

Leicester
City Council

MEETING OF THE OVERVIEW SELECT COMMITTEE

DATE: THURSDAY, 11 JANUARY 2024

TIME: 5:30 pm

**PLACE: Meeting Rooms G.01 and G.02, Ground Floor, City Hall, 115
Charles Street, Leicester, LE1 1FZ**

Members of the Committee

Councillor Cassidy (Chair)

Councillor Surti (Vice-Chair)

Councillors Bajaj, Dave, Dawood, Joel, Porter and Waddington

Youth Council Representatives

To be advised

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

For Monitoring Officer

Officer contacts:
Francis Connolly

Tel: 0116 454 5843, e-mail: francis.connolly@leicester.gov.uk
Leicester City Council, 115 Charles Street, Leicester, LE1 1FZ

Information for members of the public

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- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

PUBLIC SESSION

AGENDA

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1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed.

3. CHAIR'S ANNOUNCEMENTS

4. CALL-IN OF EXECUTIVE DECISION: CONNECTING LEICESTER - DEMOLITION OF 14-16 MARKET PLACE, CREATION OF NEW LINK AND DEVELOPMENT SITE **Item 4, Page 1-18**

The Monitoring Officer submits a report informing the Committee that the Executive Decision taken by the City Mayor on 7 December 2023 relating to the creation of a new link and development site at Market Place North has been the subject of a six-member call-in under the procedures at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules, of the Council's Constitution.

The Committee is recommended to either

a) Note the report without further comment or recommendation. (If the report is noted the process continues and the call in will be considered at a future meeting of Full Council); or

b) Comment on the specific issues raised by the call-in. (If comments are made the process continues and the comments and call in will be considered at a future meeting of Full Council); or

c) Resolve that the call-in be withdrawn (If the committee wish for there to be no further action on the call-in, then they must actively withdraw it. If withdrawal is agreed the call-in process stops, the call-in will not be considered at a future meeting of Full Council and the original decision takes immediate affect without amendment).

5. CALL-IN OF EXECUTIVE DECISION - CONNECTING LEICESTER - ST MARTINS PHASE 2 IMPROVEMENT SCHEME **Item 5, Page 19-27**

The Monitoring Officer submits a report informing the Committee that the Executive Decision taken by the City Mayor on 21 December 2023 relating to the release of £1.6m from the policy provision in Highways & Infrastructure to the Connecting Leicester capital programme for the delivery of the final phase of the St Martins street improvement scheme has been the subject of a five member call-in under the procedures at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules, of the Council's Constitution.

The Committee is recommended to either

a) Note the report without further comment or recommendation. (If the report is noted the process continues and the call in will be considered at a future meeting of Full Council); or

b) Comment on the specific issues raised by the call-in. (If comments are made the process continues and the comments and call in will be considered at a future meeting of Full Council); or

c) Resolve that the call-in be withdrawn (If the committee wish for there to be no further action on the call-in, then they must actively withdraw it. If withdrawal is agreed the call-in process stops, the call-in will not be considered at a future meeting of Full Council and the original decision takes immediate affect without amendment).

6. EXCEPTIONAL HOMELESSNESS PRESSURES ON HOUSING **Item 6, Page 29-49**

The Director of Housing submits a report to set out the business case to increase the number of council-owned properties by 225 to aid tackling temporary accommodation budget pressures in the Council's General fund, and to lease 125 permanent homes, and highlight operational changes to the current enhanced Rough Sleeper offer, ensuring people continue to get help and support to get off the street.

The Committee is recommended to comment on the proposals in the report

before it is considered at the meeting of Council.

7. ANY OTHER URGENT BUSINESS

Item 4

CALL-IN OF EXECUTIVE DECISION

Connecting Leicester – Demolition of 14-16 Market Place, Creation of New Link and Development Site

OVERVIEW SELECT COMMITTEE – 11 January 2024

COUNCIL – 21 March 2024

REPORT OF THE MONITORING OFFICER

Useful information

- Ward(s) affected: All
- Report author: Jacob Mann
- Author contact details: Jacob.Mann@leicester.gov.uk
- Report version number: V1

1. Summary

An Executive decision taken by the City Mayor on 7 December 2023 relating to the creation of a new link and development site at Market Place North has been the subject of a six-member call-in under the procedures at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules, of the Council's Constitution.

The procedure rules state that a scrutiny committee or any five councillors may request formally that the decision be called-in for a further review by giving notice in writing to the Monitoring Officer within five working days of the decision.

The seven Councillors who signed the call in were: Councillor Kitterick (Proposer), Councillor Bajaj (Secunder), Councillor Porter, Councillor Westley, Councillor Sahu, Councillor Rae Bhatia and Councillor Gregg

2. Recommended actions/decision

The Overview Select Committee is recommended to either:

- a) Note the report without further comment or recommendation. *(If the report is noted the process continues and the call in will be considered at a future meeting of Full Council);* or
- b) Comment on the specific issues raised by the call-in. *(If comments are made the process continues and the comments and call in will be considered at a future meeting of Full Council);* or
- c) Resolve that the call-in be withdrawn *(If the committee wish for there to be no further action on the call-in, then they must actively withdraw it. If withdrawal is agreed the call-in process stops, the call-in will not be considered at a future meeting of Full Council and the original decision takes immediate affect without amendment).*

Council is recommended to either:

- a) Support the City Mayor's decision, and thus confirming the decision with immediate effect; or
- b) Recommend a different decision to the City Mayor. (The original decision will still stand, unless the City Mayor takes a further decision to amend the original.)

3. Scrutiny / stakeholder engagement

The decision was not considered with a scrutiny commission prior to the decision being made.

4. Background and options with supporting evidence

The Executive Decision Report and Decision Notice are attached at Appendix A and Appendix B.

5. Detailed report

The call-in submitted to the Monitoring Officer was in the following terms:

"We the undersigned wish to "Call In" the Executive Decision: CONNECTING LEICESTER / DEMOLITION OF 14-16 MARKET PLACE, CREATION OF NEW LINK AND DEVELOPMENT SITE

We note that this specific decision does not appear to have been examined by the relevant Scrutiny Committee, therefore, we wish to have the opportunity to consider whether the City Mayor's decision to pour even more millions of scarce council cash into a small, very privileged part of the City Centre when the City Council is on the verge of bankruptcy is a priority for the people of Leicester at this time.

In particular we wish to examine whether a higher priority for these funds is to revamp the many play areas in Leicester's neighbourhoods which have been badly neglected by the City Mayor in his 12 years in office.

*Moved Cllr Patrick Kitterick
Seconded Cllr Deepak Bajaj"*

The Monitoring Officer has confirmed that the call-in satisfies the requirements of the procedure rules and it has, therefore, proceeded as per the process set out at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules of the Council's Constitution.

Where a call-in has been made, officers are to take no further legally binding action, unless the circumstances of Rule 12 (f) are fulfilled, and the matter shall be referred to a meeting of the full Council. Prior to this it shall be referred to the relevant Scrutiny Committee if one is programmed or a special scrutiny committee if one is convened.

The call-in may however be withdrawn if:

The relevant scrutiny committee/commission makes a resolution to withdraw; or

The sponsor and seconder of the call-in inform the Monitoring Officer that they wish the call-in to be withdrawn.

Following consideration of a call-in by Full Council, the original decision will be deemed to be revived in its entirety. Any agreement by the decision maker to change the original decision will require a further formal Executive Decision.



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

6.1 Financial implications

There are no direct financial implications arising from the call-in in addition to those in the decision report.

Kirsty Cowell, Head of Finance, Ext. 37 2377

6.2 Legal implications

The legal implications arising from the call-in are explained in sections 2 and 5 above

Kamal Adataia, Monitoring Officer, Extn 37 1401

6.3 Equalities implications

There are no comments in addition to those in the decision report.

Kalvaran Sandhu, Equalities Manager, Extn 37 6344

6.4 Climate Emergency implications

There are no further climate emergency implications to those provided in the decision report.

Aidan Davis, Sustainability Officer, Ext 37 2284

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

None

7. Background information and other papers:

None

8. Summary of appendices:

Appendix A Executive Decision Report – Connecting Leicester- Demolition of 14-16 Market Place, creation of new link and development site dated 7 December 2023

Appendix B Decision Notice - Connecting Leicester- Demolition of 14-16 Market Place, creation of new link and development site dated 7 December 2023

9. 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

Executive Decision Report

Connecting Leicester | Demolition of 14-16 Market Place, creation of new link and development site

Decision to be taken by: City Mayor

Decision to be taken on: 7 December 2023

Lead director: Matthew Wallace



City Mayor
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Useful information

- Ward(s) affected: Castle.
- Report author: Tom Lo'Monte
- Author contact details: tom.lomonte@leicester.gov.uk
- Report version number: v5

1. Summary

This report seeks approval for the creation of a new link that will connect the St Martin's Square development to Green Dragon Square by demolishing 14-16 Market Place North. As well as the link, the scheme will create a high-quality development site adjacent Cank St and refurbish numbers 12, 18 and 20 that will remain fronting Market Place North onto Green Dragon Square after the demolition. This is part of the Council's wider Markets re-development programme. The total cost of delivering this programme of works will be £2.82m.

The council will procure a third-party operator to create a new, vibrant offer for the city from this site by way of a lease of the land and buildings from the council. That could include units for creative maker/artisan startups, bespoke and higher end retail offers and street food style food and beverage.

The site will extend the successful St Martin's Square scheme, stimulate the local economy, increase footfall and connectivity, animate Green Dragon Square, and improve the overall city offer by providing a new and unique retail environment.

2. Recommendations

It is recommended that the City Mayor and Executive approve:

- the creation of the new link and development site at Market Place North as described in this report at a total scheme cost of £2.824m.
- the addition of £1.4m to the capital programme as an immediate start, funded from the Highways, Transport & Infrastructure policy provision.
- the transfer of £1.424m from the existing markets capital budget towards this scheme.

3. Supporting information:

Introduction

The 12-20 Market Place North / Cank Street scheme is in a central position within the Old Town of the city lying adjacent to Leicester Market, St Martins and the Lanes, the Cathedral, Green Dragon Square and Town Hall Square. The link and the development site will facilitate a completely new and contemporary experience for businesses, residents, and visitors. It will combine creative and retail elements alongside market and artisan trading with bars and lifestyle culture providing a major boost for the city centre. Operators will be encouraged in the area adjacent Cank St to create something new and different, possibly using temporary structures such as container units or similar.

12-20 Market Place

The Council purchased the freehold of 12 to 20 Marketplace in 2019 (Appendix A) to enable this development. The units were built in the 1980's as 'infill' properties to replace those that originally surrounded the Market Place. At the time their appearance was similar in finish to the now demolished Leicester Indoor Market. The properties are brick built and offer space on two floors (ground and first). 16- 20 Market Place is currently used for storage whereas the remaining are vacant. At the rear of the properties is a hard standing 'yard' space.

Concept design work has been undertaken for this space to illustrate what development might be feasible. A soft market testing exercise was run in late 2022 to test the appetite of operators. This resulted in discussions with several interested parties, experienced in running similar sites elsewhere across the country. Positively this suggested there would be considerable commercial interest once the site has been refurbished and that the council would be able to secure a rental income. Securing tenants for the refurbished units at no 12 and 18-20 Market Place North will help to animate Green Dragon Square. The design allows space for tables and chairs to spill out from 18-20.

The new link will be circa 500 Sqm in area and will see the introduction of improved lighting for evening use, surfacing to complement that of Green Dragon Square, and will include a provision for street furniture. It is expected that this will enhance the public journey into the Market Place by improving the transient level connection to the surrounding public space.

The Council has recently improved the link from Town Hall Square to the Market via demolition of several properties at Horsefair St and opening views of the Corn Exchange. This scheme will create a better link to St Martin's and from the Cank St side the design of the connecting link will focus the eye on the old Fish Market façade fronting Green Dragon Square, and the Town Hall tower behind.

Planning permission for the demolition and façade works was obtained in April 2021 (ref 20202082). The cost of the scheme is expected to be £2.82m which includes a provision included to allow any new business units to effectively ‘plug and play’ once the groundworks are complete, and the appropriate surface finishes are laid. Scope of works provisioned for within the development include drainage, foundations, and adequate service connections.

The existing units of 14 and 16 Market Place will be carefully demolished to retain the structure of unit 12 and units 18 and 20. New gable end walls will be constructed that will provide structural support to the retained buildings which will be aesthetically enhanced.

The demolition and refurbishment scheme will be tendered through a compliant procurement exercise and the new development site and link including the refurbished properties will be complete by end 2024. Following approval of this decision a separate procurement exercise will identify a preferred operator by spring 2024. The chosen operator will require planning permission for a scheme at the rear of the site which should also be achievable by the end of 2024 enabling a new scheme to be implemented in the first part of 2025. It is anticipated that new tenants for numbers 12 and 18-20 Market Place North may be secured and start operating more quickly.

Sustainability

The scheme will explore opportunities to minimise its carbon footprint, with the inclusion, heat pumps, adequate insulation of containers, use of sustainable building and construction materials throughout, efficiency in lighting choices, utilities, and services as well as additional features throughout the scheme.

An emphasis on ethical and sustainable practices will be developed to inform the sales strategy of the Cank Street Link. This reflects consumer trends, creative/maker business growth and will be central to a distinctive marketing strategy for the scheme. Occupying businesses, retailers and food and drink tenants will be in part targeted for their commitment to sustainability.

4. Details of Scrutiny

5. Financial, legal, and other implications

5.1 Financial implications

The total estimated cost of the scheme to connect Cank Street to Marketplace North, including retail units is £2.824m. This report seeks approval of a £1.4m addition to the capital programme funded by a release from the Highways, Transport & Infrastructure policy provision. The remainder of the scheme costs (£1.424m) is to be met from a transfer from the existing markets capital budget.

A provisional revenue assessment of the additional income that could be generated from the scheme, including the lease of 12 and 18-20 Market Place North is in the region of £90k to £120k. Consideration will be given whether to exercise the option to tax these properties for VAT purposes; doing so would reduce the impact on the Council's partial exemption limit from the refurbishment works.

The development of this site represents regeneration of the area rather than one which is primarily for yield. As such the Director of Finance, in consultation with our Treasury Advisors, has determined that this scheme would be permitted under Treasury Guidance, without affecting future borrowing which may need to be undertaken from the Public Works Loan Board.

Stuart McAvoy, Head of Finance, ext. 37- 4004

5.2 Legal implications

The release of capital funds is being requested is for the creation of a new public realm space that will connect Cank Street to Marketplace South. This is part of the Councils Market Place redevelopment programme.

In relation to the purchase of a new public realm space the overarching agreement will need to be reviewed to ensure compliance and help determine the programmed timescales.

The proposed works identified in this report may be subject to the Public Contract Regulations 2015-("Regulations") and the Councils Contract Procedure Rules and as such the Council's Procurement team and Legal services will need to be engaged to provide advice and ensure such works are procured in accordance with the Regulations.

Any works will also be subject to the appropriate planning and other consents being obtained and complied with.

Meera Patel, Solicitor, ext. 4069

5.3 Climate Change and Carbon Reduction implications

Commercial buildings are a significant source of carbon emissions in Leicester. Following Leicester City Council's declaration of a Climate Emergency in 2019, and the council's ambition for the city to reach carbon neutrality, tackling these emissions is a vital part of the council's work, particularly within the council's own projects where it has the most influence.

As noted within the report, sustainability is already being considered throughout this project, in terms of options to ensure the carbon footprint of the new development is minimised through a variety of options, including those specific to the nature of the new units. Alongside this, consideration should be given to reducing demolition related waste, and target a high level of recycling. Any development will also be required to follow policy CS2 of the Adopted Leicester Core Strategy and relevant building regulations as standard. A toolkit is also being developed to support the achievement of reduced carbon emissions in council capital construction and renovation projects.

Aidan Davis, Sustainability Office, ext. 37 2284

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regards to the need to eliminate unlawful discrimination, harassment victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who shared 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.

Protected Characteristics under the Equality Act 2010 are age, disability, gender, reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report seeks to release funding for the creation of a new public realm space that will connect Cank Street to Marketplace South. As part of the continuing work and tendering of the scheme through the construction framework to develop the design of the retail space, we need to ensure that accessible and inclusive design concepts are taken into account, as these help to support the general aims of the PSED and will be particularly beneficial in removing barriers to participation for people from across a range of protected characteristics, with particular emphasis on disability.

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

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6. Background information and other papers:

None

7. Summary of appendices:

Appendix A – Site Plan

Appendix B – Illustrative plan of a future container scheme to the rear

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

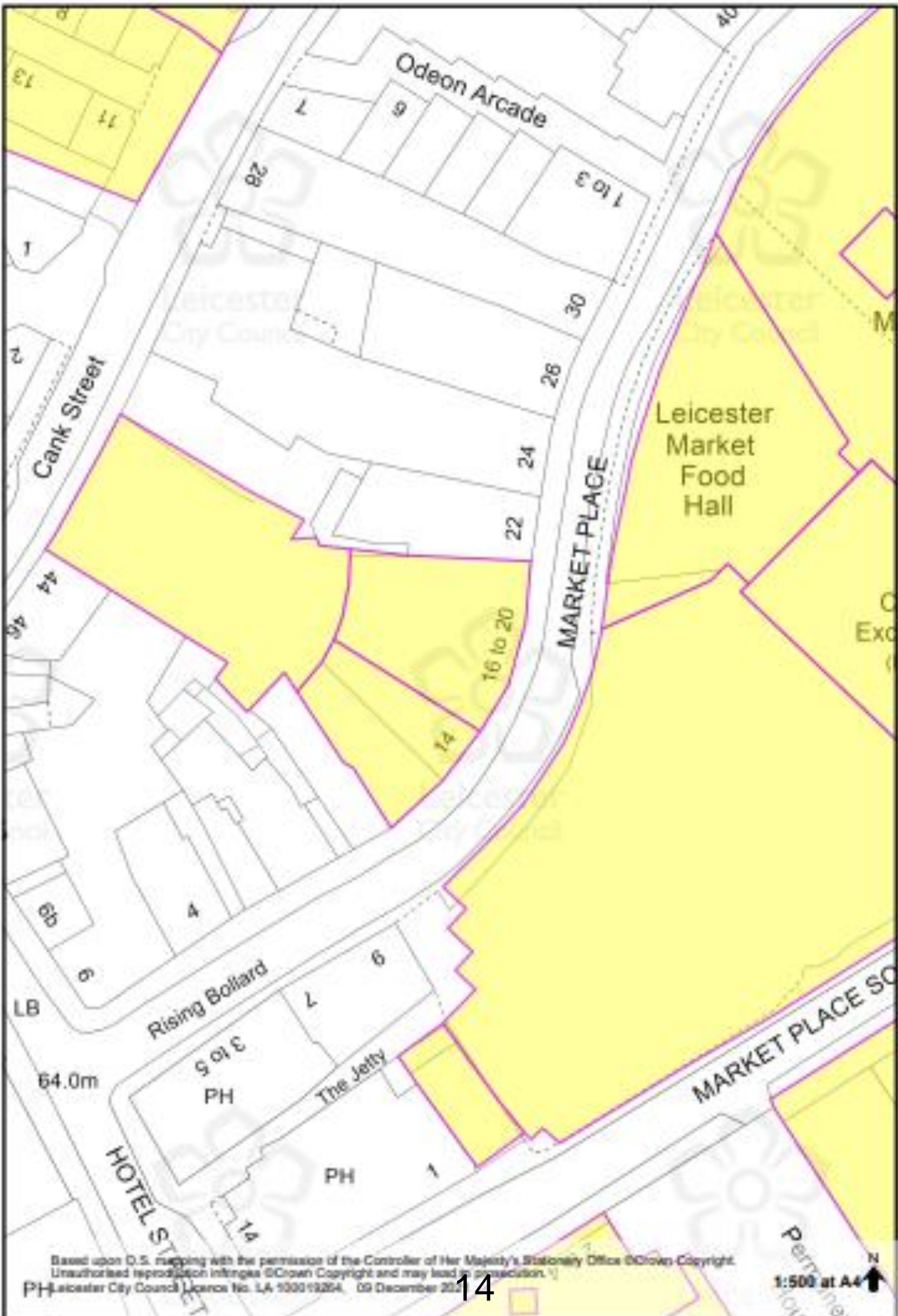
9. Is this a “key decision”?

Yes

10. If a key decision, please explain reason.

Capital expenditure of over £1m is to be committed on a scheme that has not been specifically authorised by Council.

Appendix A – 12-20 Market Place



Appendix B – Indicative illustration of a 'container scheme' to the rear of 12-20 Market Place




Item 4

RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL EXECUTIVE MEMBER

1.	DECISION TITLE	Connecting Leicester Demolition of 14-16 Market Place, creation of new link and development site
2.	DECLARATIONS OF INTEREST	None
3.	DATE OF DECISION	7 December 2023
4.	DECISION MAKER	City Mayor
5.	DECISION TAKEN	<p>It is recommended that the City Mayor and Executive approve:</p> <ul style="list-style-type: none">• the creation of the new link and development site at Market Place North as described in this report at a total scheme cost of £2.824m;• the addition of £1.4m to the capital programme as an immediate start, funded from the Highways, Transport & Infrastructure policy provision;• the transfer of £1.424m from the existing markets capital budget towards this scheme.
6.	REASON FOR DECISION	<p>To create a new link connecting the St Martin's Square development to Green Dragon Square by demolishing 14-16 Market Place North. The scheme will create a high-quality development site adjacent Cank St and refurbish numbers 12, 18 and 20 that will remain fronting Market Place North onto Green Dragon Square after the demolition. This is part of the Council's wider Markets re-development programme.</p> <p>The site will extend the successful St Martin's Square scheme, stimulate the local economy, increase footfall and connectivity, animate Green Dragon Square, and improve the overall city offer by providing a new and unique retail environment.</p>
7.	a) KEY DECISION Y/N? b) If yes, was it published 5 clear days in advance? y/n	Yes Yes
8.	OPTIONS CONSIDERED	Not applicable
9.	DEADLINE FOR CALL-IN <ul style="list-style-type: none">• 5 Members of a Scrutiny Commission or any 5 Councillors can ask for the decision to be called-in.• Notification of Call-In with reasons must be made to the Monitoring Officer	14 December 2023

RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL
EXECUTIVE MEMBER

10.	SIGNATURE OF DECISION MAKER (City Mayor or where delegated by the City Mayor, name of Executive Member)	
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Item 5

CALL-IN OF EXECUTIVE DECISION Connecting Leicester – St Martins Phase 2 Improvement Scheme

OVERVIEW SELECT COMMITTEE – 11 January 2024

COUNCIL – 21 March 2024

REPORT OF THE MONITORING OFFICER

Useful information

- Ward(s) affected: All
- Report author: Jacob Mann
- Author contact details: Jacob.Mann@leicester.gov.uk
- Report version number: V1

1. Summary

An Executive decision taken by the City Mayor on 21 December 2023 relating to the release of £1.6m from the policy provision in Highways & Infrastructure to the Connecting Leicester capital programme for the delivery of the final phase of the St Martins street improvement scheme has been the subject of a six member call-in under the procedures at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules, of the Council's Constitution.

The procedure rules state that a scrutiny committee or any five councillors may request formally that the decision be called-in for a further review by giving notice in writing to the Monitoring Officer within five working days of the decision.

The Councillors who signed the call in were: Councillor Bajaj (Proposer), Councillor Porter (Seconder), Councillor Kitterick, Councillor Westley, and Councillor Rae Bhatia.

2. Recommended actions/decision

The Overview Select Committee is recommended to either:

- a) Note the report without further comment or recommendation. *(If the report is noted the process continues and the call in will be considered at a future meeting of Full Council);* or
- b) Comment on the specific issues raised by the call-in. *(If comments are made the process continues and the comments and call in will be considered at a future meeting of Full Council);* or
- c) Resolve that the call-in be withdrawn *(If the committee wish for there to be no further action on the call-in, then they must actively withdraw it. If withdrawal is agreed the call-in process stops, the call-in will not be considered at a future meeting of Full Council and the original decision takes immediate affect without amendment).*

Council is recommended to either:

- a) Support the City Mayor's decision, and thus confirming the decision with immediate effect; or
- b) Recommend a different decision to the City Mayor. (The original decision will still stand, unless the City Mayor takes a further decision to amend the original.)

3. Scrutiny / stakeholder engagement

The decision was not considered with a scrutiny commission prior to the decision being made.

4. Background and options with supporting evidence

The Executive Decision Report and Decision Notice are attached at Appendix A and Appendix B.

5. Detailed report

The call-in submitted to the Monitoring Officer was in the following terms:

“We the undersigned wish to call-in the City Mayor’s decision to raid £1.6m from the City’s Highways & Infrastructure budget to lavish on the St Martin’s area of the City Centre which has already had millions spent upon it during the City Mayor’s time in office.

There are far more deserving targets of these funds which are needed to deal with repairs needed in Leicester’s outer communities. Local neighbourhoods are suffering from potholed roads, poor footway surfaces and the threat of flooding and we wish to use the Call-In to look at the balance of priorities in allocating this large sum of money”

The Monitoring Officer has confirmed that the call-in satisfies the requirements of the procedure rules and it has, therefore, proceeded as per the process set out at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules of the Council’s Constitution.

Where a call-in has been made, officers are to take no further legally binding action, unless the circumstances of Rule 12 (f) are fulfilled, and the matter shall be referred to a meeting of the full Council. Prior to this it shall be referred to the relevant Scrutiny Committee if one is programmed or a special scrutiny committee if one is convened.

The call-in may however be withdrawn if:

The relevant scrutiny committee/commission makes a resolution to withdraw; or

The sponsor and seconder of the call-in inform the Monitoring Officer that they wish the call-in to be withdrawn.

Following consideration of a call-in by Full Council, the original decision will be deemed to be revived in its entirety. Any agreement by the decision maker to change the original decision will require a further formal Executive Decision.

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

6.1 Financial implications

There are no direct financial implications arising from the call-in in addition to those in the decision report.

Kirsty Cowell, Head of Finance, Ext. 37 2377

6.2 Legal implications

The legal implications arising from the call-in are explained in sections 2 and 5 above

Kamal Adataia, Monitoring Officer, Extn 37 1401

6.3 Equalities implications

There are no comments in addition to those in the decision report.

Kalvaran Sandhu, Equalities Manager, Extn 37 6344

6.4 Climate Emergency implications

There are no further climate emergency implications to those provided in the decision report.

Aidan Davis, Sustainability Officer, Ext 37 2284

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

None

7. Background information and other papers:

None

8. Summary of appendices:

Appendix A Executive Decision Report – St Martins Connecting Leicester dated 21 December 2023

Appendix B Decision Notice - Connecting Leicester St Martins Phase 2 dated 21 December 2023

9. 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

Executive Decision Report

Connecting Leicester: St Martins Phase 2 improvement scheme

Decision to be taken by: City Mayor

Decision to be taken on: 21 December 2023

Lead director: Andrew Smith



City Mayor

Useful information

- Ward(s) affected: Castle
- Report author: Andrew Smith
- Author contact details: AndrewL.Smith@leicester.gov.uk, 0116 454 2801
- Report version number: v1.1

1. Summary

The purpose of this report is to approve the release of £1.6m funding from the Capital Programme Policy Provision in Highways & Infrastructure to works on St Martins as part of the Connecting Leicester street improvement programme.

2. Recommendations

The City Mayor is requested to approve the release of £1.6m from the policy provision in Highways & Infrastructure to the Connecting Leicester capital programme for the delivery of the final phase of the St Martins street improvement scheme.

3. Supporting information including options considered:

During the Covid pandemic St Martins was pedestrianised under emergency powers to enable social distancing and ultimately the opportunity for businesses to extend out onto the highway with outdoor seating. As this layout worked well for both members of the public and businesses a permanent change to the traffic regulation order (TRO) for St Martins was advertised in the summer of 2022 and made permanent in September 2022. The release of a policy provision for Highways and Infrastructure is now sought to progress the St Martin's scheme to completion. This will improve the physical layout of the street by raising the carriageway to footway level and paving it in porphyry to match streets nearby.

4. Details of Scrutiny

n/a

5. Financial, legal and other implications

5.1 Financial implications

This report proposes to add £1.6m to the capital programme for the St Martins street improvement scheme. This is to be funded by a release from the Highways, Transport & Infrastructure policy provision.

Richard Hawkins, Capital Accountant, Ext 37 1791

5.2 Legal implications

n/a

5.3 Climate Change and Carbon Reduction implications

Transport is a significant source of carbon emissions in Leicester, and is a vital area to tackle following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions. As part of the Connecting Leicester scheme this project should have a positive impact through providing improved pedestrian infrastructure within the city. Carbon emissions from the delivery of the works should be managed through use of the council's sustainable procurement guidelines, as relevant to the project.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, 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.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Act also requires that reasonable adjustments be made so that disabled people are not excluded from places that serve the public, including publicly accessible open spaces. This duty is on-going and anticipatory and, therefore, reasonable and proportionate steps to overcome barriers which may impede people with different kinds of disabilities.

The report seeks approval for the release of £1.6m funding from the Capital Programme Policy Provision in Highways & Infrastructure to works on St Martins as part of the Connecting Leicester Street improvement programme. As part of the continuing work to progress the St Martin's scheme to completion we need to ensure that accessible and inclusive design concepts are taken into account, as these help to support the general aims of the PSED and will be particularly beneficial in removing barriers to participation for people from across a range of protected characteristics, with particular emphasis on disability.

Equalities Officer, Surinder Singh Ext 454 4148

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

None

6. Background information and other papers:

None

7. Summary of appendices:

NA

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?


Yes

10. If a key decision please explain reason

Capital spending in excess of £1m is to be committed on schemes which are not specifically authorised by Council.

Item 5

RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL EXECUTIVE MEMBER

1.	DECISION TITLE	Connecting Leicester: St Martins Phase 2 improvement scheme
2.	DECLARATIONS OF INTEREST	None
3.	DATE OF DECISION	21 December 2023
4.	DECISION MAKER	City Mayor
5.	DECISION TAKEN	1. To approve the release of £1.6m from the policy provision in Highways & Infrastructure to the Connecting Leicester capital programme for the delivery of the final phase of the St Martins street improvement scheme
6.	REASON FOR DECISION	To release funds for the delivery of the St Martins Phase 2 improvement scheme
7.	a) KEY DECISION Y/N? b) If yes, was it published 5 clear days in advance? y/n	a) y b)
8.	OPTIONS CONSIDERED	Scheme options considered as part of design process
9.	DEADLINE FOR CALL-IN <ul style="list-style-type: none">5 Members of a Scrutiny Commission or any 5 Councillors can ask for the decision to be called-in.Notification of Call-In with reasons must be made to the Monitoring Officer	3 January 2024
10.	SIGNATURE OF DECISION MAKER (City Mayor or where delegated by the City Mayor, name of Executive Member)	

Item 6

Exceptional Homelessness pressures on Housing

Report to be considered by:

OSC

Full Council

Date to be considered:

Overview Select Committee : 11th January 2024

Full Council: 18th January 2024

Lead Member: Cllr Elly Cutkelvin

Lead Director: Chris Burgin

Useful information

- Ward(s) affected: All
- Report author: Chris Burgin
- Author contact details: chris.burgin@leicester.gov.uk
- Report version number: v1.0

1. Summary

1.1 As has been the case across the Country, Leicester has experienced significant increasing numbers who are homeless and require temporary accommodation.

1.2 As well as the obvious impacts on those who experience homelessness this has led to an overspend in homelessness services. The general fund revenue budget for 2023/24 recognised this pressure with additional budget of £1m being made available and the draft 2024/25 budget includes a further £5m. The additional cost (net of housing benefit) of increased numbers in temporary accommodation was £2.3m in 2022/23 and may be over £7m in 2023/24 if no action is taken and numbers continue to rise.

1.3 Government took a decision to speed up Asylum decisions in their National Asylum Support Service (NASS) population for certain nationalities. Upon evaluation the impact of this on Leicester City is that 1,000 people and families will receive a decision on their asylum claim (positive or negative) over the next few months. This will impact upon services across the Council, primarily Homelessness but also more widely on Community Safety, Adult Social Care, Public Health, schools and Health services. It is estimated that the impact of the Streamlined Asylum process (SAP) on Leicester City Council could be in the region of £30m over the next two years if the Council does not do anything.

1.4 The combining pressures could equate to a financial pressure on the Council of up to £23m in 2024/25.

1.5 Senior Council officers have met with the Home Office about the matter whom have advised they are aware of this significant pressure but to date no Central Government funding has or is being made available towards the pressure.

1.6 To enable the Authority to meet its statutory responsibilities and be able to continue to operate we need to;

- Increase service resources to meet demand
- Increase the level of temporary accommodation
- Increase the level of permanent accommodation
- Change the Enhanced Rough Sleeper offer
- Work with partners to collaborate in the response to this pressure locally
- Collaborate with other Local Authorities to challenge government for additional funding for this work.

1.7 A Project Board has been set up chaired by the Strategic Director of City Development and Neighbourhoods to oversee this significant risk and financial pressure to the Authority.

1.8 This paper sets out the business case to increase the number of council-owned properties by 225 to aid tackling temporary accommodation budget pressures in the Council's General fund.

1.9 The paper also sets out a proposal to lease 125 permanent homes.

1.10 This business case is in addition to all of the steps currently being taken to tackle these pressures, such as;

- an improved Private Rented Sector (PRS) landlord offer,
- an increase in the level of LCC dwelling stock used for this cohort,
- increased levels of finance in to discretionary Housing benefit payments to support people in their current tenancies and to find new tenancies in the PRS and
- The commitment to build and acquire 1,500 new Affordable homes in Leicester City

1.11 The paper also highlights operational changes to the current enhanced Rough Sleeper offer, ensuring people continue to get help and support to get off the street.

1.12 The combined budgetary pressure arising from the existing growth in the use of temporary accommodation and the SAP is expected to be in the region of £23m for 2024/25. The proposals set out within this report are expected to mitigate between £11m and £12m of this pressure

2. Recommended actions/decision

Full Council are recommended to:

- i) note the significant service and Council pressure arising from the increase in homelessness;
- ii) note the operational actions being taken that are set out in this report;
- iii) Agree to proceed with leasing 125 units of accommodation at an estimated annual net cost of £0.3m;
- iv) Agree to proceed with the acquisition of up to 225 units of accommodation at an estimated capital cost of £45m and annual revenue cost of £1m in 2024/25 (and £2m per year thereafter).
- v) The addition of £45m to the Council's capital programme, to be financed from Prudential Borrowing.

3. Background

3.1 Picture of homelessness in Leicester

We are experiencing a trend of increasing homelessness (indicated by quarter 2 figures below). This appears to be the picture across the country as highlighted in national papers and journals.

“Extra 40,000 people in England homeless this Christmas taking the total to 309,000 – The Guardian 14th December 2023
 “UK Homelessness on the rise as rents soar” – Financial Times 18th September 2023
 “Record temporary accommodation figures as nearly 80,000 households face homelessness “ – Inside Housing 25th July 2023
 “Shelter warns of surge in homelessness as cost-of-living crisis bites” Inside Housing 10 November 2022

Indicator	Provisional* Oct-Dec 2023	Ave. Q1-2 2023	Ave. Q 2022/23	Ave. Q 2021/22
Number of approaches <i>% change</i>		1296 ▼5%	1303 ▲14%	1141 N/A
Num homeless applications taken <i>% change</i>		701 ▲2%	691 ▲1%	682 N/A
Success - prevention of hlessness <i>% change Target operating model</i> <i>% distance from target operating model</i>		54% ▼7% 65% ▼11%	61% ▼3% 65% ▼4%	64% N/A 65% ▼1%
Success - recovery from hlessness <i>% change</i> <i>Target operating model</i> <i>% distance from target operating model</i>		34% ▼17% 55% ▼21%	51% ▼17% 55% ▼4%	68% N/A 55% ▲13%
Ongoing service caseload <i>% change</i> <i>Target operating model</i> <i>% distance from target operating model</i>		1719 ▲4% 1200 ▲519	1649 ▲33% 1200 ▲449	1237 N/A 1000 ▲237
Families in Temporary Accommodation (TA) at end of period <i>% change</i>	337 ▲50%	225 ▲121%	102 ▲38%	74 N/A

3.2 Summary of position for families facing homelessness

Wherever possible homelessness officers seek to prevent homelessness (so temporary accommodation is not required). Homelessness, prevention, and support staff provide families with solutions to prevent homelessness in over 70% of cases. Prevention options include exploring access to the private rented sector (PRS) (support available for deposits and help to identify landlords willing to let for at least 12 months), direct lets of suitable council properties, giving households the highest priority banding on the housing register & asking if they can stay with friends and family.

Currently 40% of all available properties from the housing register are ring-fenced for homeless families (either to prevent them from requiring temporary accommodation (TA) or as a move-on option from temporary accommodation). This is constantly reviewed but at the moment it is needed to try and manage down the numbers and average length of time spent in temporary accommodation. Also, all acquisitions are ring-fenced for homeless families. The acquisitions programme in 2022/23 delivered a total of 48 2 and 3-bed properties. In 2023/24 there are likely to be a minimum of 82 acquisitions, brought into Council stock. We have a wide PRS offer to attract properties for use for families facing homelessness and 117 properties were secured in 2021/22 and 200 in 2022/23.

The main reasons why families seek assistance from homelessness prevention and support services are:

- end of their private rented tenancy (46% of all cases in 2021/22)
- family is not willing or able to accommodate them (23% of all cases in 2021/22).
- Over the last years domestic violence has been increasing as a reason for homelessness (in 2021/22 this became the third main reason for families to seek assistance (11.1% of all cases).

The Council have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996. Families with dependent children are considered as being in priority need. Households might be placed in temporary accommodation pending the completion of inquiries into an application, or they might spend time waiting in temporary accommodation after an application is accepted until suitable secure accommodation becomes available.

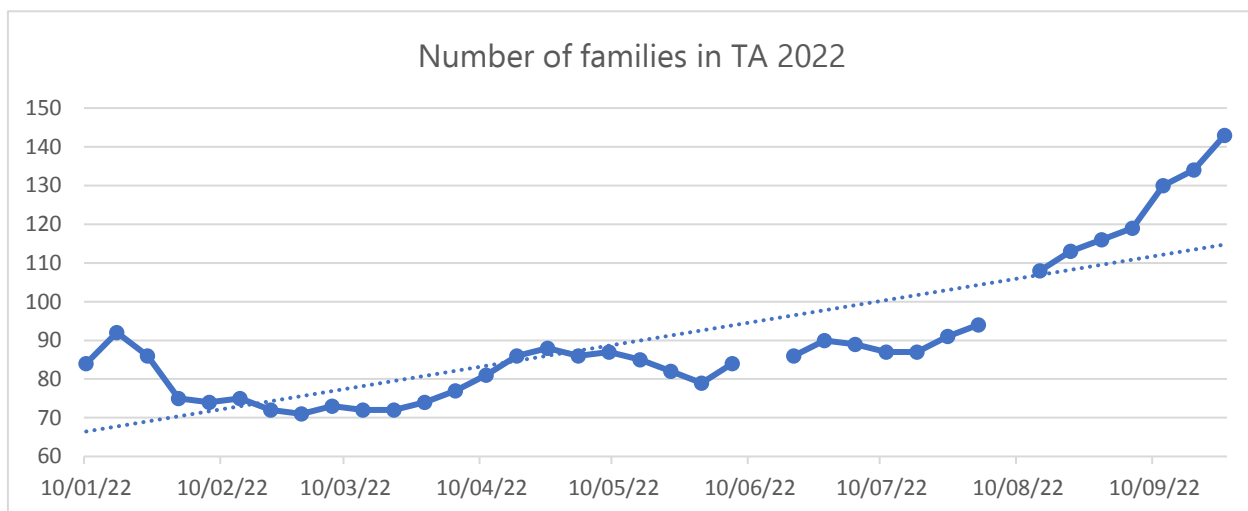
From the start of August (w/c 01/08/22) there were a total of 94 families in temporary accommodation, of which:

- 14 LCC Units
- 50 Housing Network self-contained paid nightly accommodation
- 16 Other self-contained accommodation
- 14 Bed & breakfast

The snapshot from w/c 9/1/23 there were a total of 176 families in temporary accommodation of which:

- 13 LCC Units
- 68 Housing Network self-contained paid nightly accommodation
- 37 Other self-contained accommodation
- 58 Bed & breakfast

This is an **87% increase** from the start of August 2022 to the start of January 2023.



This pressure has continued since January. As at 11th December 2023 the Authority had 332 families in TA.

The pressure on the provision of temporary accommodation is not a local one, and one that most authorities are facing. The table below is taken from local authority statutory returns for temporary accommodation for September 2021 & March 2022.

Local Authority	Number of families in TA		
	Sep 2021	Mar 2022	Oct 2023
Nottingham	353	424	599
Coventry	276	318	Not available
Derby	70	80	Not available
Leicester	64	88	306

We expect these upwards trends to continue for some time because of the lack of affordable housing available, cost of living pressures, court backlogs still clearing.

Demand for temporary accommodation is rising. The pressures include:

- Difficult to achieve prevention solutions with a partial staffing establishment.
- Slow move on of cases as a result of pressures on the housing register and increases in market rents within the private rented sector.
- With the lack of move on, the average length of stay is increasing, now at 103 days, which also means longer average stays in B&B and cost per night accommodation.

The lack of affordable housing options means that those in temporary accommodation with LCC are spending much longer time periods in B&B and hotels (2 or more months is not uncommon). This type of accommodation is unsuitable for long term occupation. These stays can have a negative effect on people's lives especially if they are required to leave the area they have lived and have social bonds. It can affect the family unit and also people's health and wellbeing.

3.3 Current temporary accommodation costs

The gross costs of providing temporary accommodation for families in 2022/23 (above the 17 units provided by the Council) was £2.3m.

Some of these gross costs are offset by recoverable housing benefit (up to 18% of costs), and a number of grants and reserves are being used to manage the pressure as far as possible in 2023/24.

Pressures involving families continue to increase with 332 families now in TA & B&B's as at 11th December 2023. The forecast gross spend for 2023/24 is expected to be £6.7m with net spend of £5.7m before the use of grants and reserves, although there is potential for this to grow throughout the year.

3.4 Looking Forward

The Council have been made aware of a population of approximately 900 single-person households and 90 family-households who are planned to be issued with a decision by the Home Office between now and early 2024.

Those issued with a positive decision who are unable to find their own accommodation, and choose to seek help from the Local Authority, will become a Housing responsibility. The level of responsibility varies from an obligation to provide advice through to an obligation to provide temporary (and later, settled) accommodation. The level of obligation is dependent

on the outcome of a vulnerability assessment under the Housing Act 1996, as well as local policies.

More specifically;

- All family households who present for homeless assistance will be eligible for advice and assistance and temporary accommodation, and the main homeless duty, leading to an eventual obligation on the authority to make a reasonable offer of settled accommodation.
- Single households who present for homeless assistance and are assessed as holding a priority need will be eligible for advice and assistance and temporary accommodation, and the main homeless duty, leading to an eventual obligation on the authority to make a reasonable offer of settled accommodation. It is estimated that around 15% of presenting singles will meet this threshold.
- Single households who present for homeless assistance and are assessed as NOT holding a priority need will be eligible for advice and assistance only. For clarity, the assistance amounts to “reasonable steps to help the applicant secure that accommodation becomes available for at least six months.” If this activity is still unsuccessful after 56 days, the authority have no further obligation and can bring duties to a close. There is no obligation for the local authority to provide temporary accommodation or make a settled accommodation offer. However Local practices around offering temporary accommodation to rough sleepers, using powers granted by the Act rather than duties, currently mean that any individual found rough sleeping will be accommodated.

Pressures continue to grow for Council services and the Homelessness service continues to see an increase in the numbers approaching it and also the numbers of rough sleepers.

3.5 Estimated pressure before staffing costs

There are a number of unknown variables that make arriving at a confident financial impact challenging, including:

- Expected presentation levels – although families are expected to present almost entirely in number, the levels of presentations expected of singles is not possible to estimate with any degree of accuracy. As such, a range between 40% and 70% has been used.
- B&B costs – it is possible that market saturation as pressures build across the country will drive up pricing algorithms. As such, a range from current costs to +50% has been used..
- Degree of severe weather this winter, and as such the degree to which Severe Weather Protocol is triggered. As assumption has been made across the methodologies that it will be similar to last year.

The results provide the following estimates:

In total, temporary accommodation costs may fall within the range £2,190K to £3,454K per quarter. This would be on top of current business estimates around BAU TA pressures.

<u>Accommodation</u>	<u>Units Needed</u>	<u>Quarterly Pressure £000</u>	<u>Year 1 Pressure £000</u>
<u>Family estimate based on 95% presentation and 100% accommodation duty:</u>	<u>59</u>	<u>£600k to £940k</u>	<u>£2.4m to £3.8m</u>
<u>Single estimate based on 70% presentation and 15% accommodation duty:</u>	<u>69</u>	<u>£480k to £770k</u>	<u>£1.9m to £3.1m</u>
<u>Single estimate with cold weather addition</u>	<u>360</u>		<u>£28k to £44k</u>
<u>Single estimate with Enhanced RS offer addition</u>	<u>157</u>	<u>£1.1m to £1.7m</u>	<u>£4.4m to £7m</u>
<u>Accommodation Total</u>		<u>£2.2m to £3.4m</u>	<u>£8.7m to £13.9m</u>

It must be noted that the full year pressure is not as simple as making an extrapolation of the quarterly costs for the following reasons:

- The Home Office have indicated they will operate a 1-in-1-out policy, but it is not known if the speed of these decisions will be constant, faster, or slower.
- Move-on is currently a challenge. Average move-on from TA is 3 months for families and 4 months for singles. Furthermore, without additional resources, this position is likely to worsen.
- It is not possible to predict how the above two points will interrelate/compound. If move-on is significantly slower than the 1-in-1-out policy, pressures, and therefore costs, could grow.

It should be further noted that indirect costs to existing TA pressures are likely to arise from the additional pressure on systems and resources, and a slowing down of move on as a whole. This figure is not possible to predict with any degree of accuracy, and will be highly dependent on mitigation and contingency developed in response to these pressures.

Staffing pressures:

It is calculated that the following staff would be needed in order to meet the pressure. Without adequate staffing resources, service quality for all service users is likely to dip significantly as resource is diluted, which would give rise to additional risks to our ability to meet statutory duties and safeguard vulnerable individuals.

Staffing & Running Costs	FTE's Required	Grade	Annual Cost
Additional Housing Options Case officers	8	4	£273,000
Additional Housing Options Team Leader	1	9	£58,000
Housing Options Services sub-total:			£331,000
Additional Singles Transitions Workers	6	7	£286,000
Additional HSO (for RS Team)	1	4	£34,000
Additional Single Transitions Team Leader	1	9	£58,000
Additional Family Transitions Workers	2	7	£95,000
Additional Family Transitions Team Leader	1	9	£58,000
Transitions Services sub-total:			£531,000
TAO	3	5	£114,000
Security	2	N/A	£151,000
Accommodation Services sub-total:			£265,000
Running cost - Translation costs	N/A	N/A	£25,000
Running costs sub-total:			£25,000
Staffing & Running Costs Total:			£1,152,000
Quarterly Costs:			£288,000

3.6 Enhanced Rough Sleeper Offer

Leicester's current Rough sleeper offer for singles far exceeds the statutory legal duty the Council have in this matter. The current position is set out below.

If the existing enhanced rough sleeping offer remains in place then this offer will be directly responsible for £4.4m to £7m of the additional financial pressure set out in the projections.

To mitigate this financial risk the below amended Enhanced Rough Sleeper offer is being implemented.

The current policy in summary:

Who is TA available to?	<p>Those with eligible immigration status who:</p> <ul style="list-style-type: none"> • are owed a statutory duty • are in the "Target Protect Group" required as part of the Rough Sleeping Initiative • are considered 'prolific' and/or 'entrenched' rough sleepers • are found rough sleeping by outreach
What is the policy when commissioned accommodation is full?	<ul style="list-style-type: none"> • The policy remains, and B&B or other nightly paid accommodation is spot-purchased.
How long is TA available for?	<ul style="list-style-type: none"> • Temporary accommodation is provided indefinitely, until a settled solution is identified,

or until the accommodation is abandoned, or if behaviour leads to an eviction.

Remaining with this policy would mean the financial pressures would remain.

Currently, this approach is popular with partners and considered a very strong 'off-the-street' offer. However, it creates risks, albeit hard to quantify, around staged rough sleeping. Furthermore, the indefinite nature of the offer fails to manage expectations and individuals will often 'sit tight' for a social housing offer.

The revised Enhanced Rough Sleeper offer continues to offer support to those rough sleeping through Outreach services that operate seven days a week and also ultimately aims to work with those rough sleeping to secure a positive onward move in to accommodation.

In summary, the revised Enhanced Rough Sleeper offer will see the policy as follows:

<p>Who is TA available to?</p>	<p>Those with eligible immigration status who:</p> <ul style="list-style-type: none"> • are owed a statutory duty • are in the "Target Protect Group" required as part of the Rough Sleeping Initiative • are considered 'prolific' and/or 'entrenched' rough sleepers <p>Other rough sleepers would not be eligible for TA.</p>
<p>What is the policy when commissioned accommodation is full?</p>	<ul style="list-style-type: none"> • For those owed a statutory duty or part of the TPG - the policy remains, and B&B or other nightly paid accommodation is spot-purchased as long as the criteria is met. • For those considered prolific – no vacancies would mean no placement <p>Other rough sleepers would not be eligible for TA.</p>
<p>How long is TA available for?</p>	<ul style="list-style-type: none"> • For those owed a statutory duty, or part of the TPG - Temporary accommodation is provided indefinitely for, until a settled solution is identified, or until the accommodation is abandoned, or if behaviour leads to an eviction. • For those considered prolific – a temporary offer of 56 days of TA, reviewed at key points. <p>Other rough sleepers would not be eligible for TA.</p>

An equality impact assessment has been undertaken on this service change and mitigations and actions identified that will proceed to delivery.

A move to the revised Rough Sleeper offer will see a potential reduction in the financial pressure of £6.2m leaving an overall net additional pressure in the region of £700k associated with providing non-statutory TA under local policies connected to reducing rough sleeping.

It must be noted that the pressure mitigation affects temporary accommodation related costs only, and not staffing costs. On the contrary, the additional staffing pressure identified will be even more crucial in order to deliver the revised offer and complete relevant assessments and support to enable the mitigation to be effective.

Benchmarking:

Detailed policies around placement of rough sleepers are not published. Comparison with two near-neighbours; Nottingham and Derby show the following;

Nottingham

Nottingham offer TA to groups similar to Leicester current policy, but the significant difference is in the fact that when commissioned accommodation is full, they would only mobilize B&B if there is a statutory duty. This means that the offer is comparable to the current offer when commissioned accommodation is available, but more stringent than our new Enhanced offer when it is not. In Nottingham, similarly to Leicester, commissioned bedspaces do not become available often.

Nottingham's chief TA pressure is from family placements, similar to Leicester.

Derby

Derby's offer is comparable with our current offer in most ways. Derby's chief TA pressure is from single-person placements.

3.30 Community Safety Pressure

It is expected that Rough Sleeping levels in the City will be negatively impacted by the ongoing Homelessness pressures and the Council is likely to see an increase in the amount of rough sleeping and also potential increase in encampments. While the CRASBU & Community Safety team will continue to manage this within existing resources, it is expected that there may be additional costs of enforcement around encampments.

All previous Encampment enforcement actions have not required legal interventions because of proactive work between Community Safety and Homelessness teams. It is expected that with a change in the Rough Sleeper offer that encampments may increase and possibly become more intransient and so require a level of legal intervention. It is therefore intended to include a small budget for such works at £50k.

4.0 Mitigations

Beyond the staffing requirements set out to manage the situation and the Enhanced Rough Sleeper offer there are a number of options open to the Council to mitigate the significant Homelessness Bed & Breakfast cost.

4.1 Lease Temporary Accommodation

The option to lease accommodation would enable the Local Authority to reduce down Temporary Accommodation costs.

Securing 125 units of leased properties would enable the Local Authority to place those we have a Housing duty for to be placed in more suitable accommodation including kitchen facilities which is a common issue when people are required to remain in B&B for longer periods of time.

This mitigation has been mapped out including the overall annual cost of this to the Council which would equate to £0.3m (this is a net cost after Housing Benefit has been claimed at Local Housing Allowance rate).

The expected cost mitigation this would achieve would be dependent on the speed of securing and deploying the accommodation. It is also dependent upon the timescale of permanent move on accommodation. However, the £3k annual net cost of a leased property could save up to £40k on B&B expenditure.

4.2 Buy additional Properties

While securing accommodation through leased properties would mitigate a proportion of additional financial pressure, it is proposed to buy 225 additional properties as a further route to manage these pressures. This is based on the legal duties to secure permanent move on accommodation for the individuals and families.

The purchase of these units would enable up to 225 families to move from unsuitable Bed & Breakfast accommodation and remain in a much more suitable temporary home while they continue to receive priority to bid for suitable accommodation to secure a permanent home. This is a much stronger quality offer to families that would support them to continue to live their lives in good accommodation while waiting to secure a permanent offer of accommodation.

It is calculated that the proposed 225 units of accommodation would cost in the region of £45m to acquire, to be funded from Prudential Borrowing. The annual revenue costs associated with holding these properties will be £2m per year; (£1m in 2024/25) the principal costs for the Council include the interest cost of borrowing, minimum revenue provision for the repayment of debt, operating costs for managing the properties, and maintenance. Against these costs, the Council would receive rental income from families placed in the properties, assumed at the current Local Housing Allowance Rate.

6. Headline Risks

Risk	Impacts	Level	Mitigation considerations
<ul style="list-style-type: none"> Financial 	<ul style="list-style-type: none"> Levels as above Worsening of Council's overall financial position 	<ul style="list-style-type: none"> High due to cost factor 	<ul style="list-style-type: none"> Planned response / additional resource and staffing to

		and heightened risk of s114		manage the increased demand <ul style="list-style-type: none"> • Consideration of cost mitigation via block booking, or making other accommodation options available
<ul style="list-style-type: none"> • Not enough staffing, not mobilized quickly enough 	<ul style="list-style-type: none"> • Ability to meet statutory duties – legal challenge, reputational • Quality of service/work, increased error rate – reputational, potential safeguarding issues • Increased appointment times and worsening of prevention response – financial impact on TA, reputational 	<ul style="list-style-type: none"> • High due to reputational risks, and genuine risks to the LAs ability to meet statutory homeless duties 	<ul style="list-style-type: none"> • Recruitment team prioritise sourcing requirements • Moving around resource in CDN onto this work to avoid/reduce any time that would be spent on recruitment, or bridge the gap between the immediate need right now and successful recruitment of temporary/agency staff 	
<ul style="list-style-type: none"> • Not enough TA, unable to place/discharge duties and/or B&B costs soar due to market saturation 	<ul style="list-style-type: none"> • Increased financial pressure • Potential for pressure to exceed estimates within this report 	<ul style="list-style-type: none"> • High due to cost factor and likelihood 	<ul style="list-style-type: none"> • EBS source new leases • Hotel block bookings • Source accommodation out of Leicester • Source TA out of Leicester 	
<ul style="list-style-type: none"> • Not enough move-on 	<ul style="list-style-type: none"> • TA length of stay increases - impact on cost • Cannot keep up with pace of 1-in-1-our policy – snowballing/building costs 	<ul style="list-style-type: none"> • High due to cost factor 	<ul style="list-style-type: none"> • EBS source new accommodation leases / approval of GF • Accommodation business case 	
<ul style="list-style-type: none"> • Street lifestyle impacts 	<ul style="list-style-type: none"> • Encampments - reputational • Media interest – reputational 	Medium	<ul style="list-style-type: none"> • Press police to prioritise resource on this area 	

		<ul style="list-style-type: none"> • Increased RS sleeper numbers – reputational, financial resource impact • Increased incidents and deaths proportionate to increased numbers - reputational, financial resource impact 	<ul style="list-style-type: none"> • CRASBU dedicate a resource to this work – potential need for increased resources adding to overall staffing costs
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7. Next Steps and Milestones

Work post Full Council decision then commences on securing both temporary and permanent accommodation proposals – January 24 onwards

The programme of work continues to be overseen by Strategic Director of City Development & Neighbourhoods and the Board – January 24 onwards

Progress reporting is undertaken to the SAP Board on a monthly basis at Budget reporting periods and periodic political updates

8. Financial, legal, equalities, climate emergency and other implications

8.1 Financial implications

Given the number of variables which affect the total spend on temporary accommodation, it is very difficult to project future costs. However, the combined budgetary pressure of current homelessness needs and the Streamlined Asylum Process (including the staffing pressure at section 3.5) is expected to be in the region of £23m.

This report proposes the purchase of up to 225 properties for £45m, to be fully financed using Prudential Borrowing. There is a revenue cost of purchasing and holding properties in this way, since the income from Housing Benefit will be insufficient to cover the revenue costs (interest costs of borrowing, minimum revenue provision, and property management & maintenance costs). In 2024/25 this cost is expected to be in the region of £1m (rising to £2m in future years), but will be heavily dependent upon how quickly the properties can be purchased. It is anticipated that the 225 units will mitigate up to £4.2m of the budget pressures (presenting a net cost reduction to the Council of £3.2m in 2024/25).

The other proposals within the report, including amendments to the Rough Sleeper Offer and the leasing of 125 properties are expected to mitigate up to £8m of the budget pressures. If the government continues to pay Asylum Dispersal grant into 2024/25 then this may help to offset a further £1m.

The draft revenue budget for 2024/25 makes provision for an additional £5m of budget towards the increase in temporary accommodation costs. However, despite this, and all of the mitigations set out above, this still leaves an unbudgeted revenue pressure of between £5m and £6m which will need to be reflected in the 2024/25 revenue budget.

Stuart McAvoy – Head of Finance

8.2 Legal implications

Whilst it is permissible for a local housing authority to discharge its obligations to eligible homeless applicants by way of out-of-area placements, S208, Housing Act 1996 provides that, so far as reasonably practicable, it should secure accommodation within its own district.

This obligation does not apply in the case of eligible asylum-seekers where the local housing authority has a written agreement with another local authority that it may place asylum-seekers in its area.

The Homelessness (Suitability of Accommodation) (England) Order 2012 specifically requires a local housing authority to consider the location of accommodation, including –

- (a) where it is outside the authority's own area, the distance from that area.
- (b) the significance of any disruption to employment, caring responsibilities or education.
- (c) proximity and accessibility to medical facilities and other support currently used by or provided to the applicant or a member of their household that is essential to their wellbeing.
- (d) proximity and accessibility to local services, amenities and transport.

The Supreme Court has held that authorities should adopt policies relating to the procurement of temporary accommodation, which should be approved by members and made available to the public; the policy should explain how accommodation will be allocated and what factors will be taken into account in allocating out-of-borough units; the authority can take into account the resources available to it and the difficulty in procuring affordable housing in its own area.

Provided there is no successful Judicial Review challenge to such a policy, an allocation to an out-of-borough unit cannot be challenged on the basis that there are in-borough units; it is lawful for the authority to reserve these for other applicants who will be entitled to an in-borough allocation pursuant to the policy.

Jeremy Rainbow – Principal Lawyer (Litigation) – x371435

Acquisition issues

1. Generally local housing authorities acquire land and property for the provision of housing accommodation pursuant to Sections 9 and 17 of the Housing Act 1985 (as amended). When properties are acquired under Section 17, they are held within the confines of the HRA (this applies whether the Council acquires freehold or long leasehold interests in property).

2. Part 7 of the Housing Act 1996 subsequently imposed statutory duties on housing authorities with regard to the provision of accommodation for the relief of homelessness. Under section 206(1) of the 1996 Act the Council may discharge its homelessness functions “*by securing that suitable accommodation provided by them is available*”. However, there is no specific power of acquisition within the 1996 Act.

3. The Council has a general power of acquisition under section 120 of the Local Government Act 1972 which was substantially broadened by the enactment of the Localism Act 2011. Under the 1972 Act, properties can be acquired utilising the General Fund and held within the corporate estate. Thereafter the properties could be made available for homelessness/temporary housing purposes but there is a risk that the properties acquired could be deemed to have been acquired for “housing purposes” and therefore within the HRA. In order to alleviate that risk, the Directors of EBS and Housing may seek to put in place inter-departmental arrangements to enable Housing to utilise corporate estate property for temporary accommodation.

4. The question of funding via the General Fund rather than the HRA has also been discussed with other authorities and counsel’s opinion has been sought. On the one hand counsel’s opinion concluded that the acquisitions would fall within the 1985 Act. Counsel was of the opinion that the only situation whereby housing accommodation used for homelessness purposes would fall outside the 1985 Act would be where the accommodation was provided by a third party not the local authority itself. On the other hand, reports indicate that other local authorities are making acquisitions for homelessness purposes through their General Fund and a large local authority confirmed in discussions that they are acquiring properties via General Fund with the support of Government funding.

5. The difficulty arises in that the acquisition power under Section 17 is a very broad acquisition power for “housing purposes”. However the Government’s own guidance “*General Fund Revenue Account General Guidance Notes*” includes references to “*homelessness costs*” and “*Accommodation within the authority’s own stock (non-Housing Revenue Account)*” within the General Fund guidance notes. In addition is the Government’s guidance “*Operation of the Housing Revenue Account ring-fence*” in which DLUHC considers properties held on a permanent basis for temporary accommodation purposes should be accounted for in the General Fund.

6. The proposed approach set out in this business case is therefore not without legal risk. Ensuring that the model includes a support element for the families in the temporary accommodation and appropriate inter-departmental arrangements will help mitigate this to some extent.

7. The Council could seek a further direction from the Secretary of State under sections 74(3)(d) and 87(1) of the Local Government and Housing Act 1989. However, there is no guarantee as to the length of time this process might take nor that such a direction would necessarily be ordered, particularly if this is the only Council making the application. However these sections apply to the Council’s duties in relation to the Housing Revenue Account and such a Direction may therefore be inappropriate if the Council purchases utilising funds from the General Fund.

8. The Constitution and Scheme of Delegation currently reserves acquisition powers under the 1972 Act to the Director of Estates and Building Services (or the City Mayor where the value of the transaction exceeds £500,000).

9. Should acquisitions (whether freehold or leasehold) subsequently be approved, a full due diligence exercise would be required for each property acquired under the Business Case. That exercise would reveal, amongst other things, any potential risks in terms of planning and building regulation compliance or the need to obtain retrospective approval, defects in title, planning enforcement action and any restrictive covenants that may prevent a property being acquired for the purposes detailed in the report. Legal advice/representation on each transaction would be required.

10. Where any acquisition is funded through prudential borrowing, the Council has widely construed powers under the Local Government Act 2003. The 2003 Act provides each local authority with a discretion to borrow and invest provided it is doing so for a purpose within its functions, as part of the prudent management of its financial affairs and within its affordable borrowing limit.

11. An investment decision made by the Council must have regard to proper accounting practices and relevant CIPFA Guidance including the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and Prudential Property Investment published in November 2019.

12. Any acquisition will also have to take account of the Council's fiduciary duty to its taxpayers in relation to proper stewardship of public monies. Valuation advice and a Red Book valuation would be required for each property.

13. Properties acquired under the homelessness requirements would be occupied under the homelessness duties of the 1996 Act and non-secure, short-term tenancies granted, thereby ensuring that the properties remained within the Council's ownership. Tenancies granted under the 1996 Act homelessness provisions are expressly excluded from the definition of secure tenancies under the 1985 Act and, as a result, excluded from the Right to Buy provisions.

Zoe Iliffe - Principal Lawyer (Property, Planning & Highways Team)

8.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, 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.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The report updates on the pressures placed on services arising from the Streamlined Asylum Process (SAP). This includes the Government decision to speed up Asylum decisions in their National Asylum Support Service population for certain nationalities. Inevitably there will be direct equality implications on people who share a protected characteristic, particularly around race, age and potentially disability. If those in the SAP are supported to integrate into society, it could also help advance equality of opportunity and

foster good relations between those who share a protected characteristic and those who do not.

Given the vast impacts on people it must be recognised that this work might be specific to people with certain protected characteristics and as such the equality implications on those protected characteristics should be monitored. As the workstreams described in the report develop an Equalities Impact Assessment (EIA) should be considered for each one. The EIA process can support the Council and its partners to predict possible issues and take appropriate action such as removing or mitigating any negative impacts, where possible, and maximising any potential for positive impact.

Kalvaran Sandhu, Equalities Manager, Ext 6344

8.4 Climate Emergency implications

Housing is one of the largest sources of carbon emissions in Leicester, responsible for 33% of emissions. Following the city council's declaration of a Climate Emergency in 2019, and its aim to achieve carbon neutrality, addressing the emissions from housing is vital to the council's efforts to reduce carbon emissions. This is particularly important within the council's own housing provision, where it has the a greater level of control.

When leasing or purchasing new accommodation, consideration should be given to opportunities to ensure that this housing is as energy efficient and low carbon as possible. This could include consideration of the levels of insulation, use of low energy lighting and appliances and the installation of low carbon heating and renewables and potential improvements that could be made. Alongside reducing carbon emissions, achieving a high level of energy efficiency would reduce ongoing costs through lowering energy bills, and could also increase comfort levels for occupants.

As service delivery generally contributes to the council's carbon emissions, any further impacts of changes can be managed through measures such as encouraging sustainable staff travel behaviours, using buildings efficiently and following sustainable procurement guidance, as applicable to the service and any changes implemented.

Aidan Davis, Sustainability Officer, Ext 37 2284

Appendix 1

Current Enhanced Rough Sleeper offer

Current operating model.

Remaining with this policy would mean the financial estimates in Appendix 1 would remain.

Currently, this approach is popular with partners and considered a very strong 'off-the-street' offer. LCC have been funding this approach beyond RSI funding, as a legacy of everyone in. However, with increased SAP numbers and no additional funding forthcoming from RSI, Home Office, or elsewhere the model now holds significant financial risk. Beyond this it creates risks, albeit hard to quantify, around staged rough sleeping. Furthermore, the indefinite nature of the offer fails to manage expectations and individuals will often 'sit tight' for a social housing offer. It is recommended to stand this offer down immediately in order to mitigate risks.

The offer is summarized below:

Category		Offer	% of SAP RS cohort
	Any verified rough sleeping (where individual does not fall under 'B' as Duty)	<p>Immediate offer of temporary emergency accommodation.</p> <p>Once accommodated,</p> <ul style="list-style-type: none"> • Homelessness assessment/application undertaken as an EP. • Plan next step accommodation and support. <p>Offer of temporary accommodation is not time limited.</p>	100%

New Enhanced Rough Sleeper offer

This will pare back our offer to statutory support and the minimum expectations of the RSI for which we receive funding. However, it would still protect the most vulnerable rough sleepers.

It will see a significant reduction in the estimated costs to the point where the "single estimate with Enhance RS offer addition" line in each financial estimate could be estimate to reduce by 90%.

However, this offer presents the following risks:

- Possibly contentious with DLUCH as contrary to the Rough Sleeper Initiative
- Reputational issues
- Likely to increase rough sleeping numbers,
- Significantly higher likelihood of encampments arising
- Significantly more street lifestyles risks and issues
- Higher risk of individuals becoming entrenched/prolific, and requiring more costly support in future due to lack of earlier intervention

Note that whereas this action will reduce financial risk associated with providing accommodation, it will not reduce the staffing cost as assessments and support still need to take place, and arguably will place additional pressure on staff to undertake this and ensure the new criteria is properly administered.

Category	Offer	% of SAP RS
Target Protect Group (where individual does not fall under 'B' as Duty)	<p>Immediate offer of temporary emergency accommodation.</p> <p>Once accommodated,</p> <ul style="list-style-type: none"> • Homelessness assessment/application undertaken as an EP. • Plan next step accommodation and support. <p>Offer of temporary accommodation is not time limited.</p>	0%
<p>Entrenched Rough Sleeper (3 consecutive sightings in a 3/4-week period + indicators of complex needs*)</p> <p>*Would not ordinarily include individuals who were choosing to rough sleep despite having housing options available</p>	<p>Immediate offer of temporary emergency accommodation.</p> <p>Once accommodated,</p> <ul style="list-style-type: none"> • Homelessness assessment/application undertaken as an EP. • Plan next step accommodation and support. <p>Offer of temporary accommodation is not time limited.</p>	10%
<p>Preventing Rough Sleeping / New to rough sleeping / Rough Sleepers who have housing options available and capability to engage with these.</p>	No accommodation – advice and assistance only.	90% of which none would be accommodated

