



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, 19 FEBRUARY 2025 duly convened for the business hereunder mentioned.

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BUSINESS

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1. **DECLARATIONS OF INTEREST**
2. **MINUTES OF PREVIOUS MEETING**

The minutes of the meeting of the Council meeting held on Thursday the 16th of January 2025 are available to view at [Agenda for Council on Thursday, 16 January 2025, 5:00 pm](#)

Copies are also available from committees@leicester.gov.uk

3. **MATTERS RESERVED TO FULL COUNCIL**

3A. Housing Revenue Account Budget (Including Capital Programme) 2025/26

3B. Capital Programme 2025/26

3C. Revenue Budget 2025/26

3D. Treasury Investment Strategy 2025-26

4. **ANY OTHER URGENT BUSINESS**

PRESENT:

BHUPEN DAVE, LORD MAYOR

SIR PETER SOULSBY – CITY MAYOR

Abbey Ward

Nags Agath
Charleigh Barnes

Aylestone Ward

Scott-Kennedy-Lount
Nigel Porter

Beaumont Leys Ward

Hazel Orton
Hemant Rae Bhatia
Paul Westley

Belgrave Ward

Shital Adatia
Yogesh Chauhan
Jaiantilal Gopal

Braunstone Park and Rowley Fields Ward

Sue Barton
Elaine Halford
Kulwinder Singh Johal

Castle Ward

Patrik Kitterick

Evington Ward

Deepak Bajaj
Zuffar Haq

Eyres Monsell Ward

Elaine Pantling
Karen Pickering

Fosse Ward

Susan Waddington
Syed Zaman

North Evington Ward

Dilip Joshi
Ravi Mahesh
Sanjay Modhwadia

Rushey Mead Ward

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

Western Ward

George Cole
Vi Dempster

Humberstone and Hamilton Ward

Stephen Bonham
Manjit Kaur Saini

Knighton Ward

Lynn Moore
Geoff Whittle

Wycliffe Ward

Hanif Aqbany
Mohammed Dawood

1. 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 Aqbany
Councillor Cank
Councillor Gopal
Councillor Halford
Councillor Orton
Councillor Pickering
Councillor Porter
Councillor Westley

2. MINUTES OF PREVIOUS MEETING

The Lord Mayor, seconded by the Deputy Lord Mayor and carried:

"That the minutes of Council held on 19 February 2025, be taken as read and are approved as a correct record."

3. MATTERS RESERVED TO COUNCIL

3A. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2025/26

Please note that a full record of the of the discussion is available on the recording of the meeting at [Budget Council 19 February 2025 - YouTube](#) at time [0:05:20-0:43:10](#).

Councillor Cutkelvin, seconded by City Mayor, to move:-

“Council is asked the following:

Approve the Housing Revenue and Capital budgets for 2025/26, as described in the report submitted by the Director of Housing, including:

- i. Approve rent changes for tenants for 2025/26 as follows:
 - 2.7% increase to core rent;
 - 2.7% increase to garage rent.
 - 2.7% increase for Hostel rent and service charges;
 - 4% increase for Gypsy and Traveller plot rent;
- ii. Approve service charge changes for tenants and leaseholders for 2025/26 as follows:
 - A reduction in the charges for District Heating as set out in section 4.6.3 of the report, including a 25% reduction in the variable charge for metered heat, a 20% reduction in the fixed metered charges, and a 26% reduction for those without meters;
 - reducing the charge for waylighting by 9.1%;
 - applying increases to all other service charges of 1.7%, in line with CPI.
- iii. Agree to delegate to the City Mayor the authority to reduce service charges by the extent to which this represents a change to the cost of providing those services.
- iv. Note the equality impact assessment of the proposed revenue and capital reductions required to present a balanced budget, at Appendix J;
- v. Note that the scheme of virement (included within the General Fund Revenue Budget report which is also on your agenda) applies also to the HRA budget with total expenditure and total income acting as budget ceilings for this purpose;
- vi. Agree that the delegations and determinations applicable to the main capital programme (which is also on your agenda) shall also apply to the capital programme in the Director of Housing’s report;
- vii. Note that the capital strategy in the main capital programme report also applies to the HRA.”

Following the debate, the Lord Mayor put the amended motion to the vote and declared the motion carried.

3B. CAPITAL PROGRAMME 2025/26

Please note that a full record of the of the discussion is available on the recording of the meeting at [Budget Council 19 February 2025 - YouTube](#) at

time [0:43:10-1:49:07](#).

City Mayor seconded by Councillor Cassidy, to move:-

“That Council:

- a. Approve the release of the Capital Fund, a revenue reserve, to the Managed Reserve strategy of £90m. (see para 4.4 of the report submitted by the Director of Finance) ;
- b. Approve the change in financing for the 2024/25 capital programme, to include prudential borrowing (see para 4.5 of the report);
- c. Approve reductions to the 2024/25 capital programme as described at paragraph 4.8;
- d. Approve the capital programme, together with the necessary prudential borrowing, for schemes described in this report and summarised at Appendices 2 to 5;
- e. For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules, rules concerning land acquisition and finance procedure rules;
- f. Delegate authority to the City Mayor to determine a plan of spending for each policy provision, that may be added in-year, and to commit expenditure up to the maximum available;
- g. For the purposes of finance procedure rules:
 - Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes.
 - Designate the operational estate, the children’s capital maintenance programme, the highways maintenance programme and the transport improvement programme as programme areas, within which the director can reallocate resources to meet operational requirements.
- h. Delegate to the City Mayor:
 - Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources in each instance and to borrow whilst remaining within the prudential limits for debt which are proposed in the treasury management strategy (elsewhere on the Council agenda);
 - Authority to reduce or delete any capital scheme, subject to a maximum reduction of £10m; and
 - Authority to transfer any “policy provision” to the “immediate starts” category.
- i. Delegate to directors, in consultation with the relevant deputy/assistant mayor, authority to incur expenditure up to a maximum of £250k per scheme in respect of policy provisions, that may be added in-year, on design and other professional fees and preparatory studies, but not any other type of expenditure.

- j. Approve the capital strategy at Appendix 6.”

AMENDMENT

Moved by Councillor Rae Bhatia, seconded by Councillor Kitterick:

“This Council accepts the following amendments to the Capital Budget 2025-26 to find savings of £4.78m from the sections listed below and spend them on services/projects also listed below. These amendments focus on the frontline services which the city so desperately needs to preserve and improve. This amendment also introduces extra rigour and control on the delegate powers to City Mayor also listed below.

1. Reduce the Fleet Replacement programme from £8.3m to £7.3m thus generating the unallocated saving of £1m (Page 97 section 1.8)
2. Reduce the Policy Provisions further from £19.4m to £18.4m thus generating unallocated saving of £1m (Page 97 section table 1.8)
3. Reduce the Transport Improvement Programme from £2.58 to £2.08m thus generating unallocated saving of £0.5m (Page 99 section 1.19 c)
4. Reduce the allocation for Operational Estate Capital Maintenance from £1.97m to £1.44m thus generating unallocated saving of £0.53m (Page 100 1.20 a)
5. Reduce the allocation for Leycroft Road Depot from £3.79m to £3.29m thus generating unallocated saving of £0.5m (Page 100 1.20 d)
6. Reduce the allocation for Strategic Sites from £5.04m to £4.54 thus generating unallocated saving of £0.5m (Page 101 1.23 a)
7. Remove the allocation of £0.55m for KRIII Café and generate unallocated saving of £0.55m (Page 101 section 1.22 a)
8. Reduce the Feasibility Studies allocation from £0.7m to £0.5m thus generating unallocated saving of £0.2m (Page 102 section C)

Total saving of £4.78m

Where to allocate these savings:

- a. Increase the funding for Local Environment works from £0.4m to £0.6m (Page 100 section 1.21 b)
Includes: more residential car parking, benches, dustbins, repair or replace street name signs, community lighting, CCTV cameras, walking footpaths, improve children’s play areas etc.
- b. Increase the funding for Flood and Drainage Schemes from 0.3m to 0.6m (Page 100 1.21d)
- c. Highway Drainage - Increase funding from £0.3m to £0.5m (Page 99 1.19b Appendix 4)
- d. Street cleaning equipment - Increase funding from £0.45m to £0.55m (Page 101 1.22 b)
- e. Increase funding for Public Toilets Improvement and Automatic Locking from £0.18m to £0.38m (Page 101 1.22 c)
- f. £0.25m for MUGA in Beaumont Leys
- g. £0.5m for Aylestone environmental and flood related projects

- h. £0.5m for Victoria Park Improvements
- i. £0.5m for dedicated Golden Mile/Belgrave Road Improvement (*rest £1.5m should be sought from LLEP disbandment funds*)
- j. £0.4m for Thurncourt Road Shopping Precinct

Total spend of £4.78m

Changes to the Delegate to the City Mayor (Page 95 section e)

1. Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £5m corporate resources in each instance and to borrow whilst remaining within the prudential limits for debt which are proposed in the treasury management strategy.”

Attachment

Advice of Director of Finance

1. Reduce the Fleet Replacement programme from £8.3m to £7.3m thus generating the unallocated saving of £1m (Page 97 section 1.8)

“Fleet” covers the whole of the councils fleet including housing maintenance vehicles. The programme has already been reduced and vehicle lives extended (page 7, para 1.8 table). We are now at the point that vehicles cost more to maintain than to replace them (maintenance costs and hire vehicles whilst off the road) therefore to reduce this further will simply increase the revenue cost to the general fund and the HRA.

In simple terms, half of the fleet are housing maintenance vehicles and therefore this will reduce our ability to maintain our housing stock. There are a large number of plant vehicles such as gritters, highways maintenance vehicles, gulley emptiers etc and therefore again this would adversely affect services.

Finally, fleet also includes our home to school transport vehicles. If these are not replaced and/or are off the road then we increase the use of taxis at significant revenue cost.

This is a high risk proposal resulting in increased revenue expenditure.

2. Reduce the Policy Provisions further from £19.4m to £18.4m thus generating unallocated saving of £1m (Page 97 section table 1.8)

Without knowing which policy provisions, you will be reducing I am unable to advice on the impact of this proposal.

3. Reduce the Transport Improvement Programme from £2.58 to £2.08m thus generating unallocated saving of £0.5m (Page 99 section 1.19 c)

This is funded by government grant from the Department for Transport (DfT). Whilst it is unringfenced and technically could be spent on non-highways

schemes, we do have to complete onerous returns to the DfT regarding our spend. It would be immediately clear to the DfT that we have spent this grant on non-highways schemes and I have no doubt our future funding allocation will be cut. Therefore, the impact would be to lose transport investment twice.

This is a high risk proposal likely to reduce future capital funding

4. Reduce the allocation for Operational Estate Capital Maintenance from £1.97m to £1.44m thus generating unallocated saving of £0.53m (Page 100 1.20 a)

This allocation has already been reduced (page 7, para 1.8 table) and is at a minimal level to maintain our operational buildings... libraries, leisure centres, community centres as well as offices. If buildings fall below safe standards they will have to be closed, reactive maintenance will be limited so for example when we have mechanical plant issues like we have seen at Braunstone and Leicester Leys, we will not have the capital funding to undertake repairs and facilities will remain closed for longer periods. If safety and compliance standards are not maintained, buildings will have to be closed.

5. Reduce the allocation for Leycroft Road Deport from £3.79m to £3.29m thus generating unallocated saving of £0.5m (Page 100 1.20 d)

I am unable to advise whether the scheme can be delivered with a reduction in funding of this level

6. Reduce the allocation for Strategic Sites from £5.04m to £4.54 thus generating unallocated saving of £0.5m (Page 101 1.23 a)

This funding is required to release housing land at Ashton Green and therefore negatively impacts on capital receipts and housing delivery. Again, I cannot set out a more detailed impact in the timeframe.

This is a high risk proposal

7. Remove the allocation of £0.55m for KRIII Café and generate unallocated saving of £0.55m (Page 101 section 1.22 a)

This is a spend to save scheme which will reduce future income generation ability at the Visitor Centre.

8. Reduce the Feasibility Studies allocation from £0.7m to £0.5m thus generating unallocated saving of £0.2m (Page 102 section C)

Total saving of £4.78m”

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

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

For the amendment:

Councillors Adatia, Barnes, Cank, Chauhan, Dave, Gopal, Haq, Joshi, Karavadra, Kennedy-Lount, Kitterick, Mahesh, Modhwadia, Orton, Osman, Porter, Rae Bhatia, Singh Patel, Westley.

Against the amendment:

Councillors: Agath, Aldred, Aqbany, Bajaj, Barton, Batool, Bonham, Cassidy, Clarke, Cole, Cutkelvin, Dawood, Dempster, Halford, Kaur Saini, Malik Mohammed, Moore, 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 the motion carried.

3C. REVENUE BUDGET 2025/26

Please note that a full record of the of the discussion is available on the recording of the meeting at [Budget Council 19 February 2025 - YouTube](#) at time [1:49:07-2:16:30](#).

City Mayor seconded by Councillor Cassidy, to move:-

“Council is recommended to:

- a. approve the three-year budget strategy described in the report submitted by the Director of Finance;
- b. approve the proposed budget and council tax for 2025/26 as described in the report, including the recommendations in the formal budget resolution;
- c. approve the budget ceilings for each service shown at Appendix 1 to the report;
- d. approve the scheme of virement described in Appendix 2 to the report;
- e. approve the use of the £90m capital fund to support the revenue budget strategy (dependent on decisions taken in respect of the capital programme for 2025/26, which is elsewhere on the Council’s agenda);
- f. approve the changes to earmarked reserves to support the overall strategy as described in Appendix 5;
- g. note the view of the Director of Finance’s on the adequacy of reserves and the estimates used in preparing the budget;
- h. note the equality implications arising from the proposed tax increase, as described in paragraph 15 and Appendix 3;
- i. note the medium-term financial strategy and forecasts presented at Appendix 4, and the significant financial challenges that lie ahead;

- j. in relation to council tax for empty properties:
- Thank those who responded to our consultation, the results of which are described at Appendix 6;
 - Note the equality implications arising from a decision to change council tax payable in respect of empty properties, as described at Appendix 6A;
 - Change the current policies as described at Appendix 6, specifically to commence charging Council Tax on empty, unfurnished property as soon as it becomes empty; and to apply exemptions introduced by the Government.
- k. approve the capital receipts flexibility policy at Appendix 7, to come into force if and when a government direction is received.”

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

In accordance with Council Procedure Rule 30(c) of the Council's Constitution, a recorded vote was taken.

For the motion:

Councillors: Agath, Aldred, Aqbany, Bajaj, Barton, Batool, Bonham, Cassidy, Clarke, Cole, Cutkelvin, Dawood, Dempster, Halford, Kaur Saini, Malik Mohammed, Moore, Pantling, Pickering, Russell, Singh Johal, Singh-Sangha, Sood, Soulsby (City Mayor), Surti, Waddington, Whittle, Zaman.

Against the motion:

Councillors: Adatia, Barnes, Cank, Chauhan, Dave, Gopal, Haq, Joshi, Karavadra, Kennedy-Lount, Kitterick, Mahesh, Modhwadia, Orton, Osman, Porter, Rae Bhatia, Singh Patel, Westley.

The Lord Mayor declared the motion carried.

3D. TREASURY INVESTMENT STRATEGY 2025-26

Please note that a full record of the of the discussion is available on the recording of the meeting at [Budget Council 19 February 2025 - YouTube](#) at time [2:16:30-2:27:50](#).

City Mayor seconded by Councillor Cassidy, to move:-

“The Council is recommended to approve:

- The Treasury Policy at Appendix 1, including the 12 treasury Management Practices.
- The Treasury Management Strategy at Appendix 2 (including Treasury Limits at Appendix 2a, and Treasury Investment Strategy at Appendix 2b).
- The Investment Strategy at Appendix 3.
- Delegation of authority to the Director of Finance to revise the authorised limit and operational boundary, if required once work on implementing IFRS 16 leases is completed during the year end process.”

The Lord Mayor declared the motion carried.

4. **ANY OTHER URGENT BUSINESS**

There being no further business the meeting closed at 7.30pm.