as a barrier; simple signage at leisure centres could also be used to address that.

Members considered the report, the England Swims survey findings and statistical data provided. The ensuing discussion included the following points:

- Nationally 1 in 3 adults could not swim 25 metres. The England Swims survey data reflected the disparity of swimming abilities by ethnicity and gender differences, it was noticeable that 49% of people from ethnic communities could not swim more than 25 metres compared to 14% of people from a white background.
- Swimming was an important life skill that brought with it many health benefits and should therefore be better promoted and prioritised.
- Members felt swimming sessions should take place where there was demand and there should be more linkage with other providers, although budget pressures were recognised.
- Leicester had one of the most diverse communities in the country and although demand was high that was underrepresented in certain communities and needed the support of the local authority to prioritise swimming.
- It was suggested the council should look more creatively to get people to swim and use facilities, e.g., by reviewing times when provisions were open and engaging with groups or organisations that could use the facilities at other times.
- It was suggested that prior to Covid, Leicester had several grass roots groups doing their own sessions and activities but those had diminished and needed to be resumed.

Members talked about the barriers to swimming and steps that could be taken to address those. In relation to modesty, swimming facilities, design and layout were important factors, not just in terms of pool access from changing rooms but also in the fabric of buildings, i.e., open glass windows that looked aesthetically pleasing outside and allowed people to view in were very off putting to many who did not want passers-by to see them.

Another important consideration was around staffing too e.g., swim instructors and lifeguards that were representative of the community or same sex for swimming lessons/group sessions. Officers responded in relation to requests for female lifeguards, that such requests were made and where possible accommodated. The current workforce included a lot of instructors who were multi-lingual and from different areas that the service would continue to recruit from to meet diverse needs.

There was a brief discussion about ensuring suitable signage across facilities i.e., options of what to wear at every pool across Leicester and better communicating to break down barriers, market adult lessons and change

behaviours. It was recognised there was further work to do around communications as well as exploring finer details as referred to earlier and for example dealing with simple things like properly differentiating between swimming lessons and swimming sessions.

In terms of the school swimming offer, school swimming formed a large part of what the council offered, and this provision occurred during the school day. It was an Ofsted requirement that children should learn to swim 25 metres by end of year 6. At least a hundred schools were involved in the school swimming programme visiting pools regularly, however there were difficulties engaging with one or two schools, but aside from school usage pools were generally quiet during the day.

Regarding take up of swimming in schools for secondary school age, Swim England promoted opportunities with 14+ years and local colleges, and also through swimming clubs.

Members referred to the disparity figures and issues around equalities noting this was not a new issue. It was noted the report shifted from generally talking about BAME communities to being more specific about the Muslim community, and it was queried why that distinction was made.

Officers responded to some of the points made but were unable to answer why the report focused on the Muslim community and agreed to take that to Swim England to establish why there was that focus. It was noted there were different barriers to different communities and not all were the same which was why detail was important. The Swim England report provided an opportunity to take away information and learn, demand was growing, and more ethnic communities were taking up lessons although there were challenges around pool time and balancing availability as well as providing female guards/teachers.

As regards recruitment of swimming teachers, this was a challenge and as the swimming programme grew there was a perpetual cycle of turnover of teachers. It was expensive to gain accreditation and so a local initiative was put in place that involved paying for the qualification on basis they stay a length of time and that was working well.

As far as challenges around pool time and sessions available, the service was looking at more targeted courses such as female only cohorts or 50 plus groups rather than open courses with a mix of people and being able to do targeted courses may help address some of the barriers referred to during discussion.

Regarding capacity for adult swim provision there was room for growth, it was intended to expand that as more teachers became available and to work with centre managers to make better use of pools, pool timings or moving other programmes.

Members discussed the pool facilities available in the city, noting that 3 of the

most deprived wards in the city did not have any leisure facilities which presented a barrier as far as being accessible. Members also asked about the capital investment programmes predominantly around health and fitness and how those were being used to improve swimming take up. Members also queried the cost of providing the adult swim service, the revenue generated and whether it was running at a loss.

Members were informed that in terms of capital programme, some upgrades of changing rooms had been done, however many leisure centres were over 30 years old so there were limitations and a more innovative approach to changing spaces was difficult to deliver, but where there was scope to do it, the council had done so such as Leicester Leys which was using space more effectively. Cossington was another example where having changing facilities around the pool was better as people can change and get straight into pool.

Deputy City Mayor Councillor Clair commented that the council had so far invested in enhancing leisure facilities in terms of fitness equipment, gym equipment, dance studios but as far as swimming pools those layouts remained the same as pool spaces could not easily be reconfigured.

The Head of Sports commented that it was important to highlight the Leicester swim offer compared to other cities, Leicester enjoyed a great distribution of swimming pools across the city compared to other cities such as Derby that had lost some of those provisions. It was advised that where the service looked at securing investment that was to upgrade things like changing facilities, the vast majority of complaints were associated with changing facilities and so those have been upgraded. In relation to health and fitness facilities it was recognised there was a demand for that and progress/upgrades over the last 5 years had seen membership increase up to 12,000 people generating better income.

Members concluded the key aspects were a need to ensure equality of distribution of assets; to explore further the amount of downtime in pools and to engage with any organisations that would take up the space and pay for that.

The Chair enquired about provisions for disabled people learning to swim and noted that this was dependent on the level of need and could include group sessions or specific 1-1 learning. The service also worked with the charity Level Water who funded primary age children with physical, sight and hearing needs to learn to swim.

The Chair thanked Summaya for taking the time to address the commission and advised that the comments and information from the discussion of this item would be used to help inform the current task group review.

The Chair noted that a report would be brought to the next meeting to include detail of the impact of the economic and energy crisis on Leisure Centres and Swimming facilities.

AGREED:

1. That the contents of the report be noted.
2. That Officers provide members with financial details and data around revenue income and running costs for swimming provision and pools to Members of the Commission outside this meeting.
3. That a report on the impact of the economic and energy crisis on Leisure Centres and Swimming facilities be brought to the next meeting.

#### **48. HIGH STREET HERITAGE ACTION ZONE**

This item was withdrawn from the agenda.

#### **49. CHRISTMAS CAMPAIGN EVENTS**

The Director of Tourism, Culture and Inward Investment submitted a report on the upcoming Christmas Campaign Events in Leicester.

Deputy City Mayor Clair – Culture, Leisure, Sport and Regulatory Services introduced the report noting that the events were intended to make Christmas an inclusive event for everyone to enjoy with an increased offer which had seen different themes and activities happening across the city.

Jackie Ledger, Place Marketing Manager gave a presentation of the key elements to the campaign which included the following:

- The place marketing, branding and active promotion of the events and activities for this Christmas around a theme of Christmas Cracker.
- Involvement of “Arch Creative” who had devised the campaign theme and concept of Christmas Cracker which naturally followed previous years’ campaigns.
- The event programme which contained new 3D images and retained an association with the “Make a date with Leicester” campaign to encourage wider use of retail, catering and bars in the city whilst visiting during the Christmas period.
- A promotional video created for social media and to go out to wider audiences.
- Details of the festive adventure trail and free activities to engage families including movie nights at Green Dragon Square.
- Renewed focus on the ice rink, at Jubilee Square which would also see the return of the Wheel of Light.
- The marketing campaign which will include “Toblerone towers” installed around the city, digital displays on the BT link screens across the city as well as distribution of leaflets and an A5 brochure which promoted shopping and local businesses and included a Christmas competition and information around opening hours, parking etc

The Chair welcomed the presentation and was pleased to see there were several free events included.

Members were advised that the annual Christmas Lights switch on event would also include several activities and 2 short films would be played at Green Dragon Square as fillers in between activity. Speakers had also been installed across the city centre so everyone could hear the count down for light switch on.

Members noted the wider business model and supported the free accessible universal events, however there was concern that some events were expensive and there might be a risk that costs were not recovered.

Members were informed that consideration of the current economic crisis was given to the overall, in terms of the Christmas Lights the council had invested in LED lighting several years ago so the impact of increasing energy costs was marginal and incidental in terms of the bigger picture.

In relation to costings and budgets Members were advised there had never been a specific budget allocated for Christmas activities save for the lights switch on so there was a challenge to cover off the cost of the rest of the event programme from money earned on Ice Rink ticket sales, Wheel of Light ticket sales and through sponsorship. Last year those costs were covered, and it was expected that if the same number of tickets were sold this year the costs would be covered this year too.

Deputy City Mayor Councillor Clair commented that in the Festival Budget there was a nominal amount of £15k set aside for the Christmas Lights switch on, and the investment into other costs were fully recovered and it had been evidenced that having the Christmas events brought people into the city increasing footfall and providing direct economic benefit to the city.

The Chair thanked staff and organisers involved in arranging the Christmas programme.

AGREED:

That the contents of the report be noted.

## **50. TASK GROUP UPDATE - WOMEN'S PARTICIPATION IN SPORT**

7-10pm Cllr Dr Barton left the meeting.

The Chair gave a verbal update on the Task Group Review into Women's Participation in Sport and Physical Activity in Leicester.

Members noted that:

- The survey questionnaire deadline date was extended to the end of October and the results from that would be shared with task group members in due course as part of the review.
- The next online task group meeting was arranged for 29<sup>th</sup> November and invitations had been extended to Councillor Clair and Councillor Dempster to provide evidence on the links between Health & Wellbeing provision and Sports provision for women.

The Chair advised that the aim was to conclude the review by the end of the year and to present a draft report of findings and recommendations to the commission meeting in January 2023 before being fed into the council's new sports strategy work.

**51. DRAFT WORK PROGRAMME**

Members were invited to consider the current work programme and to suggest future items for inclusion.

Members noted that the council had been included in the Arts Council National Portfolio of Funded Organisations 2023-26 which would help with recognition of the city and its diverse offer.

The Chair confirmed that following the good news relating to the Arts Council funding, an item on this area of work would be included in the work programme for next year.

**52. ANY OTHER URGENT BUSINESS**

None notified.

There being no further business the meeting closed at 19.15pm.

# Council

Date: draft for 22<sup>nd</sup> February 2023

## Revenue Budget 2023/24

Lead director: Director of Finance

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City Mayor

## Useful information

■ Ward(s) affected:

■ Report author: Catherine Taylor/Mark Noble

■ Author contact details: [catherine.taylor@leicester.gov.uk](mailto:catherine.taylor@leicester.gov.uk)  
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■ Report version number: 1

### 1. Purpose

1.1 The purpose of this report is to present the City Mayor's proposed budget for 2023/24 and to describe the future financial outlook.

1.2 The proposed budget is described in this report, subject to any amendments the City Mayor may wish to recommend when he makes a firm proposal to the Council.

### 2. Summary

2.1 The medium term financial outlook is the most severe we have known, in our twenty six years as a unitary authority. We are facing restricted Government funding at a time of increasing costs, which will inevitably lead to painful spending cuts.

2.2 The background to this severe outlook is:

(a) a "decade of austerity" between 2010 and 2020 in which services other than social care had to be reduced by 50% in real terms. This has substantially reduced the scope to make further cuts;

(b) the covid-19 pandemic where we set "stop gap" budgets whilst we dealt with the immediate emergency. Budgets in 2021/22 and 2022/23 were supported by reserves of £17m and £24m respectively;

(c) the recent spike in inflation, which has led to significant pressures particularly in respect of pay, energy and packages of social care;

(d) the Autumn Statement in November, which provided no new money for inflation. Whilst some additional money has been made available for social care, it is insufficient to meet our forecast cost growth. This money has in large part been recycled, from savings arising from delayed reforms limiting the costs of care to individuals;

(e) a new round of austerity (also announced in the Autumn Statement) which will lead to further cuts to local authority funding from 2025/26.

2.3 As yet, we only have national information, and have had to prepare a draft budget without the benefit of our own local funding settlement. This has required us to make assumptions based on a share of national amounts. We have also had to make more contingencies than usual reflecting uncertain costs (e.g. the direction of energy prices) and paucity of information (e.g. any residual costs arising from the deferral of adult social care reforms). At the time of writing, we do not know whether our finance settlement will cover one or two years.

- 2.4 The “fair funding” review of local government finance has been continuously delayed, meaning that most of the data on which our funding is based is now at least 10 years old (and disregards, for instance, increases in the city’s population).
- 2.5 The Council’s approach to achieving budget reductions is to make savings in a planned way, using our reserves to avoid the crisis cuts which many authorities have (and are) facing. This is our “managed reserves” strategy. Our approach leaves us in the fortunate position of starting 2023/24 with an estimated £55m of reserves which will help us plan the reductions we need.
- 2.6 The budget you are asked to approve will exceed our income in both 2023/24 and 2024/25, and will therefore be supported by reserves for a further two years. The precise sums shown in this draft report are provisional (we do not have the finance settlement) but the gap between income and expenditure will be substantial – current estimates are included in the report. The reserves required to balance the budget would exceed those required in the last two years. However, we do not have enough money – we estimate reserves will run out part way through 2024/25. Thus, the achievement of significant savings is essential to live within our means. Furthermore, without savings we will have nothing to shield us from the immediate impact of government cuts in 2025/26.
- 2.7 The budget reflects savings of £6m per year across all departments, which will already have been reported by the time Council considers the budget in February (the most recent tranche is being reported to Overview Select Committee in December). Nonetheless, delivery of savings is a continuous process, which does not start or stop at budget setting. The City Mayor will continue to approve savings during the next 12 months, which will reduce the budget gap in 2024/25 (and the level of reserves required in 2023/24, which then become available to offset the gap in 2024/25). Decisions to make savings will be taken in the normal manner and published on the Council’s website. There is no doubt that painful cuts will be required over the coming years.
- 2.8 Increases to budgets for growth pressures have been made only where absolutely essential to maintain service provision. In practice, this amounts to £27m in 2023/24, of which the largest amount is for adult social care. Provisions have also been made for key inflationary pressures such as energy costs.
- 2.9 Like social care authorities up and down the country, our costs of providing care are increasing faster than government support. Unfunded social care pressures present a severe threat to the financial sustainability of the Council and are the key risk described in this report.
- 2.10 The budget proposes a tax increase of just under 5%, which is the maximum we believe we will be allowed to set without a referendum.
- 2.11 The medium term outlook is attached as Appendix Four and shows the escalating scale of the financial pressures facing the council.

### 3. **Recommendations**

3.1 At its meeting in February, the Council will be asked to:

- (a) approve the budget strategy described in this report;
- (b) approve a formal budget resolution, which sets the council tax level for 2023/24 and the council tax premia for 2023/24 and 2024/25;
- (c) approve the budget ceilings for each service, as shown at Appendix One to this report;
- (d) approve the scheme of virement described in Appendix Two to this report;
- (e) note my view on the adequacy of reserves and the estimates used in preparing the budget;
- (f) note the equality implications arising from the proposed tax increase, as described in paragraph 11 and Appendix Three;
- (g) note the medium-term financial strategy and forecasts presented at Appendix Four, and the significant financial challenges ahead.

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#### 4. **Budget Overview**

4.1 The table below summarises the proposed budget for 2023/24 (summary projections for a three-year period are included in the medium term strategy at Appendix Four):

	<b>2023/24 £m</b>
<b>Service budget ceilings</b>	359.9
<b>Corporate Budgets</b>	
Energy costs provision	9.7
Capital Financing	2.5
Miscellaneous Corporate Budgets	1.9
Contingency	4.0
<b>Total forecast spending</b>	<b>378.0</b>
<b>Rates retention scheme:</b>	
Business rates income	73.6
Top-up payment	55.7
Revenue Support Grant	29.9
<b>Other resources:</b>	
Council Tax	143.4
Collection Fund surplus	3.3
Social Care grants	30.4
Other grants	8.6
<b>Total forecast resources</b>	<b>344.9</b>
<b>Underlying gap in resources</b>	<b>33.1</b>
Proposed funding from reserves	(33.1)
<b>Gap in resources</b>	<b>NIL</b>

4.2 The draft budget forecasts are more uncertain than usual, because we have had to prepare them before getting details of funding from the government. However, it is clear that the future financial position is very serious.

## 5. **Construction of the Budget and Council Tax**

- 5.1 By law, the Council's role in budget setting is to determine:
- (a) The level of council tax;
  - (b) The limits on the amount the City Mayor is entitled to spend on any service ("budget ceilings") - proposed budget ceilings are shown at Appendix One;
- 5.2 In line with Finance Procedure Rules, Council must also approve the scheme of virement that controls subsequent changes to these ceilings. The proposed scheme is shown at Appendix Two.
- 5.3 The draft budget is based on a proposed Band D tax for 2023/24 of £1,833.00, an increase of just under 5% compared to 2022/23.
- 5.4 The tax levied by the City Council constitutes only part of the tax Leicester citizens have to pay (albeit the major part – 84% in 2022/23). Separate taxes are raised by the Police and Crime Commissioner and the Combined Fire Authority. These are added to the Council's tax, to constitute the total tax charged.
- 5.5 The actual amounts people will be paying, however, depend upon the valuation band their property is in and their entitlement to any discounts, exemptions or benefit. Almost 80% of properties in the city are in band A or band B, so the tax will be lower than the Band D figure quoted above. The Council also has schemes for mitigating hardship.
- 5.6 The Police and Crime Commissioner and Combined Fire Authority will set their precepts in February 2023. The formal resolution will set out the precepts issued for 2023/24, together with the total tax payable in the city.

## 6. **Departmental Budget Ceilings**

- 6.1 Budget ceilings have been prepared for each service, calculated as follows:
- (a) The starting point is last year's budget, subject to any changes made since then which are permitted by the constitution (e.g. virement);
  - (b) An allowance is made for non-pay inflation on a restricted number of budgets. Our general rule is that no allowance is made, and departments are expected to manage with the same cash sum that they had in the previous year. Given the recent surge in inflation, this is now going to prove very challenging, but due to the overall budget outlook the usual position has been maintained. In practice, we believe over £5m of inflationary pressures will need to be absorbed. Exceptions are made for the budgets for independent sector adult social care (2%) and foster care (2%) but as these areas of service are receiving growth funding, an inflation allowance is merely academic (we pay from one pot rather than another). Budgets for the waste PFI contract have been increased by RPI, in line with contract terms;
  - (c) Unavoidable growth has been built into the budget, as described in the sections below;

- (d) As discussed in the summary, action is being taken to reduce budgeted spend, and where decisions have already been taken budget ceilings have been reduced (this process will continue up to approval of the final budget).
- 6.2 The proposed budget ceilings are set out in Appendix One.
- 6.3 The local government pay award for 2022/23 has recently been finalised, averaging 6.4%. A provision is held centrally to fund this (and is shown within the “service budgets” line in the table above, as it will be transferred to the relevant budget ceilings for the final budget). The draft budget assumes a 5% pay award in 2023/24, also held centrally.
- 6.4 Additionally, and unusually, £9.7m has been set aside in a central contingency for increased energy costs, but has not yet been allocated to budget ceilings pending greater certainty over the final amounts
- 6.5 The role of the Council is to determine the financial envelopes within which the City Mayor has authority to act. Notwithstanding the way the budget has been constructed, the law does not enable the Council to determine how the City Mayor provides services within these envelopes: this is within his discretion.

### **Adult Social Care**

- 6.6 Adult social care services nationally have been facing severe cost pressures for some years, and these are expected to continue.
- 6.7 The budget for 2022/23 reflected a level of uncertainty caused by the pandemic (which dampened demand for services without providing any indication whether future demand would remain dampened, return to normal or catch up for previous under-demand). As a consequence, the budget report for 2022/23 indicated that the figures would be reviewed in-year: after this was completed the budget was reduced by £9m. We now anticipate cost growth of £19m in 2023/24 (compared to the revised budget for 2022/23), accelerating in future years, as a consequence of rising numbers of older and younger adults requiring care, increases in the level of need of the average care recipient, and pressure on providers due to National Living Wage increases.
- 6.8 The government has generally responded to growth pressures on an ad-hoc basis, making one-off resources available year by year. This has made planning extremely difficult.
- 6.9 In the Autumn Statement, the government announced that planned reforms to the way social care is funded (chiefly limiting the amount individuals would have to contribute) will be delayed for at least two years. At the time of writing, it is not clear whether there will be any residual costs from deferral of the plans, and a provision of £5m per year is held centrally until more clarity is available.
- 6.10 The Autumn Statement announced additional funding for pressures in adult social care, in a combination of the Better Care Fund paid via the NHS, and additional social care grant paid directly to local authorities. While the distribution of this funding is not yet known, we estimate that our share could be some £12.7m in 2023/24, rising to over £19m in 2024/25. [In the draft budget, these amounts are

held as corporate resources, and are not shown in service budget lines]. The Government has funded these grants chiefly from the savings arising from deferring the reforms.

- 6.11 The proposed budget includes growth of £18.8m in 2023/24 for increased packages of support, estimated to rise to £32.4m by 2024/25 (considerably in excess of the increased support). These increases were calculated as 6% of the estimated net ASC budget in 2023/24, falling to 4% in 2024/25 (the latter being consistent with national estimates made by the Local Government Association). These increases are less than suggested by past experience, and spending within them will prove challenging. The director is taking action to change and improve support designed to reduce people's need for formal care, social work assessment, and commissioning practice to ensure we can live within these allowances, but it remains a risk. The risk is compounded by the fact that we have a backlog of reviews of clients' needs, due to difficulty in recruiting staff to carry them out.
- 6.12 The above estimates of growth are based on a national living wage of £10.42 in 2023/24, as announced on 17<sup>th</sup> November.

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

- 6.13 In common with authorities across the country, increased demand for children's social care services has created substantial budget pressure for many years.
- 6.14 A forecast of placement costs in 2023/24 and 2024/25 has been made, and £3.0m added to the budget for 2023/24. The forecast builds on a budget that is already under pressure (it is expected to overspend in 2022/23). It assumes a net 10 children per year enter the care system from 2023/24 (against the backdrop of a worsening economic situation), with each new entrant costing an average £39,000 per year and leavers reducing cost by an average £50,000 per year.
- 6.15 Work is continuing to take place to reduce placement costs:
- (a) Regular review of long-term, emergency and high cost placements;
  - (b) Work with partners to agree joint funding solutions for complex, high-need children;
  - (c) Development of additional internal residential homes to mitigate against independent sector price increases;
  - (d) Development of an advanced foster carer scheme for children with more complex needs.
- 6.16 The cost of placements will continue to be monitored through routine budgetary control reports.
- 6.17 The department continues to experience cost pressures from growth in demand for education, health and care plans (EHCPs), which then also lead to increased demand for personal transport. The most significant aspect of cost is the use of taxis by some 800 to 900 children with special needs, which are costing over £10m per year (2022/23). Taxi costs have been increasing due to fuel cost increases, a limit in the number of firms which are prepared to undertake this work and their pricing. An additional £1.5m is included in the 2023/24 budget, but this will still leave a shortfall against spend on current trends. The department is seeking to

tackle this by promoting personal budgets as a default option: both to promote the independence of children and to demonstrate value for money (taxi cost on average 5 times the amount of a personal budget). The department is also seeking to review in-house fleet options.

- 6.18 In addition to the General Fund budget, Dedicated Schools Grant (High Needs Block) budgets for children and young people with special educational needs and disabilities continue to be under severe pressure. In common with most authorities, the Council has a deficit on its DSG reserve estimated to stand at £9m by the end of 2022/23 resulting from unavoidable overspends (in fact, most authorities are in a significantly worse position). The budget is prepared on the assumption that we will continue to run such a deficit by virtue of a “statutory override”, which was originally planned to end in March 2023. If this is not extended, the deficit will reduce our general fund reserves, and hence our ability to balance this and future budgets. Indications are, however, that it will be extended. We are preparing a deficit recovery plan, which all authorities with deficits are required to do but it is unclear how the situation is retrievable without further Government support, given the relentless increase in the number of children with EHCPs, a pattern seen across the country.

#### **City Development and Neighbourhoods**

- 6.19 The department’s costs are reasonably predictable, when compared to social care. The pandemic made a dent in the department’s income budgets, and there continue to be some limited shortfalls. £1.1m was set aside for further temporary shortfalls in 2023/24 when we set the budget for 2022/23, although it is hoped it will not all be required.
- 6.20 Growth of £1m has been added to the budget to meet costs of accommodation for increasing numbers of families presenting as homeless (a pressure of £0.8m in 2022/23), and for shortfalls in planning income. There is a plan to address the needs of homeless families through the Housing Revenue Account, which will provide partial relief.

#### **Health and Wellbeing**

- 6.21 The Health and Wellbeing Division has been at the centre of the authority’s response to Covid 19, and the pandemic is expected to have a lasting impact on mental and other aspects of the population’s health. The cost of living crisis is also likely to increase the need for services.
- 6.22 The division, together with a number of services provided by other departments, is paid for from the public health grant. This grant is ring-fenced for defined public health purposes wherever they are provided in the Council. General Fund monies have also been spent on public health services, both before and after 2013/14 when the function transferred from the NHS.
- 6.23 The future of public health grant is unclear. It is not known whether it will remain as a separate grant when local government funding reforms are eventually introduced; previous proposals have suggested it will be included in general funding arrangements.

- 6.24 The department is able to live within its resources in 2023/24, and no budget growth is proposed.

### **Corporate Resources Department**

- 6.25 The department primarily provides internal support services together with leading on good corporate governance, but also some public facing services such as benefits, collection of council tax and customer contact. Since 2022/23, it has also been responsible for sports services (although given the clear links with public health, we continue to include these services with Health and Wellbeing in Appendix One). The department has made considerable savings in recent years in order to contribute to the Council's overall savings targets. It has nonetheless achieved a balanced budget each year.
- 6.26 Whilst the budget is broadly balanced, a number of factors may lead to budget pressures in the department, most notably in respect of Revenue and Customer Services (where the cost-of-living crisis is expected to generate significant increases in customer contact from people struggling financially). Sports Services is continuing to suffer reduced income in the aftermath of the pandemic: whilst membership subscriptions now exceed pre-pandemic levels, casual income has failed to recover. However, the department will manage within its budget and no growth is required in 2023/24.

### **7. Corporately held Budgets and Provisions**

- 7.1 In addition to the services' budget ceilings, some budgets are held corporately. These are described below.
- 7.2 The budget for **capital financing** represents the cost of interest and debt repayment on past years' capital spending, less interest received on balances held by the council. The net cost has reduced recently due to increasing interest rates leading to better returns on balances (while the majority of our borrowing is on fixed rates and is not immediately affected by interest rate variations). As we spend our reserves, however, interest received will fall.
- 7.3 A **contingency** of £4m has been included in the budget to manage significant pressures that arise during the year. These are further described in paragraph 12 below.
- 7.4 **Miscellaneous central budgets** include external audit fees, pension costs of some former staff, levy payments to the Environment Agency, bank charges, general insurance costs, money set aside to assist council tax payers suffering hardship and other sums it is not appropriate to include in service budgets. These budgets are offset by the effect of recharges from the general fund into other statutory accounts of the Council.
- 7.5 For this draft budget, central provisions are also held for the costs of pay awards, increasing energy costs, any residual costs from adult social care reforms, and for the costs of additional waste to be disposed of. These will be allocated to departmental budget lines when there is more clarity about the costs. Growth of

£1m has been added for the costs of procurement when the current waste contract ends in 2028. This is a substantial planning exercise.

## 8. Resources

8.1 At the time of writing, the local government finance settlement for 2023/24 has not been published, and is expected just before Christmas 2022 (as late as it has ever been). Current estimates of government funding we will receive are therefore based on information included in the government's fiscal statements, and are liable to change.

8.2 The majority of the council's core funding comes from business rates; government grant funding; and council tax. Service-specific sources of funding, such as fees & charges and specific grants, are credited to the relevant budget ceilings, and are part of departmental budgets.

### Business rates and core grant funding

8.3 Local government retains 50% of business rates collected locally, with the balance being paid to central government. In recognition of the fact that different authorities' ability to raise rates do not correspond to needs, there are additional elements of the business rates retention scheme: a top-up to local business rates, paid to authorities with lower taxbases, and Revenue Support Grant (RSG).

8.4 Forecasts for business rates are particularly sensitive to assumptions about the current economic downturn. In addition, a rates revaluation will take effect from April 2023, which will redistribute funding between areas of the country. In the Autumn Statement, the Government announced new reliefs in addition to the usual transitional relief which follows a revaluation: these include a new small business scheme; and improved relief for retail, hospitality and leisure businesses.

8.5 In addition to new relief schemes, Government decisions in recent years have reduced the amount of rates collected from businesses, by limiting annual increases in the multiplier used to calculate rates. It has done so again in 2023/24 by freezing the multiplier at 2022/23 levels (in practice, at current rates of inflation, this represents a significant real terms reduction for businesses).

8.6 The government's practice is to compensate authorities for lost income due to changes to the scheme. So many changes have been made in recent years that by 2022/23 compensation made up around a third of the "rates" income received by the Council. This proportion will rise further in 2023/24: given the multiplicity of changes this year (and the fact that any one ratepayer can be affected by more than one of them), and the unknown impact of revaluation, calculating our likely income is a particularly hazardous enterprise. The estimates in this draft report are the best we can make at present. In practice, we believe that the system of business rates is becoming unsustainable in its current form.

8.7 The figures in the draft budget assume no significant growth or decline in "rates" from the current position, apart from inflationary increases. In effect, we are assuming we will get £ for £ compensation for all changes the Government is

making which affect payable rates. These figures will be revised for the final budget to be approved in February.

- 8.8 Other funding streams in 2022/23, including the £7m Services Grant, were introduced as one-off grants that are not included in funding baselines, allowing the Government more scope to reallocate the funding in future years. While we do not know the future of these funding streams, the draft budget assumes that any changes will have a neutral overall effect, apart from an expected reduction to reflect the cancellation of the recent increase in employers' National Insurance Contribution rates.

Council tax

- 8.9 Council tax income is estimated at £143.4m in 2023/24, based on an assumed tax increase of just below 5% (the maximum allowed without a referendum). The proposed tax increase includes an additional “social care levy” of 2%, designed to help social care authorities mitigate the growing costs of social care. Since our tax base is relatively low for the size of population, the levy raises just £2.7m per year.
- 8.10 The estimated council tax base has increased since last year’s budget; this is largely the result of reducing costs of the local council tax support scheme, as employment and the economy recover after the pandemic.
- 8.11 Since 2013, we have been able to charge additional council tax as a premium on some empty properties. This was introduced to provide an incentive to get empty homes back into use. The scheme has changed several times since its introduction, and further changes are planned from April 2024, subject to legislation in Parliament:
- Authorities will be able to charge the premium on properties empty for over 1 year (instead of 2 years as at present)
  - For the first time, empty homes’ premium can be charged on furnished empty properties (often referred to as second homes) as well as unfurnished properties.
- 8.12 In February, the Council will be asked to approve the premia to be charged on empty properties for the next two years. The exact wording will set out the terms of any exemptions to the general policy (we will, in particular, consider members of the armed forces who may have particular accommodation needs):

	Premium 2023/24	Premium 2024/25
Unfurnished properties empty for:		
Over 1 year	NIL	100%
Over 2 years	100%	100%
Over 5 years	200%	200%
Over 10 years	300%	300%
Furnished empty properties (second homes)	NIL	100%

### Other grants

8.13 The majority of grant funding is treated as income to the relevant service departments and is not shown separately in the table at paragraph 4.1. Grants held corporately include:

- **New Homes Bonus**, which provides additional funding where new homes are built or long-term empty properties return to use. It has become less generous in recent years, and is expected to be phased out entirely. The draft budget assumes that any replacement will have a neutral effect on our budget.
- **Social Care Grant**, which has been provided each year since 2016/17 to reflect national cost and demographic pressures. In 2022/23, our share of this funding was £17.7m. In the Autumn Statement on 17<sup>th</sup> November, additional social care grant funding was announced, totalling £1.9bn nationally in 2023/24 and rising to £2.8bn in 2024/25. We do not yet know how this will be allocated to authorities; the budget assumes a share similar to previous social care funding allocations.

### Collection Fund surplus / deficit

8.14 Collection fund surpluses arise when more tax is collected than assumed in previous budgets. Deficits arise when the converse is true.

8.15 The Council has an estimated **council tax collection fund surplus** of £1.3m, after allowing for shares to be paid by the police and fire authorities. This largely relates to reductions in the cost of the council tax support scheme: employment rates remain high since the pandemic.

8.16 The Council has an estimated **business rates collection fund surplus** of £4.4m. Because of changes to reliefs in recent years that were funded by government grants, the actual collection fund position is distorted and various technical accounting adjustments (that will balance out over the years) are required. For clarity, this budget presents the net underlying figure. The net balance is largely the result of lower than expected appeals against property valuations at the last revaluation in 2017.

8.17 For both council tax and business rates, there is a further adjustment relating to deficits from the pandemic period in 2020/21, when collection across the country was severely affected.

## 9. Managed Reserves Strategy

9.1 Since 2013, the Council has employed a managed reserves strategy, contributing money to reserves when savings are realised and drawing down reserves when needed. This policy has bought time to more fully consider how to make the recurrent cuts which have been necessary in nearly every budget year.

9.2 As at April 2022, resources available for the strategy totalled £79.2m. Of this, £24.1m is likely to be required to balance the 2022/23 budget, taking account of expected pressures since the start of the year (and described in budget monitoring

reports to Overview Select Committee). This will leave an estimated £55m for future years.

- 9.3 Unless further savings are found, the draft budget will require £33.1m of support from reserves in 2023/24, leaving just £22m to offset pressures in 2024/25. This indicates that substantial cuts will be required to balance the budget in that year:

	<b>£m</b>
Available to support budget as at 1/4/2022	79.2
Required in 2022/23	(24.1)
Estimated amount required for 2023/24 budget	(33.1)
<b>Balance Remaining for 2024/25</b>	<b><u>22.0</u></b>

## 10. **Earmarked Reserves**

- 10.1 In addition to our general reserves, the Council also holds earmarked reserves which are set aside for specific purposes. These include ringfenced funds which are held by the Council but for which we have obligations to other partners or organisations; departmental reserves, which are held for specific services; and corporate reserves, which are held for purposes applicable to the organisation as a whole.

- 10.2 Appendix 5 gives a summary of earmarked reserves as at 31<sup>st</sup> March 2022.

- 10.3 The planned use of earmarked reserves will be monitored through the regular revenue budget monitoring process, and reported to members throughout the 2023/24 financial year.

## 11. **Budget and Equalities**

- 11.1 The Council is committed to promoting equality of opportunity for its residents; both through its policies aimed at reducing inequality of outcomes, and through its practices aimed at ensuring fair treatment for all and the provision of appropriate and culturally sensitive services that meet local people's needs.

- 11.2 In accordance with section 149 of the Equality Act 2010, the Council must "have due regard", when making decisions, to the need to meet the following aims of our Public Sector Equality Duty :-

- (a) eliminate unlawful discrimination;
- (b) advance equality of opportunity between those who share a protected characteristic and those who do not;
- (c) foster good relations between those who share a protected characteristic and those who do not.

- 11.3 Protected groups under the public sector equality duty are characterised by age, disability, gender reassignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.

- 11.4 When making decisions, the Council (or decision maker, such as the City Mayor) must be clear about any equalities implications of the course of action proposed. In doing so, it must consider the likely impact on those likely to be affected by the recommendation; their protected characteristics; and (where negative impacts are anticipated) mitigating actions that can be taken to reduce or remove that negative impact.
- 11.5 The budget does not propose any service changes which will have an impact on residents. Where appropriate, an individual Equalities Impact Assessment for any service changes will be undertaken when these decisions are developed.
- 11.6 The budget does recommend a proposed council tax increase for the city's residents. The City Council's proposed tax for 2023/24 is £1,833.00, an increase of just below 5% compared to 2022/23. As the recommended increase could have an impact on those required to pay it, an assessment has been carried out to inform decision makers of the potential equalities implications. This includes the potential impact of alternative options.
- 11.7 A number of risks to the budget are addressed within this report (section 12 below). If these risks are not mitigated effectively, there could be a disproportionate impact on people with particular protected characteristics and therefore ongoing consideration of the risks and any potential disproportionate equalities impacts, as well as mitigations to address disproportionate impacts for those with particular protected characteristics, is required.

## 12. **Risk Assessment and Estimates**

- 12.1 Best practice requires me to identify any risks associated with the budget, and Section 25 of the Local Government Act 2003 requires me to report on the adequacy of reserves and the robustness of estimates.
- 12.2 In the current climate it is inevitable that the budget carries significant risk. In my view, although very difficult, the budget for 2023/24 is achievable subject to the risks and issues described below.
- 12.3 The most significant risks in the 2023/24 budget include:
- (a) Inflation, which has risen sharply and at the time of writing is over 10% per year, and has put extreme pressure on pay and other costs. In addition, inflationary pressures on household budgets are likely to increase demand for a range of services across the Council. Economic forecasts expect inflation to reduce during 2023, although it is likely to remain higher than in recent years. If inflation remains higher than forecast, it will further increase costs in 2023/24 and in subsequent years;
  - (b) Energy costs are a particular inflationary pressure - they have increased sharply recently and remain difficult to predict;
  - (c) Adult Social Care spending pressures, specifically the risk of further growth in the cost of care packages. Growth provided in the budget is less than previous practice suggests is needed, and management action will be required to prevent overspending;

- (d) The costs of looked after children, which have seen growth nationally;
  - (e) The costs of special needs transport, where the forecasts also require management action to avoid overspending.
- 12.4 The budget seeks to manage these risks as follows:
- (a) A minimum balance of £15m of reserves will be maintained;
  - (b) Provisions have been made in the budget for likely pressures on pay and energy costs, and will be kept under review during the year. Provisions of £5m per year have also been made for any residual costs from the deferral of adult social care reform;
  - (c) A contingency of £4m has been included in the budget for 2023/24;
  - (d) As a last resort, managed reserves could be used, but this increases pressure in 2024/25.
- 12.5 Subject to the above comments, I believe the Council's general and earmarked reserves to be adequate. I also believe estimates made in preparing the budget are robust. (Whilst no inflation is provided for the generality of running costs in 2023/24, more exceptions than usual have been made, and it is believed that services will be able to manage without an allocation).

### 13. **Financial, Legal and Other Implications**

#### 13.1 **Financial Implications**

This report is exclusively concerned with financial issues.

#### 13.2 **Legal Implications**

13.2.1 The budget preparations have been in accordance with the Council's Budget and Policy Framework Procedure Rules – Council's Constitution – Part 4C. The decision with regard to the setting of the Council's budget is a function under the constitution which is the responsibility of the full Council.

13.2.2 At the budget-setting stage, Council is estimating, not determining, what will happen as a means to the end of setting the budget and therefore the council tax. Setting a budget is not the same as deciding what expenditure will be incurred. The Local Government Finance Act, 1992, requires an authority, through the full Council, to calculate the aggregate of various estimated amounts, in order to find the shortfall to which its council tax base has to be applied. The Council can allocate greater or fewer funds than are requested by the Mayor in his proposed budget.

13.2.3 As well as detailing the recommended council tax increase for 2023/24, the report also complies with the following statutory requirements:-

- (a) Robustness of the estimates made for the purposes of the calculations;
- (b) Adequacy of reserves;
- (c) The requirement to set a balanced budget.

13.2.4 Section 65 of the Local Government Finance Act, 1992, places upon local authorities a duty to consult representatives of non-domestic ratepayers before setting a budget. There are no specific statutory requirements to consult residents, although in the preparation of this budget the Council will undertake tailored consultation exercises with wider stakeholders in addition to representatives of ratepayers.

13.2.5 The discharge of the ‘function’ of setting a budget triggers the duty in s.149 of the Equality Act, 2010, for the Council to have “due regard” to its public sector equality duties. These are set out in paragraph 11. There are considered to be no specific proposals within this year’s budget that could result in new changes of provision that could affect different groups of people sharing protected characteristics. Where savings are anticipated, equality assessments will be prepared as necessary. Directors and the City Mayor have freedom to vary or abort proposals under the scheme of virement where there are unacceptable equality consequences. As a consequence, there are no service-specific ‘impact assessments’ that accompany the budget. There is no requirement in law to undertake equality impact assessments as the only means to discharge the s.149 duty to have “due regard”. The discharge of the duty is not achieved by pointing to one document looking at a snapshot in time, and the report evidences that the Council treats the duty as a live and enduring one. Indeed case law is clear that undertaking an EIA on an ‘envelope-setting’ budget is of limited value, and that it is at the point in time when policies are developed which reconfigure services to live within the budgetary constraint when impact is best assessed. However, an analysis of equality impacts has been prepared in respect of the proposed increase in council tax, and this is set out in Appendix Three.

13.2.6 Judicial review is the mechanism by which the lawfulness of Council budget-setting exercises are most likely to be challenged. There is no sensible way to provide an assurance that a process of budget setting has been undertaken in a manner which is immune from challenge. Nevertheless the approach taken with regard to due process and equality impacts is regarded by the City Barrister to be robust in law.

**Provided by: Kamal Adatia, City Barrister**

**Catherine Taylor / Mark Noble**  
**13<sup>th</sup> December 2022**

**Budget Ceilings (provisional)**

	<b>Latest budget restituted</b>	<b>Savings agreed</b>	<b>Growth planned in budget</b>	<b>National Insurance adjustments</b>	<b>Non pay inflation</b>	<b>Budget ceiling 23/24</b>
<b><u>1. City Development &amp; Neighbourhoods</u></b>						
<b><u>1.1 Neighbourhood &amp; Environmental Services</u></b>						
Divisional Management	239.3			(0.6)		<b>238.7</b>
Regulatory Services	2,033.7			(14.4)		<b>2,019.3</b>
Waste Management	18,148.5	(30.0)		(1.8)	3,317.5	<b>21,434.2</b>
Parks & Open Spaces	4,218.7	(65.0)		(35.9)		<b>4,117.8</b>
Neighbourhood Services	5,508.4	(26.0)		(11.6)		<b>5,470.8</b>
Standards & Development	1,680.1	(59.0)		(9.4)		<b>1,611.7</b>
<b><i>Divisional sub-total</i></b>	<b>31,828.7</b>	<b>(180.0)</b>	<b>0.0</b>	<b>(73.7)</b>	<b>3,317.5</b>	<b>34,892.5</b>
<b><u>1.2 Tourism, Culture &amp; Inward Investment</u></b>						
Arts & Museums	4,242.3	(182.2)		(7.2)		<b>4,052.9</b>
De Montfort Hall	433.0	(40.0)		(6.3)		<b>386.7</b>
City Centre	171.1			(0.7)		<b>170.4</b>
Place Marketing Organisation	369.3			(1.0)		<b>368.3</b>
Economic Development	14.7	(56.0)		(3.8)		<b>(45.1)</b>
Markets	(216.4)	(20.0)		(1.7)		<b>(238.1)</b>
Adult Skills	(870.4)					<b>(870.4)</b>
Divisional Management	184.7			(1.0)		<b>183.7</b>
<b><i>Divisional sub-total</i></b>	<b>4,328.3</b>	<b>(298.2)</b>	<b>0.0</b>	<b>(21.7)</b>	<b>0.0</b>	<b>4,008.4</b>
<b><u>1.3 Planning, Transportation &amp; Economic Development</u></b>						
Transport Strategy	9,778.3	(45.0)		(14.3)		<b>9,719.0</b>
Highways	2,809.6	(305.0)		(28.5)		<b>2,476.1</b>
Planning	985.6			(10.5)		<b>975.1</b>
Divisional Management	138.2			(0.8)		<b>137.4</b>
<b><i>Divisional sub-total</i></b>	<b>13,711.7</b>	<b>(350.0)</b>	<b>0.0</b>	<b>(54.1)</b>	<b>0.0</b>	<b>13,307.6</b>
<b><u>1.4 Estates &amp; Building Services</u></b>						
	5,419.2	(1,046.2)		(29.3)		<b>4,343.7</b>
<b><u>1.5 Housing Services</u></b>						
	3,308.9	(174.0)	1,000.0	(25.8)		<b>4,109.1</b>
<b><u>1.6 Departmental Overheads</u></b>						
	827.6	(256.0)		(2.0)		<b>569.6</b>
<b>DEPARTMENTAL TOTAL</b>	<b>59,424.4</b>	<b>(2,304.4)</b>	<b>1,000.0</b>	<b>(206.6)</b>	<b>3,317.5</b>	<b>61,230.9</b>

**Budget Ceilings (provisional)**

	<b>Latest budget restituted</b>	<b>Savings agreed</b>	<b>Growth planned in budget</b>	<b>National Insurance adjustments</b>	<b>Non pay inflation</b>	<b>Budget ceiling 23/24</b>
<b><u>2.Adults</u></b>						
<b><u>2.1 Adult Social Care &amp; Safeguarding</u></b>						
Other Management & support	744.8			(2.6)		<b>742.2</b>
Safeguarding	228.6			(0.9)		<b>227.7</b>
Preventative Services	6,910.0			(16.6)		<b>6,893.4</b>
Independent Sector Care Package Costs	130,634.6		18,743.0		2,723.1	<b>152,100.7</b>
Care Management (Localities)	7,874.0			(24.7)		<b>7,849.3</b>
<b><i>Divisional sub-total</i></b>	<b>146,392.0</b>	<b>0.0</b>	<b>18,743.0</b>	<b>(44.8)</b>	<b>2,723.1</b>	<b>167,813.3</b>
<b><u>2.2 Adult Social Care &amp; Commissioning</u></b>						
Enablement & Day Care	3,091.6			(13.3)		<b>3,078.3</b>
Care Management (LD & AMH)	5,252.1			(20.3)		<b>5,231.8</b>
Preventative Services	1,024.1			(0.3)		<b>1,023.8</b>
Contracts, Commissioning & Other Support	6,298.3			(18.4)		<b>6,279.9</b>
Departmental	(33,696.3)	(339.0)		(2.8)		<b>(34,038.1)</b>
<b><i>Divisional sub-total</i></b>	<b>(18,030.2)</b>	<b>(339.0)</b>		<b>(55.1)</b>		<b>(18,424.3)</b>
<b>DEPARTMENT TOTAL</b>	<b>128,361.8</b>	<b>(339.0)</b>	<b>18,743.0</b>	<b>(99.9)</b>	<b>2,723.1</b>	<b>149,389.0</b>
<b><u>3. Education &amp; Children's Services</u></b>						
<b><u>3.1 Strategic Commissioning &amp; Business Support</u></b>						
	2,315.6	(114.0)		(10.5)		<b>2,191.1</b>
<b><u>3.2 Learning Quality &amp; Performance</u></b>						
Raising Achievement	373.0			(3.1)		<b>369.9</b>
Learning & Inclusion	1,285.4	(29.1)		(6.0)		<b>1,250.3</b>
Special Education Needs and Disabilities	16,009.6		1,500.0	(29.1)		<b>17,480.5</b>
<b><i>Divisional sub-total</i></b>	<b>17,668.0</b>	<b>(29.1)</b>	<b>1,500.0</b>	<b>(38.2)</b>	<b>0.0</b>	<b>19,100.7</b>
<b><u>3.3 Children, Young People and Families</u></b>						
Children In Need	14,363.6	(456.4)		(34.9)		<b>13,872.3</b>
Looked After Children	40,569.0	(15.0)	3,000.0	(29.3)	210.3	<b>43,735.0</b>
Safeguarding & QA	2,513.8	(26.7)		(7.7)		<b>2,479.4</b>
Community Safety	877.6			(2.2)		<b>875.4</b>
Early Help Targeted Services	5,723.7	(1.5)		(17.4)		<b>5,704.8</b>
Early Help Specialist Services	3,192.8	(8.9)		(13.6)		<b>3,170.3</b>
<b><i>Divisional sub-total</i></b>	<b>67,240.5</b>	<b>(508.5)</b>	<b>3,000.0</b>	<b>(105.1)</b>	<b>210.3</b>	<b>69,837.2</b>
<b><u>3.4 Departmental Resources</u></b>	<b>1,455.1</b>	<b>(61.0)</b>		<b>(2.4)</b>		<b>1,391.7</b>
<b>DEPARTMENTAL TOTAL</b>	<b>88,679.2</b>	<b>(712.6)</b>	<b>4,500.0</b>	<b>(156.2)</b>	<b>210.3</b>	<b>92,520.7</b>

**Budget Ceilings (provisional)**

	<b>Latest budget restated</b>	<b>Savings agreed</b>	<b>Growth planned in budget</b>	<b>National Insurance adjustments</b>	<b>Non pay inflation</b>	<b>Budget ceiling 23/24</b>
<b><u>4. Health and Wellbeing</u></b>						
Adults' Services	8,985.7					<b>8,985.7</b>
Children's 0-19 Services	8,819.3					<b>8,819.3</b>
Lifestyle Services	1,216.5	(140.0)		(3.3)		<b>1,073.2</b>
Staffing & Infrastructure & Other	2,508.5	(100.0)		(10.0)		<b>2,398.5</b>
Sports Services	1,915.0			(15.5)		<b>1,899.5</b>
<b>DEPARTMENT TOTAL</b>	<b>23,445.0</b>	<b>(240.0)</b>		<b>(28.8)</b>		<b>23,176.2</b>
<b><u>5. Corporate Resources Department</u></b>						
<b><u>5.1 Delivery, Communications &amp; Political Gover</u></b>						
	5,557.2	(133.5)		(19.2)		<b>5,404.5</b>
<b><u>5.2 Financial Services</u></b>						
Financial Support	4,843.7			(23.5)		<b>4,820.2</b>
Revenues & Benefits	6,640.5	(172.0)		(29.1)		<b>6,439.4</b>
<b>Divisional sub-total</b>	<b>11,484.2</b>	<b>(172.0)</b>	<b>0.0</b>	<b>(52.6)</b>	<b>0.0</b>	<b>11,259.6</b>
<b><u>5.3 Human Resources</u></b>						
	3,794.3			(15.4)		<b>3,778.9</b>
<b><u>5.4 Information Services</u></b>						
	10,522.1	13.0		(29.2)		<b>10,505.9</b>
<b><u>5.5 Legal Services</u></b>						
	3,456.7			(21.5)		<b>3,435.2</b>
<b>DEPARTMENTAL TOTAL</b>	<b>34,814.5</b>	<b>(292.5)</b>		<b>(137.9)</b>		<b>34,384.1</b>
<b>TOTAL -Service Budget Ceilings</b>	<b>334,724.9</b>	<b>(3,888.5)</b>	<b>24,243.0</b>	<b>(629.4)</b>	<b>6,250.9</b>	<b>360,700.9</b>
Public Health grant						(28,384.2)
Provision for waste costs						2,000.0
Provision for residual care reform costs						5,000.0
Provision for pay awards						20,600.0
<b>Total forecast service spending</b>						<b>359,916.7</b>

**Scheme of Virement**

1. This appendix explains the scheme of virement which will apply to the budget, if it is approved by the Council.

**Budget Ceilings**

2. Directors are authorised to vire sums within budget ceilings without limit, providing such virement does not give rise to a change of Council policy.
3. Directors are authorised to vire money between any two budget ceilings within their departmental budgets, provided such virement does not give rise to a change of Council policy. The maximum amount by which any budget ceiling can be increased or reduced during the course of a year is £500,000. This money can be vired on a one-off or permanent basis.
4. Directors are responsible, in consultation with the appropriate Assistant Mayor if necessary, for determining whether a proposed virement would give rise to a change of Council policy.
5. Movement of money between budget ceilings is not virement to the extent that it reflects changes in management responsibility for the delivery of services.
6. The City Mayor is authorised to increase or reduce any budget ceiling. The maximum amount by which any budget ceiling can be increased during the course of a year is £5m. Increases or reductions can be carried out on a one-off or permanent basis.
7. The Director of Finance may vire money between budget ceilings where such movements represent changes in accounting policy, or other changes which do not affect the amounts available for service provision.
8. Nothing above requires the City Mayor or any director to spend up to the budget ceiling for any service.

**Corporate Budgets**

9. The following authorities are granted in respect of corporate budgets:
  - (a) the Director of Finance may incur costs for which there is provision in miscellaneous corporate budgets, except that any policy decision requires the approval of the City Mayor;
  - (b) the Director of Finance may allocate the provisions for pay awards, additional waste and energy cost pressures;
  - (c) The City Mayor may determine how the contingency can be applied and the provision for residual ASC reforms.

**Earmarked Reserves**

10. Earmarked reserves may be created or dissolved by the City Mayor. In creating a reserve, the purpose of the reserve must be clear.
11. Directors may add sums to an earmarked reserve, from:

- (a) a budget ceiling, if the purposes of the reserve are within the scope of the service budget;
  - (b) year-end budget underspends, subject to the approval of the City Mayor.
12. Directors may spend earmarked reserves on the purpose for which they have been created.
  13. When an earmarked reserve is dissolved, the City Mayor shall determine the use of any remaining balance.

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**Equality Impact Assessment**

**1. Purpose**

- 1.1 This appendix presents the equalities impact of a proposed 4.99% council tax increase. This includes a precept of 2% for Adult Social Care, as permitted by the Government without requiring a referendum.
- 1.2 The alternative option for comparison is a freeze on council tax at 2022/23 levels. It would of course be possible to set a council tax increase between these two levels, or indeed to *reduce* the Band D tax.

**2. Who is affected by the proposal?**

- 2.1 As at October 2022, there were 133,370 properties liable for Council Tax in the city<sup>1</sup> (excluding those registered as exempt, such as student households).
- 2.2 All non-exempt working age households in Leicester are required to contribute towards their council tax bill. Our current council tax support scheme (CTSS) requires working age households to pay at least 20% of their council tax bill and sets out to ensure that the most vulnerable householders are given some relief in response to financial hardship they may experience.
- 2.3 Council tax support for pensioner households follows different rules. Low-income pensioners are eligible for up to 100% relief through the CTSS scheme.

**3. How are they affected?**

- 3.1 The table below sets out the financial impact of the proposed council tax increase on different properties, before any discounts or reliefs are applied. It shows the weekly increase in each band, and the minimum weekly increase for those in receipt of a reduction under the CTSS for working-age households.

<b>Band</b>	<b>No. of Properties</b>	<b>Weekly increase</b>	<b>Minimum Weekly Increase under CTSS</b>
A-	305	£0.93	£0.19
A	78,707	£1.12	£0.22
B	26,640	£1.31	£0.26
C	15,547	£1.49	£0.45
D	6,636	£1.68	£0.63
E	3,377	£2.05	£1.01
F	1,522	£2.42	£1.38
G	600	£2.80	£1.75
H	36	£3.36	£2.31
<b>Total</b>	<b>133,370</b>		

<sup>1</sup> This number is expected to reduce in the final budget for 2023/24 as more student exemptions will be registered

- 3.2 In most cases, the change in council tax (around £1.31 per week for a band B property with no discounts; and just 26p per week if eligible for the full 80% reduction under the CTSS) is a small proportion of disposable income, and a small contributor to any squeeze on household budgets. A council tax increase would be applicable to all properties - the increase would not target any one protected group, rather it would be an increase that is applied across the board. However, it is recognised that this may have a more significant impact among households with a low disposable income.
- 3.3 Households at all levels of income have seen their real-terms income decline due to cost of living increases, and wages that have failed to keep up with inflation. These pressures are not limited to any protected group; however, there is evidence that low-income families spend a greater proportion of their income on food and fuel (where price rises have been highest), and are therefore more affected by current price increases.
- 3.4 The government has confirmed that pensions and most benefit rates will increase by inflation in April. However, this does not apply to Local Housing Allowance (LHA) rates for those renting in the private sector. This will put further pressure on lower-income renters if their rents increase. [NB council and housing association tenants are not affected by this as their rent support is calculated differently and their full rent can be compensated from benefits].

#### 4. **Alternative options**

- 4.1 The realistic alternative to a 5% council tax increase would be a lower (or no) increase. It should be noted that the proposed increase is significantly below inflation, and therefore represents a real-terms cut in council tax payable and therefore our income. A reduced tax increase would represent a permanent diminution of our income unless we hold a council tax referendum in a future year. In my view, such a referendum is unlikely to support a higher tax rise. It would therefore require a greater use of reserves and/or more cuts to services in 2024/25.
- 4.2 The budget situation is already extremely difficult, and it seems inevitable that further cuts will have severe effects on front-line services. It is not possible to say precisely where these future cuts would fall; however, certain protected groups (e.g. older people; families with children; and people with disabilities) could face disproportionate impacts from reductions to services.

#### 5. **Mitigating actions**

- 5.1 The Council has a range of mitigating actions for residents. These include: funding through Discretionary Housing Payments, Council Tax Discretionary Relief and Community Support Grant awards; the council's work with voluntary and community sector organisations to provide food to local people where it is required – through the network of food banks in the city; through schemes which support people getting into work (and include cost reducing initiatives that address high transport costs such as providing recycled bicycles); and through support to social welfare advice services. The "BetterOff Leicester" online tool includes a calculator to help residents ensure they are receiving all relevant benefits.

5.2 The Household Support Fund has been extended to March 2024 and will continue to provide food vouchers, water and energy bill support and white goods to vulnerable households.

6. **What protected characteristics are affected?**

6.1 The table below describes how each protected characteristic is likely to be affected by the proposed council tax increase. The table sets out anticipated impacts, along with mitigating actions available to reduce negative impacts.

6.2 Some protected characteristics are not, as far as we can tell, disproportionately affected (as will be seen from the table) because there is no evidence to suggest they are affected differently from the population at large. They may, of course, be disadvantaged if they also have other protected characteristics that are likely to be affected, as indicated in the following analysis of impact based on protected characteristic.

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## Analysis of impact based on protected characteristic

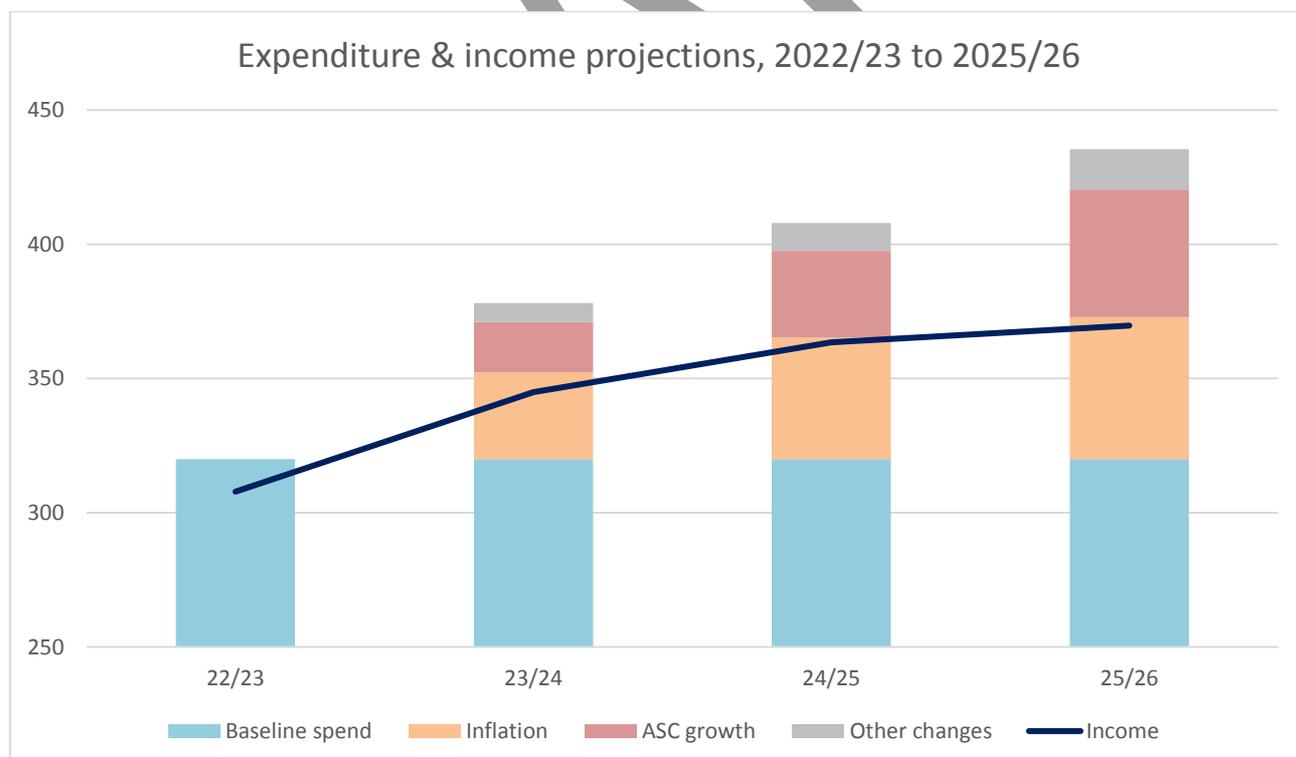
Protected characteristic	Impact of proposal:	Risk of negative impact:	Mitigating actions:
<b>Age</b>	<p>Older people (pension age and older) are least affected by a potential increase in council tax and can access more generous (up to 100%) council tax relief. However, in the current financial climate, a lower council tax increase would require even greater cuts to services in due course. While it is not possible to say where these cuts would fall exactly, there are potential negative impacts for this group as older people are the primary service users of Adult Social Care.</p> <p>While employment rates remain high, earnings have not kept up with inflation in recent months so working families are likely to already be facing pressures on household budgets. Younger people, and particularly children, were more likely to be in poverty before the current cost-of-living crisis and this is likely to have continued.</p>	Working age households and families with children – incomes squeezed through reducing real-terms wages.	Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.
<b>Disability</b>	<p>Disabled people are more likely to be in poverty. In addition, many disabled people are disproportionately affected by household fuel costs and may have limited opportunities to reduce usage.</p> <p>The tax increase could have an impact on such household incomes. However, in the current financial climate, a lower council tax increase would require even greater cuts to services in due course. While it is not possible to say where these cuts would fall exactly, there are potential negative impacts for this group as disabled people are more likely to be service users of Adult Social Care.</p>	Further erode quality of life being experienced by disabled people.	Disability benefits are disregarded in the assessment of need for CTSS purposes. Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing budgets.
<b>Gender Reassignment</b>	No disproportionate impact is attributable specifically to this characteristic.		
<b>Pregnancy &amp; Maternity</b>	No disproportionate impact is attributable specifically to this characteristic (although see below for childcare costs; and the impacts on lone parents).		

Protected characteristic	Impact of proposal:	Risk of negative impact:	Mitigating actions:
<b>Race</b>	Those with white backgrounds are disproportionately on low incomes (indices of multiple deprivation) and in receipt of social security benefits. Some ethnic minority people are also low income and on benefits.	Household income being further squeezed through low wages and reducing levels of benefit income.	Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Where required, interpretation and translation will be provided to remove barriers in accessing support.
<b>Religion or Belief</b>	No disproportionate impact is attributable specifically to this characteristic.		
<b>Sex</b>	Disproportionate impact on women who tend to manage household budgets and are responsible for childcare costs. Women are disproportionately lone parents, who are more likely to experience poverty.	Incomes squeezed through low wages and reducing levels of benefit income. Increased risk for women as they are more likely to be lone parents.	If in receipt of Universal Credit or tax credits, a significant proportion of childcare costs are met by these sources.  Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets.
<b>Sexual Orientation</b>	Gay men and Lesbian women are more likely to be in poverty than heterosexual people and Trans people even more likely to be in poverty and unemployed. This would mean they are more likely to be on benefits and there could be a disproportionate impact.	Household income being further squeezed through low wages and reducing levels of benefit income.	Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Local support organisations such as the LGBT Centre can signpost individuals to advice and support services.

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**Medium Term Financial Outlook 2023/24 – 2025/26**

1. The purpose of this medium term financial outlook is to provide members with details of the forecast financial position of the Council for the next 3 years, and to set the context within which the budget process will need to work to achieve a balanced position. The figures are indicative and volatile, and depend heavily on government decisions about future funding of services.
2. Our central forecasts for the period up to 2025/26 are set out in the table at paragraph 5, and show that:
  - **Expenditure pressures are increasing at a faster rate than income.** Over the period we expect expenditure to increase by over 35% (in cash terms) while income projections rise by only 20% assuming there is no change in Government policy.
  - **In recent years, the biggest factor in these increases has been the rising cost of adult social care, as illustrated in the chart below.** These increases have been seen nationally for several years, and now present a substantial challenge to the authority’s future sustainability. These pressures arise from factors largely outside the authority’s control (e.g. increases in the minimum wage, demographic pressures and pressures on fee levels). The rate of growth is likely to accelerate.



NB scale does not start at zero

- **We have already invested significant amounts in social care.** Since 2016 we have seen the cost of adults’ social care packages increase by over £50m, or 70%, due to a combination of increasing need and higher

wage costs. Over the same period we have invested over £20m in children’s social care.

- **Since the 2022/23 budget was set, sharp increases in inflation have added over £25m to our costs.** In particular, energy costs and pay awards have been far higher than predicted.
  - **Other budget areas have already seen significant cuts in the last decade.** Expenditure on services other than adults’ and children’s social care fell from £192m in 2010 to £106m in 2020.
3. The 2022/23 budget was balanced by using £24m of reserves. On current projections, sufficient reserves remain to balance the 2023/24 budget and provide partial support to the 2024/25 budget. Ongoing savings will need to be found to ensure the longer-term financial stability of the Council.
  4. Departments are working on achieving savings where possible. This is a continuous process and identified savings will be made throughout the course of the year.
  5. A summary of the central budget projections for the next three years is set out below:

	<b>2023/24</b> £m	<b>2024/25</b> £m	<b>2025/26</b> £m
Net service budget (including inflation)	369.6	394.9	417.6
Corporate and other centrally held budgets	4.4	5.0	5.8
Contingency	4.0		
Planning provision		8.0	12.0
<b>Expenditure total</b>	<b>378.0</b>	<b>407.9</b>	<b>435.4</b>
Business rates income	73.6	76.4	77.6
Top-up payment	55.7	57.9	58.9
Revenue Support Grant	29.9	29.9	29.9
Council Tax	143.4	153.5	157.5
Collection Fund surplus	3.3		
Social Care grants	30.4	37.1	37.1
Other grants	8.6	8.6	8.6
<b>Income Total</b>	<b>344.9</b>	<b>363.4</b>	<b>369.6</b>
<b>Indicative Budget gap</b>	<b>33.1</b>	<b>44.5</b>	<b>65.8</b>

6. The largest area of uncertainty in the forecasts surrounds the amount of government funding that will be available in 2025/26 which falls into a new government planning period. We have been warned to expect a new period of austerity.

7. The planned review of local government funding allocations (the “Fair Funding Review”) is now likely to be delayed until 2025. We do not know what the outcome of any review will be, but the delay means that authorities are still funded on a formula

that is at least a decade out of date; and lower income areas (including Leicester) are still disproportionately affected by the way funding cuts were implemented from 2013 to 2016. In particular, no recognition is given to the city’s increase in population and this is to some extent still driven by the **2001** census figures. The independent Institute for Fiscal Studies has commented that “Indeed, the issues with police, local government and public health funding allocations are so significant that the amounts allocated to different places are essentially arbitrary.”

8. Key assumptions and risks in the forecast are set out below:

	<b>Assumptions – central scenario</b>	<b>Risks &amp; alternative options modelled</b>
<b>Expenditure</b>		
Pay costs	We assume a pay award averaging 5% in 2023/24, 3% in 2024/25 and 2.5% in 2025/26, as general inflation is expected to reduce.	Inflation has been rising in recent months, reaching 11.1% (CPI) in October 2022. Forecasts suggest it is likely to begin to reduce later in 2023; if it remains high, there will be additional pressures on pay awards and non-pay inflation, partially offset by an increase in interest on investments.
Energy costs	Assumed that gas prices we pay will increase by <b>300%</b> in April 2023, whilst electricity prices will rise by <b>40%</b> in October 2023.  Costs for 2024/25 are highly uncertain. An indicative increase of 30% has been included.	
Non-pay inflation	In line with the policy in past years, departments are expected to absorb the costs of non-pay inflation in most cases. The exceptions are independent sector care package costs, fostering allowances, energy and the waste management contract; an allowance is built in for these increases. An allowance has also been made from 2023/24 for SEN transport.	
Adult social care costs	Demographic pressures and increasing need lead to cost pressures of 6% of the ASC budget in 2023/24 and 4% in 2024/25.  This will require action in the Department to remain within these spending totals  Increases in the National Living Wage will also add to costs.  Forecasts for 2025/26 are particularly volatile; an indicative £15m additional budget has been included for the year.	
Other service cost pressures	Departments are expected to find savings to manage cost pressures within their own areas. From 2024/25 onwards, an £8m planning provision has been included (twice the normal amount) to meet unavoidable costs that cannot be managed within departments. This subsequently increases by £4m in 2025/26.	Costs relating to children who are looked after have been increasing nationally, and are a particular risk for future years.  Home-to-school transport costs are also an area of significant pressure, and will require action to remain within budgets.

<b>Income</b>		
Council Tax	<p>Band D Council Tax will increase by 4.99% per year (3% base increase plus 2% for the Adult Social Care precept), for 2023/24 and 2024/25; and then revert to 2.99% for 2025/26.</p> <p>Council tax baseline increases by 500 Band D properties per year.</p>	<p>Further economic downturn leading to increased costs of council tax support to residents on a low income.</p>
Business rates	<p>The multiplier freeze for 2023/24, and new reliefs announced in November 2022, are fully funded.</p> <p>Authorities are fully compensated for the effect of the 2023 rates revaluation.</p> <p>No significant movements in the underlying baseline for business rates.</p>	<p>Business rates are particularly sensitive to economic conditions.</p> <p>We believe that the national business rates system in its current form is becoming unsustainable. The local government business rates retention system is being “patched up” considerably as a result. Long term stability seems unlikely.</p>
Government grant	<p>Government funding for 2023/24 and 2024/25 follows the plans set out in the CSR as adjusted by the Autumn Statement in November 2017, with no significant distributional changes.</p> <p>We assume (in line with government statements) that existing RSG and top-up payments continue; but the Services Grant and New Homes Bonus may be redistributed. We have assumed our share of this based on previous funding allocations; this implicitly assumes a broadly neutral effect of any funding changes.</p> <p>We have assumed that new social care grant funding is allocated on the same basis as in Government social care formulae.</p> <p>For 2025/26, we assume a cash flat settlement for centrally-funded elements including social care funding and RSG (with no allowance for inflation). The Autumn Statement implied real terms cuts of 0.7% for unprotected departments, which would include local government.</p>	<p>We do not yet have the details of local government funding for 2023/24 and 2024/25.</p> <p>Local government may be treated less favourably than other unprotected departments. The 2025/26 settlement may lead to grant cuts in cash terms.</p>

**Earmarked Reserves**

	<b>Balance at 31st March 2022</b>
	<b>£000</b>
<b>Ring-fenced Reserves</b>	
DSG not delegated to schools	-
School Balances	30,095
School Capital Fund	2,491
Education & Skills Funding Agency Learning Programme	971
Arts Council National Portfolio Organisation Funding	319
NHS Joint Working Projects	25,013
Schools Buy Back	1,915
Covid-19 Collection Fund Compensation Grants*	13,397
<b>Total Ring-fenced Reserves</b>	<b>74,201</b>
<b>Corporate Reserves</b>	
Capital Programme Reserve	98,834
Managed Reserves Strategy	83,270
BSF Financing	9,034
Insurance Fund	11,495
Severance Fund	4,827
Service Transformation Fund	5,195
Welfare Reserve	2,551
Anti- Poverty Reserve	3,000
<b>Total Corporate Reserves</b>	<b>218,206</b>
<b>Earmarked Reserves Departmental</b>	
Financial Services Reserve	5,119
ICT Development Fund	10,480
Delivery, Communications & Political Governance	2,440
Housing	2,802
City Development (Excl Housing)	12,672
Social Care Reserve	9,998
Health & Wellbeing Division	5,631
Other Departmental Reserves	464
<b>Total Other Reserves</b>	<b>49,606</b>
<b>Total Earmarked Reserves</b>	<b>342,013</b>

# Draft Capital Programme 2023/24

Decision to be taken by: Council

Date of meeting: 22 February 2023

Lead director: Amy Oliver, Director of Finance

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## Useful information

- Ward(s) affected: All
- Report author: Ben Matthews
- Author contact details: Ben.Matthews@leicester.gov.uk
- Report version number: 1.0

## 1. Summary

- 1.1 The purpose of this report is to ask the Council to approve a capital programme for 2023/24.
- 1.2 Capital expenditure is incurred on works of lasting benefit and is principally paid for by grant, tenants' rents, and the proceeds of asset sales (capital receipts). Money can also be borrowed for capital purposes, but the scope for this is limited as borrowing affects the revenue budget.
- 1.3 For the past three years the Council has set a one year capital programme, due to uncertainty over future resources. This uncertainty remains, and currently includes:
  - The revenue budget outlook, which requires significant savings
  - Volatility and inflationary pressures in the construction industry
  - The Council's technical capacity to support a large programme

We are therefore presenting another one year programme, of limited scale. This will enable capacity to be focussed on key schemes and allow time to see the long-term impact of inflation.

Schemes already approved and in the current programme will continue.

- 1.4 The report seeks approval to the "General Fund" element of the capital programme, at a cost of £46m. In addition to this, the HRA capital programme (which is elsewhere on your agenda) includes works estimated at £29m, £15m of which relates to the affordable homes programme.

- 1.5 The table below summarises the proposed spending for capital schemes starting in 2023/24, as described in this report:-

	<u>£m</u>
<b><u>Proposed Programme</u></b>	
<u>Schemes – Summarised by Theme</u>	
Grant Funded Schemes	23.7
Highways & Infrastructure	5.3
Libraries	1.0
Own buildings	4.7
Parks & Play Areas	2.6
Routine Works	5.7
Feasibility and Contingencies	3.0
<b>Total New Schemes</b>	<b><u>46.0</u></b>
 <b><u>Funding</u></b>	
Monies ringfenced to Schemes	44.1
Unringfenced Resources	2.1
<b>Total Resources</b>	<b><u>46.2</u></b>

- 1.6 The table below presents the total spend on General Fund and Housing Revenue Account schemes:

	<u>£m</u>
General Fund	46.0
Housing Revenue Account	29.0
<b>Total</b>	<b><u>75.0</u></b>

- 1.7 The Council's total capital expenditure now forecast for 2023/24 and beyond is expected to be around £400m, including the HRA and schemes approved prior to 2023/24.

- 1.8 The capital programme is split into two parts:-

- (a) Schemes which are “**immediate starts**”, being schemes which directors have authority to commence once the council has approved the programme. These are fully described in this report;
- (b) Schemes which are “**policy provisions**”, where the purpose of the funding is described but money will not be released

until specific spending proposals have been approved by the Executive.

1.9 Immediate starts have been split into three categories:-

- (a) **Projects** – these are discrete, individual schemes such as a road scheme or a new building. These schemes will be monitored with reference to physical delivery rather than an annual profile of spending. (We will, of course, still want to make sure that the overall budget is not going to be exceeded);
- (b) **Work Programmes** – these consist of minor works or similar schemes where there is an allocation of money to be spent in a particular year;
- (c) **Provisions** – these are sums of money set aside in case they are needed, but where low spend is a favourable outcome rather than indicative of a problem.

## 2. Recommendations

2.1 The Council is asked to:-

- (a) Approve the capital programme described in this report and summarised at Appendices Two to Five, subject to any amendments proposed by the City Mayor;
- (b) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules, rules concerning land acquisition and finance procedure rules;
- (c) Delegate authority to the City Mayor to determine a plan of spending for each policy provision, and to commit expenditure up to the maximum available;
- (d) For the purposes of finance procedure rules:
  - Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes (but see below for LLEP investment programmes);
  - Designate the operational estate & children's capital maintenance programme, highways maintenance programme and transport improvement programme as programme areas, within which the director can

reallocate resources to meet operational requirements.

- (e) As in previous years, delegate to the City Mayor:
- Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources in each instance;
  - Authority to reduce or delete any capital scheme, subject to a maximum reduction of 20% of scheme value for “immediate starts”; and
  - Authority to transfer any “policy provision” to the “immediate starts” category.
- (f) In respect of Government investment programmes for which the Council receives grant as the accountable body to the Leicester and Leicestershire Enterprise Partnership (LLEP):-
- Delegate to the City Mayor approval to accept Government offers of funding, and to add this to the capital programme;
  - Delegate to the Strategic Director, City Development and Neighbourhoods, in consultation with the Director of Finance, authority to allocate the funding to individual schemes (in effect, implementing decisions of the LLEP);
  - Agree that City Council schemes funded by the programme can only commence after the City Mayor has given approval;
  - Delegate to the Director of Finance authority to reallocate programme funding between schemes, if permissible, to ensure the programme as a whole can be delivered; and
  - Note that City Council contributions to schemes will follow the normal rules described above (i.e. nothing in this paragraph permits the City Mayor to supplement the programme with City Council resources outside of normal rules).
- (g) Delegate to directors, in consultation with the relevant deputy/assistant mayor, authority to incur expenditure up to a maximum of £250k per scheme in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure;
- (h) Approve the capital strategy at Appendix 6.

### 3. Proposed Programme

#### Key Policy Issues

- 3.1 The key focus of the 2023/24 capital programme is to deliver strategic objectives as far as possible. It is a limited one year programme, but nonetheless complements the existing programme and aims to support the City Mayor's delivery plan.
- 3.2 The programme is based on key themes, shown at paragraph 1.5 above.
- 3.3 The programme supports the Council's commitment to tackling the climate emergency, most obviously but not exclusively within the Transport Improvement Works, Operational Estate and Children's capital maintenance programmes.
- 3.4 Similarly, our commitment to invest in the whole city cuts right across our capital programme. Capital investment will benefit the entire city from our outer estates to the city centre.

#### Resources

- 3.5 Resources available to the programme consist primarily of Government grant and capital receipts (the HRA programme is also supported by tenants' rent monies). Most grant is unringfenced, and the Council can spend it on any purpose it sees fit.
- 3.6 Appendix One presents the resources available to fund the proposed programme, which total some £46.2m. The key unringfenced funding sources are detailed below.
  - (a) £2.1m of general capital receipts and £0.7m of Right to Buy Receipts;
  - (b) £21.7m of unringfenced grant funding. Some of these figures are estimated in the absence of actual allocations from the Government (the figure for 2024/25 represents a first call on that year to enable school schemes to be planned);
  - (c) £19.6m of resources brought forward, consisting of money set aside in previous years for covid recovery schemes which has been reprioritised, money for schemes which have now been funded from section 106 contributions, savings from completed programmes and previous years' underspends.
- 3.7 The Council has a policy of not committing capital receipts until they are received. This increases the resilience of the capital programme at a time when revenue budgets are under severe pressure. £2.1m of general capital receipts are available for 2023/24 based on receipts received or

due at the time of writing. Subsequent receipts will be available to fund the 2024/25 programme.

- 3.8 The exception to not committing receipts in advance is the expected receipts from the sale of council housing. Where tenants exercise their “Right to Buy” the RTB receipts are layered, with different layers being available for different purposes. A sum of £0.7m will be available for general purposes: this is predictable. Further tranches are available to us but must be used for new affordable housing or returned to the government.
- 3.9 For some schemes the amount of unringfenced resources required is less than the gross cost of the scheme. This is because resources are ringfenced directly to individual schemes. Ringfenced resources are shown throughout Appendix Two and include the following:
- (a) Government grant and contributions made to support the delivery of specific schemes;
  - (b) Borrowing. Because borrowing has an impact on the revenue budget, it is only used for reasons detailed in capital strategy at Appendix 6 of this report;
  - (c) Earmarked reserves, such as the Transformation Fund
- 3.10 Finance Procedure Rules enable directors to make limited changes to the programme after it has been approved. For these purposes, the Council has split resources into corporate and service resources. These are similar to, but not quite the same as, ringfenced and unringfenced resources. Whilst all unringfenced resources are corporate, not all ringfenced monies are service resources. Borrowing, for instance, is treated as a corporate resource requiring a higher level of approval.
- 3.11 Directors have authority to add schemes to the programme, provided they are funded by service resources, up to an amount of £250,000. This provides flexibility for small schemes to be added to the programme without a report to the Executive.

## Proposed Programme

3.12 The whole programme is summarised at Appendix 2. Responsibility for the majority of projects rests with the Strategic Director of City Development and Neighbourhoods.

3.13 £23.7m is provided for grant funded schemes. These schemes are funded either from unringfenced grant (where we have discretion) and ringfenced resources.

(a) £15.9m has been provided to continue with the **Schools Capital Improvements Programme**. The programme will include routine maintenance and spending is prioritised to reflect asset condition and risk. This will be a 2 year programme to allow for better forward planning. The proposed programme is shown at Appendix 5: detailed schemes will be developed following consultation with schools.

(b) £3.3m is provided as part of the continued **Highway Capital Maintenance Programme**. This is a rolling annual programme and spending is prioritised to reflect asset condition, risk and local neighbourhood priorities. The proposed programme is shown at Appendix 4.

(c) £2.6m is provided in 2023/24 to continue the rolling programme of works constituting the **Transport Improvement Programme**.

Some of the priority areas include:

- Delivering cross cutting cycling, walking and public transport benefits.
- Local safety schemes
- 20mph schemes in Neighbourhoods
- Delivery of the Local Transport Plan

(d) £1.9m has been provided for **Disabled Facilities Grants** to private sector householders. This is an annual programme which has existed for many years. These grants provide funding to eligible disabled people for adaption work to their homes, and help them maintain their independence

(e) £150,000 is provided for **Grounds Maintenance Equipment** to replace ageing machinery with up to date, energy efficient models. The replacement of this equipment is met from borrowing, and a revenue budget exists for this purpose.

3.14 £5.3m is provided for Highways & Infrastructure.

(a) £3m has been set aside for **St Margaret's Gateway**. The Council was successful in bidding for levelling up funds in 2021, and further money has now been made available to improve this gateway into the city.

- (a) £1.8m is provided for additional **Highways Transport and Infrastructure** works. This money will enhance the city centre and local centres through improvements to public realm, and improve accessibility by modes other than use of private cars.
- (b) £460,000 has been provided to replace the existing **St Nicholas Wall** due to its current condition. The works will be undertaken following engagement and agreement with Historic England.

3.15 £1m is provided for Libraries.

- (a) £1m is provided for **Library Investment**, to transform local libraries into facilities capable of delivering multiple customer facing services.

3.16 £4.7m is provided for the Council's own buildings.

- (a) £4m has been provided to support the annual **Operational Estate Capital Maintenance Programme** of works to properties that the Council occupies for its own use. This is a rolling annual programme and spending is prioritised to reflect asset condition and risk. The proposed programme is shown at Appendix 3, but may vary to meet emerging operational requirements.
- (b) £400,000 has been provided for **Decarbonisation of Malcolm Arcade**. Carbon reduction measures such as improvements to natural ventilation, solar panels and natural light improvements will be undertaken.
- (c) £195,000 is provided to complete the final phase of the district heating programme, **connecting Aikman Avenue** to the existing district heating network.
- (d) £100,000 has been provided for additional car parking spaces at **Phoenix Arts** following the expansion of the cinema and arts centre.

3.17 £2.6m is provided for Parks & Play Areas.

- (a) £2.5m has been provided to support the improvement of the Councils **Multi Use Games Areas (MUGA's)**. This will help increase physical activity and participation in recreational sport across the city.
- (b) £150,000 has been provided for **Spinney Hill Park Play Area Refurbishment**. The works will include resurfacing and the replacement of play equipment.

3.18 £5.7m is provided for Routine Works.

- (a) £3.8m has been made available for the annual **Fleet Replacement Programme**. Wherever possible, ultra low emission vehicles (ULEVs) will be sought to support the Council's climate emergency response. In previous years, this programme has been funded by borrowing, but in 2023/24 it will be funded from corporate resources to reduce revenue budget pressures.
- (b) £400,000 has been provided for **Local Environmental Works** in wards. This scheme will focus on local neighbourhood issues including residential parking, local safety concerns, pedestrian routes, cycle ways and community lighting to be delivered after consultation with ward members.
- (c) £400,000 has been provided for the compulsory purchase and statutory works at **St Paul's Church**, as part of the Council's obligation to prevent irreparable damage to listed buildings. Whilst these works will initially need to be funded by the Council, on completion the Council will be able to sell the building to recoup these costs.
- (d) £300,000 is provided to continue the **Flood Risk Prevention** scheme into 2023/24. The programme supports the local flood risk management strategy and action plan, and the delivery of our statutory role to manage and reduce flood risk in collaboration with the Environment Agency & Severn Trent Water.
- (e) £200,000 has been provided for the **Front Walls Enveloping Scheme** and is a continuation of previous schemes. It involves the enclosure of small spaces in front of housing. Enveloping schemes can make a significant improvement to local neighbourhoods and enable occupiers to tend house fronts more effectively.
- (f) £200,000 is provided in 2023/24 to continue the programme of **Repayable Home Repair Loans**. These grants aid vulnerable, low income home owners to carry out repairs or improvements to their homes, to bring properties up to decent home standards. Any loan will remain in place until a change of ownership or sale of the property, after which repayment of the loan is required.
- (g) Following the success of the current scheme, £185,000 has been put aside for the extension of the **Heritage Interpretation Panels Programme**. This scheme uses digital technology to interpret heritage stories in new ways, e.g. via mobile devices.

- (h) £130,000 will pay for specialist equipment to fell trees affected by **Ash Die Back** that pose a risk to the public.
- ⓪ £50,000 has been provided for a **Historic Building Grant Programme**. This will provide match funding to city residents and organisations to support the repair of historic buildings and the reinstatement of lost original historic features.
- ⓪ £50,000 continues to be made available for **Acquisition of Long Term Empty Homes**. The Empty Homes Team gives advice and assistance to owners, helping them bring homes back into occupation. As a last resort, when all avenues have been exhausted, we have to use compulsory purchase. £50,000 covers the incidental costs associated with acquisition where CPO or negotiated purchase is required, where such costs cannot be recouped from the sale proceeds.

3.19 £3m is provided for feasibility and contingencies:.

- (a) £1.5m is provided for **Feasibility Studies**. This will enable studies to be done, typically for potential developments not included elsewhere in the programme or which might attract grant support, without requiring further decisions.
- (b) A **Programme Contingency** of £1.5m has been set aside for cost pressures arising from construction inflation, or (if not needed for this purpose) for any emerging capital needs such as match funding for new government programmes.

### Proposed Programme – Policy Provisions

3.20 Policy provisions are sums of money which are included in the programme for a stated purpose, but for which a further report to the Executive (and decision notice) is required before they can be spent. Schemes are usually treated as policy provisions because the Executive needs to see more detailed spending plans before full approval can be given.

3.21 Executive reports seeking approval to spend policy provisions must state whether schemes, once approved, will constitute projects, work programmes or provisions; and, in the case of projects, identify project outcomes and physical milestones against which progress can be monitored.

3.22 Some of the schemes described above will be treated as policy provisions. These are denoted as such in Appendix Two.

### Capital Strategy

3.23 Local authorities are required to prepare a capital strategy each year, which sets out our approach for capital expenditure and financing at high level.

3.24 The proposed capital strategy is set out at Appendix 6.

### Consultation

3.25 To be added later following consultation.

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

### 4.1 Financial implications

- 4.1.1 This report is exclusively concerned with financial matters.
- 4.1.2 There is proposed prudential borrowing in the programme for replacement grounds maintenance machinery for £150k. The anticipated revenue costs arising will be £13k per year, for which revenue budget exists. This borrowing is affordable, sustainable and prudent (this is further described in the Treasury Strategy on your agenda).

### 4.2 Legal implications

- 4.2.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. In accordance with the constitution, the capital programme is a matter that requires approval of full Council. The subsequent letting of contracts, acquisition and/or disposal of land etc all remain matters that are executive functions and therefore there will be the need to ensure such next steps have the correct authority in place prior to proceeding. There will be procurement and legal implications in respect of individual schemes and client officers should take early legal advice.

Kamal Adatia, City Barrister & Head of Standards

### 4.3 Equalities implications

- 4.3.1 Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have 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.
- 4.3.2 Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
- 4.3.3 People from across all protected characteristics will benefit from the improved public realm arising from the proposed capital programme. However, as the proposals are developed and implemented, consideration should continue to be given to the equality impacts of the schemes in question, and how they can help the Council to meet the three aims of the Public Sector Equality Duty.
- 4.3.4 The capital programme includes schemes which improve the city's infrastructure and contribute to overall improvement of quality of life for

people across all protected characteristics. By doing so, the capital programme promotes the PSED aim of fostering good relations between different groups of people by ensuring that no area is disadvantaged compared to other areas as many services rely on such infrastructure to continue to operate.

- 4.3.5 Some of the schemes focus on meeting specific areas of need for a protected characteristic: Disabled Facilities Grants (disability), home repair grants which are most likely to be accessed by elderly, disabled people (age and disability), and the Children's Capital Improvement Programme (age).
- 4.3.6 Other schemes target much larger groups of people who have a range of protected characteristics reflective of the diverse population within the city. Some schemes are place specific and address environmental issues that also benefit diverse groups of people. The delivery of the capital programme contributes to the Council fulfilling our Public Sector Equality Duty (PSED). For example, schemes which support people in being able to stay in their homes, to continue to lead independent lives, and to participate in community life help promote equality of opportunity, another one of the aims of the PSED.
- 4.3.7 Where there are any improvement works to buildings or public spaces, considerations around accessibility (across a range of protected characteristics) must influence design and decision making. This will ensure that people are not excluded (directly or indirectly) from accessing a building, public space, or service, based on a protected characteristic. All schemes should consider the PSED and conducting Equality Impact Assessments where relevant to inform the process.

Kalvaran Sandhu, Equalities Manager

#### 4.4 Climate Emergency implications

- 4.4.1 The city council declared a climate emergency in February 2019 and is delivering it's Climate Emergency Strategy & Action Plan, which sets an ambition for the council and city to achieve net zero carbon emissions. The council is one of the largest employers and landowners in the city, with a carbon footprint of 16,852 tCO<sub>2</sub>e from its own operations. The council therefore has a vital role to play in reducing emissions from its operations, working with its partners and leading by example on tackling the climate emergency in Leicester. The report notes the importance of tackling the climate emergency through the capital programme, with a number of the projects outlined directly playing a positive role in reducing carbon emissions in the city.
- 4.4.2 There is not sufficient information within this report to provide specific details of climate change implications for individual projects, which may have significant implications and opportunities. Detailed implications should therefore be produced for individual projects as and when plans

are finalised. At a high level, there are some general principles that should be followed during the planning, design and implementation of capital projects, as detailed below. A toolkit is also being developed to support the achievement of reduced carbon emissions in council capital construction and renovation projects.

- 4.4.3 New buildings should be constructed to a high standard of energy efficiency, and incorporate renewable energy sources where possible, with projects aiming to achieve carbon neutral development or as close as possible to this. Maintenance and refurbishment works, including replacement of systems or equipment, should also seek to improve energy efficiency wherever possible. This will reduce energy use and therefore bills, delivering further benefits. Major projects will also need to meet Climate Change policy CS2 in the Leicester City Core Strategy planning document, which requires best practice in terms of minimising energy demand for heating, ventilation and lighting, achieving a high level of fabric efficiency, and the use of low carbon or renewable sources of energy
- 4.4.4 Projects involving procurement, including for construction works, should follow the Council's sustainable procurement guidelines. This includes the use of low carbon and sustainable materials, low carbon equipment and vehicles and reducing waste in procurement processes. Transport projects should seek to enable a greater share of journeys to be safely and conveniently undertaken by walking, cycling or public transport wherever possible, and many of the planned works will directly contribute to this. Flood risk and environmental works are also a key part of increasing resilience to a changing climate in the city.

Aidan Davis, Sustainability Officer

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

Equal Opportunities	Yes	Paragraph 4.3
Policy	Yes	The capital programme is part of the Council's overall budget and policy framework, and makes a substantial contribution to the delivery of Council policy.
Sustainable and Environmental	Yes	Paragraph 4.4
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	A number of schemes will benefit elderly people and those on low income.

## 5. Background information and other papers:

## 6. Summary of appendices:

Appendix 1 – Corporate & Unringfenced Capital Resources.

Appendix 2a - A City to Enjoy

Appendix 2b – A Fair City

Appendix 2c – Health and Care

Appendix 2d – Lifelong Learning

Appendix 2e – Sustainable Leicester

Appendix 2f – Operational Estate

Appendix 2g – Routine Works

Appendix 2h – Other

Appendix 3 – Operational Estate Maintenance Capital Programme

Appendix 4 – Highways Maintenance Capital Programme

Appendix 5 – Children's Capital Improvement Programme

Appendix 6 – Capital Strategy 2023/24

**7. 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

**8. Is this a “key decision”?** If so, why? No – it is a proposal to the Council.

**Report Author:** Ben Matthews

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## Appendix One

### Capital Resources

	<b>23/24</b> <i>{£000}</i>	<b>24/25</b> <i>{£000}</i>	<b>Total</b> <i>{£000}</i>
<b><u>Resources Brought Forward</u></b>			
Previous years' savings	19,630	-	<b>19,630</b>
<b>Total One Off Resources</b>	<b>19,630</b>	-	<b>19,630</b>
<b><u>Capital Receipts</u></b>			
General Capital Receipts	2,082	-	<b>2,082</b>
Council Housing - Right to Buy Receipts	700	-	<b>700</b>
<b>Total Receipts</b>	<b>2,782</b>	-	<b>2,782</b>
<b><u>Unringfenced Capital Grant</u></b>			
Education maintenance	9,855	6,000	<b>15,855</b>
Integrated Transport	2,576	-	<b>2,576</b>
Transport maintenance	3,262	-	<b>3,262</b>
<b>Total Unringfenced Grant</b>	<b>15,693</b>	<b>6,000</b>	<b>21,693</b>
<b>TOTAL UNRINGFENCED RESOURCES</b>	<b>38,105</b>	<b>6,000</b>	<b>44,105</b>
Ringfenced resources	2,131	-	<b>2,131</b>
<b>TOTAL CAPITAL RESOURCES</b>	<b>40,236</b>	<b>6,000</b>	<b>46,236</b>

**Grant Funded Schemes**

	<b>Division</b>	<b>Scheme Type</b>	<b>Corporate Programme Funding</b>	<b>Ringfenced Funding</b>	<b>Total Approval</b>
			{£000}	{£000}	{£000}
<b><u>Grant Funded Schemes</u></b>					
Children's Capital Maintenance Programme	CDN (EBS)	WP	15,857	-	15,857
Highway Capital Maintenance	CDN (PDT)	WP	3,262	-	3,262
Transport Improvement Works	CDN (PDT)	WP	2,576	-	2,576
Disabled Facilities Grants	CDN (HGF)	WP	-	1,861	1,861
Grounds Maintenance Equipment	CDN (NES)	WP	-	150	150
<b>TOTAL</b>			<b>21,695</b>	<b>2,011</b>	<b>23,706</b>

*Key to Scheme Types : PJ = Project; WP = Work Programme*

**Summary of Ringfenced Funding**

	{£000}
Disabled Facilities Grant	1,861
Prudential Borrowing	150
<b>TOTAL RINGENCED FUNDING</b>	<b>2,011</b>

**Highways, Transport & Infrastructure**

	<b>Division</b>	<b>Scheme Type</b>	<b>Corporate Programme Funding</b>	<b>Ringfenced Funding</b>	<b>Total Approval</b>
			{£000}	{£000}	{£000}
<b><u>Highways, Transport &amp; Infrastructure</u></b>					
St Margaret's Gateway	CDN (PDT)	PP	3,000	-	<b>3,000</b>
Highways, Transport & Infrastructure	CDN (PDT)	PP	1,800	-	<b>1,800</b>
St Nicholas Wall	CDN (EBS)	PJ	460	-	<b>460</b>
<b>TOTAL</b>			<b>5,260</b>	<b>-</b>	<b>5,260</b>

*Key to Scheme Types : PJ = Project ; PP = Policy Provision*

**Libraries**

	Division	Scheme Type	Corporate Programme Funding {£000}	Ringfenced Funding {£000}	Total Approval {£000}
<b><u>Libraries</u></b>					
Library Investment	CDN (NES)	PP	1,000	-	1,000
<b>TOTAL</b>			<b>1,000</b>	<b>-</b>	<b>1,000</b>

*Key to Scheme Types : PP = Policy Provision ; WP = Work Programme*

**Own Buildings**

	<b>Division</b>	<b>Scheme Type</b>	<b>Corporate Programme Funding</b>	<b>Ringfenced Funding</b>	<b>Total Approval</b>
			<i>{£000}</i>	<i>{£000}</i>	<i>{£000}</i>
<b><u>Own Buildings</u></b>					
Operational Estate Maintenance	CDN (EBS)	WP	4,000	-	<b>4,000</b>
Malcolm Arcade - Decarbonisation	CDN (EBS)	PJ	400	-	<b>400</b>
Aikman Avenue District Heating	CDN (EBS)	PJ	195	-	<b>195</b>
Phoenix Arts Car Park	CDN (EBS)	PJ	100	-	<b>100</b>
<b>TOTAL</b>			<b>4,695</b>	-	<b>4,695</b>

*Key to Scheme Types : PJ = Project ; WP = Work Programme*

**Parks & Play Areas**

	<b>Division</b>	<b>Scheme Type</b>	<b>Corporate Programme Funding</b> {£000}	<b>Ringfenced Funding</b> {£000}	<b>Total Approval</b> {£000}
<b><u>Parks &amp; Play Areas</u></b>					
Multi Use Games Areas (MUGAs)	CDN (NES)	PJ	2,500	-	<b>2,500</b>
Spinney Hill Park Play Area Refurbishment	CDN (NES)	PJ	150	-	<b>150</b>
<b>TOTAL</b>			<b>2,650</b>	<b>-</b>	<b>2,650</b>

*Key to Scheme Types : PJ = Project ; WP = Work Programme ; PV = Provision*

**Routine Works**

	<b>Division</b>	<b>Scheme Type</b>	<b>Corporate Programme Funding</b>	<b>Ringfenced Funding</b>	<b>Total Approval</b>
			{£000}	{£000}	{£000}
<b><u>Routine Works</u></b>					
Fleet Replacement Programme	CDN (HGF)	WP	3,795	-	<b>3,795</b>
Local Environmental Works	CDN (PDT)	WP	400	-	<b>400</b>
St Paul's Church	CDN (EBS)	PJ	400	-	<b>400</b>
Flood Risk Prevention	CDN (PDT)	WP	300	-	<b>300</b>
Front Walls Enveloping	CDN (PDT)	WP	200	-	<b>200</b>
Repayable Home Repair Loans	CDN (HGF)	WP	200	-	<b>200</b>
Heritage Panels	CDN (TCI)	WP	185	-	<b>185</b>
Ash Die Back Equipment	CDN (NES)	PJ	130	-	<b>130</b>
Historic Building Grant Fund	CDN (PDT)	WP	50	-	<b>50</b>
Empty Homes Acquisition Programme	CDN (HGF)	PV	50	-	<b>50</b>
<b>TOTAL</b>			<b>5,710</b>	<b>-</b>	<b>5,710</b>

Key to Scheme Types : PJ = Project ; WP = Work Programme ; PV = Provision

**Feasibilities and Contingencies**

	<b>Division</b>	<b>Scheme Type</b>	<b>Corporate Programme Funding</b> {£000}	<b>Ringfenced Funding</b> {£000}	<b>Total Approval</b> {£000}
<b><u>Feasibilities and Contingencies</u></b>					
Programme Contingency	All Divisions	PP	1,500	-	1,500
Feasibility Studies	CDN (Various)	WP	1,345	120	1,465
<b>TOTAL</b>			<b>2,845</b>	<b>120</b>	<b>2,965</b>

*Key to Scheme Types : PP = Policy Provision ; WP = Work Programme*

**Summary of Ringfenced Funding**

	{£000}
Transformation Fund (Earmarked Reserves)	120
<b>TOTAL RINGENCED FUNDING</b>	<b>120</b>

**GRAND TOTAL – ALL SCHEMES**

**43,855                      2,131                      45,986**

**Operational Estate Maintenance Capital Programme**

<b>Description</b>	<b>Amount £000's</b>
Accessibility Works - To review the accessibility of complex sites in line with the Equalities Act.	55
Building Works - Essential maintenance at the Council's operational and investment buildings. Key works include a roof replacement and lifecycle replacements in line with lease agreements.	818
Compliance Works - Generally consisting of surveys to gain condition data across the estate and works arising from the various risk assessments that are undertaken.	440
Electrical Works - Replacement fuse boards, fire alarms, mains distribution panels and lighting works.	345
Mechanical Works - Ventilation and plumbing works required at the Council's neighbourhood centres and open spaces.	99
Sustainability Works - to carry out works to aid the decarbonisation of the Council's estate. Including works to support the energy efficiency technology programme that is in the current capital programme.	1,969
Emergency Provision – Provision for emergency reactive works that could be required across the Council's estate	274
<b>TOTAL</b>	<b>4,000</b>

**Proposed Highways Maintenance Capital Programme**

<b>Description</b>	<b>Amount £000's</b>
Major Public Realm & Transport Improvement Schemes - Public realm and transport maintenance works associated with transforming cities and active travel fund	100
Principal Roads – Broad Avenue (The Langhill to Gwendolen Road), Victoria Road East (Gipsy Lane to Hastings Road)	500
Classified Non-Principal Roads – Saffron Lane continuation (Burnaston Road to Pork Pie Island), University Road (Welford Road to Regent Road)	365
Unclassified Neighbourhood Roads – Regent Road (Welford Road to Waterloo Way)	135
LEAN Carriageway & Pothole Repairs – Target large carriageway pothole repairs to provide longer term repairs in readiness for surface dressing.	410
Footway Relays and Reconstructions – Focus on local neighbourhood priorities; Narborough Road continuation, Melton Road footway improvements, Outer estate footway improvement schemes and cycleway resurfacing schemes.	627
Strategic Bridge Deck Maintenance & Replacement Works Friday Street bridge and Burleys Way feasibility study.	185
Bridge Improvement & Maintenance Works – Parapet replacements, structural maintenance works and technical assessment review project.	200
Traffic Signal Installations Renewals and Lighting Column Replacements – Signalling Upgrades, Lamp Column Replacements, Illuminated Bollards and Sign Replacements.	240
DfT / Whole Government Accounting Lifecycle Asset Management Development Project – Strategic asset management development, data analysis, lifecycle planning and reporting in support of DfT Challenge Funding bidding linked to asset management performance.	500
<b>TOTAL</b>	<b>3,262</b>

**Children’s Capital Improvement Programme**

<b>Description</b>	<b>Amount £000's</b>
Building Works - Typical works include roof replacements, sports hall floor replacements, playground resurfacing and window replacements.	5,060
Compliance Works - This work stream will mainly be used to ensure the playing fields and pavilions used by schools are fully compliant with current regulations and to conduct health and safety works.	2,165
Mechanical Works - schemes being undertaken within the programme typically consist of re-piping heating systems and end of life ventilation replacements	1,185
Safeguarding Works - building works to ensure sites are secure.	400
Sustainability Works - to carry out works to aid the decarbonisation of the Council's estate. Including works to support the energy efficiency technology programme that is in the current capital programme.	6,407
Individual Access Needs Works - This is a provision to allow works to be carried out to enable children with additional needs to access mainstream school.	195
Emergency Provision - This is provision within the programme to allow for emergency unforeseen works to be carried out.	445
<b>TOTAL</b>	<b>15,857</b>

**Capital Strategy 2023/24**

**1. Introduction**

- 1.1 It is a requirement on local authorities to prepare a capital strategy each year, which sets out our approach to capital expenditure and financing at a high level. The requirement to prepare a strategy arises from Government concerns about certain authorities borrowing substantial sums to invest in commercial property, often primarily for yield and outside the vicinity of the Council concerned (something the Council has never done).
- 1.2 There is also a requirement on local authorities to prepare an investment strategy, which specifies our approach to making investments other than day to day treasury management investments (the latter is included in our treasury management strategy, as in previous years). The investment strategy is presented as a separate report on your agenda.
- 1.3 This appendix sets out the proposed capital strategy for the Council's approval.

**2. Capital Expenditure**

- 2.1 The Council's capital expenditure plans are approved by the full Council, on the basis of two reports:-
- (a) The corporate capital programme – this covers periods of one or more years, and is always approved in advance of the period to which it relates. It is often, but need not be, revisited annually (it need not be revisited if plans for the subsequent year have already been approved);
  - (b) The Housing Revenue Account (HRA) capital programme – this is considered as part of the HRA budget strategy which is submitted each year for approval.
- 2.2 The capital programme is split into:-
- (a) Immediate starts – being schemes which are approved by the Council and can start as soon as practical after the council has approved the programme. Such schemes are specifically described in the relevant report;
  - (b) Policy provisions, which are subsequently committed by the City Mayor (and may be less fully described in the report). The principle here is that further consideration is required before the scheme can start.
- 2.3 The corporate capital programme report sets out authorities delegated to the City Mayor. Decisions by the City Mayor are subject to normal requirements in the constitution (e.g. as to prior notice and call-in).

- 2.4 Monitoring of capital expenditure is carried out by the Executive and the Overview Select Committee. Reports are presented on 3 occasions during the years, and at outturn. For this purpose, immediate starts have been split into three categories:-
- (a) **Projects** – these are discrete, individual schemes such as a road scheme or a new building. These schemes are monitored with reference to physical delivery rather than an annual profile of spending. (We will, of course, still want to make sure that the overall budget is not going to be exceeded);
  - (b) **Work Programmes** – these will consist of minor works or similar schemes where is an allocation of money to be spent in a particular year.
  - (c) **Provisions** – these are sums of monies set aside in case they are needed, but where low spend is a favourable outcome rather than indicative of a problem.
- 2.5 When, during the year, proposals to spend policy provisions are approved, a decision on classification is taken at that time (i.e. a sum will be added to projects, work programmes or provisions as the case may be).
- 2.6 The authority does not capitalise expenditure, except where it can do so in compliance with proper practices: it has never applied for directions to capitalise revenue expenditure.
- 2.7 The table below forecasts the past and forecast capital expenditure for the current year and 2023/24. It therefore, includes latest estimates of expenditure from the 2022/23 programme that will be rolled forward.

<b>Department / Division</b>	<b>2022/23 Estimate £m</b>	<b>2023/24 &amp; Beyond Estimate £m</b>
All Departments	-	7.7
Corporate Resources	0.2	3.0
Planning, Development & Transportation	59.2	106.1
Tourism, Culture & Inward Investment	12.7	39.0
Neighbourhood & Environmental Services	1.8	3.9
Estates & Building Services	20.8	24.6
Adult Social Care	0.6	6.4
Children's Services	15.8	29.0
Public Health	2.1	2.5
Housing General Fund	5.5	13.2
<b>Total General Fund</b>	<b>118.7</b>	<b>235.4</b>
Housing Revenue Account	34.3	172.4
<b>Total</b>	<b>153.0</b>	<b>407.8</b>

- 2.8 The Council's Estates and Building Services Division provides professional management of non-housing property assets. This includes maintaining the properties, collecting any income, rent reviews, ensuring that lease conditions are complied with and that valuations are regularly updated at least every 5 years. A capital programme scheme is approved each year for significant improvements or renovation.
- 2.9 The Housing Division provides management of tenanted dwellings. Apart from new build and acquisitions, the HRA capital programme is almost entirely funded from tenants' rents. The criteria used to plan major works are in the table below:-

<b>Component for Replacement</b>	<b>Leicester's Replacement Condition Criteria</b>	<b>Decent Homes Standard: Maximum Age</b>
Bathroom	All properties to have a bathroom for life by 2036	30 - 40 years
Central Heating Boiler	Based on assessed condition	15 years (future life span of new boilers is expected to be on average 12 years)
Chimney	Based on assessed condition	50 years
Windows & Doors	Based on assessed condition	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2036	20 - 30 years
Roof	Based on assessed condition	50 years (20 years for flat roofs)
Wall finish (external)	Based on assessed condition	80 years
Wall structure	Based on assessed condition	60 years

### **3. Financing Capital Expenditure**

- 3.1 Most capital expenditure of the Council is financed as soon as it is spent (by using grants, capital receipts, revenue budgets or the capital fund). The Council will only incur spending which cannot be financed in this way in strictly limited circumstances. Such spending is termed "prudential borrowing" as we are able to borrow money to pay for it. (The treasury management strategy explains why in practice we don't need to borrow on the external market: we must still, however, account for it as borrowing and make "repayments" from revenue each year). Circumstances in which the Council will use "prudential borrowing" are:-
- (a) Where spending facilitates a future disposal, and it is estimated that the proceeds will be sufficient to fully cover the initial costs;
  - (b) Where spending can be justified with reference to an investment appraisal (this is further described in the separate investment strategy).

This also includes social housing, where repayment costs can be met from rents;

- (c) Other “spend to save” schemes where the initial cost is paid back from revenue savings or additional income;
- (d) Where, historically, the Council has used leasing for vehicles or equipment, and revenue budgets already exist to meet the cost;
- (e) “Once in a generation” opportunities to secure significant strategic investment that will benefit the city for decades to come.

3.2 The Council measures its capital financing requirement, which shows how much we would need to borrow if we borrowed for all un-financed capital spending (and no other purpose). This is shown in the table below:-

	2022/23 Estimate £m	2023/24	2024/25	2025/26
HRA	265	301	316	336
General Fund	266	262	259	254

*(The table above excludes PFI schemes).*

3.3 Projections of actual external debt are included in the treasury management strategy, which is elsewhere on your agenda.

#### 4. **Debt Repayment**

4.1 As stated above, the Council usually pays for capital spending as it is incurred. However, this has not always been the case. In the past, the Government encouraged borrowing and money was made available in Revenue Support Grant each year to pay off the debt (much like someone paying someone else’s mortgage payments).

4.2 The Council makes charges to the general fund budget each year to repay debt incurred for previous years’ capital spending. (In accordance with Government rules, no charge needs to be made to the Housing Revenue Account: we do, however, make charges for newly built and acquired property).

4.3 The general underlying principle is that the Council seeks to repay debt over the period for which taxpayers enjoy the benefit of the spending it financed.

4.4 Where borrowing pays for an asset, debt is repaid over the life of the asset.

4.5 Where borrowing pays for an investment, debt is repaid over the life of the Council’s interest in the asset which has been financed (this may be the asset life, or may be lower if the Council’s interest is subject to time limits). Where borrowing funds a loan to a third party, repayment will never exceed the period of the loan.

4.6 Charges to revenue will be based on an equal instalment of principal, or set on an annuity basis, as the Director of Finance deems appropriate.

- 4.7 Debt repayment will normally commence in the year following the year in which the expenditure was incurred. However, in the case of expenditure relating to the construction of an asset, the charge will commence in the year after the asset becomes operational or the year after total expenditure on the scheme has been completed.
- 4.8 The following are the maximum asset lives which can be used:-
- (a) Land – 50 years;
  - (b) Buildings – 50 years;
  - (c) Infrastructure – 40 years;
  - (d) Plant and equipment – 20 years;
  - (e) Vehicles – 12 years.
- 4.9 Some investments governed by the treasury strategy may be accounted for as capital transactions. Should this require debt repayment charges, an appropriate time period will be employed.
- 4.10 Authority is given to the Director of Finance to voluntarily set aside sums for debt repayment, over and above the amounts determined in accordance with the above rules, where he/she believes the standard charge to be insufficient, or in order to reduce the future debt burden to the authority.
- 4.11 In circumstances where the investment strategy permits use of borrowing to support projects which achieve a return, the Director of Finance may adopt a different approach to debt repayment to reflect the financing costs of such schemes. The rules governing this are included in the investment strategy.
- 4.12 The ratio of financing costs to net revenue budget is estimated to be:-

	2022/23 %	2023/24 %	2024/25 %
General Fund	1.1	0.5	0.5
HRA	11.4	13.6	14.9

## 5. **Commercial Activity**

- 5.1 The Council has for many decades held commercial property through the corporate estate. It may decide to make further commercial investments in property, or give loans to others to support commercial investment. Our approach is described in the investment strategy, which sets the following limitations:-
- (a) The Council will not make such investments purely to generate income. Each investment will also benefit the Council's service objectives (most probably, in respect of economic regeneration and jobs). It will, however, invest to improve the financial performance of the corporate estate;
  - (b) The Council will not make investments outside of the LLEP area (or just beyond its periphery) except as described below. We would not, for instance, borrow money to buy a shopping centre 100 miles from Leicester;

- (c) There is one exception to (b) above, which is where the investment meets a service need other than economic regeneration. An example might be a joint investment in a solar farm, in collaboration with other local authorities; or investment in a consortium serving local government as a whole. In these cases, the location of the asset is not necessarily relevant.
- 5.2 Such investments will only take place (if they are of significant scale) after undertaking a formal appraisal, using external advisors if needs be. Nonetheless, as such investments also usually achieve social objectives, the Council is prepared to accept a lower return than a commercial funder might, and greater risk than it would in respect of its treasury management investments. Such risk will always be clearly described in decision reports (and decisions to make such investments will follow the normal rules in the Council's constitution).
- 5.3 Although the Council accepts that an element of risk is inevitable from commercial activity, it will not invest in schemes whereby (individually or collectively) it would not be able to afford the borrowing costs if they went wrong. As well as undertaking a formal appraisal of schemes of a significant scale, the Council will take into account what "headroom" it may have between the projected income and projected borrowing costs.
- 5.4 In addition to the above, the Council's treasury strategy may permit investments in property or commercial enterprises. Such investments may be to support environmental and socially responsible aims, and are usually pooled with other bodies. For the purposes of the capital strategy, these are not regarded as commercial activities under this paragraph as the activity is carried out under the treasury strategy.
6. **Knowledge and Skills**
- 6.1 The Council employs a number of qualified surveyors and accountants as well as a specialist team for economic development who can collectively consider investment proposals. It also retains external treasury management consultants (currently Arlingclose). For proposed investments of a significant scale, the Council may employ external specialist consultants to assist its decision making.

# **Leisure Centre Utility costs**

Heritage, Culture, Leisure and Tourism Scrutiny  
Committee

Date of meeting: 10 January 2022

Lead director/officer: Miranda Cannon

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### **Useful information**

- Ward(s) affected: All
- Report author: Miranda Cannon
- Author contact details: Miranda.cannon@leicester.gov.uk
- Report version number: 0.1

## **1. Summary**

Heritage, Culture, Leisure and Tourism (HCLT) Scrutiny Committee requested details of the impact of rising energy costs on the running cost of Leicester City Council leisure centres. The enclosed presentation which will be delivered at the meeting on 10<sup>th</sup> January will set out details of the impact on the current 2022/23 financial year and measures that are being undertaken to seek to reduce fuel consumption and costs.

## **2. Recommended actions**

HCLT are invited to:

- Note the impact of rising energy costs on the running costs of Leicester City Council leisure centres; and
- Consider any other possible options that could be explored to seek to mitigate against this.

## **3. Detailed report**

In recent months rising energy costs have been impacting significantly on both residents and businesses. Leisure Centres due particularly to the requirement to heat swimming pools consume significant energy and therefore the rising costs are impacting on the budget for Sports Services which is predicted to overspend in 2022/23 by approximately £450,000 due largely to these additional unbudgeted and previously unforeseen costs. The presentation explains these costs in more detail and measures which are being taken to seek to reduce energy consumption and cost.

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

### **6.1 Financial implications**

Below outlines the financial impact the predicted costs will have against the service budget for the financial year 2022/23.

	2021/2022 Cost	2022/23 Budget	2022/23 Forecast	2022/23 Variance V Budget
<b>Leisure Facilities (Electric)</b>	£497,933	£424,500	£769,984	£345,484
<b>Leisure Facilities (Gas)</b>	£196,165	£299,900	£365,064	£66,064
<b>Leisure Facilities (District heating)</b>	£24,680	£41,000	£37,465	-£3,535
<b>Total</b>	<b>£718,778</b>	<b>£764,500</b>	<b>£1,172,513</b>	<b>£408,013</b>

## 6.2 Legal implications

Due to this being an impact on Facility running costs we don't foresee any Legal implications.

## 6.3 Equalities implications

There are no direct equalities implications arising from this report. As the leisure centres stay open, despite rising costs, they continue provide services for people from across a range of protected characteristics which are beneficial to their health, and this will help to support the general aims of the Public Sector Equality Duty.

Kalvaran Sandhu, Equalities Manager, Ext 37 6344



## Leicester City Council - Leisure Centre Utility cost 2022-2023

- Utility Costs are a leisure facilities 2<sup>nd</sup> largest expenditure behind Payroll.
- The predicted costs for Leicester City council facilities is just short of £1.2million. This is an increase of £450k on the previous year despite consumption remaining the same.
- LCC purchased its Electric at a fixed rate until October 2022. This has meant we managed to mitigate increased costs for electric for the period April – September, increasing overall cost by 55-60% compared to the 112% if we had not.

## Leicester City Council - Leisure Centre Utility cost 2022-2023

Unit Rat	Rate Per KWh 2021-2022	Rate Per KWh 2022-2023	Increase
Leisure Facilites Gas	£0.17	£0.36	£0.19 (112%)
Leisure Facilities Electric	£0.018	£0.034	£0.015 (86%)

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Site Name	Consumption (KWh / m3)	Cost (£)	Estimated Cost (£)	Variance to 2021/2022	Increase
Leisure Facilites Gas	8,928,471	£196,165.16	£365,064.632	£168,898.472	<b>86%</b>
Leisure Facilities Electric	3,493,805	£522,613.14	£807,449.338	£284,835.198	<b>55%</b>

## Current Measures in place to Reduce Consumption.

- Centre opening hours were reduced in 2019 to meet demand and reduce operating costs.
- Management of 'good house keeping' through education of staff. I.e Turning off lights, keeping Air con and room temperatures to appropriate levels.
- Replacement of Lights with LED, and where possible rooms fitted with PIR sensors.
- Salix funding to install Solar Panels and air source heat pumps.
- Building management systems reviewed and monitored by centre management weekly.

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Site Name	Consumption (KWh / m3)	Cost (£) 2021/2022	Estimated Cost (£) 2022/2023	Variance
AYLESTONE L.C.	1,080,609	£26,088.56	£48,550.810	£22,462.250
BRAUNSTONE LEISURE CENTRE	2,900,081	£53,293.50	£99,179.204	£45,885.704
COSSINGTON ST. L.C.	1,342,794	£31,495.00	£58,613.000	£27,117.000
EVINGTON POOL	1,253,726	£30,354.49	£56,489.706	£26,135.216
LEICESTER LEYS L.C.	1,007,897	£21,883.07	£40,724.393	£18,841.323
NEW PARKS L.C.	413,269	£10,059.12	£18,720.022	£8,660.902
SAFFRON LANE SPORTS	66,773	£1,815.42	£3,378.497	£1,563.077
SPENCE ST. SPORTS CENTRE	863,322	£21,176.00	£39,409.000	£18,233.000
<b>TOTAL</b>	<b>8,928,471</b>	<b>£196,165.16</b>	<b>£365,064.632</b>	<b>£168,898.472</b>

Site Name	Consumption (KWh / m3)	Cost (£)	Estimated Cost (£)	Variance to 2021/2022
AYLESTONE L.C.	438,369	£72,109.47	£109,462.175	£37,352.705
BRAUNSTONE LEISURE CENTRE	946,249	£156,249.96	£237,187.439	£80,937.479
COSSINGTON ST. L.C.	323,460	£52,413.00	£79,562.000	£27,149.000
EVINGTON POOL	249,467	£43,138.94	£65,484.911	£22,345.971
LEICESTER LEYS L.C.	543,855	£92,095.83	£139,801.470	£47,705.640
NEW PARKS L.C.	609,600	£41,175.00	£76,626.675	£35,451.675
NEW PARKS L.C. (District heating)	142,975	£24,680.94	£37,465.667	£12,784.727
SAFFRON LANE SPORTS	21,950	£3,991.00	£6,059.000	£2,067.000
SPENCE ST. SPORTS CENTRE	217,880	£36,759.00	£55,800.000	£19,041.000
<b>TOTAL</b>	<b>3,493,805</b>	<b>£522,613</b>	<b>£807,449</b>	<b>£284,835</b>

## Heritage, Culture, Leisure and Tourism Scrutiny Commission

### Draft Work Programme 2022 -23

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Meeting date	Meeting items	Notes/Actions
<b>7<sup>th</sup> June 2022</b>	<ol style="list-style-type: none"> <li>1. <b>Use of the Cultural Ambition Fund in 2021/22</b> (lead: Mike Dalzell)</li> <li>2. <b>New Stories Gallery</b> (lead: Mike Dalzell)</li> <li>3. <b>Sports &amp; Physical Activities Strategy Planning phase</b> (lead: Andrew Beddow)</li> <li>4. <b>Sports Capital Programme</b> (lead: Andrew Beddow)</li> <li>5. <b>Update on progress with Task Group review work into ‘Women’s Participation in Sport’</b> – verbal update on position by the Chair</li> <li>6. <b>Work Programme 2022/23 planning</b> – work in progress.</li> </ol>	<ol style="list-style-type: none"> <li>1. That the Commission be kept up to date on the success and funding of Arts, Heritage and Cultural groups and events in the city.</li> <li>2. Comm praised new gallery and noted presentation.</li> <li>3. a) that the Task Group review work be acknowledged and to feed into the new strategy. b) that a report detailing the developmental statistics of the previous Active Leicester strategy be presented to the Commission c) That the new Active Leicester strategy be brought to the Commission upon draft completion for consideration.</li> <li>4. Members expressed concerns about the impact of the current rising costs across the economy on the running of the leisure facilities, and noted that budget forecasting had taken place, which suggested an extra £300-350k increase in costs were projected in energy consumption. Overall, the situation was difficult to assess but would be explored further in the ongoing year. Commission to receive an update in 6<sup>th</sup> months.</li> <li>5. Chair reported that evidence gathering work is continuing.</li> <li>6. Work Programme – work in progress noted.</li> </ol>
<b>9<sup>th</sup> August 2022</b>	<ol style="list-style-type: none"> <li>1. <b>Jewry Wall – Roman Leicester. Update report</b></li> <li>2. <b>UA 50 Art work presentation</b></li> <li>3. <b>Swim Leicester update</b></li> <li>4. <b>Work Programme update</b></li> <li>5. <b>Task Group review – update on progress</b></li> </ol>	<ol style="list-style-type: none"> <li>1. Members to receive progress report in 6 months, and members suggestions / ideas to be considered by project leads.</li> <li>2. Members praised exhibition and new artwork</li> <li>3. a) wild swimming and outdoor swimming exploring provisions and safety for this, b) more info on work with schools and adults in the city to encourage swimming, c) BME data on usage requested.</li> <li>4. Work programme noted as work in progress, members agreed:                     <ol style="list-style-type: none"> <li>a) hotel occupancy and what are visitors doing when they come to the city. New hotels, has this impacted on existing hotels in the city?. Topic to be added to wp for early 2023.</li> <li>b) report to explore additional heritage panels in the city e.g. Evington cinema / old cinemas, and locations in N/hood areas.</li> </ol> </li> <li>5. Vice Chair reported on progress and survey consultation drafted to inform review – details on this will be shared with members.</li> </ol>

Appendix E

## Heritage, Culture, Leisure and Tourism Scrutiny Commission

### Draft Work Programme 2022 -23

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<p><b>20<sup>th</sup> September 2022</b></p>	<ul style="list-style-type: none"> <li>• <b>Draft Local Plan – JOINT SCRUTINY</b> with N/hoods scrutiny members invited for this item.</li> <li>• <b>Heritage Panels Project update</b></li> <li>• <b>Autumn / Winter events programme</b></li> <li>• <b>Task Group review – update</b> (incl survey consultation link and survey questions copy)</li> </ul>	<p><b>Draft Local Plan item:</b></p> <ol style="list-style-type: none"> <li>1. That the Leicester Local Plan report be noted.</li> <li>2. That in taking decisions on the delivery of the allocations in the Local Plan (once it is confirmed), the executive seeks to maximise the social housing delivery on Council owned sites (wherever possible).</li> <li>3. That in regard to green spaces used for non-housing uses, (such as leisure) the green space impact should be minimised and mitigated and be fully justified.</li> <li>4. That new development should be designed to deliver a distinctive sense of place and character.</li> <li>5. That the recommendations be passed to the Overview Select Committee on Tuesday, 27 September 2022.</li> </ol> <p><b>Heritage Panels Project:</b></p> <ol style="list-style-type: none"> <li>1. Report be noted and an update be brought to the Commission in a future meeting.</li> </ol> <p>Task Group review update:</p> <p><b>Autumn / Winter events:</b></p> <ol style="list-style-type: none"> <li>1. That the Commission thanked the staff involved in the events programme for their hard work.</li> <li>2. That an investigation into the economic impact of festivals in the city be brought to a Commission meeting in the new year.</li> </ol> <p><b>Task Group review update:</b></p> <ol style="list-style-type: none"> <li>1. That the findings presented in the final report inform the Council’s new Sports Strategy work.</li> <li>2. That the survey be extended a week’s duration in light of the Queen’s passing.</li> </ol>
<p><b>8<sup>th</sup> November 2022</b></p>	<ul style="list-style-type: none"> <li>• <b>Provision of Adult Swimming</b></li> <li>• <b>Heritage Action Zones</b></li> <li>• <b>Christmas Campaign events</b></li> <li>• <b>Task Group Update</b> re: Women’s Participation in Sport</li> </ul>	<p><b>Adult Swimming item:</b></p> <ol style="list-style-type: none"> <li>1. The members praised and thanked Sumanya for coming along.</li> <li>2. That Officers provide members with financial details and data around revenue income and running costs for swimming provision and pools to Members of the Commission outside this meeting.</li> <li>3. That a report on the impact of the economic and energy crisis on Leisure Centres and Swimming facilities be brought to the next meeting.</li> </ol> <p><b>Christmas Campaign item:</b> Report noted, and staff involved praised and thanked for excellent event planned.</p>

## Heritage, Culture, Leisure and Tourism Scrutiny Commission

### Draft Work Programme 2022 -23

		<p><b>Task Group update item:</b> Progress noted.</p> <p><b>Work Programme item:</b> Members noted that the council had been included in the Arts Council National Portfolio of Funded Organisations 2023-26 which would help with recognition of the city and its diverse offer. The Chair confirmed that following the good news relating to the Arts Council funding, an item on this area of work would be included in the work programme for next year.</p> <p><b>Heritage Action Zones item</b> was withdrawn by the service, from the agenda.</p>
<b>10<sup>th</sup> January 2023</b>	<ul style="list-style-type: none"> <li>• <b>Annual Council Budget reports, -revenue and Sports capital programme</b></li> <li>• <b>Cost of living impacts – sports services</b></li> </ul>	
<b>28<sup>th</sup> February 2023</b>	<p><i>Possible items tbc</i></p> <ul style="list-style-type: none"> <li>• <b>Task Group Scrutiny review report of findings re: Encouraging Women into Sport and Physical Activity – Cllr Halford / Anita</b></li> <li>• <b>Sports &amp; Physical Activities new Strategy – progress report</b></li> <li>• <b>Tourism Action Plan update</b> (members requested info visitors data, experience and places they visit and stay at).</li> <li>• <b>Jewry Wall: Roman Leicester - progress update</b></li> <li>• <b>NPOs Arts Council funding report</b> (organisations funded)</li> <li>• <b>Christmas activities – feedback report</b></li> </ul>	

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# Heritage, Culture, Leisure and Tourism Scrutiny Commission

## Draft Work Programme 2022 -23

FORWARD PLAN / SUGGESTED ITEMS		
Topic	Detail	Proposed Date
<b>Suggested Items for forward planning:</b> <ul style="list-style-type: none"><li>• Leicester Cathedral investment - report</li><li>• Pheonix Arts Centre investment - report</li><li>• Festivals &amp; Events plans - report</li><li>• Football Investment Strategy update</li><li>• Tourism Action Plan update (members requested info visitors data, experience and places they visit and stay at)</li><li>• Jewry Wall project – progress reports</li><li>• Haymarket Theatre update</li><li>• Heritage Action Zones – presentation</li><li>• Heritage Interpretation Panels – any further phases</li><li>• Cultural &amp; Creative industries plan item – <i>update following item in late 2021</i></li><li>• NPOs Arts Council new funding 2023-26 received by lcc.</li></ul>		

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