



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 30 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Cassidy - Chair

Councillor Kitterick
Councillor O'Neill
Councillor Porter
Councillor Westley

Councillor March
Councillor Osman
Councillor Waddington

In Attendance

City Mayor – Sir Peter Soulsby
Deputy City Mayor - Councillor Cutkelvin
Assistant City Mayor - Councillor Sood (online)

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87. WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rae Bhatia with Councillor Westley attending as substitute for Councillor Rae Bhatia.

Apologies would also be received from Cllr Adatia, he would join online.
Apologies would also be received from Cllr Pickering, she would join online.

88. DECLARATIONS OF INTEREST

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

Councillor March raised that she had an ongoing interest in the issue of Council Tax Support should the issue be raised in the meeting.

89. CHAIR'S ANNOUNCEMENTS

The Chair advised that the informal scrutiny on Workforce Representation would take place on 4th and 5th of February.

An initial scoping meeting to look at the scope and timelines for a task group regarding Council Tax would be arranged.

90. MINUTES OF THE PREVIOUS MEETING

With regard to a request noted in the minutes for information regarding the outside Council Buildings being lit up at night and whether this was still done, this would be looked into.

AGREED:

That the minutes of the meeting held on 12 December 2024 be confirmed as a correct record.

91. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

A query, was noted during the item on Minutes from the previous meeting, as noted above.

Other progress on actions were reflected in the Work Programme attached to the agenda pack and members had been emailed the details of this progress.

92. QUESTIONS, REPRESENTATION 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.

93. PETITIONS

The Monitoring Officer reported that no petitions had been received.

94. 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. No petitions 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

95. QUESTIONS FOR THE CITY MAYOR

The Chair invited members to raise questions for The City Mayor.

Reference was made to privately owned children's care homes and the associated costs. The City Mayor was invited to provide his view on this and to offer ideas on how to reduce expenditure.

The City Mayor agreed that there was a nationwide issue with costings. Recent government proposals had been promising, particularly the legislative proposals. A presentation, recently received by the Executive, would be forwarded to the commission. There was a good record of developing children's homes in Leicester in a financially prudent way. This provided safe places for young people who were unable to live outside of local authority care. Regarding the recently created Aylestone children's home and other planned homes, provision was being developed to avoid children having to move to other parts of the country. There had been issues with other local authorities placing children within Leicester. The government was beginning to address this practice which would help to prevent subsequent profiteering from the private sector.

AGREED:

That the presentation on Children's Care Homes be shared with the Commission.

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

The Director of Housing submitted a report setting out the City Mayor's proposed Housing Revenue Account (HRA) budget for 2025/26 prior to it being considered at Full Council on 19th February 2025.

The Overview Select Committee was recommended to make any comments on the report.

The following was noted:

- This was a balanced HRA proposal despite pressures of £5m in the Housing Revenue Account
- To balance the budget there was a proposal of a 2.7% rent increase (this was the maximum allowed by central government.) Anything below the 2.7% would lead to a loss of income and could impact on investment and cause a reduction in services.
- Alongside the rent increase there were proposals for an equivalent 2.7% increases in garage and hostel rents. A 4% increase for Gypsy and Traveller plot rents, a 1.7% increase on service charges (except for a 9.1% reduction in waylighting service charges due to a direct link to electricity costs reductions.
- For District heating, there were now 1900 tenants and 1000 home-

owners supplied through this heating scheme. Almost 1000 were on meters and the remainder were on weekly fixed charges.

- For the charges on properties where there was heat meter separated into fixed and variable charges, there was a forecasted fixed cost reduction of 26%, following the reduction of 24% last year
- For the heat variable charge there was a proposed reduction in charge of 25%, following a 29% reduction last year.
- For those properties without a heat meter, it was proposed that there would be a reduction of 26%
- From a Capital Perspective, this would create a Capital Budget of £40.96m. Of this £30m would relate to new build housing, broken down into loans and right to buy receipts. The remaining £10.9m would go towards additional investment in housing stock.
- The budget consultation had gone out to tenants with the majority in support of the proposals.
- Proposals had then gone on to the Housing Scrutiny Commission with no changes being requested. The next stage would be for proposals to go to Full Council.

The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- A recommendation for an amendment to be made was agreed. This being that the City Mayor could reduce charges, but any increase would be subject to a separate decision.
- Following changes to the Right to Buy Scheme there had been an increase in applications. It was anticipated that the amount of sold properties would reduce in the future which in turn would lead to a reduction in the amount of Right to Buy Scheme receipts available to buy/build new houses. Discussions were in place with Homes England to explore how building would continue to be funded.
- Social Housing availability was at around 19.5K currently.
- Maintenance charges in housing such as blocks of flats were still being reviewed, this was a complex piece of work.
- For loft insulation, National Government green schemes were considered as they became available. Work took place in conjunction with the Sustainability Team.
- Regarding the climate emergency, £30m had been used towards highly efficient new affordable housing and new schemes such as Saffron, were the most energy efficient housing and low cost to run. The most Energy efficient boilers were installed, and the capital programme also

supported new roofing and windows and doors to ensure energy efficiency in properties.

AGREED:

- 1) That the recommendations for Full Council be noted by the committee.
- 2) That the comments of the Housing Scrutiny Commission be noted by the committee; and
- 3) That comments made by members of this commission to be taken into account by the lead officers.

That a recommendation be noted for an amendment this being that the City Mayor could reduce service charges but any increase would be subject to a separate decision.

97. CAPITAL PROGRAMME 2025/26

The Director of Finance submitted the Draft Capital Programme 2025/26 which would be considered by Council on 19th February 2024.

The Overview Select Committee was recommended to consider the report, and the comments made by the Scrutiny Commissions, and to pass its comments on these to the meeting of Council for consideration.

The City Mayor introduced the item and the following was noted:

- This was a 'slimmed down' Capital programme for two significant reasons:
 - Funds that had been transferred to Capital Funds from Revenue Funds would be transferred back to Revenue.
 - Much of what would need to be done under the Capital Programme would now require borrowing, this would have a Revenue implication.

The Director of Finance gave an overview of the programme, and the following was noted:

- The Capital Programme report included the decision to transfer revenue backed funds, currently in the capital fund, back to revenue.
- There was also the decision to reduce the Capital Programme by £13m. This would lead to a reduction in borrowing, rather than funds becoming available.
- It was one year-budget. Some projects would span across multiple years and a second year was proposed for schools' maintenance, to allow for

timings with the school year.

The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- Government grants are often granted for specific purposes. Some grants do not cover full costs, and it was usually necessary for local authorities to meet the remaining funds. Capital grant money could not be used for revenue expenditure. Examples of specific grant funded projects included the Railway Station refurbishment, Pilot House and Pioneer Park.
- A request was made to see the business case for the Richard III café and also for a discussion on the railway station following the unsuccessful first round tenders. The City Mayor was in agreement for further scrutiny around the scheme.
- The local authority had consistently put revenue funds aside to fund capital schemes and this could also be moved back if required. Decisions to move monies to the capital fund were normally taken as part of the Revenue Outturn Report.
- It was confirmed earmarked reserves were in the appendix of the budget setting report.
- Actual borrowing would need to take place for the new capital programme once cash balances were no longer available but undertaken borrowing will be undertaken in planned way.

AGREED:

- 1) That the recommendations for Full Council be noted by the committee.
- 2) That the comments of the Scrutiny Commissions be noted by the committee; and
- 3) That comments made by members of this commission to be taken into account by the lead officers.
- 4) Further details on the business case to be supplied for the Richard III Centre together with further scrutiny prior to commitment to the scheme.
- 5) Further scrutiny to take place on the railway station

98. REVENUE BUDGET 2025/26

The Director of Finance submitted the Draft Revenue Budget 2025/26 which would be considered by Council on 19th February 2025.

The Overview Select Committee was recommended to consider the report, and

the comments made by the Scrutiny Commissions, and to pass its comments on these to the meeting of Council for consideration.

The City Mayor introduced the item and noted the following:

- Since the report was published, news had been received that the government had been able to provide some support for Local Authorities, such as Leicester City Council, who were in precarious financial situations.
- Some Local Authorities had not received such support as it had been aimed at those in the most desperate circumstances who were dealing with rising demands in areas such as social care and homelessness.
- This support would enable the Council to avoid the necessity of asking the government of a Capitalisation Directive as described in the initial report which would have asked to sell assets in order to boost short term revenue.
- The support was tailored in such a way that there would be enough support to avoid a Capitalisation Directive but would not allow Councils to avoid making difficult decisions as reductions in the budget would still be needed.

The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- Queries were raised on the assets that would be disposed of.
- With regard to further questions about assets and a request for information on the value of corporate assets in terms of income generation, it was agreed that the Corporate Estate report could be circulated to members.
- It was clarified that the Council would no longer need to seek the emergency package of asking the government for permission to sell assets to fund revenue for the period covered in the report.
- It was clarified that officers regularly sold assets. It was agreed a regular report would be bought on the sale of assets to OSC.
- In response to questions about the original strategy, it was explained that the government support did not change other aspects of the budget strategy.
- In response to queries raised about the risk of a Section 114 notice, it was the understanding of the City Mayor that as long as the Council proceeded with a reduction in overall spend, a Section 114 notice could be avoided in the immediate future, however, the budget would need to be reduced. It was further clarified that within the three-year forecast, a

Section 114 notice was not anticipated but there was still an underlying budget gap.

- With regard to a query about monies from the government support earmarked for Children's Services, it was clarified that this was to help with increasing demand. It was agreed further detail on Social Care Prevention Grant could be circulated to members.
- Issues were raised around adventure playgrounds:
 - Concern was raised that detail was not included regarding the parachute payment to adventure playgrounds and there was keenness for the playgrounds to be protected and their staff to avoid redundancy.
 - Further concern was raised that six months of funding was not sufficient for further funding solutions to be found.
 - In response to this, it was anticipated that funding would cease halfway through the year, this was an extension on the originally planned funding.
 - It was thought that Leicester was one of the few local authorities that continued to support adventure playgrounds.
 - It was thought that other organisations would want the opportunity to step in to provide open-access play.
 - Concerns around continuation were understood, and members would be engaged with on this in the weeks ahead.
 - The revenue budget did not pre-judge a decision on this. The pressure to reduce spend was present, but the specifics would require a separate decision.
 - The procedure for issuing decisions was explained.
 - It was requested that the City Mayor look at how the Council can provide longer term funding for adventure playgrounds and to make a decision on the matter as soon as possible to help to avoid uncertainty.
 - It was understood that a speedy decision would be welcome.
 - It was suggested that if the Council was in a different situation with the budget, then this issue should be thought about again.
 - It was suggested that in the past the Council had been able to avoid closure of facilities in similar situations. It was further suggested that funding for the playgrounds was a small part of Council spending.

- It was suggested that the adventure playgrounds were a unique aspect of the city that made it special. However, statutory frameworks did not account for it, so it would be under pressure. It was requested that this pressure be relieved.
- With regards to the reserves held by the organisations, it was noted that some would be better off than others and that in some cases, the money left in reserves was needed to pay for redundancies as they had been advised to make.
- It was suggested that external funding, such as Lottery funding, was unpredictable.
- It was noted that adventure playgrounds improved the lives of children.
- It was suggested that a working party could look at this issue.

AGREED:

- 1) That the recommendations for Full Council be noted by the committee.
- 2) That the comments of the Scrutiny Commissions be noted by the committee.
- 3) That comments made by members of this commission to be taken into account by the lead officers; and
- 4) That the City Mayor look at how the Council can provide longer term funding for adventure playgrounds and to make a decision on the matter as soon as possible.

Councillor Westley left the meeting during the discussion of this item.

99. TREASURY AND INVESTMENT STRATEGY

The Director of Finance submitted a report proposing a Treasury Policy framework, a Treasury Management Strategy for the governance of the Authority's borrowing and cash balances during 2025/26 and the Investment Strategy defining the Authority's approach to making and holding investments, other than those made for normal treasury management purposes.

The Overview Select Committee was recommended to note the report and make comments to the Director of Finance and the Executive as they wished, prior to Council consideration.

The following was noted:

- The Treasury Policy set policies and practices for example performance measurements.
- The Treasury Strategy set out balances and borrowing, this was linked

to the budget but was for the purpose of expenditure where it was needed.

- With regard to the Investment Strategy, whilst some local authorities invested purely for yield, Leicester City Council looked at regeneration and supporting local business.

The Commission were invited to ask questions and make comments for the officers and the executive to respond. Key points included:

- With regard to a query about the Lender Option Borrower Option loans, these had been repaid. The loan provider had used their option to put the rate up to 6.25%.
- With regard to a query regarding the £30m in Commercial Property Funds, it was clarified that there were no plans for any property fund investments at this time. The report would be updated to reflect this.
- In response to a query about the use of external advisors, it was clarified that information was taken from them and the Council was quite risk-adverse with investments. Unforeseen circumstances such as Covid-19 had complicated matters. A recent procurement had taken place, and the current advisors were now Link.
- In response to a question about the lending of money to the Leicester and Leicestershire Local Enterprise Partnership (LLEP), it was clarified that the LLEP had been an accountable body, the Council were responsible for looking after their funds, this was treated like borrowing, but the money was sat in the Council's accounts.

AGREED:

- 1) That the report be noted.
- 2) That the recommendations for Full Council be noted by the committee; and
- 3) That comments made by members of this commission to be taken into account by the lead officers.

100. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

It was requested that a report on the work done surrounding revenues and benefits be brought to the Commission.

It was requested that the Committee be given the opportunity to consider the implications of local government reform.

The work programme was noted

101. ANY OTHER URGENT BUSINESS

There were being items of other urgent business, the meeting ended at 7:42pm.