



Leicester
City Council

MEETING OF THE OVERVIEW SELECT COMMITTEE

DATE: THURSDAY, 12 DECEMBER 2024

TIME: 5:30 pm

PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Cassidy (Chair)

Councillors Adatia, Batool, Dawood, Kitterick, March, O'Neill, Osman, Pickering, Porter, Rae Bhatia and Waddington

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

For Monitoring Officer

Officer contacts:

Ed Brown (Senior Governance Officer)

Julie Bryant (Governance Services Officer),

e-mail: edmund.brown@leicester.gov.uk or julie.bryant@leicester.gov.uk

Leicester City Council, 115 Charles Street, Leicester, LE1 1FZ

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Further information

If you have any queries about any of the above or the business to be discussed, please contact: **Julie Bryant, Governance Support Officer on Julie.bryant@leicester.gov.uk**. Alternatively, email edmund.brown@leicester.gov.uk, or call in at City Hall.

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PUBLIC SESSION

AGENDA

NOTE:

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1. WELCOME AND APOLOGIES FOR ABSENCE

To issue a welcome to those present, and to confirm if there are any 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

The Chair is invited to make any announcements as they see fit.

4. MINUTES OF THE PREVIOUS MEETING

Appendix A

The minutes of the meeting of the Overview Select Committee held on Thursday 26th September have been circulated, and Members will be asked to confirm them as a correct record.

5. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

To note progress on actions agreed at the previous meeting and not reported

elsewhere on the agenda (if any).

6. QUESTIONS, REPRESENTATION AND STATEMENTS OF CASE

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

7. PETITIONS

The Monitoring Officer to report on any petitions received.

8. TRACKING OF PETITIONS - MONITORING REPORT [Appendix B](#)

The Monitoring Officer submits a report that updates Members on the monitoring of outstanding petitions. The Committee is asked to note the current outstanding petitions and agree to remove those petitions marked 'Petitions Process Complete' from the report.

9. QUESTIONS FOR THE CITY MAYOR

The City Mayor will answer questions raised by members of the Overview Select Committee on issues not covered elsewhere on the agenda.

10. HOMELESSNESS SERVICES UPDATE [Appendix C](#)

The Director of Housing submits a report providing an update on homelessness in the city and progress in relation to the delivery of the Full Council Decision on the 21st March 2024 to invest £45m into additional Homelessness accommodation and services.

11. COUNCIL TAX SUPPORT SCHEME [Appendix D](#)

The Director of Finance submits a report providing an overview of the proposed simplified "banded" council tax support scheme and the consultation results.

12. EXECUTIVE DECISION - REVENUE BUDGET MONITORING APRIL-SEPTEMBER 2024/25 [Appendix E](#)

The Director of Finance submits a second report in the monitoring cycle for 2024/25 and updates the forecasts presented to this committee in September.

13. CAPITAL BUDGET MONITORING APRIL-SEPTEMBER 2024/25 [Appendix F](#)

The Director of Finance Submits a report providing the position of the capital programme at the end of September 2024 (Period 6).

14. INCOME COLLECTION APRIL-SEPTEMBER 2024 [Appendix G](#)

The Director of Finance submits a report detailing progress made in collecting debts raised by the Council during the first six months of 2024-25 together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that it has not been possible to collect after reasonable effort and expense.

15. PRIVATE SESSION

MEMBERS OF THE PUBLIC TO NOTE

Under the law, the Scrutiny Commission is entitled to consider certain items in private where in the circumstances the public interest in maintaining the matter exempt from publication outweighs the public interest in disclosing the information. Members of the public will be asked to leave the meeting when such items are discussed.

The Scrutiny Commission is recommended to consider the following reports in private on the grounds that they contain 'Information relating to the financial or business affairs of any particular person (including the Authority holding that information) as defined by the Local Government (Access to Information) Act 1985, as amended, and consequently that the Scrutiny Commission makes the following resolution:-

“that the press and public be excluded during consideration of the following reports in accordance with by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information.”

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

16. MID-YEAR REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2024/25 [Appendix H](#)

The Director of Finance submits a report to update the Commission on the Mid-Year Review of the Treasury Management Activities 2024/25.

17. OVERVIEW SELECT COMMITTEE WORK PROGRAMME [Appendix I](#)

The current work programme for the Committee is attached. The Committee is asked to consider this and make comments and/or amendments as it considers necessary.

18. ANY OTHER URGENT BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 26 SEPTEMBER 2024 at 5:30 pm

P R E S E N T :

Councillor Cassidy (Chair)

Councillor Adatia
Councillor Batool
Councillor Dawood
Councillor Kitterick

Councillor March
Councillor Osman
Councillor Pickering
Councillor Porter

Councillor Rae Bhatia
Councillor Waddington

Also present:

Sir Peter Soulsby
Councillor Vi Dempster

Councillor Geoff Whittle

Mario Duda
Zara Jamal

City Mayor
Assistant City Mayor for Culture,
Libraries and Community Centres
Assistant City Mayor for Environment
and Transport (Online)
Youth Representative
Youth Representative

* * * * *

58. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr O'Neill.

59. DECLARATIONS OF INTEREST

Members were asked to disclose any pecuniary or other interests they may have in the business on the agenda.

There were no declarations of interest.

60. MINUTES OF THE PREVIOUS MEETING

Members had been updated on actions from the previous meeting via email.

It was noted that the Executive Members (The City Mayor and Councillor Malik)

and Youth Representatives had been omitted from the attendance on the previous minutes.

Councillor Porter clarified that his question regarding the Lothbury Fund was more specifically about how much of the £3.2m had been lost.

AGREED:

That the minutes of the meeting held on 31 July 2024 be confirmed as a correct record subject to corrections as detailed above.

61. CHAIR'S ANNOUNCEMENTS

The Chair reported on the site visits to the site of Jewry Wall Museum and to Leicester Museum and Art Gallery (LMAG) that had been undertaken by members to observe the developments taking place. He noted that:

- At the Jewry Wall site, Councillors were shown where the new walkway will be, as well as the new reception, shop, café and meeting & learning facilities will be. Members were also briefed on the Digital and Physical interactives.
- At LMAG, members were shown where the new café will be and were also briefed on the revamp of the reception and shop, the relocation of the Victorian Art Gallery Stage and the closing down of Wildspace which was no longer fit for purpose.

The Officers involved in arranging the visits were thanked.

The Chair further announced that the next meeting of the Workforce Representation informal Scrutiny would be 3 December. He encouraged those present to take part.

The Chair welcomed the new members of the Committee.

62. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that no questions, representations and statements of case had been submitted in accordance with the Council's procedures.

63. PETITIONS

The Monitoring Officer reported that no petitions had been received.

64. TRACKING OF PETITIONS - MONITORING REPORT

The Monitoring Officer submitted a report which provided an update on the

status of outstanding petitions against the Council's target of providing a formal response within three months of being referred to the Divisional Director.

It was noted that none were marked as 'red'.

AGREED:

That the status of the outstanding petitions be noted, and to remove those petitions marked 'Petition Complete' Ref: from the report.

65. QUESTIONS FOR THE CITY MAYOR

The Chair reminded members that he would prefer for all questions to be provided in advance, which can help in providing more detailed responses at meetings.

The Chair accepted the following questions to be asked to the City Mayor:

1. The Chair noted that it was disappointing that Marks and Spencer (M&S) had moved out of their premises in Leicester and asked the City Mayor what plans there were for the site.

The City Mayor responded that City Centres were changing, and M&S were also changing in that they were increasingly moving out of city centres, moving online and to out of town shopping. They were also focussing more on their food stores rather than the clothing stores. It had been explored as to whether the clothing and household section of M&S could move out, but the food store could remain, however, this had not been amenable to them at this time.

It was further noted that other chains had previously moved out of Leicester, such as C&A, Littlewoods and Fenwicks, which were replaced by Primark, TK Maxx and the Gresham respectively.

The City Mayor explained that the ownership of the areas traded from was in two different hands and the section on Humberstone Gate was leased separately to the section on Gallowtree Gate. Therefore, it was possible that separate interests could be expressed in the separate sections.

The premises were good places to trade from and the city centre had been invested in. Footfall in the city centre was still good despite the loss of Marks and Spencer.

The City Mayor remarked that it was sad that Marks and Spencer had

left, but it was noted that the departure of large traders gave good opportunities for other businesses.

2. Councillor Porter drew attention to the leasing of the Travelodge above the Haymarket centre, and asked what the return on this was.

The figures would be shared following the meeting.

3. Councillor Kitterick raised flooding and drainage issues and noted that whilst the Highways team had a list of high risk locations where procedures such as gully cleaning took place, the Street Cleansing team did not prioritise the cleaning of leaves in the same way that Highways prioritised the cleaning of gullies. If drains were at risk of causing flooding, it would be good for them to have leaves cleaned from them on a weekly basis. It was asked whether Highways and Street Cleaning could be better aligned in their priorities.

The City Mayor acknowledged that it was important for priorities to be lined up and coordinated, and that flooding was an important issue, particularly due to climate change. It was important to make sure that communications with the public, before, during and after heavy rainfall, were right. The City Mayor agreed to consider the issue and raise it with the relevant officers.

4. Councillor Rae Bhatia also raised the issue of flooding and noted that officers had previously advised that flood prevention and management was the responsibility of the Environment Agency. He suggested that the Council should be the first point of contact for residents so that they knew where to go.

The City Mayor acknowledged that the issue of flooding involved many agencies and explained that the Council was working to communicate with residents before, during and after flooding to help disseminate advice to residents and help them understand what kind of response they could expect.

5. Councillor Rae Bhatia raised issues concerning the Leys Building in Beaumont Leys and the play area around it. He asked how quickly the work on them could be completed.

The City Mayor clarified that this was a Housing Association building and agreed to follow up on the issue.

6. Councillor Rae Bhatia raised the issue of long waiting times when Council telephone lines were contacted and long response times.

The City Mayor explained that a problem with the phone system had been difficulty in recruiting people to operate it. This was a difficult issue

for call centres in general. The Council had been doing its best to recruit staff for this. He further suggested that scrutiny may wish to consider the issue further, perhaps through an informal scrutiny group of the Culture and Neighbourhoods Scrutiny Commission.

7. Councillor Porter suggested that maybe a callback service or outsourcing of call centres could help with pressure on the telephone service and providing advice and help to residents.

The City Mayor responded that these approaches had been discussed with officers and the issue was not amenable to a simple solution. As such, it could be an area where scrutiny could add value by looking at evidence available, including what had been done at other Councils, and taking a view on whether such solutions could be suitable.

8. Councillor Waddington raised concern about the low level of book stock in libraries reported that she had been told that the Library Service was saving money by not purchasing so many new books. She asked whether the budget for new books had been reduced in year and whether libraries were still spending as much as they had previously on new books.

The City Mayor responded that new books were still being purchased, but also note that conventional stock was not the only way that people accessed the written word.

The Assistant City Mayor for Culture, Libraries and Community Centres responded that she was not aware of in-year reductions in funding but would look into the issue.

The Chair noted that it would be useful to receive questions in advance to allow information to be more readily shared.

The Chair welcomed questions from Youth Representatives at future meetings.

66. REVENUE MONITORING PERIOD 3

The Director of Finance submitted the first report in the monitoring cycle, providing early indications of the significant financial pressures the Council was facing this year and also providing an update on progress to control costs in demand-led social care budgets.

The Committee was recommended to consider the overall position presented within this report and make any observations it saw fit.

Key points included:

- This was the first report of the financial year, based on the budget set by Council in February.
- Some pressures continued from the previous year, such as around temporary accommodation with £8.4m overspent, including the use of the contingency budget. SEND home-to-school transport and disabled payments were also pressures.
- Positives included:
 - Work with Adult Social Care (ASC), where it had been proposed to reduce the budget.
 - The costs of Children Looked After was coming down, which was offsetting transport costs.
 - A VAT refund had been received following a court case this is proposed to be transferred to the managed reserve to support the budget.

In response to comments and questions from members, the following were stated:

- It was clarified that the variance under Housing was so high as it was the forecast figure to the end of the year. There had been a £45m decision in affordable homes aimed at moving families out of temporary accommodation, however, it was recognised that it took time to acquire properties. Without mitigation, the forecast overspend would be higher (£13m). It was hoped that the forecast overspend would come down as more properties were purchased and more families were moved out of temporary accommodation.
- It was clarified that the original budget was the budget as set in February, the current budget was the budget as things currently stood, the forecast was where it was thought the outturn would be at the end of the year, and the variance was the difference between what the forecast and current budget.
- Housing would be a pressure area next year. The Housing department had done a report on this area.
- In response to a query about the costs involved with buying houses to reduce pressures around homelessness, it was clarified that there had been a mistake in the capital report on how much had been planned to spend. It was further clarified that there was a plan to spend £10m this year of the £45m decision and this would progress as soon as possible. It was a difficult housing market, but the team were working hard to identify properties. The Director of Housing would clarify costs and the Committee could consider the issue.
- It was clarified that all people coming to the city for housing, must have a local connection based on family or work for over a year.
- With regard to pressures from Section 21s, increased numbers of asylum seekers and prisoners released early going into temporary accommodation, it was acknowledged that this would be an issue, but

early indicators suggested that these were relatively small number. The Director of Housing could also update on this.

- It was clarified that what was not spent of the £45m would earn interest in the Council's bank account. The managed reserves would be used to manage the overspend.
- A property was mentioned that could be considered for purchase and was being considered by the department.
- In response to a query surrounding SEND transport and respite care, it was clarified that with regard to respite care the spend on this was a shortfall of £0.6m with a forecast spend of £2.6m and with regard to SEND transport the forecast expenditure was £17m, £2m more than the budget. Staff were continually trying to review cases on SEND transport and taxi procurement was a part of this. Staff looked to ensure there was appropriate transport, and as such personal budgets were also considered for families. This was a difficult situation and was a pressure nationally.
- In response to a suggestion that SEND transport be brought back in-house, it was clarified that whilst much of it was managed in-house, there were complications in doing this as many children were out-of-area and also off bus routes. Suggestions from members on how to manage the issue were welcomed.
- It was suggested that if personal budgets were increased, it might make the option more attractive and thus enable children and young people to be more independent. The Director of Finance agreed to consult the relevant department to see which recommendations were being considered and the progress made on them.
- There was an ongoing conversation with the Department for Education around the recovery plan. Once more information was available it would go to the relevant Scrutiny Commission for consideration.
- It was clarified that savings had been made in ASC by making use of technology and preventative care.
- In response to concern raised about the difference between the forecast and spend on ASC, the Director of Finance noted that £8.4m had come through quicker than expected and work was going on between departments to improve that position. Late announcements regarding issues such as government grants could not be accounted for. The budget had been set with the best information available at the time that the budget was set.
- The City Mayor added that there had been good planning and management, but risk was still present. It would be necessary when looking at next year's budget to assess how precarious the situation was.
- The Director of Finance further clarified that the reserve position had improved, however, the additional one-off transfer would not offset the budget gap and it was not expected to cover the budget gap in the next financial year.
- With regard to the sale of assets, the City Mayor clarified that the ability

to use income from the sale of assets to prop up the revenue budget was dependent on government permission, and permission would only be forthcoming if sustainable cuts were made in the revenue budget.

- In response to concern raised about proposed changes in council tax support and issues surrounding briefing for Councillors on the issue, it was acknowledged that there had been technical issues at the briefing, however, the current scheme was well understood by officers, and it was necessary to help people understand why the system was proposed to change. Further briefing sessions were offered to Councillors.
- In response to a request that the process for changes in council tax support to be delayed to help Councillors understand the issue before it became a document for public consultation, it was explained that whilst it was acknowledged that it was a complex issue and members had a right to understand it, the consultation process needed to take place when scheduled. However, it was confirmed that a decision did not need to be made January 2025 and this was a Council decision. It was recognised that there was a need to ensure that members had opportunities to ask questions and express concerns, but there was no need to delay the consultation.
- It was clarified that the proposed changes to the council tax support scheme could save £2.4m through changes to the council tax support scheme. The scheme was also about making the system simpler so that people could understand it, and when they had income changes, they could re-assess their council tax bill. This was particularly useful as people could have multiple changes in a year. It was also aimed to add more discretionary support to help people to transition to the new scheme.
- It was clarified that a proposal had been put to Councillors and the public on a suggested way of running the scheme. Feedback would then be considered which would inform the decision that would be put before Full Council.
- In response to further suggestions that a delay would be useful to allow people to understand the changes and for the people who wanted to respond to the consultation to understand what they were being asked. It was confirmed a further Councillor briefing would be offered to answer questions.
- The Chair further clarified that the consultation was about a proposal, not about a decision.
- The Director of Finance reassured the Commission that the scheme was well understood by officers and members would be worked with to help them understand the scheme.

AGREED

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.

67. CAPITAL MONITORING PERIOD 3

The Director of Finance submitted a report on Capital Budget Monitoring for period April – June 2024/25. The Director noted a mistake as the report does not show the forecast spend on temporary accommodation which should detail a planned expenditure of £10,000,000.

It was recommended that the Committee consider the overall position of this report and make any observations it saw fit. Questions were welcomed and addressed as follows.

- A point was clarified on the Jewry Wall improvements, the figures discussed were for the remaining 2024/25 budget, rather than the earlier outturn position.
- It was acknowledged that there was a difficulty with reporting on the environmental impact on housing. Considerations were made within the overall budget, but there were not separate reports on decarbonisation and climate emergency impact work within the capital programme.
- The Director of Finance explained that figures queried for housing allocation were for Housing Revenue Account housing, which was not part of the general fund.
- In response to a query regarding the shops capital programme, The Director of Finance advised that an update would be provided.
- Regarding the railway station works, the City Mayor advised that the levelling up was expected to remain within budget and commented on the positive relationships with the respective rail agencies.
- The Leicester Market scheme was ongoing and the City Mayor would engage further with traders over the following weeks.
- Councillor Dempster would share an upcoming report on multi-use games areas with members once it was complete, she noted there were significant investments across the city in this area.
- In response to concern raised about the way that information was disseminated regarding the contractor for the Jewry Wall Project going into administration, A statement was made about the Jewry Wall contract. Notable dates for the contractor's liquidation were clarified and it was explained that the Council were limited in what information they could disclose whilst they were in contract. In response to further discussion, the Chair suggested writing to the Monitoring Officer for further information.

AGREED

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.

68. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

The Committee was asked to consider the current work programme and to make comments and/or amendments as it considered necessary.

It was requested that the Customer Services report come to the Committee.

It was requested that the Committee look into housing allocation and property purchase, perhaps as part of the Annual Corporate Estate Report 2024/25.

It was noted that the next meeting would be 12 December 2024.

AGREED:

That the current work programme be noted.

69. ANY OTHER URGENT BUSINESS

There being no other items of urgent business, the meeting closed at 19:38

Tracking of Petitions – Monitoring Report

Overview Select Committee

Date of meeting: 11th December 2024

Lead officer: Jessica Skidmore

Useful information

- Ward(s) affected: All Wards – Corporate Issue
- Report author: Jessica Skidmore
- Author contact details: Jessica.Skidmore@leicester.gov.uk
- Report version number: 1

1. Purpose of the Report

To provide Members with an update on the current status of responses to petitions against the Council's target of providing a formal response within 3 months of being referred to the Divisional Director.

2. Recommendations

The Committee is asked to note the current status of outstanding petitions and to agree to remove those petitions marked 'Petition Process Complete' from the report.

3. Detailed report

The Committee is responsible for monitoring the progress and outcomes of petitions received within the Council. An Exception Report, showing those petitions currently outstanding or for consideration at the current Overview Select Committee meeting is attached.

The Exception Report contains comments on the current progress on each of the petitions. The following colour scheme approved by the Committee is used to highlight progress and the report has now been re-arranged to list the petitions in their colour groups for ease of reference:

- **Red** – denotes those petitions for which a pro-forma has not been completed within three months of being referred to the Divisional Director.
- **Petition Process Complete** - denotes petitions for which a response pro-forma has sent to the relevant Scrutiny Commission Chair for comment, subsequently endorsed by the Lead Executive Member and the Lead Petitioner and Ward Members informed of the response to the petition.
- **Green** – denotes petitions for which officers have proposed a recommendation in response to a petition, and a response pro-forma has been sent to the relevant Scrutiny Commission Chair for comment, before being endorsed by the Lead Executive Member.
- **Amber** – denotes petitions which are progressing within the prescribed timescales, or have provided clear reasoning for why the three-month deadline for completing the response pro-forma has elapsed.

In addition, all Divisional Directors have been asked to ensure that details of **all** petitions received direct into the Council (not just those formally accepted via a Council Meeting or

similar) are passed to the Monitoring Officer for logging and inclusion on this monitoring schedule.

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

There are no legal, financial or other implications arising from this report.

7. Background Papers – Local Government Act 1972

The Council's current overall internal process for responding to petitions.

8. Summary of appendices:

Appendix 1 – Table of Current petitions.

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

10. Is this a “key decision”? If so, why?

No

Received From	Subject	Type - Cncr (C) Public (P)	No. of Sig	Ward	Lead Divisional Director	Current Position	Current Status
Mr Vaidya	St Michael's Avenue	(p)	79	Rushey Mead	Andrew L Smith	Pro-forma completed and sent back to officers to liaise with the lead petitioner.	COMPLETE
Cllr Dave	Peebles Way	(c)	45	Rushey Mead	Sean Atterbury	Petition is in the last stages of being finalised and would be sent out for sign off in due course.	AMBER
Marcia Stewart	Oakland Avenue	(p)	137	Rushey Mead	Andrew L Smith	Work is underway with the lead officers and the pro-forma is expected to be finalised at the end of September.	AMBER
Felicity Larson	Allotment Bonfires	(p)	24	Braunstone Park and Rowley Fields	Sean Atterbury	Petition sent to lead executive member for sign off and finalisation	AMBER
G Yusuf	St Peter's Car Park	(p)	108	Wycliffe	Andrew L Smith	Petition sent to Lead Director	GREEN
Yahya Mulla	Residential Parking on Prestwold Road	(p)	17	North Evington	Andrew L Smith	Petition sent to Lead Director	GREEN

Singh Dhesi	Barnes Close	(p)	44	Rushey Mead	Andrew L Smith	This petition was presented at Full Council in November	GREEN
Alison Simpson	Residential Parking on Ripon Street	(p)	28	Stoneygate	Andrew L Smith	Petition sent to Lead Director	GREEN

Homelessness Services Update

Overview Select Committee :12th December 2024

Assistant Mayor for Housing: Cllr Elly Cutkelvin
Lead director: Chris Burgin

Useful information

- Ward(s) affected: All
- Report author: Julie Turner, Continuous Improvement Manager, Homelessness Services
- Author contact details: chris.burgin@leicester.gov.uk
- Report version number: v1.0

1. Summary

- 1.1 This report provides an update on homelessness in the City and progress in relation to the delivery of the Full Council Decision on the 21st March 2024 to invest £45m into additional Homelessness accommodation and services.
- 1.2 The Council declared a housing crisis in November 2022. The lack of affordable, quality housing drives homelessness, as well as pressures arising from the cost-of-living crisis and many other national factors. This has impacted on households being able to sustain their tenancies and, in many cases, leading to homelessness. It has been challenging, nationally and locally, as we have seen rising levels of homelessness
- 1.3 The national picture of rising levels of homelessness are indicated by government data:
 - 3,898 people are sleeping rough in England (Autumn 2023). The number of people rough sleeping has increased by more than a quarter for two years in a row.
 - a new record high in both the number of households and the number of children who are homeless in temporary accommodation provided by local councils. 109,000 households are homeless in temporary accommodation – up 10% in a year. 142,490 children are homeless – up 16,960 (14%) in a year
 - Single households increased by 7.4% to 41,380 from the 31st of December 2022. Compared to the previous quarter there was a 5.3% increase in households without children in temporary accommodation.
- 1.4 Significant works to deliver the Homelessness Strategy & action plan continue. An update is provided in 2.2 to 2.2.4 of this report.
- 1.5 The Full Council decision in March 2024 is forecast to save the Council £6m this financial year, rising to £27m in 25/26 and £45m in 26/27. More detail is provided in section 4 of this report.
- 1.6 Positively, all additional Homelessness staffing to enhance services to those facing Homelessness have been recruited, which is leading to reduced case loads of officers and a more targeted and proactive approach to support and intervention in the work being done to prevent people going through Homelessness.
- 1.7 As at the beginning of November 2024 the Council has committed £22.5m of the £45m securing a total of 181 new purchased temporary accommodation units of accommodation and expects the remaining funding to be committed by Summer 2025.

2. Background

2.1 Picture of homelessness

2.1.1 Increasing numbers of people seeking support

The numbers of people contacting homelessness services for help has risen by 11% from 22/23 to 23/24 (4,869 in 22/23 & 5,385 in 23/24). The numbers of unique individuals who are / were rough sleeping has also increased over the same period (447 in 22/23 and 464 from 01/04/2023 up to 31/02/24) although on our annual verified count the number of individuals found rough sleeping was down on the previous year (26 in 2023 whereas 34 in 2022). Leicester was one of a few local authorities that saw a reduction in this single night count in autumn 2023.

We are experiencing high levels of people approaching homelessness services; families leaving private sector accommodation or being asked to leave family/friends accommodation and also more individuals who have had a decision on their asylum claim and leaving national asylum support service accommodation because of the government's plan to speed up asylum decisions.

This pressures has continued throughout 2024 as anticipated adding ongoing pressure to Homelessness services and all accommodation options.

2.1.2 Numbers in temporary accommodation

As of the 5th November 2024 we had 517 families in temporary accommodation of which 143 in bed & breakfast / hotel accommodation and 226 singles in temporary accommodation of which 101 singles in bed & breakfast / hotel accommodation. This is a reduction in the overall peak that the Council has been in temporary accommodation which was in May/June 2024 when these numbers rose to 520 families and 552 singles.

Positively the work that has been going on to acquire new temporary accommodation has enabled the Council to move from a situation where we had 452 in B&B (families & singles) to a position where we now only have 244 in B&B.

The Council is required by law to provide accommodation to people who are statutorily homeless, this includes all families and some 'vulnerable' singles (priority need).

2.1.3 Lack of settled accommodation options

Either to prevent homelessness or when it does occur to enable a move-on from temporary accommodation there needs to be a range of affordable settled housing solutions, this could be in the private rented sector, housing association or council housing.

The housing crisis means that there is a shortage of settled accommodation options and people are waiting longer in bed & breakfast / hotel accommodation.

Currently the average length of stay for a family in temporary accommodation is over 6 and half months. In October 2023 the average waiting time for a 2-bed property on the housing register was 1 year with the highest priority, 1 year 5 months for a 3-bed property and a wait of over 5 years with the second highest priority (often individuals who are not in priority need but in temporary accommodation).

During 2024 the average wait time has continued to increase for all properties sizes for those in band 1 (highest priority) and as of October 2024 this wait time now stands at 9 months for 1 bed flats, 16 months for 2 bed houses and 19 months for 3 bed houses.

2.1.4 Ongoing partnership working

The council commissions over 350 rooms of temporary accommodation with different specialist organisations providing accommodation and support services. Leicester has always provided a wide range of accommodation and support, above and beyond the statutory requirement.

In Leicester there are also a wide range of support services available for people who are homeless or at risk of homelessness:

Outreach & Navigators

There is an outreach team that operate 7 days a week, who whenever they find someone sleeping rough, encourage them to take up offers of accommodation or reconnect to their area of origin. They also receive Street Link referrals, from members of the public to identify individuals rough sleeping and offer them support. In 2017 additional funding was secured to extend outreach services into the evening. This extended outreach service is still operating as well as including services on the weekend. Services are provided by Leicester City Council and Help the Homeless and work in partnership with health services (Inclusion HealthCare) and drug, alcohol and peer support services (Turning Point and Dear Albert).

The council has also funded since 2019/20 more intensive support services for rough sleepers, Rough Sleeping Navigators. Two local charities are funded by the Council through the RSI programme to provide immediate support to rough sleepers, referred by the Council, and link with their pre-existing offers and networks of support. Individuals referred are entrenched/have complex support needs and who have previously refused offers of support.

Specialist Primary care services

Inclusion Health Care

There is a specialist service to provide primary care for homeless people (primarily rough sleepers and singles in temporary accommodation). The current service is provided by Inclusion Healthcare where GP, ACP and Nursing clinics are held Monday to Friday. While based primarily at the city centre location of Charles Berry House, the team are also able to provide outreach clinics at drop-in centres and aim to be flexible and responsive in meeting the needs of the homeless population.

In addition to the usual GP services offered by practices, the following services are also provided:

- Midwife appointments
- Specialist support for people with alcohol or drug related difficulties
- Extended appointment times to acknowledge complex needs
- Physiotherapy
- Visiting secondary care healthcare professionals- for example, ADHD nurses
- A proactive approach to preventative healthcare e.g., vaccinations and screening

A strong history of working collaboratively with partner agencies around the city

Homeless Mental Health Service

The Homeless mental health service offers engagement, mental health assessment and referral to mainstream mental health and support services. This service provides a daily 'drop-in' service at the Dawn Centre and offer appointments at other homeless hostels. This service offers:

- Mental health assessment
- Access to mainstream mental health services
- Short term supportive counselling and coping strategies
- Access to mental health support, psychology talking therapies and psychiatric treatment
- Signposting to other relevant support services

Substance misuse recovery hub

Inclusion Healthcare manage the No.5 Recovery Hub based on Hill Street and in partnership with local recovery organisation Dear Albert deliver the service which includes the provision of a 'wet centre' for street drinkers and provides a range of services to people with a street lifestyle and who have problematic substance use. This includes practical help with food, shelter, laundry, and a shower as well as harm reduction advice and access to other services such as Turning point, homeless mental health service, health & well-being, and housing support.

It provides an important role for helping services contact people that do not take up traditional appointment-based services, working closely with partner agencies to provide an outreach model. The hub contract has recently been extended to the end of March 2025 and is also partly funded by the OPCC.

Drug and alcohol services

Turning Point

The council also funds Turning Point to provide drug and alcohol services who provide a range of services and support including:

- Group work sessions
- Recovery worker support
- Counselling
- Relapse prevention
- Peer mentors

- Substitute prescribing
- Mindfulness
- Harm reduction services
- Needle exchange

Turning Point's Homeless Outreach team which was set up in early 2019 but has expanded over 2022-3 thanks to central government funding through the Rough Sleepers Drug and Alcohol Treatment Grant. This Grant focusses on the needs of rough sleepers and those at risk of rough sleeping and has enabled the service to expand from 4 recovery workers to 11 alongside increased clinical and administrative support. This means that recovery workers now offer outreach and in reach to hostels and day services up to 7 days per week. This enables the service to move away from an appointment -based system and to spend time building trust and relationships with individuals who are rough sleeping or at risk of rough sleeping. The service also receives some funding from the Changing Futures programme.

Dear Albert

Provides an addiction rehabilitation centre In Leicester open 5 days a week and they offer a breakfast service on Sunday mornings. Dear Albert also host the citywide homelessness service user forum.

Day Services

YASC

The Y Advice & Support Centre (YASC) operated by Leicester YMCA which was based within the Dawn Centre is part funded by the Council to see up to 60 clients a day on a drop-in basis. Following the COVID pandemic, this service had to close for a temporary period and has resumed operation from East Street. The Y Support service provides a range of practical support as well advice and information.

The Bridge – Homelessness to Hope

The Bridge provides a safe and non-judgemental service to the homeless and vulnerably housed in Leicester. They offer support and mentoring to anyone who is homeless or who is at risk of becoming homeless, this includes rough sleepers, people that are sofa-surfing and those that are in temporary or unsuitable accommodation. The Bridge provides a safe space for people to wash and dry their clothing, shower, access WIFI, get clothes and toiletries as well as eat a hot meal whilst socialising with others. Since the pandemic the centre is open as a day centre, and they have increased the recreational arts as art therapy and have more staff at the centre.

The Centre Project

The Centre project is a local charity based in the city that supports vulnerable people. They aim to reach those who are most excluded from society to reduce isolation and promote wellbeing. They are open Monday to Friday and offer a range of services and support (from a food bank to games and activities).

Other voluntary and community services

The voluntary and community sector has an important role to play in preventing homelessness and supporting homeless people. These services are often provided by faith groups as free provision based on need.

There are a range of groups providing food and drinks; some provide other assistance and a place to meet and chat or creative activities. These include:

- Midland Langar Seva Society
- Triangle at Holy Trinity Church
- Sound café, St Martins House
- Rachel's Table
- Lighthouse Saturday kitchen
- Church of the Martyrs Tomatoes Café
- Chroma church / Vineyard
- St Peter's Lunch club
- Robert Hall Church
- Open Hands

2.2 Homelessness & Rough Sleeping Strategy Update

We have an agreed homelessness and rough sleeping strategy and action plan, developed in conjunction with partner organisations. This was published in December 2023. Actions & improvements are scaled over the length of the strategy 2023-2028. It is an agile document responding to the challenges and pressures arising throughout the length of the strategy.

Below we have detailed some key progress to date by each of the four main aims of the strategy.

2.2.1 Prevention (wherever possible stop people from becoming homeless or rough sleeping for the first time)

- Successfully tendered for a contractor to undertake building work for development of a prevention of rough sleeping hub.
- Prioritisation of resources to prevention of homeless wherever possible, and continuation of specialist PRS Prevention Team resulting in good outcomes for Tenants and Landlords.
- Recruitment completed to get service to full establishment with 27.5 Homelessness Prevention Officers now in post.
- Call Before You Serve is active and serving landlords who are interested in maintaining tenancies and avoiding evictions.
- Approx. £38K spent to secure short-term extensions with landlords, preventing entry into TA and saving the Council an estimated £109K in temporary accommodation costs.

Last 4 quarters prevention of homelessness KPI:

Percentage of Prevention Duty cases that came to an end within Quarter with the outcome "Secured accommodation for 6+ months" as a percentage of all Prevention Duty cases that came to an end within Quarter.

	Q1 23/24	Q2 23/24	Q3 23/24	Q4 23/24
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Leicester	53%	62%	60%	67%
National Ave.	51%	51%	52%	51%

The Council has maintained strong performance compared to the National average when it comes to prevention of homelessness, with a marked improvement in Q4. It should be noted however, that this continues to be a very challenging area of work made more difficult by increased cost of living. The Council continues to work to identify issues upstream and develop initiatives to combat this to enable continued performance.

2.2.2 Intervention (improve early action and support so homelessness is as brief as possible, and that individuals rough sleeping are supported to move off the streets)

- The Council has also secured a cumulative total of £7.7m additional funding through the Governments Rough Sleeping Initiative and other programmes to strengthen services locally from 2018/19 to 2024/25 including £486k in 2024/25.
- Leicester City Council recently supported two successful bids to DLUHC’s Single Homelessness Accommodation Programme (SHAP) to support rough sleepers with complex/high support needs. These will deliver 4 x 1-bed flats, owned and managed by East Midlands Housing and 14 units of temporary accommodation with 24/7 staffing, owned and operated by Action Homeless Leicester, bringing over £1.5m to the City.
- The Council has also recently agreed to invest £45m to buy a further 225 units of temporary accommodation to house homeless households. This will be a mix of 1-bed to 3-bed properties. This will help ensure homeless households do not have to stay in unsuitable bed & breakfast accommodation for long-periods and reduce use of bed & breakfast accommodation.
- Work ongoing with Prisons and Probation to improve the pathway for people leaving prisons without accommodation.

2.2.3 Recovery (enable access to settled housing and support for those who need support so homelessness doesn’t reoccur. Enhance support for those who have slept rough to ensure they don’t return to the streets)

- The Council has invested over £250m to develop and acquire new council housing. The Council has a commitment to deliver 1,500 more new council, social and extra care homes by 2027.
- Homelessness services private rented sector team delivers 200 private rented tenancies a year to prevent or relieve homelessness.
- Work planned to expand on PRS Incentive Schemes and grow team to enable bringing on increased landlord portfolios, and therefore more solutions within the PRS

Last 4 quarters relief/recovery from homelessness KPI:

Percentage of Relief Duty cases that came to an end within Quarter with the outcome “Secured accommodation for 6+ months” as a percentage of all Relief Duty cases that came to an end within Quarter.

	Q1 23/24	Q2 23/24	Q3 23/24	Q4 23/24
Leicester	37%	29%	27%	33%

National Ave.	33%	34%	33%	30%
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The Council has improved performance in the last quarter back in line with the National Average. The investments and initiatives cited above should allow us to maintain performance in this area, and in doing so, drive down the number of people who are homeless and waiting in temporary accommodation.

2.2.4 **Working in partnership** (enhance partnership working to improve services for people who are homeless or at risk of homelessness)

- The Homelessness Charter held a successful event for front line staff sharing information from the Council and other homelessness organisations.
- A homelessness resource map for service users was developed by the Homelessness Charter and distributed by partner agencies.
- Creation of a Criminal Justice Pathway Manager to help coordinate working across Leicester, Leicestershire & Rutland and with probation and prison services.
- A new joint specific needs assessment (JSNA) completed specific to the health & well-being needs of people who are homeless to help inform decision making.
- The Council are working with Inclusion Healthcare to fund a Homeless Engagement Practitioner.
- Funding through the Rough Sleeping Initiative funding homeless partners such as Action Homeless, The Bridge (Homelessness to Hope), Help the Homeless & One-Roof Leicester to provide specific initiatives to help tackle rough sleeping in the City.
- Internal partnerships within LCC are also critical, and we have joint working protocols in place with Childrens Social Care, focussed on 16/17 years olds and care leavers. Further protocols are due to be developed around families with children at risk, and with Adult Social Care around vulnerable adults facing homelessness.

3.0 Housing Building & Acquisitions Delivery

3.1 Our Housing Development team are responsible for the delivery of the manifesto commitment to delivery 1,500 permanent Affordable and Council homes in the City during 2023 to 2027.

3.2 As well as external acquisitions and new builds the Council continues to review all internal opportunities in relation to both land and buildings at the Strategic Asset board.

3.3 All of these Affordable Housing and Council homes are available to those facing Homelessness as permanent homes through the Choice Based Lettings system. To this end this delivery works alongside the provision and delivery of the £45m decision and temporary accommodation.

3.4 Projected delivery for permanent new affordable homes the period 2023 to 2027 is set to exceed the 1,500 target with over 1,600 due to be delivered as set out in the table below;

Summary

	23/24	24/25	25/26	26/27	totals
Delivered	165				165
LCC new build		40	140	77	257
LCC Acquisitions		347	175	53	575
Delivery by others		116	373	23	512
Other schemes			10	153	163
totals	165	503	698	306	1672

4.0 Full Council decision Homelessness pressures to invest £45m.

4.1 On the 21st March Full Council took the decision to approve the proposals included within the Exceptional Homelessness pressures on Housing report. This report included the recommendations to acquire up to 225 units of accommodation utilising an addition to the capital programme of £45m.

4.2 Since the 21st March multiple Council Divisions have been working to take forward and deliver the approved recommendations.

4.3 Acquisitions

4.3.1 The Council has proactively promoted the fact that it is working to secure an increased number of residential acquisitions through press releases and multiple news articles and interviews. This promotion has led to significant interest in the Council's offer and the Council having to sort and sift through a significant number of offers.

4.3.2 Resource in relevant Council Divisions has been significantly increased to do this work and to date our EBS team have considered the equivalent of 1473 units of accommodation. Again, this equates to a hit rate of 12%. Unfortunately, due to multiple reasons, including property conditions, suitability, affordability and the nuances involving a property purchase not all options have been taken forward and delivered.

4.3.3 Currently as at the beginning of November 2024, the Council has committed £22.5m of the £45m and has 181 properties acquired or in the process of being acquired.

The profile of these properties equates to:

Bedsit/1 bed	2 bed	3 bed and above
134	17	30

4.3.4 To this end the delivery of these accommodation units will have a significantly positive impact on Council budgets with the Council saving a total of £6m in the current 24/25 year and next two years through the delivery of this work. This is set out per year in the table below.

2024/25	2025/26	2026/27
£6m	£27m	£45m

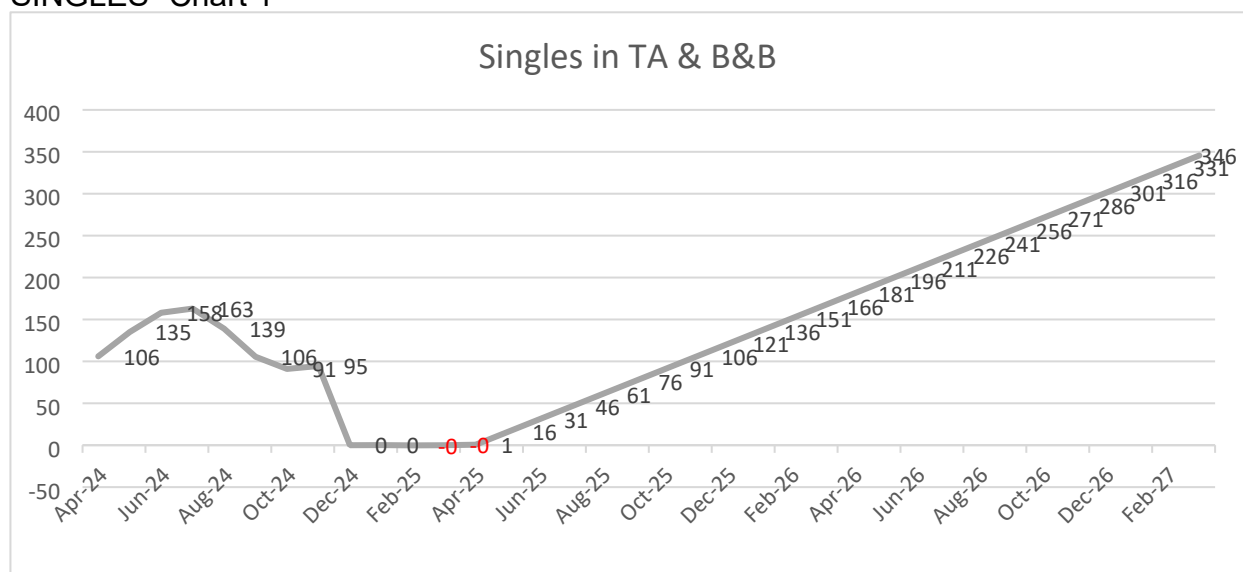
4.3.5 Even with significantly high ongoing demand for Homelessness services, it is anticipated that the delivery of the new temporary accommodation options and the permanent housing delivery will significantly reduced down the numbers of both families and singles in Temporary accommodation especially B&B and the length of time people have to remain in B&B.

4.3.6 Detailed forecasts and projects have been created that map out expected levels of TA for singles and families. Positively if the large acquisition purchase is completed later this calendar year as planned then it is expected that no singles will remain in B&B accommodation by March 2025 as can be seen in the Singles chart 1 below.

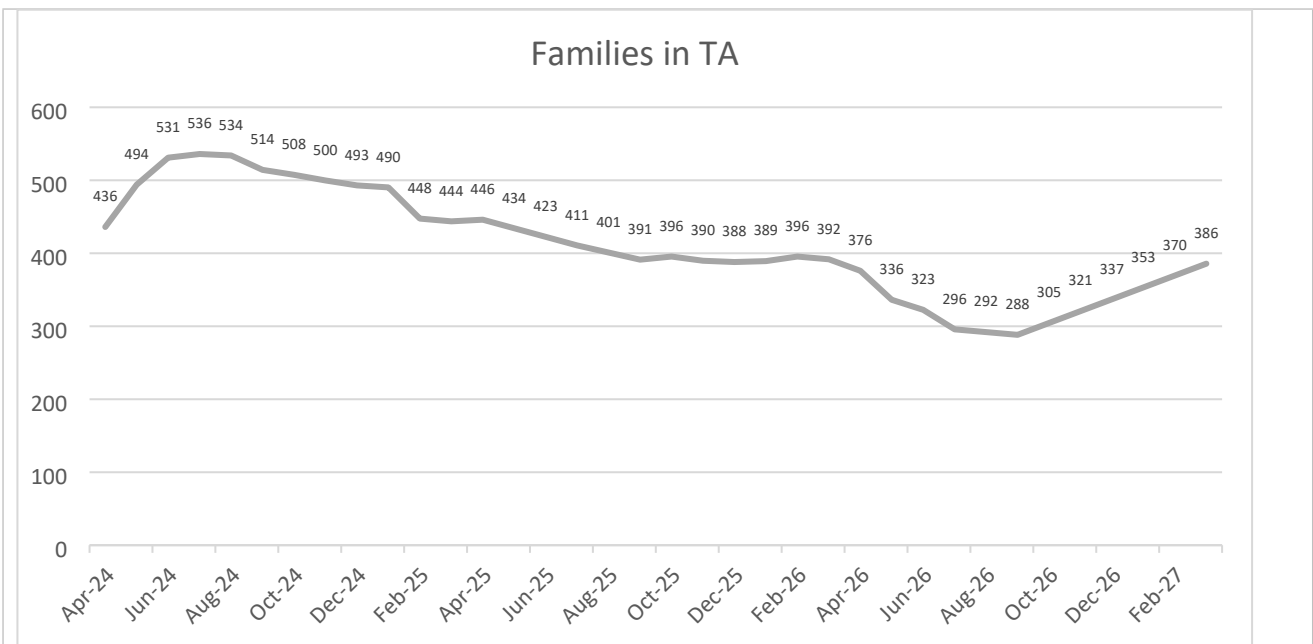
4.3.7 Again positively for families the delivery of new affordable housing and the £45m temporary accommodation will have a very positive impact on reducing down the numbers of families in Temporary accommodation and B&B. It is expected by March 2025 numbers will reduce to 446 with the majority of these accommodated in suitable and appropriate temporary accommodation and not in B&B with this figure continuing to reduce further during 2026 to a low of 288 by August 2026 as more permanent Affordable Housing is delivered. See chart 2 below

Projected Forecast Position

SINGLES- Chart 1



FAMILIES – Chart 2



5.0 Future Need

5.1 Even with all the delivery of new permanent affordable housing and the additional temporary accommodation it is clear to see that the Council will continue to see ongoing demand for both temporary and more permanent accommodation. Work has been ongoing to map, monitor and respond to this huge pressure the City and Council face.

5.2 To this end proposals have been included in the Housing Revenue Account budget that will be considered over the coming few months politically. It is anticipated that the budget will include a proposal for a significant financial capital injection to deliver more permanent Council housing beyond the 1500 units set for delivery already in order to create ongoing and increased numbers of permanent move on accommodation for those facing Homelessness.

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

3.1 Financial implications

This report presents an update on the homelessness pressures facing the Council. The interventions approved by Full Council in March 2024 to acquire properties are forecast to be saving the Council £6m on temporary accommodation spend in 2024/25, rising to £27m in 2025/26 and £45m in 2026/27. Despite this positive work, this continues to be a high-risk area for Council finances.

Stuart McAvoy – Head of Finance
7th November 2024

3.2 Legal implications

As the report identifies, the demands on the council are such that it is struggling to meet its statutory obligations to homeless persons. In particular, families are being accommodated in temporary accommodation (frequently Bed & Breakfast accommodation) for significant periods of time. The Homelessness (Suitability of Accommodation) (England) Order 2003

limits the use of Bed & Breakfast accommodation for families and pregnant women to no more than six weeks and then only in exceptional circumstances where no other accommodation is available.

Jeremy Rainbow – Principal Lawyer (Litigation)

Legal Services are actively working with Estates and Building Services and Housing to achieve the very high completion targets being demanded. Additional recruitment is currently ongoing within Legal Services in an effort to achieve the targets and to reduce the need for externalisation, which can be more expensive in the longer term. In addition to recruitment, since the EM Lawshare service ended, a procurement exercise is also currently being undertaken so that external legal support can also be available should the need arise.

Zoe Iliffe, Principal Lawyer (Property Highways & Planning)

3.3 Equalities implications

When carrying out its functions (including decision making, policy and service development, projects and service delivery) the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a 'protected characteristic' and those who do not. In doing so, the council/ decision makers must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics. Protected groups under the Equality Act are age, disability (including mental health as well as physical disabilities), gender re-assignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.

This report provides an update on homelessness in the City and progress in relation to the investment into additional Homelessness accommodation and services. This is against the backdrop of the challenges, nationally and locally of rising levels of homelessness. The lack of affordable, quality housing drives homelessness, as well as pressures arising from the cost-of-living crisis and many other national factors. This has impacted on households being able to sustain their tenancies and, in many cases, leading to homelessness.

Housing is a human right and the investment outlines Leicester's commitment to ending rough sleeping and tackling all forms of homelessness.

The impacts of homelessness can be devastating for individuals and families. It can affect both physical and mental health, educational and employment opportunities (for both adults and children) and has long term consequences for those affected. The local authority has a statutory duty to secure accommodation for unintentionally homeless households who fall into a 'priority need' category.

The Council also provides advice and other assistance to help prevent homelessness and has an enhanced offer to help more households than its statutory duty. Certain categories of household, such as pregnant women, families with children, young care leavers and households that are homeless due to an emergency such as a fire or flood, have priority need if homeless. Other groups may be assessed as having priority need because they are vulnerable if homeless due to, for example, old age, or physical or mental ill health, or

because they are vulnerable as a result of being in prison, or care or as a result of becoming homeless due to domestic abuse.

Those affected by homelessness are likely to include individuals from across various protected characteristics. Support provided to homeless people and those facing homelessness helps to develop skills to live independently in their own homes. This includes integration into the community, taking part in leisure activities and support to find education, training or employment. Continued partnership work that strengthens ways of working together across agencies, disciplines and sectors, should lead to positive impacts for people from across all protected characteristics.

Equalities Officer, Surinder Singh, Ext 37 4148

3.4 Climate Emergency implications

There are limited climate emergency implications directly associated with this report. More widely, however, housing is one of the largest sources of carbon emissions in Leicester, responsible for 33% of emissions. Following the council's declaration of a Climate Emergency addressing these emissions is vital to meeting our ambition, particularly where the council has a higher level of influence and control.

As such, work to address homelessness in the city should include consideration of opportunities to reduce the carbon emissions of housing, as appropriate and relevant to the project. This could include working to ensure that properties involved have high-performing insulation, energy efficient heating, low energy lighting and low carbon/renewable energy systems, especially where they are under local authority ownership. Improving the energy efficiency of homes should also help to ensure that housing is comfortable for occupants, reduce energy bills and help to limit maintenance costs.

Aidan Davis, Sustainability Officer, Ext 37 2284
18 October 2024

4. 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

5. Is this a “key decision”? If so, why? No, update report.

Overview Select Committee

Council Tax Support Scheme 2025/26 – Consultation Outcome

Date of Meeting: 12 December 2024

Lead director: Amy Oliver

Useful Information

- | | |
|---------------------------|--|
| ▪ Ward(s) affected: | All |
| ▪ Report author: | James Rattenberry, Strategic Policy Lead |
| ▪ Author contact details: | James.rattenberry@leicester.gov.uk |
| ▪ Report version number | 1 |

1. **Purpose of Report**

- 1.1 The purpose of this report is to provide an overview of the proposed simplified “banded” council tax support scheme and the consultation results. Any changes to the scheme would require a decision by full Council on 16 January 2025 and take effect from 1 April 2025.

2. **Summary**

- 2.1 The Council is required to maintain a Council Tax Support scheme (CTSS) in respect of dwellings occupied by persons we consider to be in financial need. Our scheme has remained unchanged since its introduction in 2013.

- 2.2 Our new proposed scheme adopting a simplified ‘banded’ approach is intended to:
- make it easier to apply for and understand support;
 - reduce the number of times we make changes to amounts awarded;
 - increase support to the most vulnerable households;
 - make the scheme easier to administer;
 - make the system work better for those receiving universal credit (UC); and
 - reduce the overall costs of the scheme to help the Council address future budget deficits.

- 2.3 A public consultation ran from 30 September to 10 November 2024 receiving 280 responses, and responses were also sought from the Fire & Police Services. All elements of the proposal received broad support (between 63% and 88% of respondents).

3. **Recommendations**

- 3.1 The OSC is recommended to consider the overall position presented within this report and make any observations it sees fit.

4. **Report / Supporting Information**

Background

- 4.1 CTSS was introduced in April 2013 as a replacement for the national Council Tax Benefit scheme. The Government placed the duty to create a local scheme for working age applicants with the Council and reduced government funding by the equivalent of 10%. Funding has subsequently decreased further insofar as it can be identified within mainstream funding.

- 4.2 Since 2013 CTSS is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the Council.
- 4.3 Pensioners, subject to their income, can receive up to 100% support towards their council tax. The Council has no power to change the level of support provided to pensioners.

The current scheme for working age applicants

- 4.4 Since 2013 working-age CTS has operated with the following elements:
- Maximum award of 80% of a Band B property council tax liability.
 - Means testing based on household weekly income, compared against a set of allowances. If income exceeds the allowance any support is reduced accordingly.
 - Other adults (non-dependants) are treated as part of the household. With some exceptions, this reduces an award depending on their income (on average, between 14% and 44% of their liability).
 - Support is subject to a de minimis level, currently £4.65 per week.
 - Savings limit of £6,000, above which no support can be awarded.

The main issues with the current scheme

- 4.5 There are a number of issues with the current scheme that need addressing. The main ones are as follows, examined in detail below:
- make it easier to apply for and administer support;
 - make the system work better for those receiving UC by reducing the number of times we make changes to amounts awarded;
 - increase support to the most vulnerable households, and
 - reduce the overall costs of the scheme to help the Council address future budget deficits.

A simplified approach to CTSS

- 4.6 The existing scheme is based on an old-fashioned benefit-based scheme and requires updating because:
- The application process is complicated and requires a lot of information and evidence to make an assessment, including income details of all adult residents which significantly impact week-by-week entitlement.
 - UC customers are often required to reapply after their benefits cease, which has contributed to a gradual decline in the number of households receiving CTSS.
 - It is difficult for customers to understand and anticipate what their award will be, and how it is likely to change with their income and circumstances.
 - Staff have to undergo significant training to be proficient in processing claims and the timescales for processing applications can be lengthy, and

administration of the scheme is costly when compared to other discounts for Council Tax.

CTS and the roll out of UC

- 4.7 The introduction of UC within the City has brought several significant challenges to both the administration of CTS and the collection of Council Tax generally. In common with other authorities the Council has experienced:
- A reduction in households receiving support as households move to UC and drop in and out of entitlement due to income changes,
 - A high number of changes to UC cases are received from the DWP requiring a change to CTS entitlement. In Leicester this currently stands at c130,000 per annum and is expected to rise to c160,000 changes per annum from the end of 2025. These changes may result in amendments to Council Tax liability, the recalculation of instalments, delays, the loss in collection and increase in postage costs; and
 - The increased costs of administration through multiple changes with significant additional staff and staff time being needed. Customers may also be confused with frequent changes to the amount they are required to pay.
- 4.8 UC is assessed monthly and under the current system even very small changes will lead to CTSS being reassessed for the remainder of the financial year, resetting all instalments due. This makes it extremely difficult for low-income households to be able to budget and make payments. On average CTSS is recalculated eight times a year against a schedule of either 10 or 12 payments due. The existing means tested CTSS will not be viable in the longer term now that UC has been rolled out fully within the area and with the increase in UC claimants due to managed migration from legacy benefits (to be completed by the end of 2025).

Focussing assistance on the most vulnerable

- 4.9 Similar to other authorities, the Council currently requires all working age applicants to pay a minimum of 20% towards their Council Tax (80% maximum support of a Band B property) regardless of their income or ability to improve their household finances, for example by moving into full-time employment.
- 4.10 The proposals seek to extend support up to 100% for the most vulnerable households on the lowest income up to a Band C property, enhancing available protection and reducing unnecessary administration and recovery action.

The proposed approach for the 2025/26 CTSS

- 4.11 In view of the problems being experienced with the current scheme, it is proposed that an alternative approach be taken from 2025/26. The approach has been to fundamentally redesign the scheme to address all of the issues with the current scheme.
- 4.12 The proposed new scheme has several key features as follows:

- Vulnerable households will receive a maximum discount of 100% of a Band C property council tax liability, increased from 80% of a band B property.
- Other households (non-vulnerable) will receive a maximum discount of 75% of a band B property, reduced from 80%.
- The scheme remains a means tested based on household weekly income but is simplified, with household income defined within weekly income bands. This means small changes in income will not trigger a support recalculation. Most incomes would be included, with only Child Benefit and UC Housing Costs continuing to be disregarded.
- There will be a simplified calculation of non-dependant deductions with a proposed deduction of 20% (of any CTS award) where a non-dependant resides within the household. A 20% reduction shall be made for **every** non-dependant resident.
- Disregards for childcare costs and the capital limit of £6,000 would be unaffected.

4.13 The proposed scheme focusses help to the most vulnerable in our city (one-fifth of those currently supported) and defines vulnerable where the applicant or partner receives any of the following:

- Middle or higher rate care component of the Disability Living Allowance, or the enhanced rate of the Daily Living Component of Personal Independence Payments; or
- Carers' Allowance or the Carer's Element of UC; or
- Income-related Employment & Support Allowance; or
- The Support Component of contribution-based ('new style') Employment & Support Allowance; or
- UC with a Limited Capability for Work or Limited Capability for Work Related Activity Element; or
- Households where any dependant child or young person is in receipt of a disability benefit.

4.14 All forms of income will form part of the assessment, with the exception of the following:

- Child Benefit and their equivalents (Fostering Allowance, Child's Guardian's Allowance, Special Guardianship Allowance)
- The Housing Costs element of UC
- War Widows & War Disablement Pensions

4.15 We will also offset disability-related income for second and subsequent household members (after the first), to ensure that multiply-disabled households are not disproportionately disadvantaged.

How the new scheme will address the problems with the current CTSS

4.16 With the simplicity of the proposed new scheme and by taking an approach closer to that already used for other Council Tax discounts, it will address the problems associated with the increased administration caused by failings in the current scheme and UC as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the bureaucracy associated with making a claim and, where possible, CTS will be awarded automatically.
- **Speed of processing.** All claims will be able to be calculated promptly and largely automatically without the need to request further information. Processing days could be reduced from 30 days to 15 days.
- **Maximising entitlement to every applicant.** There will no requirement for UC applicants to apply separately for CTS, and for all other applicants, the claiming process will be simplified significantly.
- **Maintenance of collection rates.** The new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in supporting collection rates. However, it should be noted that the decreased level of support for non-vulnerable working age cases may have a corresponding negative effect on collection levels.
- **The income bands are sufficiently wide to avoid constant changes in support.** The new scheme, with its simplified income banding means only significant changes in income will affect the level of discount awarded. Council Taxpayers who receive CTS will not receive multiple Council Tax bills and adjustments to their instalments.

The effect of proposed scheme on individual households

- 4.17 The proposed changes will have a significant effect on households within the Council's area especially those on the lowest of incomes. Current modelling allows us to project the likely outcomes for typical households given their individual circumstances.
- 4,200 households would be better off (this will primarily be the vulnerable group);
 - 13,500 would be worse off, including 1,900 households who would cease to receive CTS (income too high and currently receiving only partial support);
 - Households better off (as a result of the protection) would benefit by an average of £250 per household per annum, or £4.80 per week; and
 - Households worse off would lose an average of £325 per household per annum, or £6.25 per week
- 4.18 In order to mitigate some of the losses, it is proposed that the Council Tax Discretionary Relief (CTDR) scheme will be increased from £0.5m to £0.75m per year for two years to protect individuals who experience exceptional hardship. The Council will consider all applications for exceptional hardship on an individual basis, considering available income and essential outgoings. Where appropriate further support will be given to the applicant.
- 4.19 This approach will enable individual applicants to be dealt with in a fair and equitable manner. Recovery of outstanding debt will be considered under the fair debt policy.

Alternative Options

- 4.20 The alternatives to introducing a banded CTSS from 2025/26 is to leave the existing scheme in place, or decreasing the maximum award only. This would be a short-term option and lead to increasing scheme costs and administration costs, and collection costs if payments were increased for all CTSS households regardless of means.
- 4.21 If the Council wished to consider adopting a scheme with a lower savings profile, it could consider the following options:
- Adding more bands, e.g. 100/80/60/40/20% for vulnerable and 80/60/40/20% for non-vulnerable households. This would reduce by £850,000 per annum.
 - Adding more categories, e.g. more generous allowances for households with three or more children. This would reduce savings by £350,000 per annum.
 - Reintroducing income disregarded from assessment in the current scheme, such as Personal Independence Payments. This would reduce savings by £1.3m.

5. Consultation

- 5.1 A full consultation was undertaken in line with statutory requirements with:
- Leicestershire Police and Crime Commissioner;
 - Leicestershire Combined Fire Authority; and
 - The public.
- 5.2 Consultation material and questions were shared with the precepting authorities on 3 September 2024. No objections were made by either of the major preceptors, and the Fire Service provided a written response confirming their support for the proposals.
- 5.3 A consultation exercise was undertaken with the public for six weeks between 30 September and 10 November 2024. Communications promoting the consultation including emailing or writing to all current CTSS households, briefings to frontline staff, holding telephone messages hosted by Customer Services, and promotion through Council publications.
- 5.4 Of 280 responses received, 5 were from out of the Leicester area and 7 were from residents not liable for Council Tax, leaving 268 evaluated responses. A summary of the responses for each of the question relating to the key changes are shown below. It should be noted that most responses received from the public agreed with all of the proposed changes.

Question	Agree (%)	Disagree (%)	Don't know (%)	Agree disregarding non-responses (%)
Do you support the introduction of a banded income scheme?	0.52	0.21	0.27	0.71
Do you support the measures to support vulnerable applicants?	0.76	0.11	0.13	0.87
Do you think the bands in the table are fair?	0.42	0.27	0.31	0.61

Do you agree with the simplification of the way we calculate support when “non-dependent” adults (adults other than the applicant and their partner) reside in the household	0.46	0.27	0.27	0.63
Do you agree that we disregard housing benefit and some elements of UC when we place applicants into an income band	0.67	0.14	0.19	0.83
Do you agree that we support families by continuing to disregard child benefit when we place applicants into an income band, and make allowance for child-care costs when we calculate spending needs	0.69	0.12	0.19	0.86
Do you agree that we continue to protect war pensioners by disregarding war pensions and war disablement pensions when we place applicants into an income band	0.77	0.07	0.16	0.92
Do you agree that we remove the “extended payment” provisions which apply when an applicant ceases to be entitled to support, to be consistent with the way UC works	0.59	0.19	0.22	0.76

6. Scheme Costs

- 6.1 The current costs of the scheme are £26.6m of which £11.7m is related to the pension age scheme (which will not change) and £14.9m for the working age scheme.
- 6.2 The costs of the scheme are met by the City Council in line with its share of the Council Tax. Any savings accruing would be shared with the Major Preceptors. Around 84% is met by the City Council and 16% by police/fire.
- 6.3 Based on the proposed scheme in Appendix 3, the forecast cost impact would be:

	25/26 £,000	26/27 £,000	27/28 £,000
Revenue savings	2,400	2,400	2,400
Less one-off revenue costs (IT)	(76)	0	0
Less additional discretionary relief	(250)	(250)	0
Net Saving / (Cost)	2,074	2,150	2,400

- 6.4 Table 1 shows only the savings attributable to the City Council. Additionally, the changes would unlock administrative savings (through reduced staffing) estimated at some £0.4m per year.
- 6.5 Other authorities implementing banded schemes experienced an initial increase in caseload, which may be due to people who are in receipt of UC starting to claim for the first time (some old schemes – not ours – required an additional application from UC claimants). Any such cost has been disregarded in the table as it is not possible to estimate – we believe it would not be significant. Overall, the caseload will reduce due to a fall in the number of eligible claimants.

7. **Proposed timetable**

7.1 The following is proposed as compliant with our legal obligations outlined in section 7.

Mayor decision to proceed with recommendation to Council	19 th December 2024
Council decision	16 th January 2025
New scheme live as part of council tax billing 2025/26	1 st April 2025

8. **Financial implications**

8.1 The decision to undertake the consultation carries minimal financial commitments; any costs will be met within existing service budgets.

8.2 If a new scheme is implemented following consultation, the future costs will clearly depend on the detailed parameters of the new scheme, as well as changes in caseload from wider demographic and economic changes. Under legislation, the costs of the CTS scheme are shared with the Police and Crime Commissioner and the Fire Authority; whereas discretionary relief and administration costs fall entirely to the city council as the billing authority.

8.3 Based on current caseloads and the scheme as set out in Appendix 3, the forecast cost is lower than the current scheme as set out in paragraph 5.3 above. This will be re-evaluated for any changes to the proposed scheme following consultation.

Catherine Taylor, Financial Strategy Manager, Ext 374056

9. **Legal implications**

9.1 Schedule 1A (3) of the Local Government Finance Act 1992, states that before making a scheme, the authority must:

- consult any major precepting authority which has power to issue a precept to it,
- publish a draft scheme in such manner as it thinks fit, and
- consult such other persons as it considers are likely to have an interest in the operation of the scheme.

9.2 In addition, in order to set a new scheme, the City Council is obliged to make a resolution by 11th March of the year prior to the scheme coming into place.

Kamal Adatia, City Barrister, Ext 371401

10. **Equality 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 Act therefore imposes a duty on the Council, which is separate from the general duty not to discriminate. When a Council carries out any of its functions, including deciding the Council Tax Support scheme to be adopted, the Council must have due regard to the matters within the section of the Act outlined above.

The purpose of this report is to provide an overview of the proposed simplified "banded" council tax support scheme and the consultation results. An Equalities Impact Assessment (EIA) has been conducted for this specific piece of work and has been updated following the consultation. The EIA has identified that there will be a negative impact on some households that will no longer be in receipt of support and mitigating actions have been identified across the relevant protected characteristics.

Sukhi Biring and Surinder Singh, Equalities Officers
27 November 2024

11. Climate Change implications

There are no significant climate change implications arising from this report.

Duncan Bell, Energy & Sustainability Service, Ext 372249

12. Summary of appendices

Appendix 1: Equality Impact Assessment (EIA)

Appendix 2: Full Consultation Outcomes

Appendix 3: Proposed CTS Scheme

13. 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.

14. Is this a "key decision"?

Yes.

15. If a key decision please explain reason

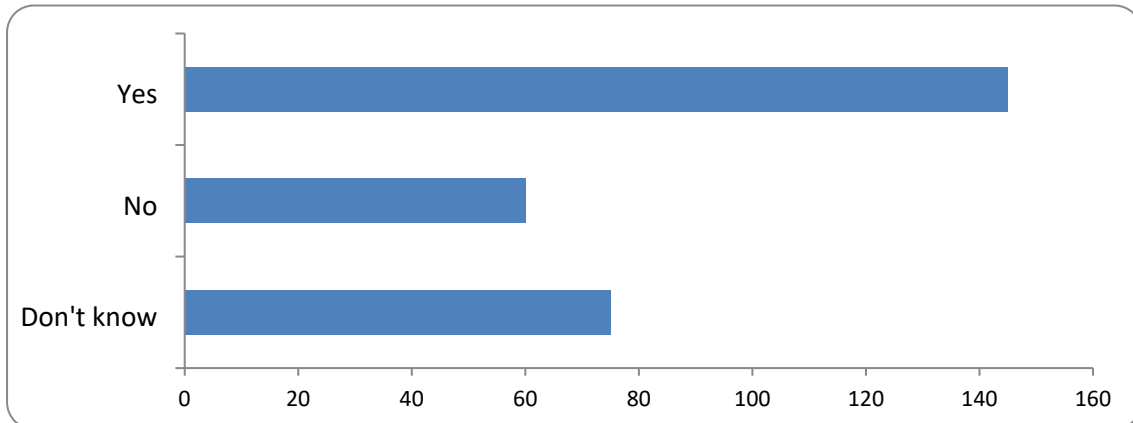
Significant impact on over 15,000 households requiring a statutory public consultation.

Appendix 1: CTSS 25/26 Consultation Outcomes

<https://consultations.leicester.gov.uk/communications/council-tax-support-scheme-2025-26>

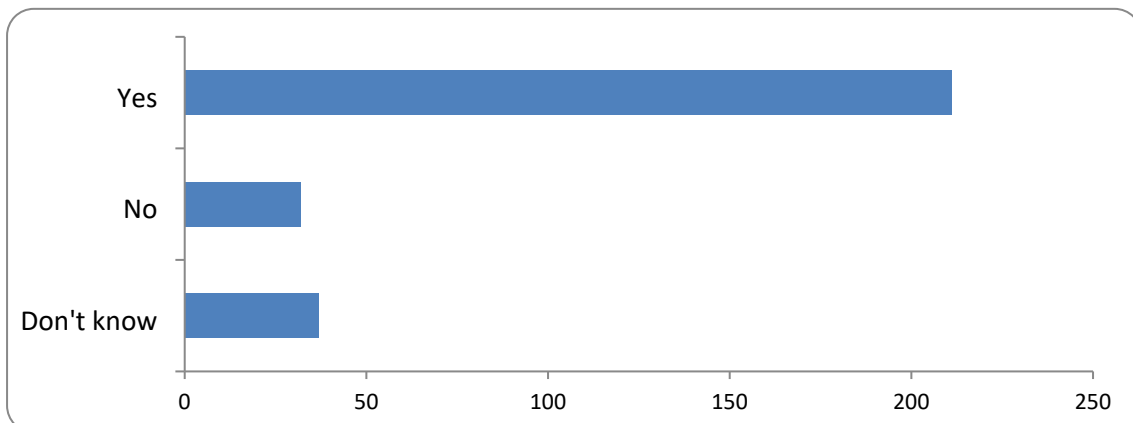
There were 280 responses.

Do you support the introduction of a banded income scheme?



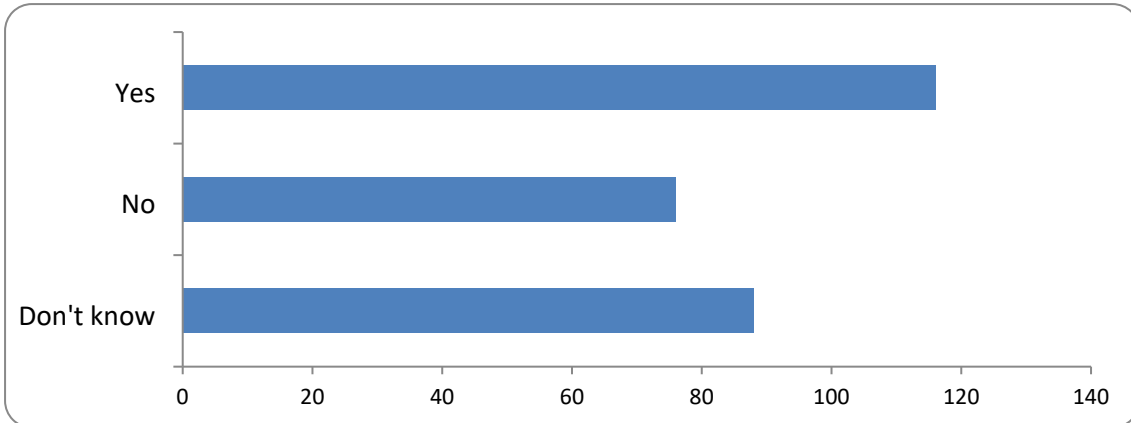
Option	Total	Percent
Yes	145	51.79%
No	60	21.43%
Don't know	75	26.79%
Not Answered	0	0.00%

Do you support the measures to support vulnerable applicants?



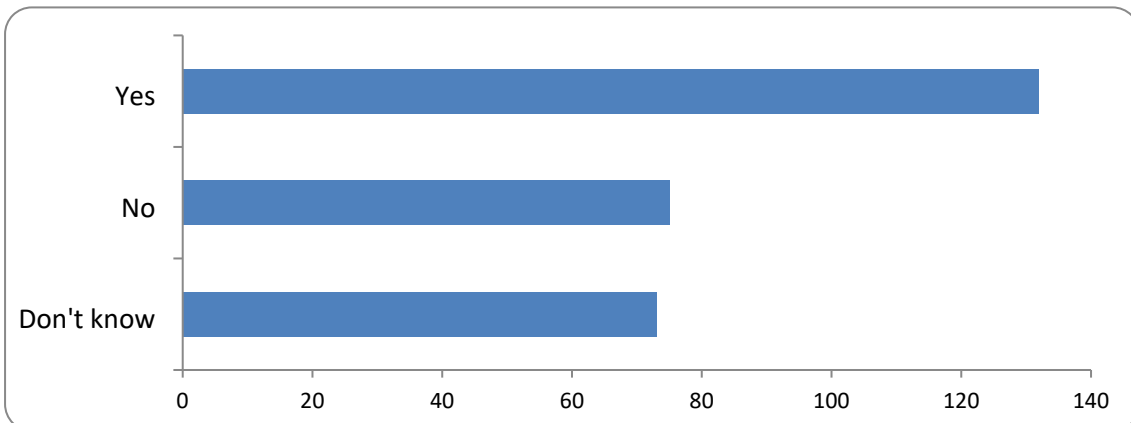
Option	Total	Percent
Yes	211	75.36%
No	32	11.43%
Don't know	37	13.21%
Not Answered	0	0.00%

Do you think the bands in the table are fair?



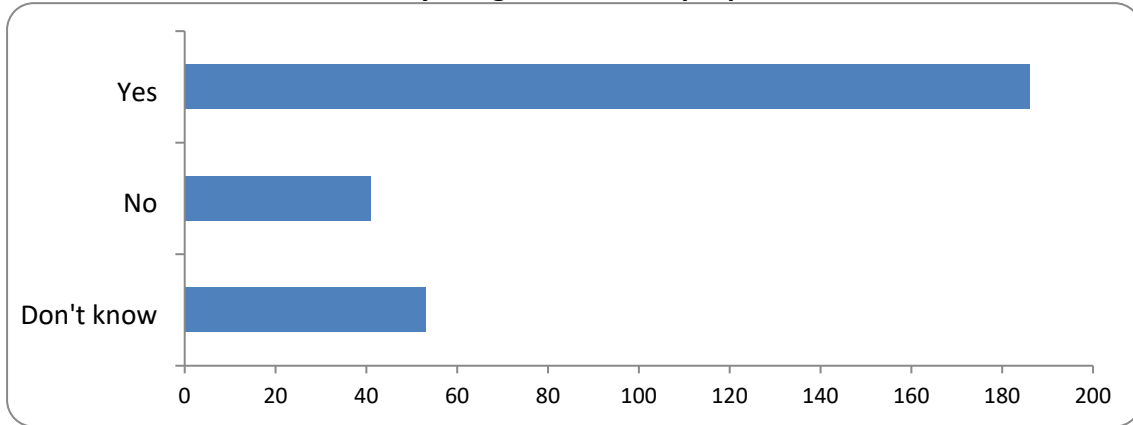
Option	Total	Percent
Yes	116	41.43%
No	76	27.14%
Don't know	88	31.43%
Not Answered	0	0.00%

Non Dependants - Do you agree with this proposal?



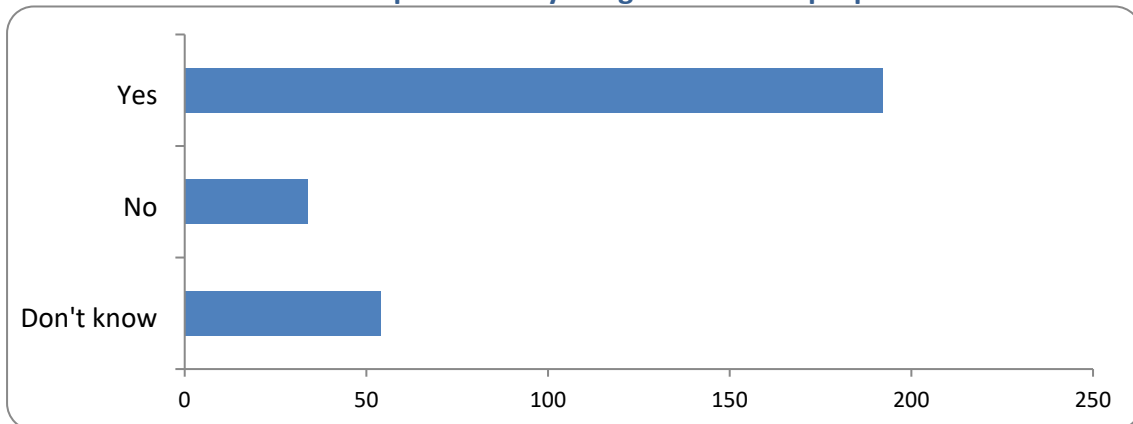
Option	Total	Percent
Yes	132	47.14%
No	75	26.79%
Don't know	73	26.07%
Not Answered	0	0.00%

Universal Credit elements - Do you agree with this proposal?



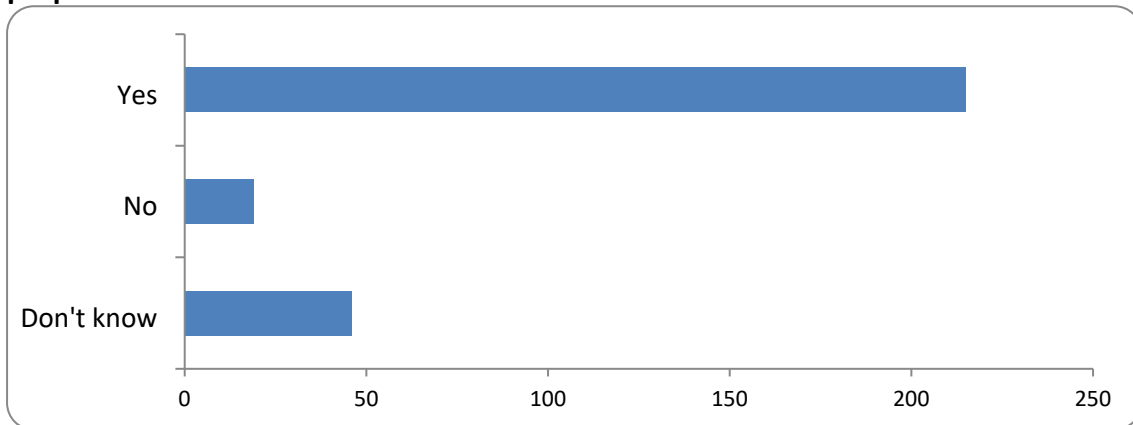
Option	Total	Percent
Yes	186	66.43%
No	41	14.64%
Don't know	53	18.93%
Not Answered	0	0.00%

Child Care and Child Care Proposals - Do you agree with this proposal?



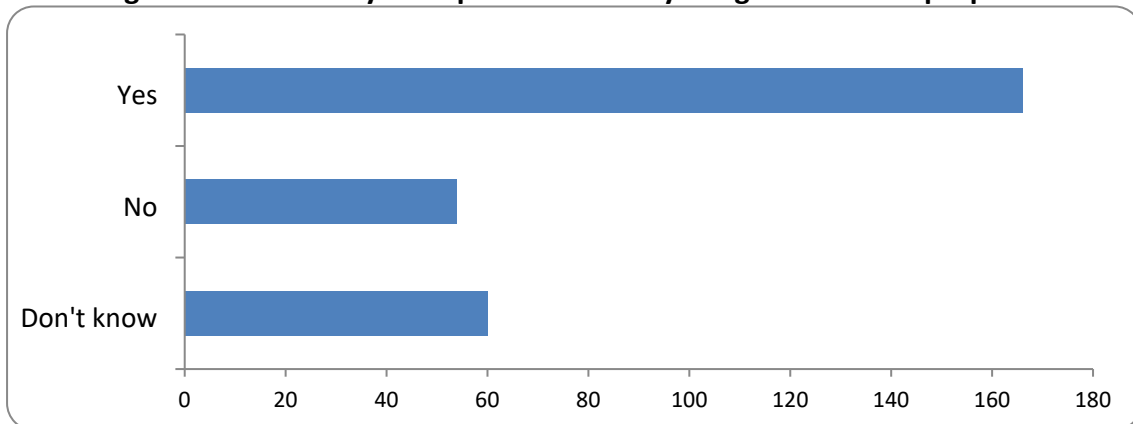
Option	Total	Percent
Yes	192	68.57%
No	34	12.14%
Don't know	54	19.29%
Not Answered	0	0.00%

Disregarding War Pensions and War Disablement Pensions - Do you agree with this proposal?



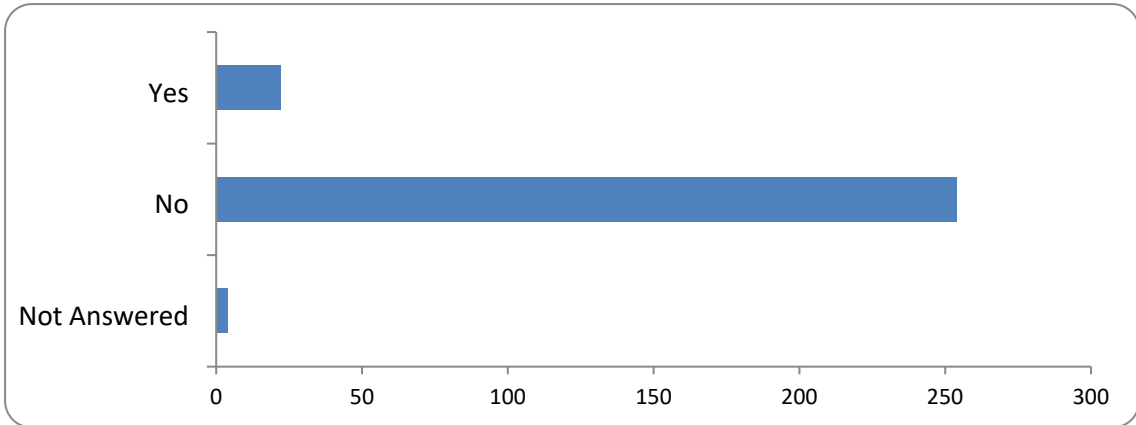
Option	Total	Percent
Yes	215	76.79%
No	19	6.79%
Don't know	46	16.43%
Not Answered	0	0.00%

Removing the Extended Payment provisions - Do you agree with this proposal?



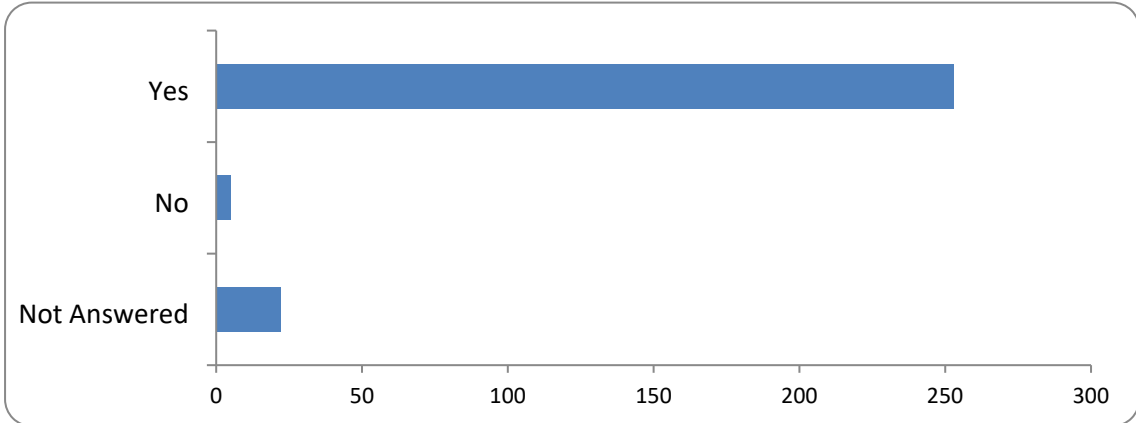
Option	Total	Percent
Yes	166	59.29%
No	54	19.29%
Don't know	60	21.43%
Not Answered	0	0.00%

**Are you completing this form on behalf on an organisation / group?
organisation / group**



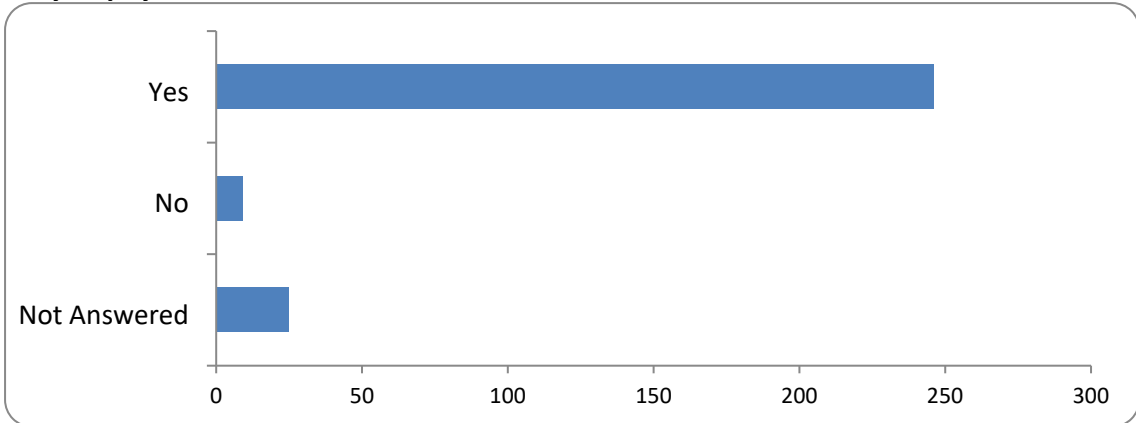
Option	Total	Percent
Yes	22	7.86%
No	254	90.71%
Not Answered	4	1.43%

Do you live in the Leicester City Council area?



Option	Total	Percent
Yes	253	90.36%
No	5	1.79%
Not Answered	22	7.86%

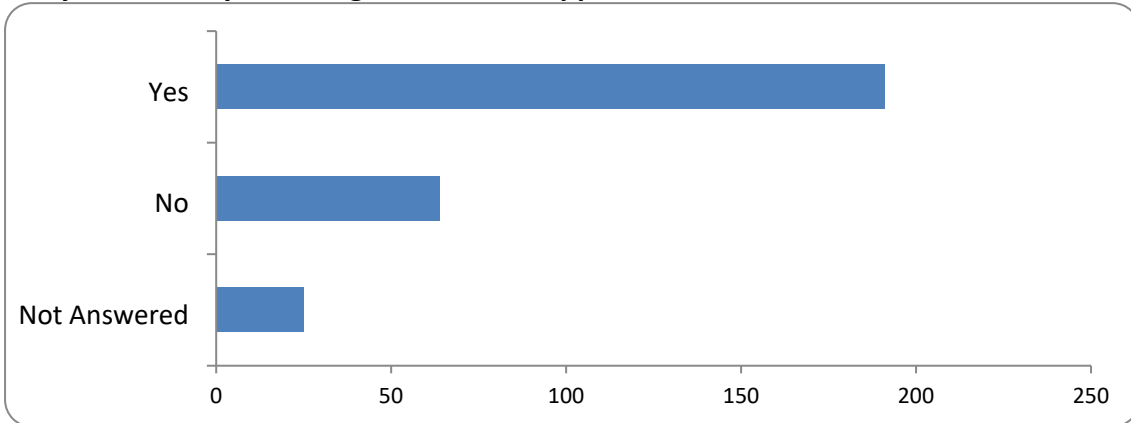
Do you pay Council Tax?



Option	Total	Percent
Yes	245	81.50%
No	10	3.23%
Not Answered	25	7.86%

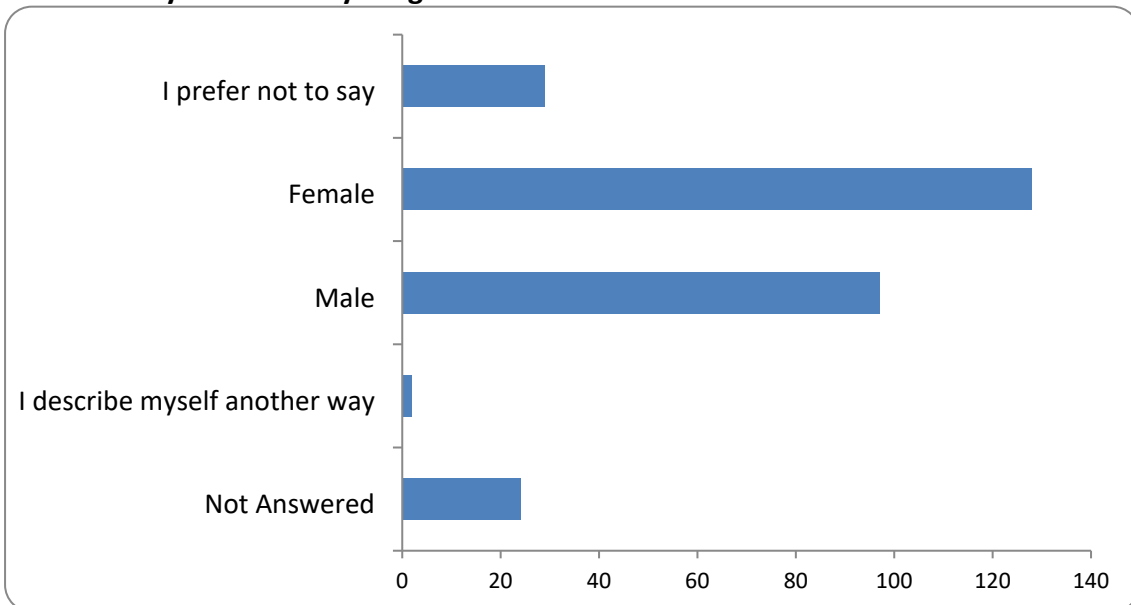
Yes	246	87.86%
No	9	3.21%
Not Answered	25	8.93%

Are you currently receiving Council Tax support?



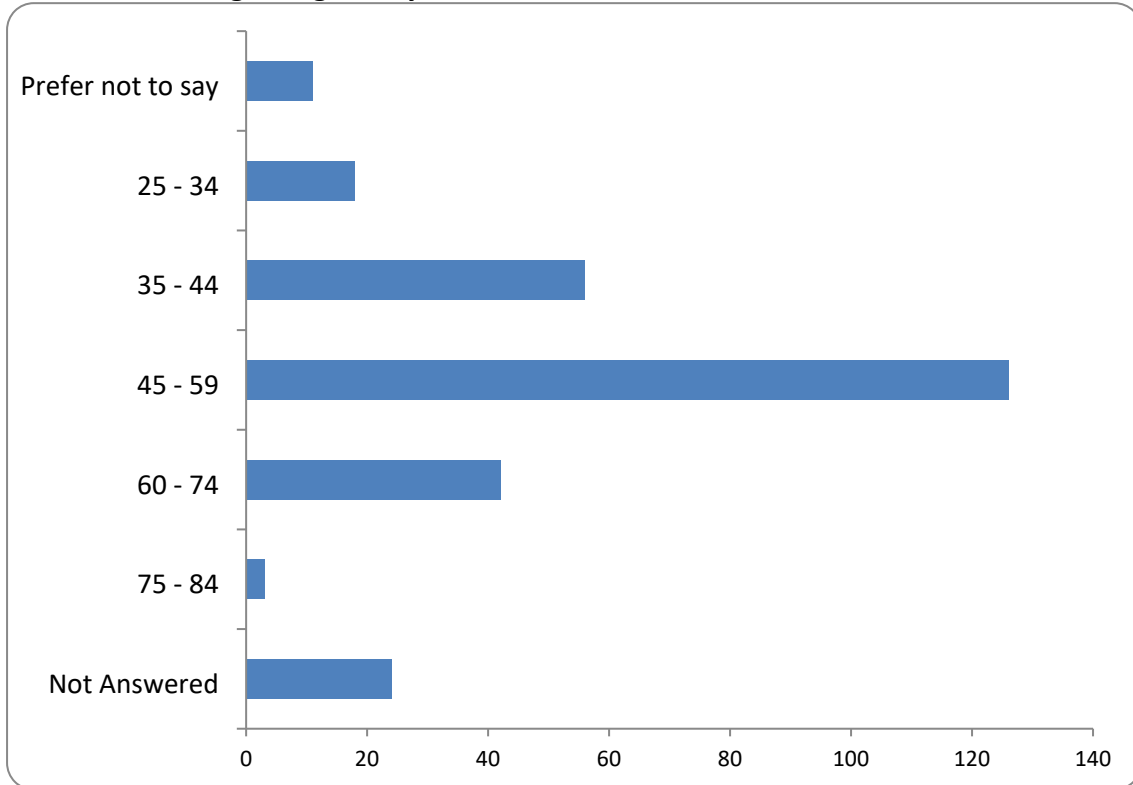
Option	Total	Percent
Yes	191	68.21%
No	64	22.86%
Not Answered	25	8.93%

How would you describe your gender?



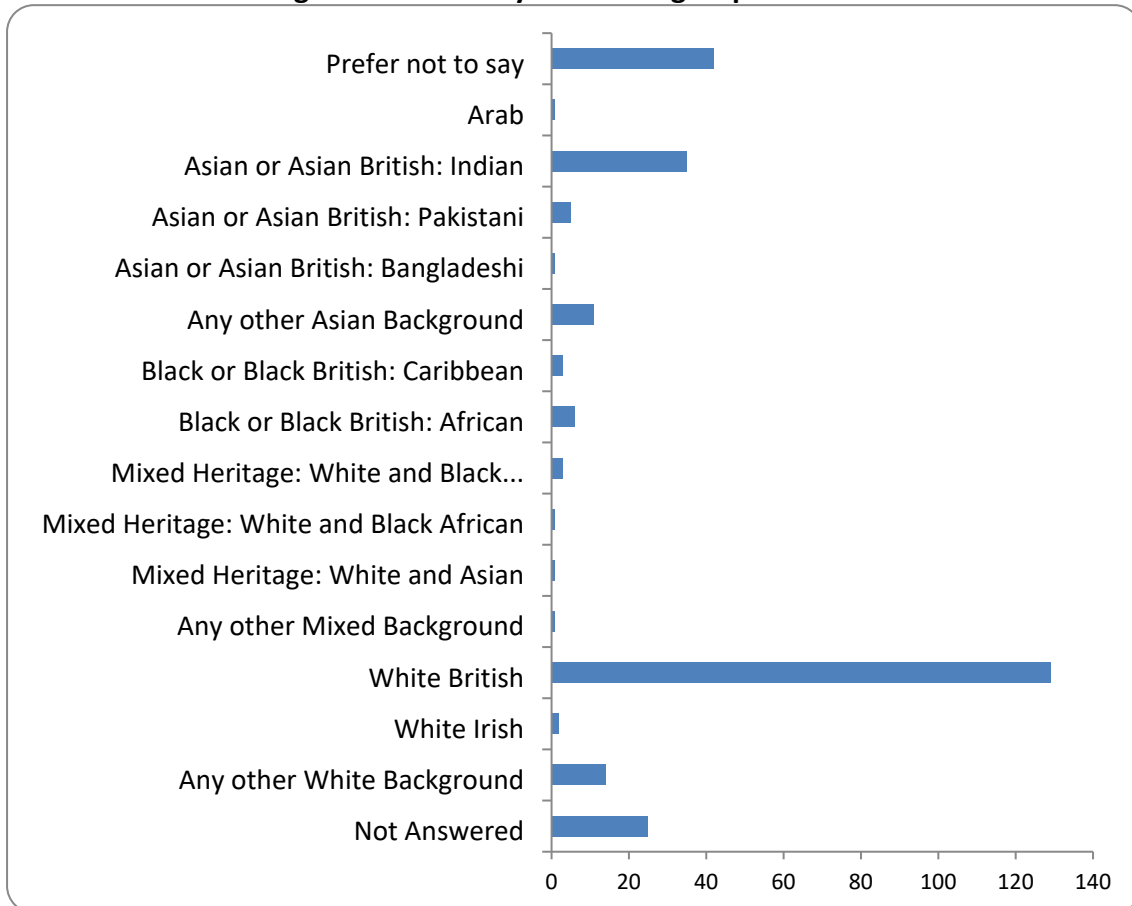
Option	Total	Percent
I prefer not to say	29	10.36%
Female	128	45.71%
Male	97	34.64%
I describe myself another way	2	0.71%
Not Answered	24	8.57%

Which of these age ranges do you fall into?



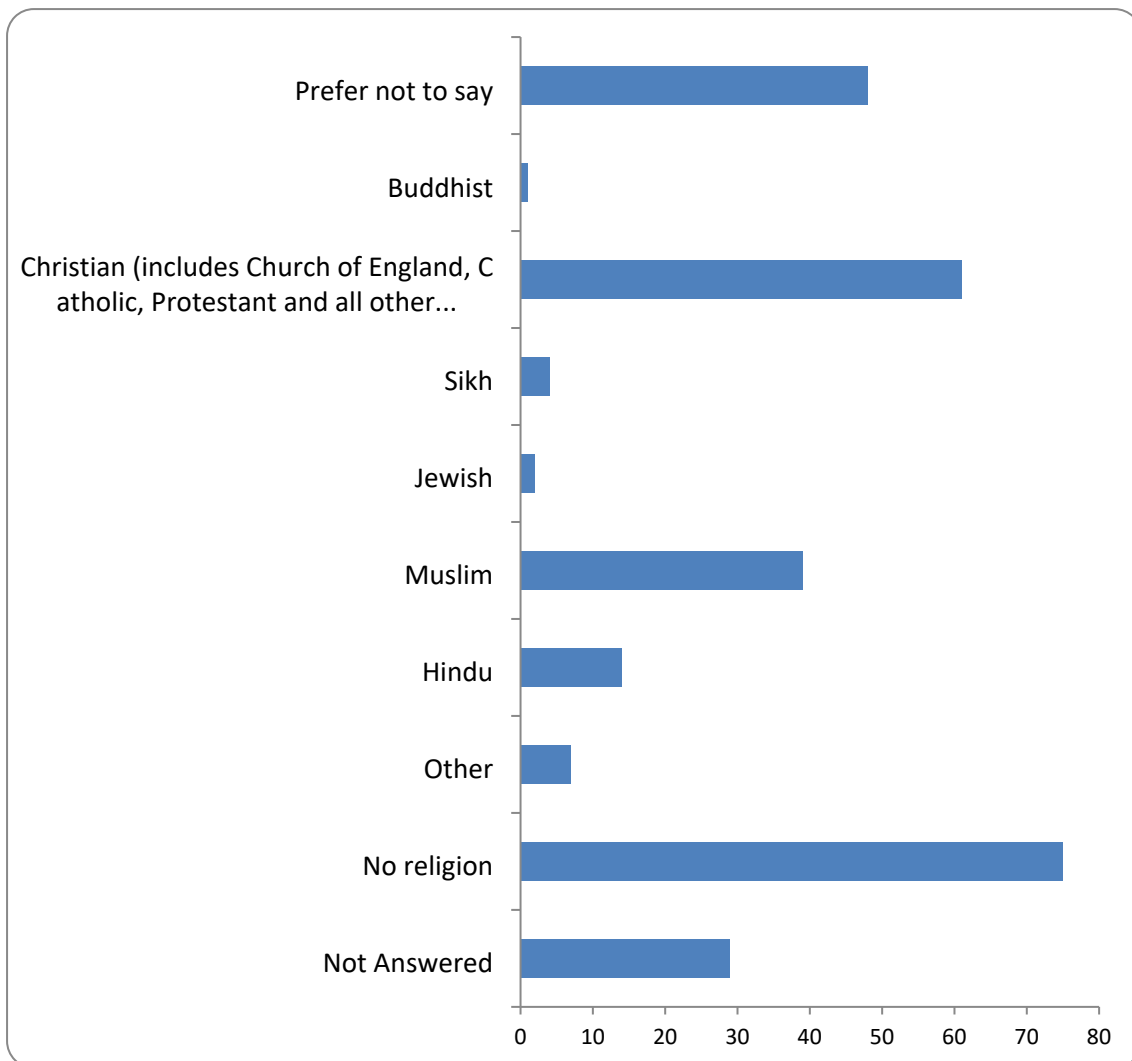
Option	Total	Percent
Prefer not to say	11	3.93%
16 - 24	0	0.00%
25 - 34	18	6.43%
35 - 44	56	20.00%
45 - 59	126	45.00%
60 - 74	42	15.00%
75 or over	0	0.00%
75 - 84	3	1.07%
85+	0	0.00%
Not Answered	24	8.57%

Which of the following best describes your ethnic group?



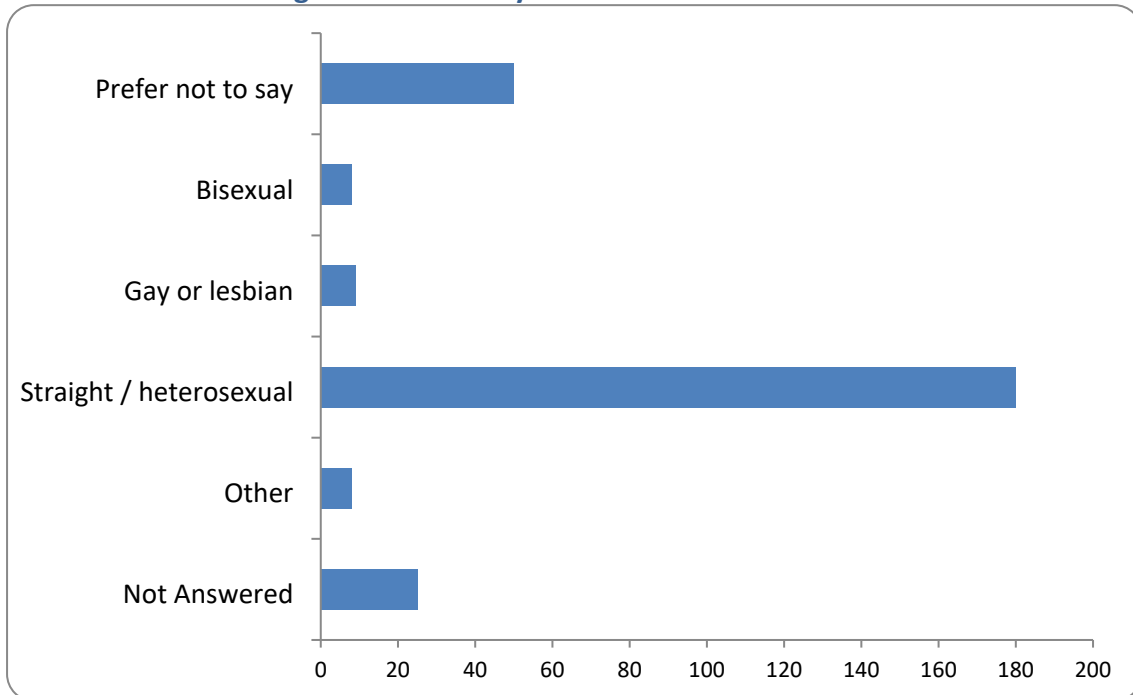
Option	Total	Percent
Prefer not to say	42	15.00%
Arab	1	0.36%
Asian or Asian British: Indian	35	12.50%
Asian or Asian British: Pakistani	5	1.79%
Asian or Asian British: Bangladeshi	1	0.36%
Asian or Asian British: Chinese	0	0.00%
Any other Asian Background	11	3.93%
Black or Black British: Caribbean	3	1.07%
Black or Black British: African	6	2.14%
Any other Black Background	0	0.00%
Mixed Heritage: White and Black Caribbean	3	1.07%
Mixed Heritage: White and Black African	1	0.36%
Mixed Heritage: White and Asian	1	0.36%
Any other Mixed Background	1	0.36%
White British	129	46.07%
White Irish	2	0.71%
Any other White Background	14	5.00%
Not Answered	25	8.93%

What is your religion/belief?



Option	Total	Percent
Prefer not to say	48	17.14%
Buddhist	1	0.36%
Christian (includes Church of England, Catholic, Protestant and all other Christian Denominations)	61	21.79%
Sikh	4	1.43%
Jewish	2	0.71%
Muslim	39	13.93%
Hindu	14	5.00%
Other	7	2.50%
No religion	75	26.79%
Not Answered	29	10.36%

Which of the following best describes your sexual orientation?



Option	Total	Percent
Prefer not to say	50	17.86%
Bisexual	8	2.86%
Gay or lesbian	9	3.21%
Straight / heterosexual	180	64.29%
Other	8	2.86%
Not Answered	25	8.93%

Appendix 3 – Proposed Scheme and Examples of the Impact on Different Households

		Vulnerable				Other			
Band	Discount	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two or more children/young persons
		Weekly Net Income							
1	100%	£0 to £150	£0 to £150	£0 to £150	£0 to £225	N/A	N/A	N/A	N/A
2	75%	£150.01 to £225	£150.01 to £225	£150.01 to £300	£225.01 to £375	£0 to £150	£0 to £150	£0 to £150	£0 to £225
3	50%	£225.01 to £300	£225.01 to £300	£300.01 to £450	£375.01 to £450	£150.01 to £225	£150.01 to £225	£150.01 to £300	£225.01 to £375
4	25%	£300.01 to £375	£300.01 to £375	£450.01 to £525	£450.01 to £525	£225.01 to £300	£225.01 to £300	£300.01 to £450	£375.01 to £450
5	0%	£375.01+	£375.01+	£525.01+	£525.01+	£300.01 +	£300.01 +	£450.01 +	£450.01 +

51

Equality Impact Assessment (EIA) Tool:

Title of proposal	Council Tax Support Scheme (CTSS) Proposed 2025/ 2026 Scheme Post-consultation
Name of division/service	Finance
Name of lead officer completing this assessment	James Rattenberry, Principal Policy Officer
Date EIA assessment commenced	1 May 2024
Date EIA assessment completed (<i>prior to decision being taken as the EIA may still be reviewed following a decision to monitor any changes</i>)	27 November 2024
Decision maker	Amy Oliver
Date decision taken	16 January 2025

EIA sign off on completion:	Signature	Date
Lead officer	James Rattenberry	18 November 2024
Equalities officer (has been consulted)	Sukhi Biring	27 November 2024
Divisional director	Amy Oliver	27 November 2024

Please ensure the following:

- a) That the document is **understandable to a reader who has not read any other documents** and explains (on its own) how the Public Sector Equality Duty is met. This does not need to be lengthy but must be complete and based in evidence.
- b) That available support information and data is identified and where it can be found. Also be clear about highlighting gaps in existing data or evidence that you hold, and how you have sought to address these knowledge gaps.
- c) That the equality impacts are capable of aggregation with those of other EIAs to identify the cumulative impact of all service changes made by the council on different groups of people.
- d) That the equality impact assessment is started at an early stage in the decision-making process, so that it can be used to inform the consultation, engagement and the decision. It should not be a tick-box exercise. Equality impact assessment is an iterative process that should be revisited throughout the decision-making process. It can be used to assess several different options.
- e) Decision makers must be aware of their duty to pay 'due regard' to the Public Sector Equality Duty (see below) and 'due regard' must be paid before and at the time a decision is taken. Please see the Brown Principles on the equality intranet pages, for information on how to undertake a lawful decision-making process, from an equalities perspective. Please append the draft EIA and the final EIA to papers for decision makers (including leadership team meetings, lead member briefings, scrutiny meetings and executive meetings) and draw out the key points for their consideration. The Equalities Team provide equalities comments on reports.

1. Setting the context

Describe the proposal, the reasons it is being made, and the intended change or outcome. Will the needs of those who are currently using the service continue to be met?

Local Council Tax Support was introduced in April 2013 to replace the national Council Tax Benefit scheme which was fully funded by Central Government.

Council Tax Support basically consists of two schemes, the scheme for Pension Age applicants and the scheme for Working Age applicants. The Pension Age Scheme is prescribed by Government and allows support of up to 100% of an applicant's Council Tax subject to their income and circumstance. The Council does not have powers to make any amendments to that scheme.

In the case of working age applicants, each Council is obliged to establish a scheme.

When Council Tax Support was introduced, funding available from Government was reduced which meant the majority of Councils had to adopt working age schemes that provided less support to taxpayers than the previous Council Tax Benefit.

In the case of the City Council, the scheme was based on the previous Council Tax Benefit approach but required a minimum payment of 20% of Council Tax liability from all working-age households. Since its introduction in 2013, the scheme has remained broadly unchanged.

The current scheme was not designed to deal with the implementation of Universal Credit (which will be fully rolled out across the Council areas by 2025). It is also complex and administratively inefficient leading to significant additional staffing resource.

Additionally, the Council is seeking to make savings in the cost of the scheme due to current financial constraints. The cost of the scheme is borne by the Council and the major precepting authorities (Police & Fire & Rescue) and is estimated to be £26.6m in 2024/25. The working-age scheme currently costs £14.9m and can be amended by full Council only following a public consultation.

In order to address both the financial and administrative issues, we are proposing a simplified 'banded' working age scheme which will continue to offer up to 75% support to most households but will protect applicants who are deemed to be severely disabled households, by allowing up to 100% support subject to their income. On average, CTS households will see an average reduction in support of £182.14 per year, equivalent to £3.50 per week.

The Council recognises that this is a significant change in both approach and the level of support.

Financial modelling has been undertaken (and will continue to be undertaken throughout the project and the figures initially indicate:

- 4,200 households would be better off;
- 13,500 would be worse off, including 1,900 households who would cease to receive Council Tax Support (typically as a result of excess earnings and who currently receiving partial rather than full support);
- Households better off (as a result of the protection) would benefit by an average of £250 per household per annum, or £4.80 per week.
- Households worse off would lose an average of £325 per household per annum, or £6.25 per week.

In order to mitigate the effects on households who will be worse off under the new scheme, the Council maintains a Council Tax Discretionary Relief (CTDR) provision which allows applicants to apply for additional support where they are facing exceptional hardship.

Part of the proposed changes would be to increase the level of CTDR funding available by £250,000 for 2 years.

2. Equality implications/obligations

Which aims of the Public Sector Equality Duty (PSED) are likely be relevant to the proposal? In this question, consider both the current service and the proposed changes.

a. Eliminate unlawful discrimination, harassment and victimisation

- How does the proposal/service aim to remove barriers or disproportionate impacts for anyone with a particular protected characteristics compared with someone who does not share the same protected characteristics?
- Is this a relevant consideration? What issues could arise?

Ensuring that there are no barriers for those with protected characteristics is a key aim for the Council.

Where working age applicants fall within a “protected group”, support will be available up to 100% (subject to their income) – for this purpose, protected groups are defined as those which include households with a disabled child, receiving Carer’s Allowance or the Carers element of Universal Credit, receiving income-related Employment & Support Allowance, contribution-based Employment & Support Allowance with a Support Component, or a Limited Capability for Work or Work Related Activity elements of Universal Credit, and receiving the middle- or higher-rate of Disability Living or the higher rate of Personal Independence Payments

In addition, Housing Benefit, The Housing Element of Universal Credit and Child Benefit will be disregarded as an income.

For households with more than one member receiving disability benefits, we will only take into account the disability-related income of one, and disregard the remainder – either through CTSS itself or through annual use of CTDR.

The new banded scheme makes provisions for household size and in particular, where any household has dependent children / young persons the proposed scheme allows for additional levels of weekly income before calculating the level of support to be granted. However, it should be noted that the current non dependant charges, which vary depending on the non-dependant's circumstances, are replaced by a standard weekly deduction of £20 for each non-dependant irrespective of their income / earnings levels. The protections relating to those deductions will be maintained such as where the applicant or partner or the non-dependant is disabled, no deduction will be made.

It is clear that some households will be worse off although this will be ameliorated by the availability of CTDR, and we are requesting a 50% uplift in fund value to mitigate impacts.

Adopting a group as "protected" means that the client group would be protected (fully or partially) from the impact of the reduction in the level of the support from the scheme.

It is proposed that there is an increase in the amount of Discretionary Relief (CTDR) available from £500,000 to £750,000 per year.

b. Advance equality of opportunity between different groups

- Does the proposal/service advance equality of opportunity for people?
- Identify inequalities faced by those with specific protected characteristic(s).
- Is this a relevant consideration? What issues could arise?

The Council seeks to ensure that it meets its duty to promote equality and ensure opportunity under the Equality Act 2010.

In addition, Government has ensured that pension age applicants are protected under the prescribed requirements regulations.

The main inequality is faced by working age claimants (who are not deemed to fall within the protected group) who will face the majority of savings made under the scheme.

With regard to enforcement measures in council tax recovery, previous studies have found that women, those with disabilities and people with responsibility for young children may be disproportionately affected. This is due to the fact that the claims population has higher numbers of people within it who face the greatest barriers to work.

Notwithstanding the protections previously stated, some vulnerable groups may face inequalities and these include those with:

- disabilities who could be negatively impacted overall by the reduction measures (5-6%, although 19% of the caseload are positively impacted through receipt of disability benefits);
- dependent children under 5 (13%); and
- other groups including care leavers, foster carers etc. (2%).

The Council's analysis does not suggest that the changes within the Council Tax Support Scheme have or will continue to impact upon any group for whom the Council has a statutory duty under the Equality Act disproportionately, other than the natural distribution of those groups within the existing claims caseload.

c. Foster good relations between different groups

- Does the service contribute to good relations or to broader community cohesion objectives?
- How does it achieve this aim?
- Is this a relevant consideration? What issues could arise?

The Council will look to mobilise significant assistance to all applicants with the introduction of the new scheme including:

- community engagement across faith and community groups;
- local charities;
- schools;
- adult and children's social care (including Early Help);
- the persons from abroad team; and
- local councillors and MPs.

The Council will look to ensure that support is integrated and widespread. It will be essential that assistance is offered to all households (especially the most vulnerable) who apply for Council Tax Support. National data indicates that 1 in 10 eligible working-age households and 2 in 10 eligible pension-age households do not apply for Council Tax Support

3. Who is affected?

Outline who could be affected, and how they could be affected by the proposal/service change. Include people who currently use the service and those who could benefit from, but do not currently access the service. Where possible include data to support this.

All existing working age applicants for Council Tax Support could be affected by the change. This could be both positive (if they are within a protected group with support available up to 100%) or negatively due to the reduction in the overall funding available and the reduction in the maximum level of support from 80% to 75%.

Pension age applicants will **not** be affected.

4. Information used to inform the equality impact assessment

- What **data, research, or trend analysis** have you used?
- Describe how you have got your information and what it tells you
- Are there any gaps or limitations in the information you currently hold, and how you have sought to address this? E.g. proxy data, national trends, equality monitoring etc.

Specialist software has been utilized to model the existing CTS caseload based on the anticipated changes in order to predict with as high a degree of accuracy as possible the impact on individual groups.

Data has been analysed based on the 24/25 caseload. The data addressed changes for vulnerable groups and those with protected characteristics under the Equality Act such as disability, gender, race etc. The most significant losses were experienced by households with two or more children, both couples and lone parents. The scheme intention is that additional support would instead be offered on a case-by-case basis through the expanded Council Tax Discretionary Relief Scheme.

	Annual before	Annual after	% loss
Single person	920.25	875.23	4.89%
Couple no children	1075.57	760.64	29.28%
Lone parent one child	846.53	688.89	18.62%
Lone parent two or more children	829.14	527.73	36.35%
Couple one child	846.59	556.23	34.30%
Couple two or more children	627.44	278.19	55.66%

59

The main gaps in information relate to ethnic groups affected as we do not know the ethnicity of 54% of CTS claimants. We will seek to improve data collection regarding this over time through online applications and reported changes. However, there is an indirect impact on race, because we know that non-white households are larger on average, and large households are slightly worse off under the proposals relative to smaller households.

Ethnicity	Average award before Change	Average award after Change	% loss
Asian	776.28	587.34	24.34%
Black	799.61	621.72	22.25%
White	908.67	761.28	16.22%
Other	812.24	630.27	22.40%
Not recorded	852.27	653.9	23.28%

National datasets were used for comparative purposes, for example national datasets by the Ministry of Housing and Local Government. Other councils were used as case studies.

5. Consultation

Have you undertaken consultation about the proposal with people who use the service or people affected, people who may potentially use the service and other stakeholders? What did they say about:

- What is important to them regarding the current service?
- How does (or could) the service meet their needs? How will they be affected by the proposal? What potential impacts did they identify because of their protected characteristic(s)?
- Did they identify any potential barriers they may face in accessing services/other opportunities that meet their needs?

The legislation (Local Government Finance Act 1992 (as amended)) requires the Council to consult with the both the major precepting authorities (the Police & Crime Commissioner for Leicester and the Combined Fire and Rescue Service) and the public. The precepting authorities were contacted to consult on 3 September 2024 (The Fire Service wrote in support), and a six-week public consultation was conducted between 30 September and 10 November 2024. 280 responses were received, of which 268 were potentially affected persons. Demographic data suggests a broad similarity to the characteristics of the general public in the city, with a slight bias towards those aged over 40 years of age, and females were more likely to respond than males. Broad support was expressed for all of the proposals made, 71% overall and 88% in respect of the additional scheme to support vulnerable households.

6. Potential Equality Impact

Based on your understanding of the service area, any specific evidence you may have on people who use the service and those who could potentially use the service and the findings of any consultation you have undertaken, use the table below to explain which individuals or community groups are likely to be affected by the proposal because of their protected characteristic(s). Describe what the impact is likely to be, how significant that impact is for individual or group well-being, and what mitigating actions can be taken to reduce or remove negative impacts. This could include indirect impacts, as well as direct impacts.

Looking at potential impacts from a different perspective, this section also asks you to consider whether any other particular groups, especially vulnerable groups, are likely to be affected by the proposal. List the relevant groups that may be affected, along with the likely impact, potential risks and mitigating actions that would reduce or remove any negative impacts. These groups do not have to be defined by their protected characteristic(s).

Protected characteristics

Impact of proposal:

Describe the likely impact of the proposal on people because of their protected characteristic and how they may be affected. Why is this protected characteristic relevant to the proposal? How does the protected characteristic determine/shape the potential impact of the proposal? This may also include **positive impacts** which support the aims of the Public Sector Equality Duty to advance equality of opportunity and foster good relations.

Risk of disproportionate negative impact:

How likely is it that people with this protected characteristic will be disproportionately negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?

Mitigating actions:

For disproportionate negative impacts on protected characteristic/s, what mitigating actions can be taken to reduce or remove the impact? You may also wish to include actions which support the positive aims of the Public Sector Equality Duty to advance equality of opportunity and to foster good relations. All actions identified here should also be included in the action plan at the end of this EIA.

a) Age

Indicate which age group/s is/ are most affected, either specify general age group (children, young people, working aged people or older people) or specific age bands.

What is the impact of the proposal on age?

The government have legislated that support for pension age applicants is calculated in accordance with the Prescribed Requirement Regulation. They will be protected from the proposed changes.

For information, the number of pensioner age applicants has fallen from 15,000 to 10,500 in the last ten years.

Working age households will have to bear the impact of any reduction in support.

What is the risk of disproportionate negative impact on age?

N/A

What are the mitigating actions?

All working age applicants who suffer exceptional financial hardship will have access to the Council Tax Discretionary Relief scheme.

b) Disability

A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. If specific impairments are affected by the proposal, specify which these are. Our standard categories are on our equality monitoring form – physical impairment, sensory impairment, mental health condition, learning disability, long standing illness, or health condition.

What is the impact of the proposal on disability?

Those working age applicants with disabilities may be affected by the change, although many disabled households will be better off as a result of the changes:

- where an applicant or their household receives either Disability Living Allowance and Personal Independence, or the Limited Capability for Work or Work Related Activity or Disabled Child Element of Universal Credit, this may lead to 100% support; and
- disability benefits will in most circumstances now be taken account as income, as opposed to disregarded in the current scheme. This will however be partially mitigated by being assessed in a vulnerable group (effectively a 25% award 'uplift' or a £150 income allowance) for those with moderate-to-severe disabilities and additional care and/or mobility needs.
- We will protect disabled households up to a Band C, as opposed to the current Band B, cap.

What is the risk of disproportionate negative impact on disability?

The proposed scheme is designed to assist these households as far as possible. It does this by giving them preferential treatment in the banding system – a disabled person is more likely to qualify for a higher level of support because of this. However, unlike the previous scheme, sources of income are not generally disregarded: the new scheme works on the basis of higher income thresholds than the current system to compensate for this. Thus, a disabled person in receipt of certain benefits such as lower rate disability living allowance and lower rate personal Independence payments may be worse off as a consequence of the new scheme although the great majority will be better off.

In considering the potential for a disproportionate impact on multiply-disabled households, where more than one member of a family receives disability-related income we will offset payments received by the second and subsequent family member (so that only one individuals' disability-related income is taken into account).

What are the mitigating actions?

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme.

c) Gender reassignment

Indicate whether the proposal has potential impact on trans men or trans women, and if so, which group is affected. a trans person is someone who proposes to, starts, or has completed a process to change his or her gender. A person does not need to be under medical supervision to be protected.

What is the impact of the proposal on gender reassignment?

No impact identified.

What is the risk of disproportionate negative impact on gender reassignment?

None identified.

What are the mitigating actions?

None identified.

d) Marriage and civil partnership

Please note that the under the Public Sector Equality Duty this protected characteristic applies to the first general duty of the Act, eliminating unlawful discrimination, only. The focus within this is eliminating discrimination against people that are married or in a civil partnership with regard specifically to employment.

What is the impact of the proposal on marriage and civil partnership?

No impact.

What is the risk of disproportionate negative impact on marriage and civil partnership?

None identified.

What are the mitigating actions?

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme

e) Pregnancy and maternity

Does the proposal treat someone unfairly because they're pregnant, breastfeeding or because they've recently given birth.

What is the impact of the proposal on pregnancy and maternity?

The proposed scheme does not discriminate based on maternity although the scheme adopts the principles of national benefit schemes and the pension age Council Tax Support scheme by limiting the calculation of support (allowing for the costs of supporting no more than two dependent children/ young persons)

What is the risk of disproportionate negative impact on pregnancy and maternity?

Potentially in relation to larger families

What are the mitigating actions?

Child Benefit will continue to be disregarded, and childcare costs of up to £300 per week continue to be deducted from income.

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme.

f) Race

Race refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. A racial group can be made up of two or more distinct racial groups, for example Black Britons, British Asians, British Sikhs, British Jews, Romany Gypsies and Irish Travellers.

What is the impact of the proposal on race?

As demonstrated on p6, on average non-white households on average may be required to pay slightly more following these changes.

What is the risk of disproportionate negative impact on race?

Due to relative household sizes and demographics.

What are the mitigating actions?

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme

g) Religion or belief

Religion refers to any religion, including a lack of religion. Belief refers to any religious or philosophical belief and includes a lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition. This must be a belief and not just an opinion or viewpoint based on the present state of information available and;

- be about a weighty and substantial aspect of human life and behaviour
- attain a certain level of cogency, seriousness, cohesion, and importance, and
- be worthy of respect in a democratic society, not incompatible with human dignity and not in conflict with fundamental rights of others. For example, Holocaust denial, or the belief in racial superiority are not protected.

Are your services sensitive to different religious requirements e.g., times a customer may want to access a service, religious days and festivals and dietary requirements



What is the impact of the proposal on religion or belief?

No impact identified.

What is the risk of disproportionate negative impact on religion or belief?

None identified.

What are the mitigating actions?

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme

h) Sex

Indicate whether this has potential impact on either males or females.

What is the impact of the proposal on sex?

Financial impact of rising living costs has been shown in national studies to disproportionate affect females, for example through impacting insecure employment and increasing costs associated with providing for families. A majority of CTS claimants are female, as were respondents in respect of the consultation.

What is the risk of disproportionate negative impact on sex?

Risks around limited engagement for families not receiving support from establish referring organisations/departments, insufficient awards to meet family needs

What are the mitigating actions?

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme

Women's employment continues to be concentrated in low-wage sectors. In total, 62% of workers paid below the living wage are women. Women are also paid less than men in all age groups, and the impact of parenthood on women remains highly visible in pay gap trends. Approximately 58% of working age households in receipt of support are headed by women. We will monitor the impact of the new scheme and take-up of discretionary support.

i) Sexual orientation

Indicate if there is a potential impact on people based on their sexual orientation. The Act protects heterosexual, gay, lesbian or bisexual people.

What is the impact of the proposal on sexual orientation?

No impact identified.

What is the risk of disproportionate negative impact on sexual orientation?

None identified.

What are the mitigating actions?

None identified.

7. Summary of protected characteristics

a. Summarise why the protected characteristics you have commented on, are relevant to the proposal?

As identified above, i.e. those that are reflected in the caseload and have protected characteristics with a material impact on allowances given for income and circumstances.

b. Summarise why the protected characteristics you have not commented on, are not relevant to the proposal?

There have been no risk/issues identified specifically with the protected characteristics of gender reassignment or marriage/civil partnership/sexual orientation.

8. Armed Forces Covenant Duty

The Covenant Duty is a legal obligation on certain public bodies to 'have due regard' to the principles of the Covenant and requires decisions about the development and delivery of certain services to be made with conscious consideration of the needs of the Armed Forces community.

When Leicester City Council exercises a relevant function, within the fields of healthcare, education, and housing services it must have due regard to the aims set out below:

a. The unique obligations of, and sacrifices made by, the Armed Forces

These include danger; geographical mobility; separation; Service law and rights; unfamiliarity with civilian life; hours of work; and stress.

b. The principle that it is desirable to remove disadvantages arising for Service people from membership, or former membership, of the Armed Forces

A disadvantage is when the level of access a member of the Armed Forces Community has to goods and services, or the support they receive, is comparatively lower than that of someone in a similar position who is not a member of the Armed Forces Community, and this difference arises from one (or more) of the unique obligations and sacrifices of Service life.

c. The principle that special provision for Service people may be justified by the effects on such people of membership, or former membership, of the Armed Forces

Special provision is the taking of actions that go beyond the support provided to reduce or remove disadvantage. Special provision may be justified by the effects of the unique obligations and sacrifices of Service life, especially for those that have sacrificed the most, such as the bereaved and the injured (whether that injury is physical or mental).

Does the service/issue under consideration fall within the scope of a function covered by the Duty (healthcare, education, housing)? Which aims of the Duty are likely be relevant to the proposal? In this question, consider both the current service and the proposed changes. Are members of the Armed Forces specifically disadvantaged or further disadvantaged by the proposal/service? Identify any mitigations including where appropriate possible special provision.

Relatively limited impact, however in each of the scheme options payments such as Armed Forces Support Payments, War Disablement and War Widows Pensions are disregarded in full as income.

9. Other groups

Other groups

Impact of proposal:

Describe the likely impact of the proposal on children in poverty or any other people who we may consider to be vulnerable, for example people who misuse substances, care leavers, people living in poverty, care experienced young people, carers, those who are digitally excluded. List any vulnerable groups likely to be affected. Will their needs continue to be met? What issues will affect their take up of services/other opportunities that meet their needs/address inequalities they face?

Risk of disproportionate negative impact:

How likely is it that this group of people will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?

Mitigating actions:

For negative impacts, what mitigating actions can be taken to reduce or remove this impact for this vulnerable group of people? These should be included in the action plan at the end of this EIA. You may also wish to use this section to identify opportunities for positive impacts.

a. Care Experienced People

This is someone who was looked after by children's services for a period of 13 weeks after the age of 14', but without any limit on age, recognising older people may still be impacted from care experience into later life.

What is the impact of the proposal on Care Experienced People?

As per other households liable for Council Tax and eligible for CTS, but the acute vulnerabilities of this group are recognised.

What is the risk of negative impact on Care Experienced People?

Relatively limited (see below)

What are the mitigating actions?

Households containing a care leaver under the age of 25 are eligible to receive a local Discretionary Discount of 100% of Council Tax liability. Care leaver status is also recognised as a protected category leading to a presumption in favour of awarding Council Tax Discretionary Relief.

b. Children in poverty

What is the impact of the proposal on children in poverty?

Protection is in place for parents with young children such as:

- increasing the level of weekly income allowable for families when calculating the level of support;
- awards for child benefit and child maintenance will continue to be disregarded;
- expenditure on childcare costs will continue to be disregarded from non-qualifying income

However, there is some evidence that welfare reforms such as the proposed changes to this scheme are likely to have greater financial impact upon households with higher numbers of children (three or more). It should be noted that it will be for full Council to decide (after consultation) whether further protection as elements of the new CTSS post-consultation.

What is the risk of negative impact on children in poverty?

Moderate risk.

What are the mitigating actions?

In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme

c. Other (describe)

What is the impact of the proposal on any other groups?

Other groups, including:-

- hostel leavers
- claimants fleeing domestic violence
- supported by Forced Marriage Unit
- war widows

- drug/alcohol dependent
- foster carers
- ex-offenders under MAPPA arrangements

What is the risk of negative impact on any other groups?

Low to moderate.

What are the mitigating actions?

Aforementioned disregards for income. In any case where households are experiencing exceptional hardship, Council Tax Discretionary Relief (CTDR) can be administered to serve as a 'buffer' to the impact of the Council Tax Support scheme. The Care Leavers Discount administered by the Council on a discretionary basis would not be affected.

10. Other sources of potential negative impacts

Are there any other potential negative impacts external to the service that could further disadvantage service users over the next three years that should be considered? For example, these could include:

- other proposed changes to council services that would affect the same group of service users;
- Government policies or proposed changes to current provision by public agencies (such as new benefit arrangements) that would negatively affect residents;
- external economic impacts such as an economic downturn.

Where the household contains non-dependants, the proposed scheme will make a standard deduction of 20% for each non-dependant. The existing protections (where no non-dependant deductions are made will be maintained).

Further negative impacts could be associated with a further increase in living costs, both in terms of risk to health of individual households and associated economic impacts from economic downturn.

This is to an extent mitigated by the availability of Council Tax Support and Council Tax Discretionary Relief at cost to the Council and the major precepting authorities.

11. Human rights implications

Are there any human rights implications which need to be considered and addressed (please see the list at the end of the template), if so, please outline the implications and how they will be addressed below:

Every effort will be made to engage with potentially discriminated groups. Equalities information used for the purpose of anonymised monitoring only.

12. Monitoring impact

You will need to ensure that monitoring systems are established to check for impact on the protected characteristics and human rights after the decision has been implemented. Describe the systems which are set up to:

- monitor impact (positive and negative, intended and unintended) for different groups
- monitor barriers for different groups
- enable open feedback and suggestions from different communities
- ensure that the EIA action plan (below) is delivered.

If you want to undertake equality monitoring, please refer to our [equality monitoring guidance and templates](#).

1,900 vulnerable people were given assistance through the CTDR fund last year (2023/24) although others who are struggling to pay their council tax can also apply.

The Council proactively identifies and offers assistance where needed and this is ongoing. This is targeted by identifying those who will be affected most from our records.

It has been noted that some groups may receive greater representation within the claims population because of the barriers to work which are faced.

The Council currently does not have sufficient data within Revenues and Benefits records to reach any conclusions on this however.

The council regularly monitors and captures information on ethnic background but recognises that response rates are low at 46% 'unknown'.

Vulnerable or Protected groups will regularly be monitored (through complaints, statistical monthly, quarterly and annual internal reporting to the Director and Lead Member) to ensure that they are not disproportionately affected and if affected, they receive some form of assistance. Both positive and negative impacts from the scheme will be monitored.

One of the key actions for the impact assessment action plan is to continue to gather and monitor equalities data on applicants (protected characteristics data is now collated from all claims and reported changes), adjusting policy and promotion to enable fair and justified distribution of protection. The EIA will be signed off, amendments may be made and will be reviewed in the future.

13. EIA action plan

Please list all the equality objectives, actions and targets that result from this assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Outcome	Action	Officer Responsible	Completion date

Human rights articles:

Part 1: The convention rights and freedoms

Article 2: Right to Life

Article 3: Right not to be tortured or treated in an inhuman or degrading way

Article 4: Right not to be subjected to slavery/forced labour

Article 5: Right to liberty and security

Article 6: Right to a fair trial

Article 7: No punishment without law

Article 8: Right to respect for private and family life

Article 9: Right to freedom of thought, conscience and religion

Article 10: Right to freedom of expression

Article 11: Right to freedom of assembly and association

Article 12: Right to marry

Article 14: Right not to be discriminated against

Part 2: First protocol

Article 1: Protection of property/peaceful enjoyment

Article 2: Right to education

Article 3: Right to free elections

Executive Decision- Revenue Budget Monitoring April-September 2024/25

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 12 December 2024

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell
- Author contact details: kirsty.cowell@leicester.gov.uk
- Report version number: 1

1. Summary

This report is the second in the monitoring cycle for 2024/25 and updates the forecasts presented to this committee in September. The overall forecast net overspend is £2.6m, a significant reduction to the period 3 forecast of £8.8m overspend.

The main areas of overspend are those already identified in previous reports and include:

- Provision for homeless households, where a £7.3m overspend is forecast (an improvement of £0.7m since period 3)
- Costs of SEN home to school transport and respite payments for disabled children are forecast to overspend by £2.9m.

These are offset by a number of underspends, of which the most significant are:

- Looked after children, where a £2m underspend is forecast, with no net growth in the number of placements in the year to date;
- Other underspends totalling £4.2m across adults' and children's social care, largely from staffing vacancies.

It is positive to note that transformation work across adults' and children's social care is resulting in a reduction in costs in these areas, which have seen substantial cost pressures in recent years. In addition to the underspend above, it should be noted that the ASC budget in-year has already been reduced by some £17m following transformation work reducing growth rates from their previous trend. Package costs are expected to remain within this reduced budget envelope.

The cumulative deficit on Dedicated Schools Grant (DSG) funding continues to grow and is forecast to be some £23m by March 2025. A time-limited "statutory override" means this does not currently impact the resources available for other services.

2. Recommended actions/decision

2.1 The Executive is recommended to:

- Note the emerging picture detailed in the report.

2.2 The OSC is recommended to consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

The General Fund budget set for the financial year was £429.0m, before the use of managed reserves. Following savings identified since the budget was set, this has been updated to £405.3m.

Appendix A summarises the original budget, current budget and anticipated spending in 2024/25.

Appendix B provides more detailed commentary on the forecast position for each area of the Council's operations.

Appendix C summarises the latest forecasts for managed reserves.

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

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Catherine Taylor, Financial Strategy Manager

Dated: 14 November 2024

5.2 Legal implications

The report is an update on the budget and its monitoring. Regular budget monitoring is required by the Authority's Constitution and Financial Procedure Rules.

Under section 25 of the Local Government Act 2003, the Director of Finance in fulfilling their duties under Section 151 of the Local Government Act 1972 is required to report on the following matters:

- a) the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- b) the adequacy of the proposed financial reserves.

There is a further requirement for the Authority to have regard to the report of the s.151 Officer when making decisions on its budget requirement and level of financial reserves.

The Authority must by law, set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the S.151 Officer (Director of Finance) on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

Signed: Mannah Begum, Principal Lawyer, Commercial Legal, Ext 1423

Dated: 03 December 2024

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. This report is the second in the monitoring cycle for 2024/25 and updates the forecasts presented in September. It is important to note that currently no policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services going forward. If this is the case, the Council's equality impact assessment process should be used to evaluate the potential equalities impact of any proposed changes. The aforementioned cost pressures and ongoing identified savings should take into account equality considerations.

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

There are no direct equality implications arising out of this budget monitoring report.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 7 November 2024

5.4 Climate Emergency implications

There are no climate emergency implications directly associated with this report, as it is a budget monitoring report.

However, where proposals are brought forward to make additional savings required, any climate emergency implications should be considered and addressed while proposals are being developed and should be identified in the appropriate decision reports at the time. The Sustainability service may be able to help departments with assessing implications as part of the evaluation of proposals ahead of report preparation.

Where any necessary capital funding can be identified or secured, the potential role of invest-to-save energy efficiency and renewable energy projects in helping to address revenue budget pressures while also reducing carbon emissions is also worth noting.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 8 November 2024

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

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

6. Background information and other papers:

Report to Council on 21 February 2024 on the General Fund Revenue budget 2024/25

Revenue Outturn Report for 2023/24 presented to OSC on 31 July 2024

Revenue Monitoring Period 3 Report presented to OSC on 26 September 2024

7. Summary of appendices:

Appendix A – Period 6 (April-September) Budget Monitoring Summary.

Appendix B – Divisional Narrative – Explanation of Variances.

Appendix C – Updated reserves position.

8. 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

9. Is this a “key decision”? If so, why?

No

Revenue Budget at Period 6 (April – September) 2024-25

Table A

2024-25	Original Budget £000's	Current Budget £000's	Forecast £000's	Variance £000's
Financial Services	12,167.3	10,955.7	11,021.0	65.3
Digital Data & Technology	11,062.7	11,064.2	11,064.2	0.0
Corporate Services	7,534.0	9,402.5	8,918.9	(483.6)
Legal Services	6,309.6	5,705.5	5,613.4	(92.1)
Corporate Resources & Support	37,073.6	37,127.9	36,617.5	(510.4)
Planning, Development & Transportation	14,251.3	15,606.2	15,585.9	(20.3)
Tourism Culture & Inward Investment	3,801.1	4,223.6	4,212.3	(11.3)
Neighbourhood & Environmental Services	38,456.4	42,193.3	42,394.4	201.1
Estates & Building Services	4,397.7	5,521.9	6,041.8	519.9
Departmental Overheads	582.4	582.4	582.4	0.0
Housing Services	15,098.6	21,146.1	28,492.7	7,346.6
City Development & Neighbourhoods	76,587.5	89,273.5	97,309.5	8,036.0
Adult Social Care & Safeguarding	196,402.1	188,008.1	187,434.9	(573.2)
Adult Social Care & Commissioning	(22,989.5)	(31,978.0)	(33,902.6)	(1,924.6)
Sub-Total Adult Social Care	173,412.6	156,030.1	153,532.3	(2,497.8)
Strategic Commissioning & Business Support	2,428.7	2,471.2	2,004.6	(466.6)
Learning Services	21,967.7	22,078.7	24,443.3	2,364.6
Children, Young People & Families	89,413.2	89,743.6	87,101.6	(2,642.0)
Departmental Resources	1,794.1	938.9	883.6	(55.3)
Sub-Total Education & Children's Services	115,603.7	115,232.4	114,433.1	(799.3)
Total Social Care & Education	289,016.3	271,262.5	267,965.4	(3,297.1)
Public Health & Sports Services	24,965.6	22,882.9	22,882.9	0.0
Total Operational	427,643.0	420,546.8	424,775.3	4,228.5
Corporate Budgets	29,089.2	12,459.4	11,346.6	(1,112.8)
Capital Financing	2,118.0	2,118.0	1,612.0	(506.0)
Total Corporate & Capital Financing	31,207.2	14,577.4	12,958.6	(1,618.8)
Public Health Grant	(29,832.1)	(29,832.1)	(29,832.1)	0.0
TOTAL GENERAL FUND	429,018.1	405,292.1	407,901.8	2,609.7

1.1 Changes since the original budget are summarised in the table below:

	Total General Fund £000's
Original budget	429,018
Savings approved - Period 9 2023/24	(621)
Savings approved - Period 3 2024/25	(23,105)
Latest budget	405,292

1.2 The original budgets split between employees, running costs and income are available at: [2024/25 Budget Summary \(leicester.gov.uk\)](https://leicester.gov.uk/2024/25-Budget-Summary)

Divisional Narrative – Explanation of Variances

Corporate Resources and Services

Corporate Resources Department is forecasting to spend £36.6m, underspending by £0.5m compared to the budget. This is an improvement on the £0.5m overspend reported at Period 3.

1. Finance

1.1. The Financial Services Division is forecasting to spend £11m as per the budget.

2. Corporate Services and Digital Data & Technology

2.1. Taken together Corporate Services and Digital Data & Technology (DDaT) are forecasting to spend £20.0m which is £0.5m under budget, after the planned use of reserves.

2.2. The HR service is forecasting a £0.5m underspend, resulting from staffing vacancies together with higher than budgeted income, including amounts charged to schools.

2.3. DDaT is set to breakeven after the planned use of £0.6m of reserves previously set aside for the purchase of IT equipment.

2.4. The remainder of Corporate Services has a £0.3m underspend as a result of vacancies across the service.

2.5. The City Catering Services continues to operate at a significant loss, with the budget overspend predicted to be £0.6m for the year. This will be partially offset through the full use of the remaining school catering reserve (£0.2m), resulting in a net overspend of £0.4m.

2.6. The forecast takes account of the planned use of reserves for Electoral Services for any unfunded costs following the Police & Crime Commissioner (PCC) election in May 2024 and the UK Parliamentary General Election in July 2024.

3. Legal, Coronial and Registrars, Members and Democratic Services

3.1. The service is forecasting to spend £5.6m, which is £0.1m under budget. There were vacancies earlier in the year within Democratic Services that generated this small underspend, however the team is now fully staffed, helping to create a stable workforce as seen across the rest of the division.

3.2. Coronial and registrar services are forecasting to spend £0.4m as per the budget, after support from corporate budgets of £0.4m, as in previous years.

City Development and Neighbourhoods

The department is forecasting to spend £97.3m, some £8.0m above budget, after the use of the corporate provision towards homelessness costs. Most of this is arising from increasing temporary accommodation costs. The position for each division is as follows:

4. Planning, Development & Transportation

- 4.1. The division is forecasting to spend £15.6m resulting in a breakeven position by year end.
- 4.2. Government funding via the BSIP (Bus Service Improvement Plan) grant has helped to maintain a high level of tendered bus service provision and to support other bus-related measures such as Park and Ride. Expenditure on concessionary fares is forecast to be significantly higher than last financial year, due to higher amounts payable to bus operators arising from an updated calculation model being issued by central government. However, an underspend of £1.1m is still anticipated on concessionary fares.
- 4.3. Whilst income from on-street parking has shown a continued improvement, the forecast for off-street parking is currently £0.5m below budget. In a continuation of recent pressures, a reduction in the number of major planning applications being submitted has led to a predicted income shortfall of £0.8m. This is partially offset by under-spends of £0.5m within the planning service, principally from staffing vacancies.
- 4.4. An overspend of £0.3m is expected in relation to the running of bus stations with CCTV, cleaning charges and rates anticipated to be higher than budget.

5. Tourism, Culture & Inward Investment

- 5.1. The division is forecasting to spend £4.2m, resulting in a breakeven position by year end.
- 5.2. Markets are currently anticipating a net overspend of £0.2m, driven by a shortfall in income whilst development works continue to the central market area. There is now a £0.1m overspend at the Haymarket Theatre due to ongoing, unforeseen repair work. This, however, has been offset by a £0.2m underspend for De Montfort Hall due to increased ticket receipts and expanding the range of shows offered.
- 5.3. There is a further £0.1m of underspend across the division due to vacant posts.

6. Neighbourhood & Environmental Services

- 6.1. The division is forecasting to spend £42.4m resulting in a £0.2m overspend, worsening from the breakeven position reported at Period 3.
- 6.2. Regulatory services are forecasting to overspend by £0.2m due to shortages in staffing, reducing the generation of building control income. This was previously expected to be mitigated through the use of an external contractor, but this has proven more costly than anticipated. The area continues to be closely managed to find the most effective solution.

7. Estates & Building Services

- 7.1. The division is forecasting to spend £6.0m, resulting in a £0.5m overspend by year end, with the entirety of the overspend within the corporate estate. This has improved from the £0.8m overspend at Period 3.
- 7.2. There are £0.4m of extra staffing costs being incurred to support ongoing lease reviews which will, in time, lead to the generation of additional income. This has been partially offset by a £0.1m underspend arising from staff vacancies in the team.
- 7.3. There is a £0.1m overspend on property repairs due to more extensive works being required than anticipated alongside other small pressures relating to energy costs and building cleaning. Work is ongoing to manage these within the current financial year.

8. Departmental Overheads

- 8.1. This area holds budgets for added years' pension costs and departmental salaries. This is forecast to break even.

9. Housing General Fund

- 9.1. The division is forecasting to spend £28.5m, which is an anticipated £7.3m overspend by the end of the financial year. This is including use of the £6m provision in the budget for 2024/25. This is an improvement from the £8m overspend reported at Period 3 due to improvements in the projection for spend on temporary accommodation.
- 9.2. As previously reported, increased costs of provision for homeless households are a national issue. The increased presentations of homelessness cases in the city continues to add financial pressure to the service due to grant funding and housing benefit being insufficient to cover the rising costs of temporary accommodation. A further £10.6m budget was allocated for 2024/25 to ease the burden in this area, however costs are expected to hit £23.6m for temporary accommodation.
- 9.3. Actions are already being taken to mitigate these pressures – it is estimated that the overspend would have been around £13m without any mitigating action. Frequent

reviews of this area are being undertaken and further work is continuing to find longer-term resolutions to this nationally recognised issue.

- 9.4. There is also a £0.3m overspend in the private rented sector team arising from the current cost of living crisis and more support being offered to avoid tenants becoming homeless.

10. Housing Revenue Account

- 10.1. The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the Council's housing stock. The HRA is forecast to underspend by £1.4m for the year, compared to the breakeven position presented at Period 3. Revenue is also used for capital spending, and this is reported separately within the capital monitoring report.
- 10.2. Income from core rent and service charges is expected to generate an underspend of £0.1m due to a reduction in voids.
- 10.3. The HRA incurs the cost of interest on its debt and receives income from interest on the cash balances which it holds. Interest on borrowing is forecast to be below budget by £0.7m to a reduction in interest rates. Furthermore, interest receivable will be £0.5m above budget due to the HRA holding higher cash balances.
- 10.4. The Repairs and Maintenance service is forecast to overspend by £0.4m. Whilst there are vacant posts generating underspends of £1m, these are partially offset by using contractors to complete remedial works, costing £0.5m. There have been increased disrepair claims and associated costs driven by law firms before the introduction of fixed recoverable costs, creating a pressure of £0.6m. Running costs are set to be above budget by £0.3m due to rising premises and maintenance costs.
- 10.5. Management and Landlord Services are expected to underspend by £0.5m. A £0.3m underspend is expected due to vacancies within administrative support services. A reduction in the forecast number of property sales through Right to Buy will reduce income to fund the administration cost by £0.3m. However, this has been offset by a £0.3m saving relating to IT system development, as some modules are now not being implemented until the next financial year. Proactive debt management has reduced the number of evictions this year, leading to an underspend of £0.2m on legal services.
- 10.6. The HRA makes contributions towards general fund activities as well as being charged for a fair proportion of the Council's overheads. These are expected to be on budget for the year.

Adult Social Care

11. Adult Social Care

- 11.1. The Adult Social Care is forecasting to spend £153.5m against a net budget of £156.0m, resulting in a forecast underspend of £2.5m. Members will recall that in the previous period 3 report the budget was reduced by some £16.8m, arising from transformation work finding lower cost alternatives to providing formal care, lower package costs carried forward from 2023/24 and additional income.
- 11.2. There continue to be difficulties in recruiting full time social workers, social care practitioners and contracting staff, with vacancies mainly across the social work teams. Whilst agency staff are being used, the overall impact of these vacancies and new staff taking time to work up their pay grade leads to a forecast underspend of £1.5m. Should these difficulties continue, the underspend may rise.
- 11.3. A further £0.5m underspend has resulted from income and joint working schemes in addition to those budgeted.
- 11.4. In 2023/24, significant progress was made towards the target of reducing the number of new people supported each year by finding alternatives to providing formal care, despite a continued increase in the requests for support. As a result, the assumptions on net growth for 2024/25 had been reduced from 2% to 0% for older people and from 7% to 5% for the working age cohort. As at end of September, the actual net growth in the number of working age adults being supported is below the 5% target but the growth in the number of older people being supported is above the standstill (0%) target. Overall, 5,515 people were being supported at the end of September, compared to the full year target of 5,490. However, this current performance shows a similar trend as seen at the same point in September 2023, where numbers of people being supported initially rose before falling back over the remainder of the year.
- 11.5. Significant progress was also seen in 2023/24 regarding reducing the cost impact of growth in need. The target reduction budgeted for in 2024/25 is more stringent at 2% and early indications suggest this will be difficult to achieve. In recent years the change in need at the end of September has been a reasonable indicator of the out-turn figure - this is currently 2.9%, but nonetheless is an improvement on the 3.2% achieved in 2023/24.
- 11.6. Despite the noted current levels of growth in numbers and need as outlined above, the overall average unit costs (i.e. average package costs) of people supported continues to fall. This is a predominantly a combination of the average package costs of leavers being higher and the average package cost of entrants being lower than the previous quarter.
- 11.7. As a result of these various factors, the overall forecast cost presently remains within the £209.6m gross package costs budget.

Education and Children's Services

12. Education and Children's Services

- 12.1. The services overall are forecasting to spend £114.4m, £0.8m less than the budget. The main areas of overspend relate to SEN home to school transport and direct payments to parents with disabled children for respite. Placement costs for children looked after are currently forecast as £2m below the budget, although this could change once again as the year progresses. There are vacancies across several services, some in advance of reviews.
- 12.2. The SEN home to school transport forecast expenditure is £17m, £2m more than the budget. Average passenger numbers using taxis was around 850 in the first half of the year and the forecast assumes further growth. The demand for post-16 transport has reduced for the 2024/25 academic year. This is offsetting some of the higher costs of under 16 transport and hence the overall overspend is somewhat lower than it would otherwise have been. Changes to the post-16 SEN transport policy have been delayed, pending further consultation.
- 12.3. Direct payments to parents of disabled children for respite care are forecast to increase again this year. Whilst the budget was increased for 2024/25, the cumulative impact of last year's increase and this year's forecast increase results in a budget shortfall of £0.9m. A review of eligibility criteria will take place this year with a view to having a revised policy in place.
- 12.4. Looked after children and other placement costs are forecast as £2m below the £56m budget. The focus on children on the edge of care has resulted in no net growth in the number of placements in the year to date, with 647 placements at the end of September. Initiatives such as Valuing Care have resulted in lower unit costs of new entrant packages, resulting in a more favourable budget position. The total placements include 57 care leavers aged over 18 who continue to be provided accommodation and support through children's services budgets, for reasons including processing of claims of unaccompanied asylum-seeking children and bidding for housing accommodation. These young people are being actively reviewed to ensure the costs for their support are appropriate. The budget situation could, however, change again as the year progresses, given a small number of high-cost placements can have a significant impact.
- 12.5. £1.7m of savings are forecast, due in the main to staffing vacancies across the department. Administration vacancies remain high (23 posts out of an establishment of 117), in part in advance of the outcome of the children's centre consultation.

- 12.6. The cumulative DSG reserve deficit was £9.6m at the end of March 2024. In the last four years prior to 2024/25, the high needs block (HNB) funding had increased by more than 10% annually. Demand for SEN support had already begun to outstrip the available resources long before these funding allocation increases began, and the Council's DSG reserve had been run down.
- 12.7. The DSG HNB funding increase in 2024/25 was much lower, rising by only 3.3% to £81.6m, which has been used towards inflationary increases. In the Autumn Budget in October 2024, £1 billion growth nationally was announced for 2025/26. Although we do not yet have details of local allocations, this is expected to only part-fund the ongoing deficit and is unlikely to address the cumulative reserve deficit.
- 12.8. Meanwhile, the number of requests for EHC plans in the academic year 2022/23 reached a record high. The number of new plans agreed for statutory assessment in the academic year 2023/24 was lower than 2022/23, with the 2024/25 number expected to further reduce, which is good news. Nevertheless, such a reduction only makes the longer-term situation less financially unsustainable than would otherwise be the case, as the higher numbers are now in the system and many more are still entering than leaving. For example, in 2024/25, 570 new plans and 160 special school leavers are forecast. The current funding levels are inadequate for the total cohort of young people across all year groups that are now being supported. With effectively zero real terms funding growth, the in-year deficit increases significantly as the total cohort increases year on year. The current year deficit is presently forecast to be around £16.4m, which would take the cumulative deficit at 31 March 2025 to circa £26m.
- 12.9. The service has put in place a range of strategies to mitigate the cost impact of the growth in demand for and complexity of SEN support as part of the HNB Management Recovery Plan and Transformation Project. We are also part of the DfE's SEND and alternative provision change programme alongside Leicestershire and Rutland for the East Midlands region.
- 12.10. For context, at March 2023, our deficit of £6m at the time ranked us 64 places below the highest deficit of £118.8m and 35 places above the lowest deficit of £0.25m.

Public Health and Sports Services

13. Public Health

- 13.1. The Public Health Service is forecasting to spend £22.9m as per the budget. Some small variances at service level offset each other.
- 13.2. In previous years, the national funding for the NHS pay settlement (Agenda for Change) flowed from NHS England and the ICBs to the providers in the first year. It was then built into the following year's public health grant, and councils varied their contracts with providers accordingly. However, for the 5.5% pay award in the current year, the public health grant is to be increased and local authorities will be expected

to vary contracts with providers in-year. This creates an element of financial uncertainty as to whether the increases in funding and provider costs will align. Officers have started the process of engaging with key providers.

- 13.3. As reported at period 3, additional government grants of some £6m are expected in 2024/25, significantly more than in previous years. This targeted funding will allow further investment in specific services including Substance Misuse, Stop Smoking and 0-19 Children's services. The grants are all ringfenced, are monitored through regular returns to the funder and are subject to clawback if unspent.

Corporate Items & Reserves

14. Corporate Items

- 14.1. The corporate budgets cover the Council's capital financing costs, items such as audit fees, bank charges, contingencies and levies. This budget is currently forecasting an underspend of £1.6m, after adjusting the budget for the demographic pressures contingency. The pay award for 2024/25 has been agreed in October 2024, and is broadly in line with the forecast included. However, remodelling on the latest data shows that circa £1.2m of the contingency is unlikely to be required, further detailed modelling is continuing.
- 14.2. Capital financing costs are expected to be £0.5m below budget. The underspend is largely the result of cash balances being higher than forecast at budget and interest rates remaining high, leading to increased interest receipts over the first 6 months of the year.
- 14.3. Outside of these two items, the forecast outturn position is similar to the period 3 forecast and the main elements include;
- An expected shortfall of £0.6m on grants from central government to reimburse the effect of changes to business rates. This is offset by a £0.5m business rates reimbursement for the vacant Greyfriars property.
 - A £0.4m overspend on coroners' costs.
- 14.4. In period 3 the demographic pressures contingency was reduced to £2m; the forecast includes use of this contingency, although work continues to mitigate costs and the need to utilise this.

Reserves Position

- 1.1 When the 2024/25 budget was set, an estimated £53.9m was available to support the budget strategy, and the budget gap for the year was estimated at £61m, requiring the use of £7.1m of the emergency General Fund balance. In the 2023/24 outturn reported to committee in July 2024, additional one-off resources and savings identified had improved the position somewhat, and the emergency balance was no longer forecast to be required in 2024/25.
- 1.2 The budget adjustments and variances included in this report have further updated the position as shown below:

	£m	£m
Resources available 1 April 2024		80.6
Add: additional one-off transfer		6.8
Required for 2024/25 budget:		
As set (February 2024)	61.0	
Savings identified	(23.7)	
		(37.3)
Overspend as forecast in this report		(2.6)
Balance to support 2025/26 budget		47.5

- 1.3 In addition to the managed reserves strategy, funds are held in a variety of earmarked reserves (see the 2023/24 outturn report for more details). Work is ongoing to review these amounts and release further sums to support the budget strategy.

**Executive Decision
Capital Budget
Monitoring
April-September
2024/25**

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 12 December 2024

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell, Head of Finance
- Author contact details: Kirsty.Cowell@leicester.gov.uk

1. Summary

- 1.1 The purpose of this report is to provide the position of the capital programme at the end of September 2024 (Period 6).
- 1.2 This is the second capital monitoring report of the financial year. There will be one further quarterly report and an outturn report will be presented to this committee, reporting on the capital programme.
- 1.3 As reported in the previous year's monitoring reports many capital projects have experienced delays in progress and increased costs, to an unusual extent. This has been attributable to instability in the construction industry, limited contractor capacity and continued inflationary pressures. For 2024/25 where projects continue from the previous year pressures should already have been identified. In the case of any new pressures, where possible increased costs will be managed within project contingencies and revised scope of works while maintaining the desired project outcomes. When this is not possible it is reported in the monitoring report and decisions are taken as required.

2. Recommended actions/decision

- 2.1 The Executive is recommended to:
 - Note the following:
 - Total spend of £59.4m for the year.
 - The release of £1m from the New School Places policy provision as a contribution to the cost of the Brook Mead Academy permanent building.
 - The progress in delivery of major projects, as shown at Appendix A.
 - The progress on spending work programmes, as shown at Appendix B.
 - The provisions that remain unspent as shown at Appendix C.
 - Approve the following additions to the programme:
 - £901k for Haymarket Theatre Works– UKSPF, funded by **government grant**.

- £750k for Jewry Wall Museum Improvements, £100k funded by UKSPF **Grant** and £650k being funded by capital receipts, see Appendix A, TCI, Para 2.1.
- £251k for De Montfort Hall Works – UKSPF, funded by **government grant**.
- £204k for Property and Operational Estate Capital Maintenance, funded by reserves, see Appendix B, Para 3.9
- £147k for Connecting Leicester, funded by S106, see Appendix A, PDT, Para 2.1.
- Approve the following transfer:
 -
 - £1,300k from Pioneer Park – Levelling Up to Pilot House – Levelling Up, see Appendix A, TCI, Para 2.3.
- Note the prudential indicators presented in Appendix F.

The OSC is recommended to consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/a

4. Background

4.1 The 2024/25 Capital programme was initially approved by Council on 21 February 2024. It has subsequently been amended (including the 2023/24 outturn).

The capital programme is split in the following way:

- (a) Schemes classified as '**immediate starts**', which require no further approval to commence; and
- (b) A number of separate '**policy provisions**' which are not released until specific proposals have been approved by the Executive.

4.2 Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time

and the achievement of milestones. Consequently, financial slippage is not in itself an issue on these projects;

- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years.

4.3 A summary of the total approved 2024/25 capital programme budget and the spend at period 6 in the year is shown below:

	Budget £000	Spend £000
Projects	161,478	29,973
Work Programmes	95,450	27,541
Provisions	2,795	545
Schemes Substantially Complete	4,424	1,390
Total Immediate Starts	264,147	59,449
Policy Provisions	24,276	0
Total Capital Programme	288,423	59,449

4.4 A summary of the total approved 2024/25 capital programme budget and the resources that are funding them:

	£000s					
	Projects	Work Programmes	Provisions	Substantially Complete	Policy Provisions	Total
HRA - Budget	3,493	43,725	1,178	-	750	49,146
GF - Budget	157,985	51,725	1,617	4,424	23,526	239,277
Total	161,478	95,450	2,795	4,424	24,276	288,423
Ringfenced - HRA	650	4,338	-	-	-	4,988
Unringfenced - HRA	2,843	39,387	1,178	-	750	44,158
Total HRA	3,493	43,725	1,178	-	750	49,146
Ringfenced - GF	37,750	4,870	558	930	10	44,118
Unringfenced - GF	120,235	46,855	1,059	3,494	23,516	195,159

Total GF	157,985	51,725	1,617	4,424	23,526	239,277
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4.4.1 The unringfenced funding, in the above table, includes amounts where budget commitments have been made.

4.5 The following changes have occurred to the capital programme since period 3 2024/25, these movements are included in the table at 4.3 above:

	Budget £000
Decisions since P3 2024/25	
Affordable Housing – Acquisitions	6,024
Affordable Housing – Acquisitions	800
Action Homelessness Grant	665
Affordable Housing - Acquisitions	92
Directors Decisions	
Car Park on Site of Former Goscote House	232
Community Asset Transfer	230
Leicester Urban Natural Flood Management	217
PV Panels at Evington Leisure Centre	186
Heritage Development Trust	164
Other	330
Net Movements	8,940

4.6 The following appendices to this report show progress on each type of scheme:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions
- Appendix F – Prudential Indicators

4.7 This report only monitors policy provisions to the extent that spending approval has been given, at which point they will be classified as projects, work programmes or provisions.

4.8 Capital Receipts

4.8.1 At Period 6, the Council has realised £3.6m of General Fund capital receipts, of which £1.0m relates to receipts on the Waterside development. These receipts pay for spending on the development.

4.8.2 “Right to Buy” receipts from sales of council housing have amounted to £6.2m. Whilst the number of sales this year remains relatively low, anticipation of the changes to scheme eligibility have resulted in a large increase in the number of applications; this is likely to increase the number of sales over the next 12 months. The impact of the changes announced by the Chancellor in her October budget (including reducing the level of the discount and restricting eligibility) will reduce sales in future years.

4.9 Prudential Indicators

This report also presents prudential indicators, in accordance with the CIPFA code.

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

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Kirsty Cowell, Head of Finance, 37 2377

Dated: 11/11/2024

5.2 Legal implications

There are no direct legal implications arising from the recommendations of this report.

Signed: Kamal Adatia, Head of Law - City Barrister & Head of Standards

Dated: 16/10/2024

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

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

People from across all protected characteristics should benefit from the improved public good arising from the capital programme. The purpose of this report is to provide the position of the capital programme at the end of September 2024. At this time, there are no further equality implications as these will have already been identified for the proposals agreed and submitted.

There may be future projects, arising from the report and its recommendations, which would benefit from further consideration of the equalities implications and possibly a full equality impact assessment in certain circumstances. Whether an Equalities Impact Assessment is required will be dependent upon how work develops and whether the changes are likely to have a disproportionate impact on any protected group; this is usually the case where there are significant changes or a reduction in provision.

Signed: Equalities Officer, Surinder Singh, ext. 37 4148

Dated: 17/10/2024

5.4 Climate Emergency implications

Following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions for the council and the city, the council has a key role to play in addressing carbon emissions relating to the delivery of its services. This includes through its delivery of capital projects, as projects involving buildings and infrastructure often present significant opportunities for achieving carbon savings or climate adaptations and are an area where the council has a high level of control.

Notable projects in the current programme expected to achieve climate benefits / high standards of environmental performance include Pioneer Park, Pilot House, Leicester Urban Natural Flood Management, PV panels at Evington Leisure Centre, Aikman Avenue District Heating project and Connecting Leicester.

It is important that the climate implications and opportunities of all projects and work programmes are considered on a project-by-project basis, both during the development phase and when decisions are made.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 17/10/2024

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

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

6. Background information and other papers:

Capital Programme 2024/25 approved by Council on 21 February 2024.

Housing Revenue Account Budget (including Capital Programme) 2024/25 approved by Council on 21 February 2024.

Capital Outturn 2023/24 presented at Overview Select Committee on 31 July 2024.

Capital Monitoring P3 2024/25 presented at Overview Select Committee on 26th September 2024.

7. Summary of appendices:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions
- Appendix F – Prudential Indicators

8. 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.

9. Is this a “key decision”? If so, why?

Yes. Expenditure exceeding £1m is proposed which has not been specifically approved by Council.

PROJECTS

1. Summary

- 1.1 As stated in the cover report, the focus of monitoring projects is physical delivery, i.e. whether they are being delivered on time, on budget and to the original specification. This appendix summarises progress on projects. Project summaries provided by departments/divisions are shown in the remainder of this Appendix.

Department / Division	Remaining Budget £000	2024/25 Spend £000	Forecast (Under)/over Spend £000
Corporate Resources	688	104	0
Planning, Development & Transportation	46,319	13,060	(1,300)
Tourism, Culture & Inward Investment	33,980	7,654	2,050
Neighbourhood & Environmental Services	5,507	211	0
Estates & Building Services	14,679	5,614	0
Housing General Fund	44,995	223	0
Children's Services	11,817	3,045	0
Housing Revenue Account	3,493	62	0
Total	161,478	29,973	750

- 1.2 A list of the individual projects is shown in the table below. This also summarises the progress of each project. Attention is drawn to expected completion dates and any project issues that have arisen.
- 1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing to the latest approved delivery and cost plan as expected, and whether it is still expected to complete within budget.
- 1.4 The ratings used are:
- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
 - (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist, and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a

project is classed as amber if some insubstantial slippage or minor overspend is probable.

- (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
- (d) **Blue** The project is substantially complete.
- (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

2. Summary of Individual Projects

Dept/ Division	Project	Remaining Budget (£000)	2024/25 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CRS	Off-site Cloud Backup	388	0	0	Sep-24	Nov-24	Green	Blue
CRS	Network Wi-Fi Replacement	300	104	0	Dec-24	Feb-25	Amber	Green
CDN (PDT)	Connecting Leicester	16,037	4,942	0	Mar-24	Mar-25	Green	Amber
CDN (PDT)	Waterside Strategic Regeneration Area	2,293	1	0	Mar-23	Jun-26	Green	Green
CDN (PDT)	St George's Churchyard	229	2	0	Aug-18	Apr-25	Amber	Amber
CDN (PDT)	Leicester Railway Station - Levelling up	17,867	2,734	0	Mar-24	TBC	Amber	Amber
CDN (PDT)	Pioneer Park - Levelling Up	8,732	5,362	(1,300)	Dec-24	Oct-24	Green	Blue
CDN (PDT)	St Paul's Church	400	0	0	Aug-25	Aug-25	Green	Green
CDN (PDT)	Land South of Phoenix	380	0	0	TBC	Jun-25	Green	Green
CDN (PDT)	Leicester Urban Natural Flood Management	217	19	0	Mar-27	Mar-27	N/A	Green
CDN (PDT)	Heritage Development Trust	164	0	0	Mar-25	Mar-25	N/A	Green
CDN (TCI)	Jewry Wall Museum	5,840	2,270	750	Mar-23	Jun-25	Amber	Amber
CDN (TCI)	Leicester Market Redevelopment	8,676	690	0	Dec-21	TBC	Purple	Purple
CDN (TCI)	12-20 Cank St Link	2,683	9	0	Jan-25	TBC	Purple	Purple
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	6,025	208	0	Mar-22	Jun-26	Green	Green
CDN (TCI)	Pilot House - Levelling Up	10,181	4,352	1,300	Mar-24	May-25	Green	Amber
CDN (TCI)	Climate Change Retail Scheme	210	32	0	Mar-25	Mar-25	Green	Green
CDN (TCI)	Community Digital Grant	135	93	0	Mar-25	Mar-25	Green	Green
CDN (TCI)	Community Asset Transfer	230	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	Library Self Access Rollout	542	33	0	Sep-24	Mar-26	Amber	Green
CDN (NES)	St Margaret's Pastures Skate Park	347	20	0	Jan-23	May-25	Green	Green
CDN (NES)	Multi Use Games Areas (MUGAs)	2,962	158	0	Mar-25	Apr-26	Green	Green
CDN (NES)	Depot Relocation	200	0	0	Mar-25	Mar-25	Green	Green
CDN (NES)	Pest & Dogs Depot Relocations	48	0	0	Mar-25	TBC	Green	Amber
CDN (NES)	Leisure Centre Improvements	1,072	0	0	Dec-25	TBC	Green	Amber
CDN (NES)	Green Libraries Project	150	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	PV Panels at Evington Leisure Centre	186	0	0	Mar-25	Mar-25	N/A	Green
Total		86,494	21,029	750				

Dept/ Division	Project	Remaining Budget (£000)	2024/25 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CDN (EBS)	Estate Shops	477	198	0	Mar-22	Mar-25	Green	Amber
CDN (EBS)	Malcolm Arcade Refurbishment	1,311	1	0	Nov-23	TBC	Purple	Purple
CDN (EBS)	Replacement Cladding Phoenix Square	10,684	5,396	0	Dec-24	Sep-25	Green	Green
CDN (EBS)	St Nicholas Wall	446	2	0	Sep-24	Jul-25	Green	Amber
CDN (EBS)	Aikman Avenue District Heating	195	0	0	Dec-23	TBC	Purple	Purple
CDN (EBS)	Boston Road	1,516	15	0	Jul-25	Nov-25	Green	Amber
CDN (EBS)	SuDS in Schools	50	2	0	Mar-25	Mar-25	N/A	Green
CDN (HGF)	Housing Acquisitions – SAP	44,995	223	0	Aug-25	Aug-25	N/A	Green
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	7,711	2,634	0	Jan-24	Sep-25	Red	Red
SCE (ECS)	Pindar Nursery	833	0	0	Mar-23	TBC	Amber	Amber
SCE (ECS)	Expansion of Children's Homes	1,192	33	0	May-23	Mar-25	Green	Green
SCE (ECS)	Education System Re-tender	2,081	378	0	Mar-26	Mar-26	Green	Green
Total (excluding HRA)		157,985	29,911	750				
CDN (HRA)	Bridlespur Way Refurbishment	300	23	0	Mar-23	Mar-25	Green	Amber
CDN (HRA)	Dawn Centre Reconfiguration	1,461	14	0	May-23	Mar-25	Green	Green
CDN (HRA)	St Matthews Concrete Works	1,500	15	0	Mar-24	Oct-25	Amber	Amber
CDN (HRA)	Goscote Site Carpark	232	10	0	Nov-24	Nov-24	N/A	Green
Total HRA		3,493	62	0				
Total (including HRA)		161,478	29,750	750				

104

Commentary on Specific Projects

3.1 Explanatory commentary for projects that are not currently progressing as planned, or for which issues have been identified, is provided in the next pages. This has been defined as any scheme that has a RAG Rating other than “green” or “blue”.

Capital Programme Project Monitoring 2024/25 Period 6

Corporate Resources

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Off-site Cloud Backup	388	0	Sep-24	Nov-24	B
Network Wi-Fi Replacement	300	0	Dec-24	Feb-25	G
Total	688	0			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple).

Capital Programme Project Monitoring 2024/25 Period 6

Planning, Development & Transportation

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Connecting Leicester	16,037	0	Mar-24	Mar-25	A
Waterside Strategic Regeneration Area	2,293	0	Mar-23	Jun-26	G
St George's Churchyard	229	0	Aug-18	Apr-25	A
Leicester Station Improvements – Levelling Up	17,867	0	Mar-24	TBC	A
Pioneer Park – Levelling Up	8,732	(1,300)	Dec-24	Oct-24	B
St Paul's Church	400	0	Aug-25	Aug-25	G
Land South of Phoenix	380	0	TBC	Jun-25	G
Leicester Urban Natural Flood Management	217	0	Mar-27	Mar-27	G
Heritage Development Trust	164	0	Mar-25	Mar-25	G
Total	46,319	(1,300)			

2. **Projects Commentary** (for **all** projects rated Amber, Red or Purple; and others as required).

2.1. **Connecting Leicester** – Due to prioritisation of other schemes across the city, works to be done at Granby Street and Dover Street are now due to be complete in March 2025. An approval is sought in this report to add £147k of S106 funding to the budget.

2.2. **St George's Churchyard** – Work is currently underway on this scheme. However, there is a delay to the forecast completion date due to weather restrictions going into the winter and elements of the work requiring planning approval.

- 2.3. Leicester Station Improvements – Levelling Up** – An updated completion date will be provided towards the end of this calendar year, after contractor engagement for the construction has started.
- 2.4. Pioneer Park – Levelling Up** – Additional budget was previously added to this project to cover inflationary pressures. This is no longer required and therefore, a decision is being sought in this report to transfer this underspend to Pilot House – Levelling Up.

Capital Programme Project Monitoring 2024/25 Period 6

Tourism, Culture and Inward Investment

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum	5,840	750	Mar-23	Jun-25	A
Leicester Market Redevelopment	8,676	0	Dec-21	TBC	P
12-20 Cank St Link	2,683	0	Jan-25	TBC	P
Leicester Museum and Art Gallery Phase 1	6,025	0	Mar-22	Jun-26	G
Pilot House – Levelling Up	10,181	1,300	Mar-24	May-25	A
Climate Change Retail Scheme	210	0	Mar-25	Mar-25	G
Community Digital Grant	135	0	Mar-25	Mar-25	G
Community Asset Transfer	230	0	Mar-25	Mar-25	G
Total	33,980	2,050			

2 Projects Commentary (for **all** projects rated Amber, Red or Purple)

2.1 Jewry Wall Museum – As reported previously, a contractor on this scheme has gone into administration. The impact of this has been reviewed and it has been forecasted that there will be a £750k overspend with an associated delay to the completion date of June 2025. A decision is being sought to add £750k to this budget with £100k being funded by the UKSPF grant and £650k being funded by capital receipts.

2.2 Leicester Market Redevelopment & 12-20 Cank St Link – These projects are currently on hold pending a decision on how to progress the schemes.

2.3 Pilot House – Levelling Up – In order to ensure that the workspaces are appealing to prospective tenants, additional work has been identified. Whilst this leads to a later forecast completion date, it will assist in securing future rental income. A decision is being sought to transfer the underspend of £1.3m on the Pioneer Park – Levelling Up project to Pilot House – Levelling Up.

Capital Programme Project Monitoring 2024/25 Period 6

Neighbourhood and Environmental Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Self Access Rollout	542	0	Sep-24	Mar-26	G
St Margaret's Pastures Skate Park	347	0	Jan-23	May-25	G
Multi Use Games Areas (MUGAs)	2,962	0	Mar-25	Apr-26	G
Depot Relocation	200	0	Mar-25	Mar-25	G
Pest & Dogs Depot Relocations	48	0	Mar-25	TBC	A
Leisure Centre Improvements	1,072	0	Dec-25	TBC	A
Green Libraries Project	150	0	Mar-25	Mar-25	G
PV Panels at Evington Leisure Centre	186	0	Mar-25	Mar-25	G
Total	5,507	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Pest & Dogs Depot Relocations – This original relocation for Pest and Dogs were due to be at Leycroft Road. However, given potential works to Leycroft Road there is a need to review the most appropriate location for this site. Therefore, an updated forecast completion date will be given once these decisions have been approved.

2.2 Leisure Centre Improvements – The scope of the current programme is currently under review to utilise the funding in the most efficient way and to maximise income generation and revenue savings.

Capital Programme Project Monitoring 2024/25 Period 6

Estates and Building Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	477	0	Mar-22	Mar-25	A
Malcolm Arcade Refurbishment	1,311	0	Nov-23	TBC	P
Replacement Cladding Phoenix Square	10,684	0	Dec-24	Sep-25	G
St Nicholas Wall	446	0	Sep-24	Jul-25	A
Aikman Avenue District Heating	195	0	Dec-23	TBC	P
Boston Road	1,516	0	Jul-25	Nov-25	A
SuDS in Schools	50	0	Mar-25	Mar-25	G
Total	14,679	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Estate Shops – There is a slippage to the forecast completion date as work in other areas within the department has taken priority and this will now complete in March 2025.

2.2 Malcolm Arcade Refurbishment – This project is currently being reviewed to determine the best use of available resources.

2.3 St Nicholas Wall – There has been a delay to this project due to permissions being required from several statutory bodies to be able to carry out the works required on their land.

2.4 Aikman Avenue District Heating – The existing District Heating provider has been taken over. The scope and design of the works are to be agreed with the new provider for sustainability options, after which a forecast completion date will be known.

2.5 Boston Road – There is a delay to the forecast completion date to carry out remedial work at the site.

Capital Programme Project Monitoring 2024/25 Period 6

Housing General Fund

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Housing Acquisitions - SAP	44,995	0	Aug-25	Aug-25	G
Total	44,995	0			

Capital Programme Project Monitoring 2024/25 Period 6

Children's Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	7,711	0	Jan-24	Sept-25	R
Pindar Nursery	833	0	Mar-23	TBC	A
Expansion of Children's Homes	1,192	0	May-23	Mar-25	G
Education System Re-tender	2,081	0	Mar-26	Mar-26	G
Total	11,817	0			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple).

2.1 Additional SEND Places – The approved scheme includes works at Ellesmere, Lansdowne Road and the Armadale Centre (Nether Hall School). The result of feasibility studies has meant that changes to the original schemes are required. The revised schemes will require additional funding compared to the original estimates, noting also the ongoing inflationary pressures in the construction sector. As schemes come forward, this funding can initially be found from within the overall approval; and as the programme progresses, the scope of the schemes will be adjusted where possible to ensure that costs align to the available remaining funding. Should further funding come to be needed, this funding could be found from the uncommitted element of the ring-fenced High Needs Capital grant allocations. Any necessary approvals will be sought as the details and options are developed.

2.2 Pindar Nursery – Work on this has been delayed in advance of the outcome of the children's centres review.

Capital Programme Project Monitoring 2024/25 Period 6

Housing (HRA)

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Bridlespur Way Refurbishment	300	0	Mar-23	Mar-25	A
Dawn Centre Reconfiguration	1,461	0	May-23	Mar-25	G
St Matthews Concrete Works	1,500	0	Mar-24	Oct-25	A
Goscote Site Carpark	232	0	Jan-24	Nov-24	G
Total	3,493	0			

2. Projects Commentary (for all projects rated Amber, Red or Purple).

2.1 Bridlespur Way Refurbishment – The delay to this scheme is due to the refurbishment being carried out one flat at a time rather than the whole block in one go. Whilst this will extend the overall time to complete, it will mean that some of the flats can be let sooner, reducing the impact of rent loss and saving the Council money on expensive temporary hotel accommodation.

2.2 St Matthews Concrete works – The first phase of the work is expected to complete in March 2025. The remainder of the work will be completed in 2025/26, with the methods and materials used and timescales reached in phase one forming the basis of the work approach for phase two. Phase two of the project is estimated to complete in October 2025 based on current conditions.

WORK PROGRAMMES**1. Summary**

- 1.1 As stated in the cover report, work programmes are minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion.

Department / Division	Approved to spend in 24/25 £000	2024/25 Spend £000	Slippage £000	Over/(under) Spend £000
City Development & Neighbourhoods	2,420	95	325	0
Planning, Development & Transportation	12,497	3,637	980	(376)
Tourism, Culture & Inward Investment	968	91	250	0
Neighbourhood & Environmental Services	790	346	60	0
Estates & Building Services	6,695	849	2,515	0
Housing General Fund	13,118	2,458	1,311	0
Children's Services	15,237	1,905	7,124	0
Total (excluding HRA)	51,725	9,381	12,565	(376)
Housing Revenue Account	43,725	18,160	296	150
Total (including HRA)	95,450	27,541	12,861	(226)

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2024/25 Spend £000	Slippage £000	Over/(under) Spend £000
Feasibility Studies	CDN	2,420	95	325	0
Transport Improvement Works	CDN (PDT)	4,628	1,205	0	0
Bus Engine Retrofitting	CDN (PDT)	376	0	0	(376)
Air Quality Action Plan	CDN (PDT)	43	40	0	0
Highways Maintenance	CDN (PDT)	5,045	1,581	500	0
Flood Strategy	CDN (PDT)	300	211	0	0
Festival Decorations	CDN (PDT)	50	0	0	0
Local Environmental Works	CDN (PDT)	400	225	0	0
Legible Leicester	CDN (PDT)	31	4	0	0
Potential Strategic Development Sites Assessment	CDN (PDT)	568	342	0	0
Architectural & Feature Lighting (Grant)	CDN (PDT)	196	0	130	0
Front Wall Enveloping	CDN (PDT)	394	0	350	0
Transforming Cities Work Programmes	CDN (PDT)	339	0	0	0
Conservation Building Grants	CDN (PDT)	82	28	0	0
Street Nameplates City Branding Programme	CDN (PDT)	45	1	0	0
Heritage Interpretation Panels	CDN (TCI)	221	10	0	0
Local Shopping Centres Reopening & Improvement Programme Grants	CDN (TCI)	747	81	250	0
Parks Plant and Equipment	CDN (NES)	368	297	0	0
Parks and Open Spaces	CDN (NES)	188	29	0	0
Franklyn Fields Public Open Space	CDN (NES)	234	20	60	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	6,411	778	2,515	0
Green Homes	CDN (EBS)	142	0	0	0
Depots Refurbishment	CDN (EBS)	142	71	0	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,061	702	0	0
Repayable Home Repair Loans	CDN (HGF)	121	0	111	0
Vehicle Fleet Replacement Programme	CDN (HGF)	10,271	1,756	1,200	0
Action Homeless' Supported Living Scheme	CDN (HGF)	665	0	0	0
School Capital Maintenance	SCE (ECS)	14,944	1,905	7,124	0
Foster Care Capital Contribution Scheme	SCE (ECS)	293	0	0	0
Total (excluding HRA)		51,725	9,381	12,565	(376)
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,800	435	0	0
Council Housing - Boiler Replacements	CDN (HRA)	2,500	838	0	0
Council Housing - Rewiring	CDN (HRA)	1,610	553	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,200	454	0	0
Council Housing - Insulation Works	CDN (HRA)	50	3	0	150
Council Housing - External Property Works	CDN (HRA)	1,008	219	0	0
Council Housing - Fire and Safety Works	CDN (HRA)	822	320	0	0
Community & Environmental Works	CDN (HRA)	1,689	200	296	0
Affordable Housing - Acquisitions	CDN (HRA)	27,583	12,797	0	0
Public Realm Works	CDN (HRA)	1,338	412	0	0
Feasibility Study for Sheltered Housing	CDN (HRA)	112	0	0	0
New House Build Council Housing	CDN (HRA)	1,013	1,929	0	0
Total HRA		43,725	18,160	296	150
Total (including HRA)		95,450	27,541	12,861	(226)

3. Commentary on Specific Work Programmes

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast.
- 3.2 **Feasibility Studies** – There are a number of schemes which are progressing well. However, a few schemes have slipped into the next financial year due to limited resources being available. Also, there has been changes to the scope of some of the initial schemes within this budget.
- 3.3 **Bus Engine Retrofitting** – As previously reported, DFT were undertaking a review to establish the efficiency of these schemes. This review is now complete, and the council is working with DFT to establish whether this funding could be utilised elsewhere or whether the grant will be reclaimed.
- 3.4 **Highways Maintenance** – The council were awarded a grant from DFT for a programme of works related to Traffic Signalling. The schemes related to this grant have been planned and the work is due to be carried out in the 25/26 financial year.
- 3.5 **Architectural & Feature Lighting** – There are several projects in the pipeline for delivery and work is continuing with third parties to progress these. However, there has been low uptake of this grant in previous financial years due to the economic climate.
- 3.6 **Front Wall Enveloping** – There is slippage forecast on this scheme due to complexities in contacting the owners of the properties. During the remainder of this financial year legal agreements will be finalised and a tender process will take place. Construction is programmed for 2025/26.
- 3.7 **Local Shopping Centres Reopening & Improvement Programme Grants** – Significant progress has been made on these schemes this financial year. However, there are some which are still in development and will require a further decision.
- 3.8 **Franklyn Fields Public Open Space** – Works are progressing well on site. Expected completion on site will be early 2025, although there may be some residual soft landscaping and planting works that will require completion in early 2025/26.

- 3.9 **Property and Operational Estate Capital Maintenance** – There is slippage on this scheme due to internal resourcing delays in relation to the Haymarket Shopping Centre façade. The aim is to be in contract before the end of the calendar year with works being complete in the 2025/2026 financial year. The intricacies of the project at Curve has also caused a programme delay adding to the slippage. A decision is being sought in this report to add £204k to this scheme in relation to the Haymarket Shopping Centre. This is money that has been set aside in previous years in order to make improvements to the centre. This money will be added to the budget and then reprofiled immediately into the 2025/2026 financial year.
- 3.10 **Repayable Home Repair Loans** – As previously reported, resources have been focused on the delivery of Disabled Facilities Grants resulting in the scheme slipping into the next financial year.
- 3.11 **Vehicle Fleet Replacement Programme** – Delays in purchases of new vehicles, £1,200k of vehicles ordered but not expected to be delivered this financial year.
- 3.12 **School Capital Maintenance** – The forecasted slippage is due to unforeseen additional works required at two schools, delaying the planned works. Re-piping works are required which we were not able to be complete over the summer holidays, due to contractor capacity. Also, contingencies that were not used have been carried forward to this financial year.
- 3.13 **Council Housing – Insulation Works** – There is currently a £150k overspend forecast due to increased demand for top ups of loft insulation. Revenue underspends have been identified to finance this work.
- 3.14 **Council Housing Communal and Environmental Works (including District Heating)** – The technical team that support the delivery of the district heating capital improvements had previously been redirected to support the installation of heat meters. Work has now resumed on district heating maintenance but due to the resourcing delay, slippage of £296k is forecasted into 2025/26.

PROVISIONS**1. Summary**

- 1.1 As stated in the cover report, provisions are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem.
- 1.2 Normally provisions are there if needed. The sums below are for the 2024/25 financial year.

Provision	Dept/ Division	Approved £000	2024/25 Spend £000	Remaining Budget £000
Early Years - Two Year Olds	SCE (ECS)	593	0	593
District Heating Metering	CDN (HGF)	1,024	0	1,024
District Heating Metering	CDN (HRA)	1,178	545	633
Total		2,795	545	2,250

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

1.1 As at P6 in the 2024/25 financial year, the following schemes were nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

Project	Dept/ Division	Approved £000	2024/25 Spend £000	Over/(Under) Spend £000
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	14	2	0
High Streets Heritage Action Zones	CDN (PDT)	133	134	1
Land South of Midland Street	CDN (PDT)	21	0	0
Electric Bus Investment	CDN (PDT)	8	0	0
Pioneer Park Commercial Workspace (formerly Dock 2)	CDN (TCI)	44	33	0
Gresham Business Workspace	CDN (TCI)	9	1	0
De Montfort Hall	CDN (TCI)	444	121	0
Ugandan Asians – 50 Year Anniversary Commemoration	CDN (TCI)	154	0	0
Abbey Park Precinct Wall	CDN (NES)	12	14	2
Spinney Hills Park - Levelling Up	CDN (NES)	12	8	(4)
Spinney Hills Park	CDN (NES)	150	0	(14)
African Caribbean Centre Maintenance	CDN (NES)	20	20	0
Study Zones	CDN (NES)	94	1	0
Haymarket House, Car Parks & Lifts	CDN (NES)	107	3	0
Haymarket Bus Station - Toilet Expansion and Refurbishments	CDN (EBS)	48	0	0
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	0
Aylestone Leisure Centre PV Panels	CDN (EBS)	284	19	0
Haymarket Theatre - Internal Completion Works	CDN (EBS)	106	57	0
Phoenix Arts Car Park	CDN (EBS)	46	9	(37)
Changing Places - Disabled Facilities Toilets	CDN (EBS)	192	73	0
Leisure Centre Air Handling Units	CDN (EBS)	31	0	0
Additional Primary School Places	SCE (ECS)	58	23	(35)
Expansion of Oaklands Special School	SCE (ECS)	879	30	0
Overdale Infant and Juniors School Expansion	SCE (ECS)	382	128	0
Tiny Forests in Leicester Schools	SCE (ECS)	3	0	0
Family Hubs	SCE (ECS)	3	0	0
S106 Additional School Places	SCE (ECS)	413	47	0
Children's Homes Refurbishments	SCE (ECS)	406	422	16
Winstanley Contact Centre	SCE (ECS)	263	245	0
Total		4,424	1,390	(71)

POLICY PROVISIONS**1. Summary**

1.1. As at P6 in the 2024/25 financial year, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CRS	New Ways of Working	1,887
CDN (PDT)	Strategic Acquisitions	2,192
CDN (TCII)	Tourism & Culture	10
CDN (TCII)	Highways, Transport & Infrastructure	200
CDN (NES)	Library Investment	1,000
CDN (EBS)	Growing Spaces	301
CDN (Various)	Match Funding	3,000
CDN (Various)	People & Neighbourhoods	392
SCE (ECS)	New School Places	3,673
SCE (ASC)	Extra Care Schemes	5,936
Other	Black Lives Matter	435
All	Programme Contingency	4,500
Total (excluding HRA)		23,526
CDN (HRA)	Other HRA Schemes	750
Total HRA		750
Total (including HRA)		24,276

1.2. Additions to policy provisions since the 2024/25 P3 report (reflected in the tables above) are listed below:

- £2,510k added to Extra Care Schemes from the Extra Care – Two Schemes project

1.3. New School Places – release of £1m for Brook Mead Academy – A new school has been funded by the DFE, with a £1m council contribution. As detailed on the DFE's Contracts Finder the overall value of the main construction contract is £51.5m. Without the DFE delivering this scheme, this school would have not been affordable for the Council. The works are well underway and expected to complete in Summer 2025.

Prudential Indicators

Summary

Under the requirements of the Prudential Code for Capital Finance in Local Authorities, the full Council sets prudential indicators for the authority at the beginning of each year as part of the Treasury Management Strategy and Capital Strategy. This appendix reports on compliance during the year.

1. Debt and the Authorised Limit and Operational Boundary

The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2024/25 Authorised Limit £m**	2024/25 Operational Boundary £m**	Debt at 30/09/24 £m	Complied?
Borrowing	320	250	174	yes
PFI and Finance Leases	175	145	86*	yes
Total debt	495	395	260	

* provisional subject to 2023/24 accounts audit

2. Maturity Structure of Borrowing

This indicator is set to control the Authority’s exposure to refinancing risk (i.e. not having to repay too much and then borrow again at the same time). The upper and lower limits on the maturity of all borrowing were:

	Upper Limit £m	Lower Limit £m	30/09/24 Actual £m	Complied?
Under 12 months	50	nil	20	yes
12 months and within 24 months	80	nil	nil	yes
24 months and within 5 years	140	nil	nil	yes
5 years and within 10 years	140	nil	nil	yes

3. Short-term Treasury Management Investments

The Council has an overall limit for investments. We invest mainly in money markets and with other Local Authorities for short-term investments as we are able to call

the money back for any immediate spending needs. Further details on the limits can be found in the mid-year Treasury report to Overview Select Committee.

4. Long-term Treasury Management Investments

The Council has a limit of £50m for long-term investments. The total sum of such investments held by the Council as of 30 September 2024 was £5.2m* which we hold in property funds, the limit was therefore complied with. It should be noted that the Council received 3 repayment of investment instalments up to 30 September 2024 totalling £1.409m following the termination of the fund in April 2024. There has been a further instalment received in November 2024, bringing the total repayments to £1.586m. Further details are available in the mid-year Treasury report to Overview Select Committee.

*after the three instalments from the Lothbury fund

5. Gross Debt and the Capital Finance Requirement (CFR)

The underlying need to borrow for capital purposes is called the Capital Financing Requirement (CFR).

Statutory guidance is that debt should remain below the capital finance requirement, except in the short term. The authority has complied and expects to continue to continue to comply with this requirement.

6. Liability Benchmark

The Liability Benchmark forecasts the underlying need to borrow for capital purposes over the next 50 years, to make sure it remains within the CFR. Our forecasts suggest we will comply with this requirement.

Income Collection April -September 2024

Overview Select Committee

Date of Meeting :12th December 2024

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell, Head of Finance
- Author contact details: Kirsty.cowell@leicester.gov.uk
- Report version number: V1

1. Summary

This report details progress made in collecting debts raised by the Council during the first six months of 2024-25 together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that it has not been possible to collect after reasonable effort and expense.

This is a routine report made to members twice each year. As expected, the total outstanding debt increased over the first half of the financial year; this is due to the annual cycle of billing for council tax and business rates.

The key current issue for debt collection remains the cost of living crisis, and officers are aware of the problems this presents for some of our citizens and businesses. Measures are being taken where necessary to assist those struggling to pay.

Figures included in this report need to be seen in the context of the total amount of income collected by the Council each year: in 2023/24 the total amount raised from the areas covered in this report was almost £490m. Whilst some debt is difficult to collect, and some people find it difficult to pay, ultimately we collect nearly all of the money due to us.

2. Recommended actions/decision

2.1 The OSC is recommended to:

- Consider the overall position presented within this report and make any observations.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

Appendix A provides a summary of all debt.

Appendix B provides more detailed information and narrative for each main category of debt

Appendix C provides a summary of all the write-offs during the period.

Appendix D provides a summary of Write Offs Over £5k for 2024/25

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

5.1 Financial implications

The report details the Council's performance in collecting debts, and amounts which have had to be written off.

Signed: Kirsty Cowell, Head of Finance

Dated: 7 November 2024

5.2 Legal implications

There are no specific legal implications arising from this report, which is for information purposes.

Signed: Jeremy Rainbow – Principal Lawyer (Litigation)

Dated: 6 November 2024

5.3 Equalities implications

This report details progress made in collecting debts raised by the Council during the first six months of 2024-25. The Council must make every effort to collect its due debts. The Council aims to collect debt in a fair, proportionate and respectful manner. Communications with residents are designed to prompt timely payment from residents who can pay, and early engagement from those who may have difficulties in making payments.

Copies of the Council's debt policy are available on the website

<https://www.leicester.gov.uk/your-council/how-we-work/debt-enforcement/if-you-are-struggling-to-pay>

Recovery action needs to strike a fair balance between sensitivity to debtors who are struggling to pay and the interests of the public as a whole (the income expected is part of our budget).

Effective communications are central to maximising income collection. Timely and accessible communications will help customers make the required payments. It is important to provide information clearly and transparently to debtors on what/how to pay, what to do if they can't pay and what actions we may take; assist them in understanding the situation, their options and what is required of them as individuals before further recovery progression.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 7 November 2024

5.5 Climate Emergency implications

There are no significant climate emergency implications directly associated with this report.

Signed : Aidan Davis, Sustainability Officer, Ext 37 2284
Dated: 8 November 2024

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

No other implications are noted as this is an income collection report, and therefore no policy changes are proposed.

6. Background information and other papers:

Finance Procedure Rules

Debt Policy

7. Summary of appendices:

Appendix A provides a summary of all debt.

Appendix B provides more detailed information and narrative for each main category of debt

Appendix C provides a summary of all the write-offs during the period.

Appendix D provides a summary of Write Offs Over £5k for 2024/25

8. 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

9. Is this a “key decision”? If so, why?

No

Summary of all Debt

Income Type	Debts brought forward @ 1/4/2024 £m	Debt raised £m	Collected £m	Written off £m	Debts outstanding @ 30/09/2024 £m
Business Rates (including Costs)	14.21	106.20	(58.19)	(0.81)	61.41
Council Tax (including Costs)	37.76	184.31	(98.06)	(1.76)	122.25
Housing Benefit Overpayments	7.63	1.17	(1.37)	(0.13)	7.30
Council House Rents	3.52	49.22	(48.49)	(0.02)	4.23
On and Off-Street Car Parking fines	3.10	3.05	(1.97)	(0.59)	3.59
Moving Traffic Enforcement	1.01	0.95	(0.67)	(0.14)	1.15
Other Income	20.11	88.25	(72.73)	(0.54)	35.09
Totals	87.34	433.15	(281.48)	(3.99)	235.02

1. Business Rates

1.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
14.21	106.2	(58.19)	(0.81)	61.41

1.2 Background and comparator information

Background Information

Business Rates are a national tax paid by approximately 12,700 businesses in Leicester.

It should be noted that the uncollected debt increases over the first half of the financial year due to the annual cycle of billing for business rates. But it is positive to note the uncollected debt is lower than this time last year.

Comparator Information

Debt collection was previously affected by the pandemic although it has since improved. Below shows the collection rate over the last two years:

- Collection to 30th September 2023 – 55.54%
- Collection to 30th September 2024 – 54.99%

It should be noted that unpaid debt at 31st March continues to be collected in the following year. To 30th September 2024 the previous years arrears had reduced from £14.21m to £12.29m. In year and arrears collection has been impacted by unoccupied property debt owed by Highcross Shopping Centre Ltd, following the company's receivership. This is being actively managed through our solicitors.

As of 30th September 2024, our collection performance places us 7th out of 14 authorities with comparable populations. However, it should be noted that due to the close nature of the comparator authorities, small differences in the collection rate result in a greater movement in places.

1.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	21	25
Deceased – No Assets	3	1
Insolvent / Bankrupt/ Liquidated	207	379
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	167	406
Totals	398	811

1.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The government confirmed that the retail, hospitality, and leisure business rates relief scheme would continue to apply in 2024/25 to provide eligible, occupied properties with 75% relief, up to a cash cap of £110,000 per business. The scheme has been available from 1st April 2024 and will be applicable to the 2024/25 financial year only. We are actively promoting this relief. Following the October budget this relief will be 40% from 1st April 2025.

Mandatory rate relief (80%) for private schools will cease from next year. To support small businesses the Government has also frozen the small business rate multiplier to 49.9p.

Charges for 2024/25 are based on the revaluation of the rateable value of all non-domestic properties, effective from 1 April 2023. The next revaluation is due on 1 April 2026.

1.5 Summary of measures taken to recover debt

Debt recovery measures

Our normal recovery process is:

- A reminder will be sent if an instalment is missed.
- If the instalment is paid within 7 days of the reminder, the right to pay by instalments is maintained; if a subsequent instalment is missed a final notice will be issued stating that the right to pay by instalments has been lost and the full charge has become payable.
- If the instalment is not paid within 7 days of the reminder, the full charge becomes payable.

- If the full charge becomes payable and is not paid within 7 days, a summons will be issued, and a liability order sought at the Magistrates' Court. Costs become payable at this stage.

A collection improvement plan has been developed to improve in-year and arrears collection. As part of this, we are issuing a SMS message to businesses prior to issuing summonses and focusing recovery action on rate payers with high levels of arrears with the help of external solicitors.

From August this year, business rate payers are able to request a payment arrangement through their online Revenues and Benefits account. We are also ensuring that customers struggling to pay can speak to a business rates officer to discuss payment of the outstanding debt and any other support that may be available.

2. Council Tax

2.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
37.76	184.31	(98.06)	(1.76)	122.25

2.2 Background and comparator information

Background information

Council tax is a national tax, charged to almost 145,000 properties in Leicester. The amount we collect includes sums charged by the fire authority and the police and crime commissioner.

It should be noted that the uncollected debt increases over the first half of the financial year due to the annual cycle of billing for council tax.

Council tax arrears have increased in recent years, following the pandemic and impacts of the cost of living crisis. The Council continues to work with households struggling to pay and would encourage anyone in this situation to contact us early.

Comparator information

The following shows the percentage debt collection in the year it is raised over the last two years:

- Collection to 30th September 2023 – 50.95%
- Collection to 30th September 2024 – 50.94%

The debt collected is similar to the previous year, despite the 4.9% increase in council tax and the cost of living pressures faced by many residents. The long term aim is to reach collection to pre-covid levels (53.28% in 2019), whilst protecting and helping the most vulnerable.

It should be noted that unpaid debt on 31st March continues to be collected in the following year. To 30th September 2024, previous years arrears reduced from £37.76m to £29.82m.

As at 31st March 2024, our collection performance places us 9th out of 14 authorities with comparable populations.

2.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	1,941	651
Deceased – No Assets	175	42
Insolvent / Bankrupt/ Liquidated	1,069	192
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	3,539	879
Totals	6,724	1,764

2.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

At Council in February Council amended its policy in relation to empty and unfurnished property premiums. This came into effect from the 1st April 2024.

2.5 Summary of measures taken to recover debt

Debt recovery measures

As of 30th September, council tax support has been credited to 25,102 accounts, at a cost of £26.35m to the Council.

The council tax discretionary relief scheme also provides support to households experiencing extreme financial hardship. As at 30th September 2024, just over £0.3m was paid to eligible households to make their council tax payments affordable. This is funded by the Council.

The usual recovery process after a reminder instalment has been missed is:

- If the instalment is paid within 7 days of the reminder, the right to pay by instalments is maintained; if a further instalment is missed, another reminder can be issued; if a third instalment is missed, a final notice will be issued stating that the right to pay by instalments is lost and the full balance becomes payable.
- If the instalment is not paid within 7 days of the first /second reminder, the right to pay by instalments is lost and the full balance becomes payable.
- If the full balance becomes payable and is not paid within 7 days, a summons will be issued, and a liability order sought at the Magistrates Court.

At every stage of the recovery process, the council taxpayer is offered a formal payment arrangement. With the recovery process, safeguards have been put in place to protect the most vulnerable.

Understanding the struggles households and businesses may be experiencing, we continue to encourage residents and ratepayers to contact the Council as soon as possible so that a suitable payment arrangement or any entitlement to discounts, exemptions and discretionary relief can be discussed.

Furthermore, any customer contacting us with regards to their council tax payments, continues to be referred to the Council's information on our website, where they can receive help with benefits and other advice and support.

We are also ensuring that customers struggling to pay can speak to a council tax officer to discuss payment of the outstanding debt and any other support that may be available.

From August this year, council taxpayers are also able to request a payment arrangement through their online Revenues and Benefits account.

As with business rates, a collection improvement plan is being developed to improve in-year and arrears collection. As part of this, we are issuing SMS message prior to issuing summonses, focusing recovery action on charge payers with high level of arrears and making greater use of charging orders to secure outstanding debts.

3. Overpaid Housing Benefit

3.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
7.63	1.17	(1.37)	(0.13)	7.30

3.2 Background and comparator information

Background information

The main cause of housing benefit overpayments is delays in recipients telling the Council of changes in their circumstances, resulting in too much benefit being paid. By its nature overpaid housing benefit is difficult to collect. However processes are in place to recover debt wherever possible.

Overall, housing benefit debt continues to reduce from £7.64m at 31 March 2024 to £7.30m at 30 September 2024.

Comparator information

Debt outstanding at:

- 30/09/2020 £13.74m
- 30/09/2021 £11.02m
- 30/09/2022 £9.45m
- 30/09/2023 £8.02m
- 30/09/2024 £7.30m

3.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	1	1
Deceased – No Assets	5	45
Insolvent / Bankrupt/ Liquidated	9	21
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	43	70
Totals	58	137

3.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

There are no changes to report on overpaid housing benefit.

3.5 Summary of measures taken to recover debt

Debt recovery measures

Debt is collected by means of deduction from ongoing benefit payments if there is a current entitlement to housing benefit.

Legislation permits us to deduct overpayments from other state benefits. However, when people transfer to Universal Credit our ability to collect weakens as we are 19th on the Government's priority of creditors list.

If there is no current housing benefit entitlement, payment is requested from the customer in the first instance before an invoice is raised.

Where no benefits are in payment, but the debtor is in employment we seek to obtain a Direct Earnings Attachment.

The Council continues to work with those struggling to pay on a case-by-case basis, offering payment arrangements.

4. Housing Rent

4.1. Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
3.52	49.22	(48.49)	(0.02)	4.23

4.2 Background and comparator information

Background information

The Council currently collects rent from approximately 18,900 tenancies across the city. Approximately, 5,400 of our tenants (29%) are on full or partial housing benefit and 8,300 (44%) on Universal Credit (UC). The debt raised & collected includes the element paid by housing benefit.

Comparator information

Arrears have increased by £0.7m since March 2024, however the overall figures are in line with September 2023 figures. The mid-year fluctuation is possibly due to two rent free weeks falling in the second half of the financial year.

4.3. Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	0	0
Deceased – No Assets	0	0
Insolvent / Bankrupt/ Liquidated	0	0
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	64	20
Totals	64	20

4.4. Volume/policy/statutory changes that have occurred during the period and their impact

Changes

It is now over 7 years since the implementation of UC, and the roll out of the full UC commenced at the beginning of 2024. Under the latest plans, it is anticipated the managed migration of the final group of legacy benefit claimants will be completed by 2028/29.

Tenants in receipt of Housing Benefit can have it paid directly into their rent account. However, under UC money is paid directly to the claimant rather than the Council. Vulnerable tenants and those with a history of rent arrears or homelessness may be able to have their rent paid directly to the Council, as landlord, by applying for an Alternative Payment Arrangement (APA).

4.5 Summary of measures taken to recover debt

Debt recovery measures

The Income Management Team are working collaboratively with the Department for Work & Pensions (DWP) to minimise any impact of UC roll out. Tenants continue to be supported with income maximisation and claims for HB and UC, which can assist with rent payments. The team provide support to claim Discretionary Housing Payments (DHP), when available. So far this year they have distributed the £500k allocation of the Household Support Fund (HSF) to help secure tenants and those in temporary accommodation, who were in rent arrears and met the criteria.

In addition to the above, a further £500k HSF has been allocated and the team will continue to support tenants with tenancy sustainment with this funding.

We understand the pressures households are facing managing debt. Therefore we continue to encourage those who are struggling to pay to contact us as soon as possible. Rent Management Advisors are supporting vulnerable tenants to claim and maintain UC and other welfare benefit streams, including disability related benefits.

5. Parking Fines (Penalty Charge Notice)

5.1 Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
3.10	3.05	(1.97)	(0.59)	3.59

5.2 Background and comparator information

Background information

The Council issues penalty notices for both on-street and off-street parking charge evasion, as well as illegal parking. There are two nationally set rates based on the seriousness of the offence, details below.

- £25 or £35 if paid within 14 days.
- £50 or £70 if paid after 14 days.

When the penalty notices are written off, they are done so at the full rate plus any costs incurred.

Comparator information

The percentage of tickets issued during the year, paid at 30th September:

- 2023/2024 – 68%
- 2024/2025 – 66%

5.3. Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	2,036	221
Deceased – No Assets	8	1
Insolvent / Bankrupt/ Liquidated	62	6
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	2,157	365
Totals	4,263	593

5.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The number of PCNs issued continues to increase in comparison with the same period in 2023/24. This is facilitated by the continued use of the new back-office system and the better handheld devices that are being used by all Civil Enforcement Officers (CEOs) on patrol.

Income generated by parking PCNs has also steadily increased as a result, but income also remains limited by changes across the city. This is especially the case around the city centre where the number of on-street parking places has been reduced.

The average number of CEOs (excluding seniors and supervisors) for this period is 58 compared with 52 for the same period last year, which allows for more PCNs to be issued, and corresponds to the increased level of income. The number of no-trace cases continues to affect the recovery of debt as vehicles can be registered without proof of identity being provided.

5.5. Summary of measures taken to recover debt

Usual Debt recovery measures

- Reminder letters
- Legal action
- Enforcement action (bailiffs)

6. Moving Traffic Enforcement Fines

6.1 Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
1.01	0.95	(0.67)	(0.14)	1.15

6.2 Background and comparator information

Background information

The Council issues penalty charge notices (PCNs) to motorists for driving in Bus Lanes/Gates or Bus Stop Clearways (red routes), and for stopping in yellow box junctions.

These are levied at £70, discounted to £35 if paid within 21 days.

When the penalty notices are written off, they are done so at the full rate plus any costs incurred.

Comparator information

The percentage of tickets issued during the year, paid at 30th September:

- 2022/2023 – 70%
- 2023/2024 – 71%

6.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	1,007	65
Deceased – No Assets	17	2
Insolvent / Bankrupt/ Liquidated	35	4
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	1,082	68
Totals	2,141	139

6.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

In the first half of 2024/25 four new bus lane cameras have been installed and have become operational: two at Abbey Park Road and one each at Melton Road and Anstey Lane. This could contribute to an increase of PCNs issued in 2024/25.

The Abbey Street camera has been operational since July 2024 and is a bus-only street, following the opening of the new St Margaret's bus station and completion of associated junction works.

Since acquiring the designation order under the Traffic Management Act 2004 legislation, part 6, camera enforcement of yellow-box junctions has been introduced on Abbey Street and Vaughan Way, from 27th May 2024.

Both locations currently remain under the six-month warning period and any vehicle stopping in a box junction for the first time is issued a warning PCN. Only one warning PCN is issued to a vehicle during the warning period and any repeat offenders are then issued a payable PCN. The warning period ends on 27th November 2024. From this date, any vehicle stopping in one of these box junctions will be issued a payable PCN.

6.5 Summary of measures taken to recover debt

Usual Debt recovery measures

- Reminder letters
- Legal action
- Enforcement action (bailiffs)

7. Other Income

7.1 **Headline Figures for period under review including costs***

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off/back £m	Uncollected debt c/f £m
20.11	88.25	(72.73)	(0.54)	35.09

7.2 **Background and comparator information**

Background information

“Other Income” includes all income other than the sources described above. It covers a wide variety of income from various individuals and organisations. Examples include commercial property rent, adult social care costs relating to residential and non-residential care, and repairs and maintenance charges relating to Council property.

Unlike some other sources of debt, the total debt value can fluctuate based on the type and timing of income being collected. In particular, the debt at 30 September includes some large invoices raised in late September and consequently not paid by the end of the month.

Comparator information

Debt over 12 months old (aged debt) has once again increased in the past year as inflation continued to rise:

- 30/09/2019 £3.28m
- 30/09/2020 £4.08m
- 30/09/2021 £4.63m
- 30/09/2022 £4.68m
- 30/09/2023 £5.28m
- 30/09/2024 £6.64m

7.3 **Debt write-off**

Reason for Write Off ↓	No.	Value £000
Unable to Trace	60	23
Deceased – No Assets	408	171
Insolvent / Bankrupt/ Liquidated	206	228
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write on	593	118
Totals	1,267	540

7.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

Higher living costs and rising energy bills are expected to have had an impact on the recovery of outstanding debt. We continue to encourage anyone with outstanding debt who is struggling pay to contact us as soon as possible.

7.5 Summary of measures taken to recover debt

Debt recovery measures

The debt recovery measures detailed below are our normal processes, but the Council continues to offer support where required for those suffering financial hardship.

Normally:

A first reminder is issued at 14 days when an invoice remains unpaid. Seven days later a second reminder is issued.

A letter before action, known as a letter of claim, follows if the case is suitable for enforcement in the county court. If the Council obtains a judgement or an order for recovery of an award and if payment is still not forthcoming, the next actions can include:

- Referral to an enforcement agent
- Third party debt order
- Attachment to earnings
- Charging Order

Cases not suitable for enforcement through county court procedures are referred to enforcement agents for collection. Debtors are encouraged to engage with our support offer.

Summary of all Write Offs

The table below provides detail on the reasons why debt is written off during the year.

Income Type	Unable to trace £000	Deceased - no assets £000	Insolvent/ Bankrupt/ Liquidated £000	Irrecoverable at reasonable effort and expense/including adjustments for costs and write ons £000	Total Write offs at 30/09/2024 £000
Business Rates (including Costs)	25	1	379	406	811
Council Tax (including Costs)	651	42	192	879	1,764
Housing Benefit Overpayments	1	45	21	70	137
Council House Rents	0	0	0	20	20
On and Off-Street Car Parking fines	221	1	6	365	593
Moving Traffic Enforcement	65	2	4	68	139
Other Income	23	171	228	118	540
Totals	986	262	830	1,925	4,003

Appendix D

Write Offs Over £5k for 2024/25

Income Type	No. of Write Offs	Value £000
Non Domestic Rates (including Costs)	44	687
Council Tax (including Costs)	31	217
Housing Benefit Overpayments	4	59
Council House Rents	0	0
On and Off-Street Car Parking fines	0	0
Bus Lane Enforcement	0	0
Other Income	22	378
Totals	101	1,341

Financial procedure rules require me to itemise any individual write-offs in excess of £100,000. There were 2 such write-offs in the period:

- £186,850 Rent & Service charges for the Muslim Community Resource Centre, written off following dissolution.
- £481,530 – Balance of loan, interest and fees owed by Norton Motorcycles (UK) Ltd. Norton Motorcycles (UK) Ltd loan from the Growing Places revolving loan fund originally approved by the LLEP board. The remaining balance of the loan and interest has been written off following administration. There is no impact on the Council's budget, as the Council was acting as the Accountable Body and the GPF loan fund was fully financed from the Government grant and subsequently from the recycling of loan repayments.

Appendix H

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Meeting Date	Item	Recommendations / Actions	Progress
26 September 2024	1. Questions for City Mayor 2. Revenue Monitoring Period 3 3. Capital Monitoring Period 3	1a. Figures on returns from Travelodge above Haymarket to be provided. 1b. Consideration be given to the issue of better coordination between Highways and Street Cleansing so as to ensure that risky drains are regularly unblocked, and leaves cleaned to avoid flooding. 1c. Follow up on issue surrounding the Leys Building and find out how long the development will take to complete. 1d. Consideration be given to informal scrutiny on call centres through the C&N Commission. 1e. To be looked into as to whether funding for libraries was reduced and whether new books were still being purchased. 2a. Report to be provided on the pressures in homelessness and the progress of the £45m acquisition programme. 2b. To be established as to where department are with recommendations on SEND transport. 3a. OSC asked for an update on the estate's shops capital programme and	1b. Written response sent to member concerned. 1c. This has been followed up. Response sent to member concerned. 1d. No need for informal scrutiny as this will be considered in the Customer Services report. 1e. Response sent to members 2a. Report added to workplan – Other info sent separately to members. 2b. Response sent to members 3b. Response sent to members.

Meeting Date	Item	Recommendations / Actions	Progress
		<p>if there was any other funding available for shops works.</p> <p>3b. S106 Contributions to be considered for helping to fund MUGA in Beaumont Leys.</p>	
12 December 2024	<ol style="list-style-type: none"> 1. Update on Temporary Accommodation Pressures & £45m Acquisition Programme 2. Council Tax Support Scheme – Update on model consulted on. 3. Revenue Monitoring Period 6 4. Capital Monitoring Period 6 5. Income Collection Report – Half-Yearly 6. Treasury Report – Half Yearly 	<ol style="list-style-type: none"> 1. To include cost info surrounding buying houses to reduce pressure and pressures around homelessness issues. 	
30 January 2025	<ol style="list-style-type: none"> 1. General Revenue Budget 2. Capital Programme 3. HRA Budget 4. Treasury & Investment Strategy 		

Meeting Date	Item	Recommendations / Actions	Progress
27 March 2025	1. Revenue Monitoring Period 9 2. Capital Monitoring Period 9 3. Customer Services Update		
1 May 2025			

Forward Plan Items (suggested)

Topic	Detail	Proposed Date
Update on Workforce Representation Informal Scrutiny Work		
Environmental Impact of Construction Projects	As requested previously during the 2023/24 municipal year	TBC
City Mayor's Strategic Priorities		TBC
Ongoing response to the cost-of-living crisis	Last taken to OSC on 9 November 2023	TBC