



Leicester
City Council

At a meeting of the LEICESTER CITY COUNCIL held at the Town Hall at FIVE O'CLOCK in the afternoon on Wednesday, 21 FEBRUARY 2024 duly convened for the business hereunder mentioned.

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BUSINESS

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1. DECLARATIONS OF INTEREST

2. MATTERS RESERVED TO COUNCIL

**a) HOUSING REVENUE ACCOUNT BUDGET
(INCLUDING CAPITAL PROGRAMME) 2024/25**

Council is asked to approve the recommendations set out on page 3 of the published agenda pack.

b) REVENUE BUDGET 2024/25

Council is asked to approve the recommendations set out on page 77 of the published agenda pack.

c) CAPITAL PROGRAMME 2024/25

Council is asked to approve the recommendations set out on page 142 of the published agenda pack.

d) TREASURY POLICY 2024/25

The Council is recommended to approve the Treasury Policy. (Page 182 of the published agenda pack.)

e) TREASURY MANAGEMENT STRATEGY 2024/25

Council is asked to approve the Treasury Management Strategy 2024/25. (Page 194 of the published agenda pack.)

f) INVESTMENT STRATEGY 2024/25

Council is asked to approve the Investment Strategy 2024/25 (Page 222 of the published agenda pack).

3. ANY OTHER URGENT BUSINESS

PRESENT:

SUE BARTON, LORD MAYOR
CHAIRMAN

SIR PETER SOULSBY – CITY MAYOR

Abbey Ward

Charleigh Barnes

Aylestone Ward

Scott-Kennedy-Lount
Nigel Porter

Beaumont Leys Ward

Hazel Orton
Hemant Rae Bhatia
Paul Westley

Belgrave Ward

Yogesh Chauhan

Braunstone Park and Rowley Fields Ward

Elaine Halford
Kulwinder Singh Johal

Castle Ward

Mick Gregg
Patrik Kitterick
Liz Sahu

Evington Ward

Deepak Bajaj

Eyres Monsell Ward

Elaine Pantling
Karen Pickering

North Evington Ward

Dilip Joshi
Ravi Mahesh

Rushey Mead Ward

Bhupen Dave
Geeta Karavadra
Devi Singh Patel

Saffron Ward

Ted Cassidy
Elly Cutkelvin

Spinney Hills Ward

Misbah Batool
Mustafa Malik

Stoneygate Ward

Raffiq Moosa Mohammed
Manjula Sood
Yasmin Surti

Thurncourt Ward

Teresa Aldred
Abdul Osman

Troon Ward

Diane Cank
Mohinder Singh Sangha

Westcotes Ward

Adam Clarke
Sarah Russell

Fosse Ward

Susan Waddington
Syed Zaman

Humberstone and Hamilton Ward

Stephen Bonham
Ashiedu Joel
Manjit Kaur Saini

Knighton Ward

Lynn Moore
Geoff Whittle

Western Ward

George Cole
Vi Dempster
Molly O'Neill

Wycliffe Ward

Mohammed Dawood

54. DECLARATIONS OF INTEREST

The Lord Mayor invited the Monitoring Officer to make a statement in relation to declarations for the budget meeting.

The Monitoring Officer reminded Members that there was no requirement to declare any interests already on their registers.

He noted that Members had been contacted in advance of the meeting regarding interests, but no issues had been raised.

He also explained that Section 106 of the Local Government Act 1992 made it an offence for any Member who was two months or more in arrears of Council tax to remain and vote on the General Fund Revenue Budget item, incorporating as it does a decision about the setting of Council Tax. However background checks had indicated that no Elected Member was in this position. .

He further outlined details of a dispensation which, following consultation with the Standards Committee, he could grant to elected Members who were Council tenants or had family members or close associates who were Council tenants. Without this dispensation it would not be possible for members with an interest in this area to vote on either the General Fund Revenue Budget or the Housing Revenue Account. The following members sought and were granted a dispensation:

Councillor Aldred
Councillor Barnes
Councillor Cank
Councillor Halford

55. MATTERS RESERVED TO COUNCIL

56. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2024/25

Moved by Councillor Cutkelvin, seconded by the City Mayor:

That Council:-

- 1) Thanks the Tenants' and Leaseholders' Forum, Housing Scrutiny Commission, Overview Select Committee and others who have commented on our draft Housing Revenue Account budget. The comments of the Housing Scrutiny Commission and Overview Select Committee are included in the report.
- 2) Notes the comments made in the Deputy City Mayor for Housing and Neighbourhoods' formal recommendation to Council Notice published

on 21 February 2024 and attached as Appendix A to this script; and

- 3) Approve the recommendations for the Housing Revenue Account Budget (including Capital Programme) for 2024/25 in paragraph 3 of the report at Item 2a in the agenda pack, including the Deputy City Mayor for Housing and Neighbourhoods' recommendations, as attached as Appendix A to this script

AMENDMENT

Moved by Councillor Kitterick, seconded by Councillor Bajaj:

That recommendation VI in the report be amended to read "Agree to delegate to the City Mayor the authority to reduce District Heating service charges by the extent to which this represents a change to the cost of providing those services.

This was accepted by Councillor Cutkelvin and the City Mayor as a friendly amendment.

The Lord Mayor put the amended motion to the vote and declared the motion carried.

57. REVENUE BUDGET 2024/25

Moved by the City Mayor, seconded by Councillor Cassidy:

That Council

- 1) Thanks scrutiny committees who have commented on our draft budget; the comments of the Overview Select Committee on 8 February are attached to the budget report at Item 2b in the agenda pack and the views of other scrutiny committees also appended to the budget report;
- 2) Notes the comments made in the City Mayor's formal Recommendation to Council Notice published on 21 February 2024 and attached as Appendix B to this script;
- 3) Approves the recommendations set out in section 3.1 of the report at item 2b of the agenda pack 'Revenue Budget 2024/25' without amendment; and
- 4) Approve the formal resolutions for the General Fund Budget 2024/25, including the City Mayor's recommendations, which are attached as Appendix C to this script.

AMENDMENT

Moved by Councillor Kitterick, seconded by Councillor Bajaj

(a) To amend the Mayor's budget proposals as follows:

- To transfer £4m from the capital programme reserve, the balance of which is shown at Appendix 5 to the report;
- To use the money to set up a new earmarked reserve to fund adventure playgrounds for the next four years, and to provide as much security of funding as we are able to give in the current climate.

(b) To note that it will require the following changes to the Mayor's proposed capital programme, which I will move if the amendment passes:

- To reduce the proposed budget for operational estate maintenance by £500,000 to £2.001m;
- To reduce the proposed budget for fleet replacement by £500,000 to £3.305m;
- To reduce the proposed budget for the corporate estate by £250,000 to £1.25m;
- To reduce the proposed budget for feasibility studies by £250,000 to £880,000;
- To reduce the proposed programme contingency by £500,000 to £2.5m.

(c) To reduce the current capital programme funding for Connecting Leicester by £2m, leaving £33.9m;

(d) To note the Director of Finance's advice attached.

Attachment

Advice of Director of Finance

When reducing a capital programme there is the potential to have an operational impact on the delivery of service. Some potential risks/impacts of the proposed reductions are listed below:

- Operational Estate – there is a risk that the backlog of maintenance across Council buildings will increase, which may cause longer term cost pressures.
- Corporate Estate – may lead to reductions in the income generated if buildings are not fit for purpose.
- Fleet – may lead to vehicles having less availability, due to needing more repairs as they age or vehicles ceasing to be functional.

- Cuts to feasibility studies may prevent Council schemes progressing, or prevent us accessing grant funding due to projects not being scoped.
- Cuts to Connecting Leicester may lead to schemes that are already promised not being delivered.
- Having a reduced programme contingency may result in schemes having to be reduced or aborted if actual costs exceed the budget.

We cannot guarantee funding to the adventure playgrounds for four years, even if the amendment is passed, as the service is discretionary. If I am required to submit a section 114 report at any time because the Council cannot make ends meet, it would undoubtedly force us to use this reserve to support statutory services.

Furthermore it should be noted that:

- The Scheme of Virement (Appendix 2 to the Revenue Budget Report) contains provisions relating to the spending of earmarked reserves, and the dissolution thereof;
- Case law (Buck v Doncaster MBC [2013] EWCA Civ 1190) is clear that such reserves cannot act as a direction to the Executive to spend the money so set aside.

Following the debate, the Lord Mayor put the amendment to a vote.

Under Council Procedure Rule 29 of the Council's Constitution, three Councillors requested a recorded vote.

For the amendment:

Councillors Bajaj, Barnes, Cank, Chauhan, Dave, Gregg, Joshi, Karavadra, Kennedy-Lount, Kitterick, Mahesh, Orton, Osman, Porter, Rae Bhatia, Sahu, Singh Patel, Westley

Against the amendment:

Councillors Aldred, Batool, Bonham, Cassidy, Clarke, Cole, Cutkelvin, Dawood, Dempster, Halford, Kaur Saini, Malik, Mohammed, Moore, O'Neill, Pantling, Pickering, Russell, Singh Johal, Singh Sangha, Sood, Soulsby (City Mayor) Surti, Waddington, Whittle, Zaman

Abstaining on the motion:

Councillors Barton, Joel

The Lord Mayor declared that the amendment was lost.

Following the debate, the Lord Mayor put the original motion to the vote.

Under Council Procedure Rule 29 of the Council's Constitution, three Councillors requested a recorded vote.

For the motion:

Councillors Aldred, Barton, Batool, Bonham, Cank, Cassidy, Clarke, Cole, Cutkelvin, Dawood, Dempster, Halford, Joel, Kaur Saini, Malik, Mohammed, Moore, O'Neill, Pantling, Pickering, Russell, Singh Johal, Singh Sangha, Sood, Soulsby (City Mayor) Surti, Waddington, Whittle, Zaman

Against the motion:

Councillors Bajaj, Barnes, Chauhan, Dave, Gregg, Joshi, Karavadra, Kennedy-Lount, Kitterick, Mahesh, Orton, Osman, Porter, Rae Bhatia, Sahu, Singh Patel, Westley

The Lord Mayor declared the motion carried.

58. CAPITAL PROGRAMME 2024/25

Moved by the City Mayor, seconded by Councillor Cassidy

That Council:

- 1) Thanks the Overview Select Committee for their comments on our draft budget, which are attached to the report in the agenda pack.
- 2) Notes the comments made in the City Mayor's Recommendation to Council Notice published on 21 February 2024 and attached as Appendix D to this script;
- 3) Approve the recommendations for the Capital Programme 2024/25 in paragraph 2 of the report at Item 2c in the agenda pack, including the City Mayor's recommendations, which are attached as Appendix D to this script

AMENDMENT

Moved by Councillor Osman under the name of Councillor Bajaj, seconded by Councillor Kitterick.

(e) To amend the Mayor's capital budget proposals as follows:

- To add £2,000k for Neighbourhood Regeneration as a policy provision to be funded by a reduction of the 12-20 Cank Street budget £2,000k in the current programme.
- To add £3,000k for Flood Remediation Works as a policy provision to be funded by a reduction of £500k in the current programme for Connecting Leicester and the removal of £2,500k contingency proposed in the 2024/25 programme.

(f) To note the Director of Finance's advice attached.

Attachment

Advice of Director of Finance

When reducing the capital programme there is the potential to have an impact on the remaining scheme or the delivery of a service. Some of the potential risks of the proposed schemes are listed below:

- The capacity of teams to deliver the additional schemes proposed.
- Having a reduced programme contingency may result in schemes having to be reduced or aborted if actual costs exceed the budget. If the adventure playground and this amendment are approved, there would be no programme contingency left.
- Flood works may not be our responsibility so would require working with partner organisations.
- Cuts to Connecting Leicester may lead to schemes that are already promised not being delivered.
- The reduction to the 12-20 Cank Street is so significant that it is likely to mean the scheme cannot be delivered.

Furthermore, it should be noted that:

- Capital Programme contains provision for releasing policy provisions.

Following the debate, the Lord Mayor put the amendment to the vote.

Under Council Procedure Rule 29 of the Council's Constitution, three Councillors requested a recorded vote.

For the amendment:

Councillors Bajaj, Barnes, Cank, Chauhan, Dave, Gregg, Joshi, Karavadra, Kennedy-Lount, Kitterick, Mahesh, Orton, Osman, Porter, Rae Bhatia, Sahu, Singh Patel, Westley

Against the amendment:

Councillors Aldred, Barton, Batool, Bonham, Cassidy, Clarke, Cole, Cutkelvin, Dawood, Dempster, Halford, Kaur Saini, Malik, Mohammed, Moore, O'Neill, Pantling, Pickering, Russell, Singh Johal, Singh Sangha, Sood, Soulsby (City Mayor), Surti, Waddington, Whittle, Zaman

The Lord Mayor declared that the amendment was lost.

AMENDMENT

Moved by Councillor Kitterick, seconded by Councillor Porter

(a) To amend the Mayor's capital budget proposals as follows:

- To add £750k to the capital programme as an immediate start for Connecting Neighbourhoods to be funded by a reduction in the current programme for Connecting Leicester. Schemes detailed below:
 - £500,000 for pedestrian crossing including Orwell Drive/Beaumont Way and St Barnabas Primary school

- £100,000 residential parking schemes including Buswells Lodge, Streets near the Merlyn Vaz Centre
 - £100,000 for benches in outer areas of Leicester
 - £50,000 for street name plates in outer areas of Leicester
- To add £500k to the capital programme as an immediate start, Neighbourhoods and Exercise Initiatives to be funded by a reduction in the current programme for Connecting Leicester. Schemes detailed below:
 - £50,000 for a walking track in Jesse Jackson Park Rushey Mead
 - £150,000 for the renovation of Clarendon Park Play Area
 - £150,000 for the ball Court Montrose Road South open area
 - £150,000 for youth exercise facilities at Gilmorton

(b) To note the Director of Finance's advice attached.

Attachment

Advice of Director of Finance

When reducing the capital programme there is the potential to have an impact on the remaining scheme or the delivery of a service. Some of the potential risks of the proposed schemes are listed below:

- The capacity of teams to deliver the additional schemes proposed.
- The schemes proposed have not been fully costed by officers, and the proposed budgets must therefore be seen as provisional.
- Cuts to Connecting Leicester may lead to schemes that are already promised not being delivered.

Furthermore, it should be noted that:

- Capital Programme contains provision for releasing policy provisions.

Following the debate, the Lord Mayor put the amendment to the vote.

Under Council Procedure Rule 29 of the Council's Constitution, three Councillors requested a recorded vote.

For the amendment:

Councillors Bajaj, Barnes, Cank, Chauhan, Dave, Gregg, Joshi, Karavadra, Kennedy-Lount, Kitterick, Mahesh, Orton, Osman, Porter, Rae Bhatia, Sahu, Singh Patel, Westley

Against the amendment:

Councillors Aldred, Barton, Batool, Bonham, Cassidy, Clarke, Cole, Cutkelvin, Dawood, Dempster, Halford, Kaur Saini, Malik, Mohammed, Moore, O'Neill, Pantling, Pickering, Russell, Singh Johal, Singh Sangha, Sood, Soulsby (City Mayor), Surti, Waddington, Whittle, Zaman

The Lord Mayor declared that the amendment was lost.

The Lord Mayor put the original motion to the vote.

The Lord Mayor declared that the motion was carried.

59. TREASURY POLICY 2024/25

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

That Council notes the comments of the Overview Select Committee at its meeting held on 8 February 2024 and attached to the report at item 2d of the agenda pack and approves the Treasury Policy at Appendix 1 of that report.

60. TREASURY MANAGEMENT STRATEGY 2024/25

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

That Council notes the comments of the Overview Select Committee at its meeting held on 8 February 2024 and attached at Item 2e in the agenda pack on and approves the Treasury Management Strategy 2024/25, which includes the Annual Treasury Investment Strategy at Appendix B of that report to become effective as soon as it approved.

61. INVESTMENT STRATEGY 2024/25

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

That Council notes the comments of the Overview Select Committee at its meeting held on 8 February 2024 as attached to the report at Item 2f and approves the Investment Strategy 2024/25 set out at Appendix A to that report.

62. ANY OTHER URGENT BUSINESS

There being no further business the meeting closed at 8.59pm.