



Leicester
City Council

MEETING OF THE HOUSING SCRUTINY COMMISSION

DATE: TUESDAY, 13 JANUARY 2026

TIME: 5:30 pm

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

Members of the Committee

Councillor O'Neill (Chair)

Councillor Bajaj (Vice-Chair)

Councillors Aqbany, Gopal, Gregg, Mahesh, Singh Sangha and Zaman

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 and Oliver Harrison (Governance Services),

e-mail: governance@leicester.gov.uk

Leicester City Council, 3rd Floor, City Hall, 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: **Ed Brown or Oliver Harrison, Governance Services** on Edmund.brown@leicester.gov.uk or oliver.harrison@leicester.gov.uk. Alternatively, email governance@leicester.gov.uk, or call in at City Hall.

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PUBLIC SESSION

AGENDA

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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 INTERESTS

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

3. MINUTES OF PREVIOUS MEETING

[Appendix A](#)

The minutes of the meeting held on 11th November 2025 have been circulated, and Members will be asked to confirm them as a correct record.

4. CHAIRS ANNOUNCEMENTS

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

5. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

Any questions, representations and statements of case submitted in accordance with the Council's procedures will be reported.

6. PETITIONS

Any petitions received in accordance with Council procedures will be reported.

7. DRAFT GENERAL FUND REVENUE BUDGET 2026/27 [Appendix B](#)

The Director of Finance submits a report setting out the City Mayor's proposed Draft General Fund Revenue Budget for 2026/27.

8. DRAFT THREE YEAR CAPITAL PROGRAMME 2026/27 [Appendix C](#)

The Director of Finance submits a report setting out the City Mayor's proposed Draft Three Year Capital Programme 2026/27.

9. TENANCY SUPPORT (LEICESTER CITY COUNCIL TENANTS) [Appendix D](#)

The Director of Housing submits a report detailing the housing support offered and provided by Leicester City Council housing services to its tenants.

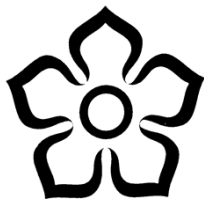
10. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2026/27 [Appendix E](#)

The Director of Housing submits a report to consider the City Mayor's proposed Housing Revenue Account (HRA) budget for 2026/27.

11. WORK PROGRAMME [Appendix F](#)

Members of the Commission will be asked to consider the work programme and make suggestions for additional items as it considers necessary.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the HOUSING SCRUTINY COMMISSION

Held: TUESDAY, 11 NOVEMBER 2025 at 5:30 pm

P R E S E N T:

Councillor O'Neill - Chair

Councillor Clarke
Councillor Mahesh
Councillor Zaman

Councillor Gopal
Councillor Singh Sangha

In Attendance:

Deputy City Mayor – Councillor Cutkelvin

* * * * *

45. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed those present to the meeting.

Cllr Clarke substituted for Cllr Aqbany.

Apologies were received from Cllr Gregg.

46. DECLARATIONS OF INTERESTS

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

There were no declarations of interest.

47. MINUTES OF PREVIOUS MEETING

AGREED:

- 1) That the minutes of the meeting of the Housing Scrutiny Commission held on 26th August be confirmed as a correct record.

48. CHAIRS ANNOUNCEMENTS

- It was noted that a site visit to the new Council houses on Saffron Lane

took place on 6th November. The Chair commented that it was good to see the developments and would like to have another visit at a later date to see further progress.

- It was advised to the Commission that the next scheduled site visit to Hospital Close is due to be held on Thursday 13th November and all members welcome.

49. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that none had been received.

50. PETITIONS

The Monitoring Officer reported that none had been received.

51. TENANT SCRUTINY PANEL - VERBAL UPDATE

Members of the Tenant Scrutiny Panel gave a verbal update on the work of the Panel. It was noted that:

- It had been useful to exchange feedback. Particularly with regard to vulnerable people.
- The panel listened as much as possible to residents and tried to feed in any possible help from the Council.
- The panel could give residents insight into the difficulties faced by the Council and the work done to address them.
- The Director of Housing had attended meetings and given talks.
- It had been useful to engage with Housing Officers and to understand their role.
- There had been frustration amongst some residents about being unable to get through to officers. Tenants needed somewhere to report issues to and pass information on.
- As part of a response to this there was a reminder of the multiple Pop up Housing offices across the City including the Porkpie Library. This was a step forward in terms of being part of the Council structure.

In discussions with Members and Officers it was noted that:

- There were approximately 17 residents on the panel, from all wards of Leicester. It had been set up following sessions held the previous year with tenants, in which various communities had been engaged with to see how they wanted to engage with the Council. The Council were keen to ensure that anyone who wished to engage had the opportunity to do so. The Council were also ensuring that there were other types of opportunity for tenants to take part.
- It was aimed to look at the conditions of tenancy to ensure they were

adequately robust.

- The panel were keen to recruit.
- The group would join TPAS, who could provide training and support for tenants getting involved in scrutiny. This would help people to join and develop so that they could engage in the most effective way.
- A log was kept of the issues addressed by the panel. This could periodically come to the Commission to look at the impact of what as taken to the panel.
- The panel met every two months and decided on the agendas themselves. Officers from the council ensured that the panel was representative. Local engagement work was done to bring in people from all communities. Engagement officers worked with people from across the city to ensure the panel was representative.
- Officers organised Housing Pop-up offices every week. These had proven to be popular with residents.
- It was noted that the job of housing officers had changed. They now had more responsibility around such items as Fire Safety. Much of their work was not visible to tenants. As such, one of the reasons for Engagement Officers was to be more visible. Engagement Officers could be another point of contact for residents.
- One of the Engagement Officers came to a craft group in Saffron ward at which patch walks and community clear up days were discussed. Another idea discussed had been 'skip days' at which the community were informed they could dispose of things in the skip.
- Engagement Officers could fulfil roles that Housing Officers were no longer able to do. With Engagement Officers in place, Housing Officers could now focus more on the landlord function.
- Engagement Officers could find out the needs of residents. Engagement Offices could be more flexible and add capacity to more bespoke issues. This made the team more dynamic.
- A work programme for Engagement Officers was being developed, and would go to the tenant panel for their input.
- Consumer standards from the Housing Regulator needed to be complied with.
- It was suggested that residents who had difficulty leaving their homes could be communicated with by post in order to inform them of the work of the Council and the panel. Additionally, digital exclusion was an issue in communicating with residents.

AGREED:

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

Councillor Clarke left the meeting during the consideration of this item.

52. DISTRICT SERVICE PERFORMANCE 2025

The Director of Housing submitted a report providing an overview of the Tenancy Management Service, the support it provides and its performance as a social housing landlord to Leicester City Council tenants.

Key points included:

- The Director of Housing introduced the Head of Service for Housing to present the Tenancy Management Service overview.
- The performance report was brought forward every year, to review the standard of the housing support offered. The city was made up of three districts, which covers 20,000 tenancies, 1,800 Leaseholders and three traveller sites which are covered by the traveller team. There is also the Star Service and Help Beyond Housing Team, who help support and house the most vulnerable Council tenants.
- Particular attention was drawn to 3.6 which covers the priorities for the service. These include fires safety, customer care, better estates, LiveWell and specialist support. It was noted that the priorities reflect the key standards set out by housing regulator. Another area highlighted was 3.7 which details the role of housing officers and the work they are involved in.
- A key performance area is fire safety. There are 1500 communal areas that need to be inspected, which is carried out by Housing Officers as part of their role. Last year 95% of the fire safety inspections were completed on time. Personal emergency evacuation plans were carried out, so tenants with special requirements such as disabilities, are identified and evac plans are put in place for them. Currently, 352 plans are in place for tenants which is an increase from last year. Other areas of note include updates to E-bike and scooter fire safety. In particular, the storage and charging of the Lithium batteries.
- Tenants at the Burns flat raised issues about the conditions of cleanliness in communal areas. This was used as a chance to review all communal areas city wide improvements seen and revised improved services and intensive monitoring is now in place.
- Performance has been linked with the tenant satisfaction survey to highlight areas of improvement and how these targets were being met or worked towards.
- Customer engagement and care had been developed through the engagement team and a tenant scrutiny panel. Projects such as pop-up housing offices and meetings have been beneficial in collecting feedback from residents. This data has been important in shaping and

scrutinising the services provided. The team had been collecting the information on area and communities which the engagement was coming from so that it could be examined to see which areas and communities to focus on in the future. This also allowed for better communication between the Council and tenants about what could be achieved/delivered.

- Projects were explored, such as the Community Garden to help tackle loneliness amongst the elderly and the star team's work, helping residents with various issues.
- Challenges of the sector were featured. It was explained how it could be hard to meet expectations from residents when it came to Anti-Social Behaviour cases. Things could not be done straight away as there are legal processes that need to be followed.

In discussions with members, the following was noted:

- The increase in tenant satisfaction was praised and questions were raised about what is being done to increase it. It was noted that since the staffing issues have now been resolved and queried if there would now be a correlating uptake in the Fire Safety rating. In answer to this it was commented that the engagement team is already increasing, and this was being picked up from the positive interactions with residents. It was further advised that the fire safety rating has since increased from 95% to 98% which already showed an increase.
- There was talk around how the data for the surveys was collected. In response, it was advised that the first year of the survey was mainly online with a small number of face to face only, but this raised accessibility issues. This year a company had been hired to address this. The company picked a random selection of properties in the city to conduct door knock surveys, with translation teams on site to aid accessibility. To be statistically valid a minimum of 1,000 tenants needed to be asked for this survey to be statistically valid. We completed
- The issue of anti-social behaviour on Belgrave Road was raised by a Councillor. They were advised that their residents could contact the Community Safety Team who will come out and investigate any disturbance. The details to be shared after the meeting.
- Questions were asked about £200k environmental budget and how wards can apply for the funding. It was advised that every year Housing approach the ward Councillors and tenants to ask how they would like the money to be spent. It was stressed that suggestions are welcome.
- Further details about the personal evacuation plan for residents during a fire were requested. In response it was explained that a resident with issues would be identified, a plan for how they would escape in a fire would be planned and it would be assessed if they needed help

evacuating. These details would then be passed on to the emergency services and held in a local locked box that can be accessed by Fire services and kept up to date.

- A subsequent question was asked regarding the feedback from the pop-up housing offices and how the information was collected from these locations. It was advised that there was a QR code at the pop-up housing offices as well as on leaflets, so tenants can complete a three-minute survey either in the offices or at their own leisure.

AGREED:

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

53. HOUSING CAPITAL PROGRAMME- UPDATE

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AGREED:

- 3) That the presentation be noted.
- 4) That comments made by members of this commission to be taken into account.

54. HOMELESSNESS SERVICES UPDATE

The Director of Housing submitted a report providing an update on homeless in the City for 2024/25 and progress in relation to Leicester's Homelessness & Rough Sleeping Strategy.

Key points included:

- The Director of Housing introduced the Head of the Homelessness Prevention to present the report.
- It was stated that for the financial year 2024/2025 there was an increase of 9% in people contacting the homelessness team compared to the previous year. The number one cause of homelessness was the end of private rented tenancies, due to no fault evictions with the landlords leaving the rental market. The second highest reason was individuals being asked to leave family accommodation.
- In 2024 there was a verified count of 61 rough sleepers up from 26 in

2023 which was a 135% increase. A further count has been carried out in 2025, and it was advised that the data will be published in due course.

- In July 2025, 600 families were in temporary accommodation, with 12 families in Bed & Breakfast (B&B) accommodation for more than 6 weeks, compared to 188 in B&B in July 2024 which is a 93% reduction. In July 2025, there were 76 households in B&B's regardless of length of time spent there compared to 262 in July 2024 which is a 71% reduction. There were also 415 single households in temporary accommodation in 2025 compared to 552 in 2024 and 88 were in B&Bs compared to 159 in 2024. The report highlighted that homelessness is an issue nationally and not just an isolated issue in Leicester.
- The average wait time for families in temporary accommodation was over 5 and a half months on average. The average wait time in 2025 for a 1-bed property was 7 months for high priority households, a 2-bed was 18 months wait, and a 3-bed property was 2 years.
- Changes to the area in response to the pressures were highlighted. The number of homelessness prevention officers had increased from 13 to 30 to help with demand. Formal training on homelessness support has also been delivered to staff using external consultants and a new domestic violence support coordinator has been appointed. A single point of contact for planned prison releases had been created and support for members of the public, who were discharged from hospital into a homeless setting has been developed. Self-contained, Council owned, temporary accommodation was now being used so there is less use of B&Bs.
- The partnership with voluntary groups was detailed. The voluntary groups helped to arrange meals, furnishing and white goods for homeless residents as well as helping to achieve more permanent accommodation from other sources. A forum has been developed with one voluntary group who were offering children's activities in addition to advice and practical support.

In discussions with Members, the following was noted:

- In response to a query about the reduction in B&B usage and the possibility of further reduction, it was stressed that officers looked daily for better accommodation alternatives for families in B&Bs and if something became available, they arranged to move families as soon as possible. It was commented that the use of in-house, Council owned temporary accommodation had been very beneficial towards this. It was further stated that through the preventative work and the use of Council accommodation, there would be a future where B&Bs are not used.
- It was highlighted that even though the Homelessness Team are well above the national average for the prevention levels achieved. The demand on the service has been increasing year on year. Currently, there were between 15-20 families a month becoming homeless in Leicester. Last year, Housing had approached Full Council to request

£45 Million Pounds to help resolve the B&B issue. The money was granted and helped in providing more suitable accommodation to B&Bs. Due to the increase in demand again this year, the Housing department are planning to request a similar figure at Full Council again. This was to provide more capacity for temporary accommodation and to prevent there being any fall back on the progress made in reducing B&B usage.

- Further support was given to the future request at Full Council for more funding to the service. It was highlighted how this would save money for the Council by reducing B&B usage and would positively impact the budget. The overall budget was explored and it was shown that due to the investments made last year, the budget for this year was £23 Million instead of the projected £60 Million.
- It was highlighted that there was currently a former Premier Inn site in Oadby and the possibility of it being purchased and utilised was raised. In response, it was advised that the Council was wanting to move away from temporary hotel/B&B accommodation to a more homely alternative with better facilities.
- Comments were made about the Renters Rights Bill and what sort of impact it will have on the homelessness issue. In the long term, it was argued that it would be a positive for the service as it will stop no fault evictions. However, in the short term it had created some additional strain as landlords were pushing through evictions now so they can sell up before the bill passes.
- The topic of rough sleepers was raised and what help was being offered to them over the winter period. In response, it was explained that there were Council outreach teams who identified rough sleepers and advised them of the help available, so they would know they did not have to sleep rough. The Council also worked with charities who assisted as there were some rough sleepers who did not want to engage with authorities. There had recently been some extra funding from central government to help support rough sleepers over the winter and help prevent rough sleeping.
- Details were revealed about the new One Hub project at the Dawn Centre that is due to be rolled out in Spring 2026, this would be a multi-agency approach to help the homeless. Various Council teams, Mental Health, Inclusion, Healthcare and the Department for Work and Pensions would all have representatives at the hub. This had the aim of providing a multi layered support system to individuals and families who were homeless and to prevent rough sleeping.

AGREED:

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

55. WORK PROGRAMME

District Heating could be added to future workplans.

Enquiries on District Heating could be signposted to the Deputy City Mayor for Housing, Economy and Neighbourhoods.

The work programme was noted.

56. ANY OTHER URGENT BUSINESS

There being no further items of urgent business, the meeting finished at 19:04.

Draft General Fund Revenue Budget 2026/27

Decision to be taken by: Council

Date of meeting: Draft for 25 February 2026

Lead director: Amy Oliver, Director of Finance



Useful information

- Ward(s) affected: All
- Report author: Catherine Taylor/Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: 1

1. Purpose

- 1.1. The purpose of this report is to present the City Mayor's strategy for balancing the budget for the next 3 years and to seek approval to the actual budget for 2026/27. The strategy is a continuation of the medium-term strategy established last year and includes the use of one-off money and reductions in annual service spending through savings and work to reduce the growth areas such as social care and homelessness. It is designed to ensure we remain financially sustainable for as long as possible, while we continue to seek ways to reduce the ongoing budget gap.
- 1.2. Whilst the strategy is forecast to provide sufficient reserves to balance the budget for at least the next three years, and is a significant improvement on previous forecasts, an ongoing budget gap continues. The Council continues to annually spend more than the income received and is using one-off monies to balance the budget. The City Mayor will continue to make these points to the Government.
- 1.3. The proposed budget for 2026/27 is described in this report, subject to any amendments the City Mayor may wish to recommend when he makes a firm proposal to the Council.

2. Summary

- 2.1. As members will be aware, the financial outlook is difficult. Like many authorities, we have ongoing difficulties in being able to balance our budget. A number of authorities have previously applied to the Government for "exceptional financial support", and/or to issue a formal report under section 114 of the Local Government Finance Act 1988. We are unaware if further authorities will be applying for EFS as part of this year's budget setting
- 2.2. We have so far been able to avoid reaching a financial crisis point, by the use of a "managed reserves strategy" and a multi-strand budget strategy approved last year. This is progressing, and the underlying financial position – while still difficult – has improved from last year's forecasts. As a result, this report proposes continuing the existing financial strategy and extending it to March 2029.
- 2.3. We are continuing with our £60m asset sales program, however we are not envisaging requiring a capitalisation direction over the three-year period of this financial strategy. Therefore, we will look to use this to fund some of the previously approved capital budget to relieve the borrowing pressures in the years the capital receipts are received.

- 2.4. Achieving our strategic vision for the Council is dependent on establishing a sustainable budget position, which enables decisions to be made that balance the resource implications against the financial constraints. This strategy does not make specific decisions about how any service will be delivered, but provides a framework within which those decisions will be made. In particular, it reinforces our commitment to providing high quality care services, and provides additional resources in this area. We are also looking to maintain our economic development to support the long term vision for the City and invest in areas that improve the city for the people that live here.
- 2.5. In addition, to this we are continuing to mitigate the pressures within temporary accommodation by investing in additional accommodation for these households. This strategy looks to provide the revenue support to continue with our positive approach to preventing homelessness, alongside significant capital investment included in the capital budget strategy.
- 2.6. Estimates of our available funding are particularly uncertain this year. The government is undertaking a substantial review of support to local authorities; at the time of writing, the outcome of a consultation has just been published, and we do not expect to have the finance settlement for 2026/27 until just before Christmas. As a result, this draft budget report is based on estimates that could change significantly. However, given the wider position of the public finances, it is very unlikely that any changes will eliminate the substantial gap between our annual spending and income.
- 2.7. Local government reorganisation (LGR) could deliver significant efficiency savings to support the Council's budget, depending on the option chosen by the Government. As these would not start to materialise until 2028/29 at the earliest, the impact has been disregarded for the purposes of this report.
- 2.8. The report proposes a council tax increase of just under 5%, which is the maximum we believe we will be allowed to set without a referendum.
- 2.9. The medium-term outlook is attached at Appendix 4 and shows the escalating scale of the financial pressures facing the council.

3. Recommendations

- 3.1. At the meeting in February, the Council will be asked to:
- a) approve the three year budget strategy described in this report;
 - b) approve the proposed budget and council tax for 2026/27, including the recommendations in the formal budget resolution, subject to any changes proposed by the City Mayor when he makes his final proposal to the Council;
 - c) approve the budget ceilings for each service, drafts of which will be at Appendix 1 to the final report;
 - d) approve the scheme of virement described in Appendix 2 to this report;

- e) note my view on the adequacy of reserves and the estimates used in preparing the budget;
- f) note the equality implications arising from the proposed tax increase, as described in paragraph 15 and Appendix 3;
- g) note the medium-term financial strategy and forecasts presented at Appendix 4, and the significant financial challenges ahead;
- h) note the earmarked reserves position that will be set out at Appendix 5 to the final report;
- i) note the policy on council tax premiums and discounts set out at Appendix 6;
- j) note the council tax support scheme has been reviewed by the Executive, and reported to OSC, during the year;
- k) approve the inflationary increase to Council Tax Support Scheme thresholds as shown at Appendix 7 and approve further inflationary increases in future years (to be calculated with reference to published CPI inflation for the September prior to the start of the year in question);
- l) approve the capital receipts flexibility policy that will be at Appendix 8.

4. Background and Financial Strategy

- 4.1. Between 2010 and 2020, a “decade of austerity” meant that services other than social care had to be reduced by 53% in real terms, limiting our scope to make further cuts. This was followed by the covid-19 pandemic which led to “stop gap” budgets whilst we dealt with the immediate emergency, and saw the budgets being supported by reserves.
- 4.2. This is alongside cost pressures shared by authorities across the country. These include pressures on the costs of children that are looked after and support for homeless households, as well as the long-standing pressures in adult social care and the hike in inflation. The budgets for 2024/25 and 2025/26 were supported by a further £61m and £31m of reserves respectively.
- 4.3. Plans for a “fair funding” review of grant allocation have been repeatedly delayed. This has left us providing services to a population far in excess of our last needs assessment (population has grown faster than elsewhere in the country, so an equitable system ought to give us a greater share of the national pot). The review is now being introduced for the 2026/27 financial year, although full implementation will take several years.
- 4.4. In February 2025, the Council approved a multi-strand budget strategy aimed at balancing the budget for a minimum three years. This includes:

Strand 1 - Releasing one-off monies to buy time, including the release of £90m from the capital reserve, and replacing this with borrowing to fund the capital programme;

Strand 2 - Reductions in the capital programme to reduce the borrowing required, and therefore reduce the cost of this borrowing;

Strand 3 – A programme of property sales aiming to secure an additional £60m of one-off monies. These receipts cannot be used to support the revenue budget without permission from the Secretary of State. It is now planned to use some of the capital receipts to support the capital programme and reduced the revenue cost of borrowing.

Strand 4 – Steps to constrain growth in those statutory services that are under demand led pressure (i.e. adult and children’s social care services, and homelessness).

Strand 5 – Ongoing savings totalling £23m per year by 2027/28.

- 4.5. Progress against each of these strands is set out in the sections below, along with a limited number of areas of additional investment to assist in meeting corporate priorities.
- 4.6. Given the progress already made, and some improvements in factors outside our direct control, we now expect to have reserves available at the end of the forecast period (March 2029). However, these reserves are one-off funding and an underlying budget gap remains (although improved) which will need to be met in the longer term.

5. **Strands 1-3: releasing one-off monies and reductions in the capital programme**

- 5.1. Last year’s forecasts included the release of £90m from the capital reserve, and £20m from other earmarked reserves. Since the budget was approved, a further £12m has been added to the budget reserve from subsequent reviews and additional one-off income.
- 5.2. Given the difficult financial outlook, earmarked reserves are kept under regular review, and amounts that are no longer required for their original purpose are released to the budget strategy reserve. This has now identified a further £0.5m that can be used to support the overall budget position.
- 5.3. The programme of property sales is continuing, and has achieved £21m in completed or legally contracted sales, with a further £55m of sales being progressed.
- 5.4. Originally, it was forecast that these receipts would be required to balance the budget after the 3-year strategy (which would require specific permission from the government). To do this, we would need to borrow money to fund the capital programme, which increases our revenue costs in the longer term. Given the improvement in reserves balances in the latest forecasts, options are now being explored to use some of these receipts to reduce our borrowing requirements.

- 5.5. Available one-off funding has also been reviewed to ensure future costs are provided for. As detailed in paragraph 9 below, it is proposed to set monies aside towards transitional costs associated with local government reorganisations, and the DSG cumulative deficit when the current statutory override ends.

6. **Strand 4: Constraining Growth in Service Demand**

- 6.1. For several years, one of the chief reasons for our budget gap is growth in the costs of statutory services, particularly social care (and, more recently, homelessness), which have outstripped growth in our income.

Adult Social Care

- 6.2. The budget for **Adult Social Care** requires growth to take account of demographic and inflationary pressures. Demographic pressures can be the result of increased packages of support to those people already receiving care, or a change in the mix of people we provide care for, for example more working age people are diagnosed early with life-long health conditions such mental health and dementia. Inflationary pressures arise from increases in National Living Wage (NLW) and general inflation.
- 6.3. Calculating future growth is a complex process taking into account current care packages and future projections. The growth required can be seen in the following table:

	2026/27	2027/28	2028/29
	£m	£m	£m
Underlying budget	179.1	179.1	179.1
Placement growth	14.8	29.8	45.1
Additional income	(2.0)	(2.0)	(2.0)
Vacancy factor	(0.4)	(0.2)	0.0
TOTAL	191.5	206.7	222.2

- 6.4. The department continues to reduce growth in the costs of care by reducing new entrants, preventative and early support, and by enhanced partnership working. Tracking of current package costs indicate that the department may have spent £24m more in 2025/26 (rising to £41m in 2026/27) if cost mitigation work had not taken place. This programme of work continues, and the future growth pressures identified above takes this into account. Despite this work, it is forecast that costs of care will increase by over £40m over the three years of this strategy.
- 6.5. The council has undertaken significant work to ensure that other local authority and health partners are contributing their fair share towards care costs. Through this work, adult social care have generated an additional £2.6m in 2025/26. Although we do not anticipate a sudden drop in future, this additional income is subject to the changes that

occur in care packages following reassessments or changes in a person's health conditions.

- 6.6. Adult Social Care was rated as 'Requires Improvement' by the CQC in July. They recognised that we have an effective care and support system, there is clear governance in place and that we are committed to staff development. However, as there were areas for improvement identified, we are implementing an action plan focussing on this.
- 6.7. Adult social care continues to struggle with recruiting and are undertaking significant work to reduce vacancies. However, we need to recognise that they are unlikely to be fully established in 2026/27, so have included a vacancy factor that will reduce over the three strategy period.

Education and Children's Services

- 6.8. The budget for **Education and Children's Services** will require growth in future years. This is due to the increasing costs of providing children's social care, particularly where a small number of care packages incur a significant cost due to the specific needs of those children.
- 6.9. The growth required has been estimated as shown in the following table.

	2026/27	2027/28	2028/29
	£m	£m	£m
Underlying budget	120.1	120.1	120.1
Growth already in the strategy	1.0	2.1	0
Additional growth required	3.3	4.9	8.7
Vacancy factor	(1.0)	(0.5)	(0.2)
TOTAL	123.4	126.6	128.6

- 6.10. There is a strategy in place to increase our in-house offer providing better quality accommodation, improved quality control, lower likelihood of placement breakdowns and better matching to the needs of young people. This is also anticipated to provide better cost efficiency than external placements. It costs on average £260,200 per annum across our internal provision compared to £302,667 externally in residential settings; costs are lower by about 14% in our internal homes, along with having better outcomes.
- 6.11. This cost differential will be greater as we plan to improve our capabilities for providing in-house support for children and young people with complex needs, particularly those at risk of deprivation of liberty orders (DOLs) or living in accommodation unregulated by Ofsted. This may also benefit children who are living in care out of the city in need of a local residential placement. The capital build costs will be funded jointly with the Department of Education (DFE) and these two new children's homes are expected to be operational in 2027.

- 6.12. We are part of a pilot Families First Partnership (FFP) programme where we are working with our safeguarding partners to transform and expand preventative support. The overall aim is to keep more families together by strengthening kinship support and ultimately gain a significant reduction in the numbers of looked after children. Several work strands are underway including family group decision making, improving the role of education in multi-agency safeguarding arrangements and information sharing between partners. Through this work, the department has avoided costs of £1.3m in 2025/26 and this is expected to continue in future years.
- 6.13. The Dedicated Schools Grant (DSG) cumulative deficit at the end of 2024/25 was £22.5m and is forecast to be £44.8m by the end of the current financial year 2025/26. The government has extended the statutory override to the end of 2027/28 whilst it considers reform to the funding for SEND and children's social care. The government have indicated that they will resolve (or centrally fund) DSG deficits occurring after April 2028, but it is not clear how deficits already accrued will be resolved; our cumulative deficit could be as high as £78m by the end of 2027/28. Therefore, it is planned to set aside the funding of the deficit to date from the budget reserve. This transfer will be made in the outturn monitoring report once the final deficit figure is known. Local authorities are not allowed to charge borrowing costs of the cumulative deficit to the DSG but have to pay it from the General Fund.

General Fund Housing

- 6.14. The budget for **homelessness** has been under severe pressure due to increased numbers of households presenting as homeless, and growth of £11m, in addition to a £6m contingency, was included in the 2025/26 budget. Mitigating work, including £45m of investment in temporary housing, has avoided an estimated £59m of costs by 26/27. However, the number of cases continues to increase and (without further action) will put further pressure on future years' budgets.
- 6.15. The 2026/27 General Fund Capital Programme Report (also on your agenda) includes the addition of £50m for the direct acquisition of properties for use as temporary accommodation. The revenue implications of this investment are covered within that report. Alongside acquisitions, it is proposed that we grow the number of properties leased from private sector landlords by 110; the cost of leasing a property is significantly less than hotel stays, and is estimated to result in the avoidance of annual revenue costs. Given the increasing number of homelessness presentations, additional staff are required to ensure that the focus remains on prevention rather than alleviation of need, and funding for additional staff is included in this budget.
- 6.16. The overall revenue impact of the above is estimated as:

	26/27 £m	27/28 £m	28/29 £m
Additional growth required without further mitigations	5.9	12.0	12.0
Net revenue impact of property acquisitions	(2.2)	(6.2)	(6.2)

Net impact of additional leased properties	(1.7)	(3.9)	(3.9)
Additional staffing cost	1.8	1.8	1.8
Total	3.8	6.6	6.6

- 6.17. In recent years, nationally the cost of Housing Benefit linked to supported housing has continued to rise and this is the same for us. Unlike the majority of Housing Benefit, these elements are not fully funded through government subsidy, and we have limited ability to influence either the level of rents charged or the claims themselves. The forthcoming changes to licensing and rent setting under the Supported Housing Act should improve our ability to manage these cases, but this will take time to have a material impact. To reflect the ongoing pressure, growth of £1.5m per year has been included in the proposed budget.

7. Strand 5 – Savings Programme

- 7.1. The budget strategy approved last year required achievement of savings totalling £23m by 2027/28. Progress against these savings targets has been regularly monitored and reported in the quarterly budget monitoring reports. By period 6 in 2025/26, over 60% of the £23m total had already been achieved:

	Target (full year) £m	Achieved to date £m
Estates & Building Services	2.8	1.0
Housing	1.0	0.9
Neighbourhoods & Environmental Services	7.2	2.1
Planning, Development and Transportation	4.0	4.0
Tourism, Culture & Inward Investment	2.3	2.3
Children's Services	1.0	1.0
Corporate Services	2.0	0.9
Financial Services	1.1	0.4
Adult Social Care	1.2	1.2
TOTAL	22.6	13.7

- 7.2. More details on these savings can be found in the regular quarterly monitoring reports. Work is ongoing to realise the balance of the savings total.

8. Additional Investment

- 8.1. Given the underlying financial pressures, the scope for additional investment is limited. However, growth has been built into the budget for some priority areas:
- 8.2. During the redevelopment of the central market there is a shortfall of income as a consequence of a reduction in the number of traders and a lower fee being charged.

£450k is being made available in 2026/27 to cover this shortfall in income until the new market becomes operational.

- 8.3. This budget includes funding for a permanent team, building on the pilot work already underway, to better manage public spaces across the city. At a cost of £0.3m per year, the hybrid team will work 7 days a week to tackle anti-social behaviour and environmental enforcement, working alongside the existing City Warden, Public Health and Housing teams.
- 8.4. The UK Shared Prosperity Fund (UKSPF) is a government grant to invest in communities, businesses, people and skills, which runs until March 2026. This funding has been supporting some Council services such as festival, inward investment and business/retail support team. Without the addition of the £1m to the budget this would lead to this work not continuing.
- 8.5. Ash dieback is a disease which ultimately leads to the death of ash trees, of which there are 19,000 across the City. The disease increases the chance of branches becoming brittle and falling. Whilst this risk has been appropriately managed, existing budgets have become strained and a dedicated team is needed to deal with this going forward. £0.3m is being made available for a team to monitor sites and prioritise trees for removal.

9. Budget Strategy Reserve

- 9.1. When the 2025/26 budget was set, the budget strategy reserve was forecast to be £163.6m at 1st April 2025, reducing to £25m by March 2028. There have been improvements to the forecasts, offset by the need to set aside amounts to meet the historic DSG deficit as described in 6.13 above. Updated forecasts show that we are now expecting a balance of £27.2m by March 2029:

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
At the beginning of the year	193.8	129.9	101.7	71.2
Add: Forecast rates pool surplus	7.5			
<i>Reserve restatements:</i>				
From earmarked reserves		0.5		
Set aside for DSG deficit	(44.8)			
Set aside for LGR transitional costs		(14.0)		
Minus budget gap	(26.6)	(14.7)	(30.5)	(44.0)
At the end of the year	129.9	101.7	71.2	27.2

10. Construction of the 2026/27 budget

- 10.1. By law, the Council's role in budget setting is to determine
- The level of council tax;
 - The limits on the amount the City Mayor is entitled to spend on any service ("budget ceilings") - proposed budget ceilings are shown at Appendix 1;
- 10.2. In line with Finance Procedure Rules, the Council must also approve the scheme of virement that controls subsequent changes to these ceilings. The proposed scheme is shown at Appendix 2.
- 10.3. The budget is based on a proposed Band D tax for 2026/27 of £2,121.87, an increase of just under 5% compared to 2025/26. This is the maximum which will be permitted without a referendum.
- 10.4. The tax levied by the City Council constitutes only part of the tax Leicester citizens have to pay (albeit the major part – 84% in 2025/26). Separate taxes are raised by the Police and Crime Commissioner and the Combined Fire Authority. These are added to the Council's tax, to constitute the total tax charged.
- 10.5. The actual amounts people will be paying, however, depend upon the valuation band their property is in and their entitlement to any discounts, exemptions or benefit. Almost 80% of properties in the city are in band A or band B, so the tax will be lower than the Band D figure quoted above. The Council also has schemes for mitigating hardship.
- 10.6. The Police and Crime Commissioner and Combined Fire Authority will set their precepts in February 2026. The formal resolution will set out the precepts issued for 2026/27, together with the total tax payable in the city.

11. 2026/27 Budget Overview

- 11.1. The table below summarises the proposed budget for 2026/27 (projections for a full three-year period are included in the medium-term strategy at Appendix 4):

	2026/27
	£m
Net service budget	456.8
Provision for pay inflation	6.0
Corporate budgets (including capital finance)	12.4
Housing Benefits	1.5
General contingency for risk	1.0
Expenditure total	477.7
Income:	
Council tax	179.3
Collection Fund surplus	0.8

Settlement Funding Assessment	275.5
Extended Producer Responsibility for Waste	7.4
Income total	463.0
Remaining budget gap (to be met from reserves)	14.7

12. Departmental Budget Ceilings

12.1. Budget ceilings have been prepared for each service, calculated as follows:

- a) The starting point is last year's budget, subject to any changes made since then which are permitted by the constitution (e.g. virement);
- b) An allowance is made for non-pay inflation on a restricted number of budgets. Our general rule is that no allowance is made, and departments are expected to manage with the same cash sum that they had in the previous year. Exceptions are made for the budgets for independent sector adult social care (2%) and foster care (2%) but as these areas of service are receiving growth funding, an inflation allowance is merely academic (we pay from one pot rather than another). Budgets for the waste PFI contract have been increased by RPI, in line with contract terms.
- c) Unavoidable growth has been built into the budget. This has been mitigated by action that has already been taken to control costs in demand-led areas, as detailed in paragraph 6 above. Budgets have also been increased for the investment described at section 8.
- d) Savings requirements for 2026/27, as set out in last year's budget strategy, have been deducted from service budgets, along with additional savings that have been approved subsequently to the strategy being set.
- e) Budget ceilings have been reduced to reflect the reduction in employers' pension contributions from April 2026. The pension fund is managed by the County Council and its performance is reviewed by independent actuaries every 3 years. The actuaries examine investment performance in particular, and seek to ensure that all councils in the scheme make future contributions that are sufficient to pay all pensions when they become due. Our contributions are paid as a percentage of payroll costs, and previous reviews have usually led to an increase. As a consequence of the most recent review, we will be paying around £9m per year less than we are now. Members are asked to note that this does not reflect any reduction in the Council's overall liabilities: ultimately, we have to pay sufficient contributions to the County Council to ensure that all future pension costs are paid. Note that employees also pay a percentage of their earnings to the fund – these amounts are fixed by law.

12.2. The proposed budget ceilings are set out in Appendix 1.

- 12.3. In recent years, the pay award for local government staff has not been agreed until part way through the financial year. A central provision is held to fund the 2026/27 pay award, forecast at 3% and will be added to budget ceilings once agreed.
- 12.4. A substantial review of government funding is under way (see paragraph 14 below). It is likely that this will lead to some current grant funding streams being rolled into general funding, which will require amendments to the budget ceilings. (These are largely presentational changes to government funding that will not, in themselves, affect the amount we have available to spend).
- 12.5. The role of the Council is to determine the financial envelopes within which services are delivered. Delivering the services within budget is a function of the City Mayor.

13. Corporately held Budgets and Provisions

- 13.1. In addition to the services' budget ceilings, some budgets are held corporately. These are described below.
- 13.2. As discussed above, a provision has been set aside for **pay awards**, which are not (in recent years) agreed until some time into the financial year. The provision is based on an assumed 3% pay award each year
- 13.3. The budget for **capital financing** represents the cost of interest and debt repayment on capital spending, less interest received on balances held by the council. Decisions to borrow money to fund capital expenditure have led to an increase in the budget, although this increase will reduce where capital receipts are used to fund expenditure in lieu of borrowing. The budget also reflects the scale of the Dedicated Schools Grant deficit, impacts the level of interest received and must be met from the general fund.
- 13.4. **Miscellaneous central budgets** include external audit fees, pension costs of some former staff, levy payments to the Environment Agency, bank charges, general insurance costs, money set aside to assist council taxpayers suffering hardship and other sums it is not appropriate to include in service budgets. Miscellaneous central budgets are partially offset by the effect of recharges from the general fund into other statutory accounts of the Council.
- 13.5. The **housing benefits** budget funds the difference between benefits payments and the amount of subsidy received from central government. This gap has been increasing in recent years, particularly around supported housing (see para. 6.17 above).
- 13.6. A corporate contingency budget of £1m has been set aside, which will only be allocated if necessary. Following a number of years of having limited requirement to use the corporate contingencies the budgets have been reduced. However, it should be noted if we do have any unexpected pressures in 2026/27 the budget strategy

reserve is available to be used. This would however reduce the one-off funding available for the future year budget strategies.

14. Resources

- 14.1. The majority of the council's core funding comes from business rates; government grant funding; and council tax. Service-specific sources of funding, such as fees & charges and specific grants, are credited to the relevant budget ceilings, and are part of departmental budgets.
- 14.2. A major review of government funding is in progress, which will update funding allocations for the first time since 2013. At the time of writing, we do not have the outcome of this review and this draft budget is necessarily based on estimates, informed by modelling work commissioned from external advisors. The provisional settlement, which will give us figures for the major funding streams, is expected shortly before Christmas.

Business rates and core grant funding

- 14.3. Local government retains 50% of business rates collected locally, with the balance being paid to central government. In recognition of the fact that different authorities' ability to raise rates do not correspond to needs, there are additional elements of the business rates retention scheme: a top-up to local business rates, paid to authorities with lower taxbases, and Revenue Support Grant (RSG).
- 14.4. The government's planned reforms from April 2026 include several overlapping strands:
- Fully equalising for differences in council tax bases across the country. We should gain from this as our tax base is relatively low;
 - Revised and updated formulae that measure each area's "need to spend" on different service areas. It appears from the information we have to date, that we will lose funding from some of these changes;
 - Rebasing business rates income to redistribute growth achieved since 2013; and to reflect the rates revaluation that will be implemented from April;
 - Transitional arrangements to phase in the effect on individual authorities.
- 14.5. The split of funding between different funding streams (business rates, top-up and RSG payments) is not yet known. For this draft budget, the total "settlement funding assessment" (SFA) is shown as a proxy for the totality of government grant and the proportion of business rates that are kept by the City Council. Overall, our current assessment is that the Council should benefit from these changes, but not as significantly as we might have anticipated.

Council tax

- 14.6. Council tax income is estimated at £179m in 2026/27, based on an assumed tax increase of just below 5% (the maximum we believe will be allowed to set without a

referendum). The 5% limit will include a “social care levy” of 2%, designed to help social care authorities mitigate the growing costs of social care. Since our tax base is relatively low for the size of population, the levy raises just £3.5m per year.

- 14.7. The estimated council tax base has grown by 2.3% since last year’s budget was set. The final council tax base is calculated on data from the end of November, and will be included in the final budget report to Council in February.
- 14.8. While the major elements of Council Tax banding and discounts are determined nationally, some discounts and premiums, as well as the Council Tax Support Scheme for those on low incomes, are determined locally. Appendix 6 sets out these discounts and premiums.

Other corporate income

- 14.9. The majority of grant funding is treated as income to the relevant service departments and is not shown separately in the table at paragraph 11. Other grants which existed in previous years are expected to be rolled into the general settlement, and are not shown separately.
- 14.10. From 2025/26, a new (unringfenced) funding stream relating to Extended Producer Responsibility (EPR) in respect of waste packaging has been received, for which our provisional allocation for 2026/27 is £7.4m. We have only limited information about likely levels of income in later years, which will depend on producers’ responses to the new levy. Regardless of the position, we expect waste costs to increase by up to £3m per year when there is a new contract in May 2028.

Collection Fund surplus / deficit

- 14.11. Collection fund surpluses arise when more tax is collected than assumed in previous budgets. Deficits arise when the converse is true.
- 14.12. The Council has an estimated **council tax collection fund surplus** of £2.4m, after allowing for shares to be paid by the police and fire authorities. The reasons for this include a reduction in bad debt provision, following significant work to improve collection rates; and a continuing fall in the cost of the council tax support scheme (CTSS).
- 14.13. The Council has an estimated **business rates collection fund deficit** of £1.5m.

15. Budget and Equalities (Surinder Singh, Equalities Officer)

- 15.1. The Council is committed to promoting equality of opportunity for its residents; both through its policies aimed at reducing inequality of outcomes, and through its practices aimed at ensuring fair treatment for all and the provision of appropriate and culturally sensitive services that meet local people’s needs.

- 15.2. In accordance with section 149 of the Equality Act 2010, the Council must “have due regard”, when making decisions, to the need to meet the following aims of our Public Sector Equality Duty :-
- (a) eliminate unlawful discrimination;
 - (b) advance equality of opportunity between those who share a protected characteristic and those who do not;
 - (c) foster good relations between those who share a protected characteristic and those who do not.
- 15.3. Protected groups under the public sector equality duty are characterised by age, disability, gender reassignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.
- 15.4. When making decisions, the Council (or decision maker, such as the City Mayor) must be clear about any equalities implications of the course of action proposed. In doing so, it must consider the likely impact on those likely to be affected by the recommendation; their protected characteristics; and (where negative impacts are anticipated) mitigating actions that can be taken to reduce or remove that negative impact.
- 15.5. A number of risks to the budget are addressed within this report (section 16 below). If these risks are not mitigated effectively, there could be a disproportionate impact on people with particular protected characteristics and therefore ongoing consideration of the risks and any potential disproportionate equalities impacts, as well as mitigations to address disproportionate impacts for those with particular protected characteristics, is required.

16. Risk Assessment and Estimates

- 16.1. Best practice requires me to identify any risks associated with the budget, and Section 25 of the Local Government Act 2003 requires me to report on the adequacy of reserves and the robustness of estimates.
- 16.2. Assessing the robustness of estimates requires a judgement to be made, which is now hard given the volatility of some elements of the budget. The most significant individual risks are described below.
- 16.3. Like most (probably all) upper tier authorities, we run the risk of further demand and cost increase in adults’ social care and children’s placements, despite mitigating work that is continuing.
- 16.4. Like many housing authorities, we run the risk of further cost pressures from homelessness. However, the Council has a significant programme of investment in temporary accommodation to mitigate this risk.

- 16.5. In addition to the above, we have a cumulative overspend of £22.5m on the schools' "high needs" block, which we have not had to write off against general fund reserves due to a special dispensation given by the Government, and available until 31st March 2028; by which time it could be as high as £78m. It remains unclear how this national issue will be resolved; a planned White Paper has been delayed to next year which is expected to propose ways to reduce the ongoing costs deficit, but the historic deficit will still need to be met.
- 16.6. We are also exposed to any further inflationary cost pressures, which may result from world events.
- 16.7. Significant progress has been made on achieving the savings target, however failure to deliver the savings would have significant impact on the strategy.
- 16.8. A key part of our strategy is the use of one-off monies to balance the budget gap. This has a multiplicative effect of any risks which crystallise into annual cost pressures. For instance, an additional £5m per year of unavoidable cost will, all other things being equal, use £15m of reserves by the end of 2028/29.
- 16.9. The proposed budget contains a reduced level of corporate contingency (£1m per year) compared to previous years. As our budget is supported by reserves, this is largely presentational – a lower call on reserves is initially budgeted for each year, but with a greater chance that pressures will exceed the available contingency and further use of reserves will have to be made. If the call on reserves is required this will reduce the future one-off monies available in future budgets.
- 16.10. However, there is a clear plan: that shows the improvements that have been made in our financial strategy and the budget gap is closing, we continue to work on a programme to further reduce it. This involves the continuation of the cost mitigation work in areas of service under pressure, transformation of services and the potential to reduce borrowing by using capital receipts to fund the capital programme.
- 16.11. Subject to the above comments, I believe the estimates made in preparing the budget are sufficiently robust to allow the budget for 2026/27 to be approved.
- 16.12. In addition, we have a substantial level of reserves available to support the budget strategy. This means that, in the short term, reserves can be used in substitution for any savings which cannot be made, or for unexpected cost pressures; and there is limited risk of being unable to balance the budget in 2026/27. I regard our level of reserves as adequate.
- 16.13. As a last resort, a £15m General Fund emergency balance is held. I do not expect to have to call on this balance in the time period set out in this strategy.

17. Financial, Legal and Other Implications

17.1. Financial Implications

This report is exclusively concerned with financial issues.

17.2. Legal Implications (Kamal Adatia, City Barrister & Head of Standards)

- 17.2.1. The budget preparations have been in accordance with the Council's Budget and Policy Framework Procedure Rules – Council's Constitution – Part 4C. The decision with regard to the setting of the Council's budget is a function under the constitution which is the responsibility of the full Council.
- 17.2.2. At the budget-setting stage, Council is estimating, not determining, what will happen as a means to the end of setting the budget and therefore the council tax. Setting a budget is not the same as deciding what expenditure will be incurred. The Local Government Finance Act, 1992, requires an authority, through the full Council, to calculate the aggregate of various estimated amounts, in order to find the shortfall to which its council tax base has to be applied. The Council can allocate greater or fewer funds than are requested by the Mayor in his proposed budget.
- 17.2.3. As well as detailing the recommended council tax increase for 2026/27, the report also complies with the following statutory requirements:-
- (a) Robustness of the estimates made for the purposes of the calculations;
 - (b) Adequacy of reserves;
 - (c) The requirement to set a balanced budget.
- 17.2.4. Section 65 of the Local Government Finance Act, 1992, places upon local authorities a duty to consult representatives of non-domestic ratepayers before setting a budget. There are no specific statutory requirements to consult residents.
- 17.2.5. The discharge of the 'function' of setting a budget triggers the duty in s.149 of the Equality Act, 2010, for the Council to have "due regard" to its public sector equality duties. These are set out in paragraph 15. There are considered to be no specific proposals within this year's budget that could result in new changes of provision that could affect different groups of people sharing protected characteristics. Where savings are anticipated, equality assessments will be prepared as necessary. Directors and the City Mayor have freedom to vary or abort proposals under the scheme of virement where there are unacceptable equality consequences. As a consequence, there are no service-specific 'impact assessments' that accompany the budget. There is no requirement in law to undertake equality impact assessments as the only means to discharge the s.149 duty to have "due regard". The discharge of the duty is not achieved by pointing to one document looking at a snapshot in time, and the report evidences that the Council treats the duty as a live and enduring one. Indeed, case law is clear that undertaking an EIA on an 'envelope-setting' budget is of limited value, and that it is at the point in time when policies are developed which reconfigure services to live within the budgetary constraint when impact is best assessed. However, an analysis of equality impacts

has been prepared in respect of the proposed increase in council tax, and this is set out in Appendix 3.

17.2.6. Judicial review is the mechanism by which the lawfulness of Council budget-setting exercises are most likely to be challenged. There is no sensible way to provide an assurance that a process of budget setting has been undertaken in a manner which is immune from challenge. Nevertheless the approach taken with regard to due process and equality impacts is regarded by the City Barrister to be robust in law.

17.2.7. Schedule 1A to the Local Government Finance Act 1992 states that the Council must “make” a Council Tax Reduction scheme for each financial year, and if it wishes to change it, it must “revise” or “replace” it. The deadline for making, revising or replacing a Scheme is 11th March. There are no proposals to change the CTSS so recommendation 3.1(j) reflects the decision to keep the existing Scheme, subject to inflationary changes to thresholds for support.

17.3. **Climate Change Implications**

17.3.1 The climate emergency remains one of the key long-term challenges facing the council and the city, creating increasing real-world consequences, including financial costs, as we have seen from recent flooding incidents.

17.3.2 In broad terms, the financial pressures facing the council, and the strategy proposed for addressing them, are likely to have the following implications for addressing the climate emergency:

- Reductions in service delivery and sale of council buildings may result in reductions in the council’s own carbon footprint i.e. the emissions caused by our own use of buildings and travel. These savings may not always be reflected in those of the wider city if reductions in council activity are offset by increases in community or business activity. For example, where council facilities need to be closed and sold/transferred, their use by community groups or businesses will still generate emissions.

- The constraints on both revenue and capital are likely to reduce opportunities for the council to invest in projects to reduce carbon emissions and to make the city more resilient to the changing climate, except where a compelling ‘spend-to-save’ business case can be made or external grant funding can be secured.

17.3.3 Efforts should continue to develop financial and environmental ‘win-win’ climate projects, such as those which can cut council energy/fuel bills and carbon emissions. Likewise, any opportunities to secure external funding for climate work should be sought.

17.3.4 More specific climate emergency implications will continue to be provided for individual decisions regarding projects and service/policy changes relating to implementing the budget strategy.

Budget Ceilings

[to follow]

DRAFT

Scheme of Virement

1. This appendix explains the scheme of virement which will apply to the budget, if it is approved by the Council.

Budget Ceilings

2. Directors are authorised to vire sums within budget ceilings without limit, providing such virement does not give rise to a change of Council policy.
3. Directors are authorised to vire money between any two budget ceilings within their departmental budgets, provided such virement does not give rise to a change of Council policy. The maximum amount by which any budget ceiling can be increased or reduced during the course of a year is £500,000. This money can be vired on a one-off or permanent basis.
4. Directors are responsible, in consultation with the appropriate Deputy/Assistant Mayor if necessary, for determining whether a proposed virement would give rise to a change of Council policy.
5. Movement of money between budget ceilings is not virement to the extent that it reflects changes in management responsibility for the delivery of services.
6. The City Mayor is authorised to increase or reduce any budget ceiling. The maximum amount by which any budget ceiling can be increased during the course of a year is £5m. Increases or reductions can be carried out on a one-off or permanent basis.
7. The Director of Finance may vire money between budget ceilings where such movements represent changes in accounting policy, or other changes which do not affect the amounts available for service provision. The Director of Finance may vire money between budget ceilings to reflect where the savings (currently shown as summary figures in Appendix One) actually fall.
8. Nothing above requires the City Mayor or any director to spend up to the budget ceiling for any service. At the end of the year, underspends on any budget ceiling shall be applied:
 - (a) Firstly, to offset any overspends in the same department;
 - (b) Secondly, to the corporate reserve for future budget pressures.

Corporate Budgets

9. The following authorities are granted in respect of corporate budgets:
 - (a) the Director of Finance may incur costs for which there is provision in miscellaneous corporate budgets, except that any policy decision requires the approval of the City Mayor;
 - (b) the Director of Finance may allocate the provision for pay awards and other inflation;

Earmarked Reserves

10. Earmarked reserves may be created or dissolved by the City Mayor. In creating a reserve, the purpose of the reserve must be clear.
11. Directors may add sums to an earmarked reserve from a budget ceiling, if the purposes of the reserve are within the scope of the service budget, and with the agreement of the Director of Finance. This cannot take place at year end (see para. 8 above).
12. Directors may spend earmarked reserves on the purpose for which they have been created.
13. When an earmarked reserve is dissolved, the City Mayor shall determine the use of any remaining balance.
14. The City Mayor may transfer any sum between earmarked reserves.

Other

15. The City Mayor may amend the flexible use of capital receipts policy, and submit revised policies to the Secretary of State.

Equality Impact Assessment

Equality Impact Assessment (EIA) Tool:

Title of proposal	Council tax increase for 2026/27
Name of division/service	Corporate
Name of lead officer completing this assessment	Catherine Taylor, Financial Strategy Manager
Date EIA assessment commenced	3 rd November 2025
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>)	
Decision maker	Council
Date decision taken	25 February 2026

EIA sign off on completion:	Signature	Date
Lead officer	Catherine Taylor	21 November 2025
Equalities officer (has been consulted)	Surinder Singh	21 November 2025
Divisional director	Amy Oliver	4 December 2025

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?

Purpose

The Council has a legal obligation to set a balanced budget each year. There remains a difficult balance between funding services for those most in need, maintaining support for most vulnerable and the investment required to ensure the effective delivery of services. Council Tax is a vital funding stream for the Council to fund essential services. This appendix presents the draft equalities impact of a proposed 4.99% council tax increase. This includes a precept of 2% for Adult Social Care, as permitted by the Government without requiring a referendum.

Alternative options

The realistic alternative to a 5% council tax increase would be a lower (or no) increase. A reduced tax increase would represent a permanent diminution of our income unless we hold a council tax referendum in a future year. In my view, such a referendum is unlikely to support a higher tax rise. It would also require more cuts to services in later years (on top of the substantial cost savings already required by the budget strategy).

The budget situation is already extremely difficult, and it seems inevitable that further cuts will have severe effects on front-line services. It is not possible to say precisely where these future cuts would fall; however, certain protected groups (e.g. older people; families with children; and people with disabilities) could face disproportionate impacts from reductions to services.

Mitigating actions

The Council has a range of mitigating actions for residents. These include: funding through the new Crisis & Resilience Fund, which replaces the Household Support Fund and Discretionary Housing Payments from April 2026, direct support through Council Tax Discretionary Relief (which increased by 50% from £500,000 to £750,000 from April 2025 for two years) and Community Support Grant awards; the council's work with voluntary and community sector organisations to provide food to local people where it is required – through the network of food banks in the city; through schemes which support people getting into work (and include cost reducing initiatives that address high transport costs such as providing recycled bicycles); and through support to social welfare advice services.

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?

The Council Tax decision, as part of the overall budget strategy, aims to balance the funding of services for those in need, maintaining support for most vulnerable and the investment required to ensure the effective delivery of services. It does not, in itself, make specific decisions about the delivery of those services; which will be the subject of separate decisions with their own equality assessments, where appropriate.

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?

By securing funding, the proposal aims to advance equality of opportunity by maintaining services that support independence and quality of life for these key protected groups, thereby reducing inequalities they face.

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?

Securing a sustainable budget for local services contributes to community stability and social cohesion. Effective, well-funded services that support vulnerable residents can help indirectly in fostering good relations.

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.

Who is affected by the proposal?

As at October 2025, there were 133,220 properties liable for Council Tax in the city (excluding those registered as exempt, such as student households).

Under the CTSS scheme, “vulnerable” households with low income are eligible for up to 100% support, limited to the amount payable on a band C property. Other low income households are eligible for up to 80% support, limited to the amount payable on a Band B property. Households deemed vulnerable are defined in the scheme which uses proxies to identify disability and/or caring responsibilities.

Council tax support for pensioner households follows different rules. Low-income pensioners are eligible for up to 100% relief on the total amount payable.

How are they affected?

The table below sets out the financial impact of the proposed council tax increase on different properties, before any discounts or reliefs are applied. It shows the weekly increase in each band, and the minimum weekly increase for those in receipt of a reduction under the CTSS for working-age households who are not classed as vulnerable. [Under the scheme introduced last year, households classified as vulnerable can access up to 100% CTSS support]

Band	No. of Properties	Weekly increase (£)	Minimum Weekly Increase under CTSS (£)
A-	411	1.08	0.22
A	77,960	1.29	0.26
B	26,994	1.51	0.30
C	15,571	1.72	0.52

D	6,667	1.94	0.73
E	3,432	2.37	1.16
F	1,530	2.80	1.59
G	613	3.23	2.02
H	42	3.88	2.67
Total	133,220		

In most cases, the change in council tax (around £1.51 per week for a band B property with no discounts; and just 30p per week if eligible for the maximum 80% reduction for non-vulnerable households under the CTSS) is a small proportion of disposable income, and a small contributor to any squeeze on household budgets. A council tax increase would be applicable to all properties - the increase would not target any one protected group, rather it would be an increase that is applied across the board. However, it is recognised that this may have a more significant impact among households with a low disposable income.

Households at all levels of income have seen their real-terms income decline in recent years due to cost-of-living increases, and wages that have failed to keep up with inflation; although inflation has fallen more recently. These pressures are not limited to any protected group; however, there is evidence that low-income families spend a greater proportion of their income on food and fuel (where price rises have been highest), and are therefore more affected by price increases.

A 3.8% uplift to most working-age benefits, in line with CPI inflation, will come into effect from April 2026, while the State Pension and pension-age benefits will increase by 4.8%. The Local Housing Allowance rates for 2026/27 have not yet been announced. [NB council and housing association tenants are not affected by this as their rent support is calculated differently and their full rent can be compensated from benefits].

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.

Information on the properties subject to Council Tax is obtained from the Council's own systems. We do not hold detailed information on council taxpayers' protected characteristics; national and local economic data has been used to help assess the likely impact on different groups.

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?

Draft budget will be published in early December in advance of the final decision in February

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?

Older people (pension age and older) are least affected by a potential increase in council tax and can access more generous (up to 100%) council tax relief. However, in the current financial climate, a lower council tax increase would require even greater cuts to services in due course. While it is not possible to say where these cuts would fall exactly, there are potential negative impacts for this group as older people are the primary service users of Adult Social Care.

While employment rates remain high, earnings have not kept up with inflation in recent years so working families are likely to already be facing pressures on households' budgets. Younger people, and particularly children, were more likely to be in poverty before the current cost-of-living crisis and this is likely to have continued.

What is the risk of disproportionate negative impact on age?

Working age households and families with children – incomes squeezed through reducing real-terms wages.

What are the mitigating actions?

Lower-income households will have access to the Council Tax Support Scheme, providing up to 100% support for “vulnerable” households and up to 80% for other low income households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.

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?

Disabled people are more likely to be in poverty. Many disabled people will be classed as vulnerable in the proposed new CTSS scheme and will therefore be protected from the impact of a council tax increase.

However, in the current financial climate, a lower council tax increase would require even greater cuts to services in due course. While it is not possible to say where these cuts would fall exactly, there are potential negative impacts for this group as disabled people are more likely to be service users of Adult Social Care.

What is the risk of disproportionate negative impact on disability?

Further erode quality of life being experienced by disabled people.

What are the mitigating actions?

The CTSS scheme has been designed to give additional support (up to 100%) to vulnerable households. It also allows support at the level of the band C tax, rather than band B as applies to non-vulnerable households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing budgets.

Ensure all information and advice relating to the CTSS scheme, discretionary funds, and support services is available and provided in a range of accessible formats.

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 disproportionate impact is attributable specifically to this characteristic.

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

N/A

What are the mitigating actions?

N/A

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 disproportionate impact is attributable specifically to this characteristic

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

N/A

What are the mitigating actions?

N/A

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?

Someone who is pregnant or recently given birth often have lower incomes during the period immediately before and after childbirth, when they may be receiving statutory maternity pay or no pay at all.

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

Household may have a lower income during this period and be disproportionated impacted by the increase in Council Tax.

What are the mitigating actions?

Lower-income households will have access to the Council Tax Support Scheme, providing up to 100% support for “vulnerable” households and up to 80% for other low income households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.

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?

Those with white backgrounds are disproportionately on low incomes (indices of multiple deprivation) and in receipt of social security benefits. Some ethnic minority people are also low income and on benefits.

What is the risk of disproportionate negative impact on race?

Household income being further squeezed through low wages and reducing levels of benefit income.

What are the mitigating actions?

Lower-income households will have access to the Council Tax Support Scheme, providing up to 100% support for “vulnerable” households and up to 80% for other low income households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.

Where required, interpretation and translation services will be provided to remove barriers in accessing support/advice.

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 disproportionate impact is attributable specifically to this characteristic

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

N/A

What are the mitigating actions?

N/A

h) Sex

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

What is the impact of the proposal on sex?

Disproportionate impact on women who tend to manage household budgets and are responsible for childcare costs. Women are disproportionately lone parents, who are more likely to experience poverty.

What is the risk of disproportionate negative impact on sex?

Incomes squeezed through low wages and reducing levels of benefit income. Increased risk for women as they are more likely to be lone parents.

What are the mitigating actions?

If in receipt of Universal Credit or tax credits, a significant proportion of childcare costs are met by these sources.

Lower-income households will have access to the Council Tax Support Scheme, providing up to 100% support for “vulnerable” households and up to 80% for other low income households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.

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?

Gay men and Lesbian women are disproportionately more likely to be in poverty than heterosexual people and trans people even more likely to be in poverty and unemployed. This would mean they are more likely to be on benefits.

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

Household income being lowered wages and reducing levels of benefit income.

What are the mitigating actions?

Lower-income households will be have access to the Council Tax Support Scheme, providing up to 100% support for “vulnerable” households and up to 80% for other low income households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.

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

Some protected groups are more likely to be in poverty or have low disposable income, and therefore a council tax increase may have a more significant impact.

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

For some groups no disproportionate impact has been identified. Individuals in these groups will still be able to access CTSS and discretionary support based on their specific circumstances.

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 to 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.

No specific impacts have been identified on members, or former members, of the Armed Forces. Individuals facing a significant impact will have access to a range of mitigating measures as above.

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?

No disproportionate impact is attributable specifically to this characteristic. Indeed, many pay no council tax at all as a result of a specific discount and will therefore not be affected by the increase.

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

N/A

What are the mitigating actions?

Qualifying care experienced people up to the age of 25 can apply for a 100% discount on their council tax.

b. Children in poverty**What is the impact of the proposal on children in poverty?**

Even a relatively small increase in the amount payable may

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

A relatively small increase in the amount payable may have a more significant impact among households with a low disposable income.

What are the mitigating actions?

Lower-income households will have access to the Council Tax Support Scheme, providing up to 100% support for “vulnerable” households and up to 80% for other low income households.

In addition, households will have access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.

c. Other (describe)**What is the impact of the proposal on any other groups?**

N/A

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

N/A

What are the mitigating actions?

N/A

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.

Government policy on welfare benefits (including annual uprating) will also have an impact, although it is not yet possible to predict what this will be.

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:

N/A

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](#).

Click or tap here to enter text.

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
Ensure residents are aware of available financial help.	Clearly signpost support available about the Council Tax Support Scheme (CTSS) and Discretionary Relief funds.	Cory Laywood, Head of Revenues & Benefits and Transactional Finance	ongoing

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

MEDIUM TERM PROJECTIONS

1. Summary Forecasts

The table below shows our central forecasts of the position for the next three years, based on the information we have at the time of writing. As funding allocations for future years have not yet been announced, and are the subject of a significant national review, this is necessarily based on some broad assumptions.

We will receive our local settlement for 2026/27 in December; the projections will be updated for the 2026/27 budget report to Council in February. We are expecting this to be a multi-year settlement which will give us some clarity on funding for **The forecasts are volatile**, and the key risks are described at paragraph 2 below. In particular, because we are relying on one off money to balance the budget, a change in annual spending requirement will have a multiplicative effect (e.g. an increase in spending of £5m per year from 2026/27 will lose us £15m from reserves by the end of 2028/29, all other things being equal).

	2026/27	2027/28	2028/29
	£m	£m	£m
Net service budget	456.8	481.7	506.2
Provision for pay inflation	6.0	12.0	18.0
Corporate budgets (including capital finance)	12.4	13.7	15.6
Housing Benefits	1.5	1.5	1.5
Costs of new waste contract			2.5
General contingency for risk	1.0	1.0	1.0
Planning Total		2.0	4.0
Expenditure total	477.7	511.9	548.9
Income:			
Council tax	179.3	189.4	200.0
Collection Fund surplus	0.8		
Settlement Funding Assessment	275.5	286.0	299.6
Extended Producer Responsibility for Waste	7.4	6.0	5.2
Income total	463.0	481.3	504.8
Recurring budget gap	(14.7)	(30.5)	(44.0)

Based on these forecasts, our budget strategy reserves position is expected to be:

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
At the beginning of the year	193.8	129.9	101.7	71.2
Add: Forecast rates pool surplus	7.5			
<i>Reserve restatements:</i>				
From earmarked reserves		0.5		
Set aside for DSG deficit	(44.8)			
Set aside for LGR transitional costs		(14.0)		
Minus budget gap	(26.6)	(14.7)	(30.5)	(44.0)
At the end of the year	129.9	101.7	71.2	27.2

2. Assumptions and Risks

The assumptions in the forecast, and the inherent risks, are explained below.

Spending	Assumptions – central scenario	Risks
Pay costs	We assume a pay award averaging 3% each year	Inflation has fallen since its peak of 11.1% in 2022, although it has increased in recent month and remains above the 2% target. It stood at 3.8% in the year to September 2025.
Non-pay inflation	It is assumed that departments will be able to continue absorbing this. The exceptions are independent sector care package costs, fostering allowances, and the waste management contract; an allowance is built in for these increases.	
Adult social care costs	Demographic pressures and increasing need lead to cost pressures which are reflected in the forecasts. The effect of the mitigation measures is also reflected in the forecasts.	Adult Social Care remains the biggest area of Council expenditure, and is demand led. Small variations have a significant impact on the Council's overall budget.
Costs relating to looked after children	Mitigation work is able to reduce the annual cost increase to 6.5% (lower than the trend in recent years)	Further increase in demand and associated costs. Projections can be volatile as there are a small number of very high-cost placements.
Support to homeless families	Growth in the budget assumes the successful implementation of cost control measures, including a £50m investment in properties for use as temporary accommodation.	Further increase in the number of households presenting as homeless requiring the use of expensive hotel accommodation
Housing Benefit costs	The proposed budget includes £1.5m per year to meet the net subsidy loss on supported housing elements of Housing Benefit.	Will require powers expected under the Supported Housing Act to deliver savings against current trends.
Waste contract	The current contract for waste collection expires in 2028. The tender process for a new contract is underway; it is expected that the new contract will involve an increase in costs from 2028/29 onwards.	Difficult to predict costs of new contract at this stage.
Other service cost pressures	A £1m contingency budget has been built into the forecasts to provide some cushion against uncertainty. Aside from this, it is assumed that departments are able to find savings to manage cost pressures within their own areas.	Costs assume the delivery of proposed savings for which delivery plans will be vital. Some are subject to consultation, which may result in a different decision to that currently proposed.

	A planning provision of £2m has been included for 2027/28 rising to £4m by 2028/29.	
Departmental savings	The budget strategy assumes savings totalling £23m by 2027/28, of which £14m has been achieved to date.	<p>Risk that savings are not achieved or are delayed, leading to a greater call on reserves to balance the budget.</p> <p>Costs assume the delivery of proposed savings for which delivery plans will be vital. Some are subject to consultation, which may result in a different decision to that currently proposed.</p>
DSG deficit	The cumulative deficit on DSG is forecast to reach up to £78m by April 2028, when the current “override” ends. Forecasts in this report do not include this deficit.	It is not clear how this national issue will be resolved, and whether local authorities will have to meet some or all of their costs from general resources.

<u>Income</u>	Assumptions – central scenario	Risks
Council Tax	<p>Band D Council Tax will increase by 5.0% per year in line with expected referendum limits.</p> <p>Council taxbase (the number of properties that pay tax) will increase by 500 Band D properties per year.</p>	<p>Further economic downturn leading to increased costs of council tax support to residents on a low income.</p> <p>The government may make changes to the council tax banding system or to discounts and exemptions,</p>
Business rates	<p>The net impact of the current revaluation and rates reset will be neutral, i.e. any gain or loss in rates income is balanced by government support.</p> <p>No significant movements in the underlying baseline for business rates.</p> <p>Government changes to business rates (e.g. new reliefs) will continue to be met by additional government grant, in line with recent years.</p>	Significant empty properties and / or business liquidations reduce our collectable rates.
Government grant	<p>The results of the Fair Funding review will not be announced until the local government finance settlement in December. Up to date figures will be included in the budget report to Council in February.</p> <p>For this draft report, forecasts are informed by modelling work commissioned from external consultants.</p>	<p>Key elements of the review are still subject to government decisions and data updates. Our available resources will inevitably change from these forecasts, and this could be substantial.</p> <p>In future years, the overall quantum of funding for local government may change as a result of the wider fiscal and economic position.</p>
Extended Producer Responsibility funding	The provisional allocation for 2026/27 (£7.4m) is included in the draft budget. It is assumed that income from the scheme falls thereafter as producers take steps to reduce their charges payable.	Income in future years is highly uncertain, and partly depends on the response from producers to the new charges.

Earmarked Reserves

(to follow)

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Council Tax Premiums - Empty Property and Second Homes

1. This appendix sets out our policy on charging council tax premiums on empty properties.
2. In general, our policy is to use premiums to help bring empty properties back into use, as owners take steps to avoid the extra charges. There is a shortage of housing in Leicester. We want to see as many empty homes as possible made available for occupation. The changes will also raise additional revenue for the Council (to the extent that properties remain empty).

Substantially Unfurnished Empty Properties (referred to as long term empty properties)

3. Since 2013, councils have had considerable discretion over the levels of tax payable on unfurnished empty properties (Local Government Finance Act, 1992 and associated regulations). Our policy seeks to use this discretion to support our empty homes policy by charging the maximum permitted premiums for these homes, subject to any applicable exemptions
4. Assuming the recommendations in this report are approved, our policy for charging council tax on substantially unfurnished empty properties from 1st April 2026 will be:

Description	Tax charge as a percentage of the standard tax (inclusive of premium)
Empty for less than one year	100%
Empty for at least one year	200%
Empty for at least five years	300%
Empty for at least ten years	400%

Substantially Furnished Empty Properties (referred to as second homes)

5. The Levelling Up and Regeneration Act 2023 permits authorities to charge a council tax premium of up to 100% on substantially furnished homes, only occupied periodically, and which are no one's main residence, often referred to as second homes.
6. Our policy for charging council tax on substantially furnished empty properties from 1st April 2026 is:

Description	Tax charge as a percentage of the standard tax (inclusive of premium)
Empty (substantially furnished)	200%

Exemptions to premiums

7. From 1st April 2025, the Government has introduced the following mandatory exemptions to premiums, in addition to those already in place for unoccupied properties under the Council Tax (Exempt Dwellings) Order 1992. A local policy has been published on our website to give further guidance on how each premium exemption will be applied in practice.

Classes of Dwellings	Applies to	Exemption
Class E	Already applies to long term empty homes but extended to second homes from 1 st April 2025	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation.
Class F	Already applies to long term empty homes but extended to second homes from 1 st April 2025	Annexes forming part of, or being treated as part of, the main dwelling
Class G	Long term empty homes and second homes	Dwellings being actively marketed for sale (12 months' limit)
Class H	Long term empty homes and second homes	Dwellings being actively marketed for let (12 months' limit)
Class I	Long term empty homes and second homes	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Second homes only	Job related dwellings
Class K	Second homes only	Occupied caravan pitches and boat moorings
Class L	Second homes only	Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously
Class M	Long term empty homes	Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit)

Council Tax Support Scheme

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. A new scheme was approved by Full Council in January 2025.
2. No substantive changes to the scheme are proposed for 2026/27. The only revision proposed is to uprate thresholds by 3.8% in line with the majority of welfare benefits (and the CPI measure of inflation from September 2025) (and used to uprate the majority of benefit rates from April 2026). The previous scheme maintained between 2013 and 2024 was also uprated annually on the same basis. The new bands including this uprating will be as shown:

		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 children/ young persons	Couple or Lone Parent with three 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 children/ young persons	Couple or Lone Parent with three or more children/ young persons
Weekly Net Income											
1	100%	£0 to £155.70	£0 to £155.70	£0 to £155.70	£0 to £207.60	£0 to £259.50	N/A	N/A	N/A	N/A	N/A
2	75%	£155.71 to £233.55	£155.71 to £233.55	£155.71 to £311.40	£207.61 to £363.30	£259.51 to £415.20	£0 to £155.70	£0 to £155.70	£0 to £155.70	£0 to £207.60	£0 to £259.50
3	50%	£233.56 to £311.40	£233.56 to £311.40	£311.41 to £389.25	£363.30 to £415.20	£415.21 to £467.10	£155.71 to £233.55	£155.71 to £233.55	£155.71 to £311.40	£207.61 to £363.30	£259.51 to £415.20
4	25%	£311.41 to £389.25	£311.41 to £389.25	£389.26 to £467.10	£415.21 to £519	£467.11 to £570.90	£233.56 to £311.40	£233.56 to £311.40	£311.41 to £389.25	£363.30 to £415.20	£415.21 to £467.10
5	0%	£389.26+	£389.26+	£467.11+	£519.01+	£570.91+	£311.41 +	£311.41 +	£389.26 +	£415.21 +	£467.11 +

3. The alternative would be to freeze the bandings at their 2025/26 cash levels. This would lead to some households receiving lower levels of support or dropping out of the scheme entirely.

Flexible Use of Capital Receipts policy

(to follow)

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Draft Three Year Capital Programme 2026/27

Decision to be taken by: Council

Decision to be taken on: 25 February 2026

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Claire Gavagan
- Author contact details: claire.gavagan@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1 The main purpose of this report is to ask the Council to approve a capital programme for 2026/27.
- 1.2 Capital expenditure is incurred on works of lasting benefit and is principally paid for by grant, tenants' rents, and the proceeds of asset sales (capital receipts). Money can also be borrowed for capital purposes.
- 1.3 For the past five years, the Council has set a one-year capital programme due to uncertainty over future resources. We have now moved to a three-year capital programme, providing greater visibility of planned investment and supporting improved medium-term financial planning.
- 1.4 In addition to the three-year programme any schemes approved and in the current programme will continue into 2026/27 where needed.
- 1.5 The funding of the 2025/26 capital programme changed to be aligned with our overall revenue and capital financial strategy. This meant we moved away from funding the capital programme through the capital fund and capital receipts but to using borrowing where grant was not available. This approach remains in place for the 2026/27 and the revenue budget will reflect the consequences of the decisions taken in this report
- 1.6 However, due to the positive work that has been undertaken on the revenue budget, we currently do not need the £60m capital receipts to balance the budget over the next three years. We will look to use some of the capital receipts to alleviate the need to borrow in turn reducing the revenue pressures placed from the increase in borrowing.
- 1.7 The report seeks approval to the "General Fund" element of the capital programme, at a cost of £129.8m, over the next three years. In addition to this, the HRA capital programme (which is elsewhere on your agenda) includes works estimated at £11.66m.

- 1.8 The table below summarises the proposed spending for capital schemes starting in 2026/27, as described in this report:

<u>Proposed Programme</u>	26/27	27/28	28/29	Later Years	Total
	£m	£m	£m	£m	£m
<u>Schemes – Summarised by Theme</u>					
Grant Funded Schemes	20.66	13.18	13.17	-	47.01
Own buildings	4.75	6.89	3.26	-	14.90
Temporary Accommodation Acquisitions	50.00	-	-	-	50.00
Routine Works	3.63	4.39	5.28	-	13.29
Corporate Estate	1.10	-	-	-	1.10
Other Schemes and Feasibilities	1.38	0.74	1.05	-	3.17
Policy Provisions	-	0.12	0.12	0.12	0.35
Total New Schemes	81.51	25.31	22.87	0.12	129.81

<u>Funding</u>	<u>£m</u>	<u>£m</u>
Unringfenced Resources		
Capital Receipts	2.83	
Borrowing	79.97	
Government Grants	41.43	
Total Unringfenced Resources		124.23
Monies ringfenced to Schemes		5.58
Total Resources		129.81

- 1.9 The table below presents the total spend on General Fund and Housing Revenue Account schemes:

	<u>£m</u>
General Fund	129.81
Housing Revenue Account (1 year programme only)	11.66
Total	141.47

- 1.10 The Council's total capital expenditure now forecast for 2026/27 and beyond is expected to be around £534.99m, including the HRA and schemes approved prior to 2026/27.

- 1.11 The capital programme is split into two parts:

- a) Schemes which are “**immediate starts**”, being schemes which directors have authority to commence once the council has approved the programme. These are fully described in this report;

- b) Schemes which are “**policy provisions**”, where the purpose of the funding is described but money will not be released until specific spending proposals have been approved by the Executive.

1.12 Immediate starts have been split into three categories:

- a) **Projects** – these are discrete, individual schemes such as a road scheme or a new building. These schemes will be monitored with reference to physical delivery rather than an annual profile of spending. (We will, of course, still want to make sure that the overall budget is not going to be exceeded);
- b) **Work Programmes** – these consist of minor works or similar schemes where there is an allocation of money to be spent in a particular year;
- c) **Provisions** – these are sums of money set aside in case they are needed, but where low spend is a favourable outcome rather than indicative of a problem.

2. Recommended actions/decision

2.1 At the meeting in February, the Council will be asked to:

- (a) Approve the capital programme, including the prudential borrowing for schemes as described in this report and summarised at Appendices 2 to 7, subject to any amendments proposed by the City Mayor;
- (b) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules, rules concerning land acquisition and finance procedure rules;
- (c) Delegate authority to the City Mayor to determine a plan of spending for each policy provision, and to commit expenditure up to the maximum available;
- (d) For the purposes of finance procedure rules:
 - Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes.
 - Designate the operational estate & children’s capital maintenance programme, highways maintenance programme and transport improvement programme as

programme areas, within which the director can reallocate resources to meet operational requirements.

(e) Delegate to the City Mayor:

- Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources in each instance and to borrow whilst remaining within the prudential limits for debt which are proposed in the treasury management strategy (elsewhere on your agenda);
- Authority to reduce or delete any capital scheme, subject to a maximum reduction of £10m; and
- Authority to transfer any “policy provision” to the “immediate starts” category.

(g) Delegate to directors, in consultation with the relevant deputy/assistant mayor, authority to incur expenditure up to a maximum of £250k per scheme in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure.

(h) Approve the capital strategy at Appendix 8.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

Key Policy Issues for the New Programme

- 4.1 The cost of Prudential Borrowing has been calculated for each scheme, and the total is included within the revenue budget report for 2026/27, and the Prudential Indicators included in the Treasury Report 2026/27 found elsewhere on the agenda.
- 4.2 The programme supports the Council’s commitment to tackling the climate emergency, most obviously but not exclusively within the Transport Improvement Works, Operational Estate and Children’s capital maintenance programmes.

Resources

- 4.3 Resources available to the programme consist primarily of Government grant, borrowing and capital receipts (the HRA programme is also supported by tenants' rent monies). Most grant is unringfenced, and the Council can spend it on any purpose it sees fit.
- 4.4 Appendix 1 presents the resources required to fund the proposed programme, which total some £129.81m. The key unringfenced funding sources are detailed below.
- a) £2.83m of general capital receipts. The delivery of receipts from Ashton Green disposals to fund the work to sell/develop by the end of 2025/26.
 - b) £41.43m of unringfenced grant funding. Some of these figures are estimated in the absence of actual allocations from the Government.
 - c) £79.97m of borrowing, with an annual revenue cost.
- 4.5 For some schemes the amount of unringfenced resources required is less than the gross cost of the scheme. This is because resources are ringfenced directly to individual schemes. Ringfenced resources are shown throughout Appendix 2 and consist of government grant and contributions to support the delivery of specific schemes.
- 4.6 Only funding required to finance the schemes in this capital programme is included.
- 4.7 Finance Procedure Rules enable directors to make limited changes to the programme after it has been approved. For these purposes, the Council has split resources into corporate and service resources.
- 4.8 Directors have authority to add schemes to the programme, provided they are funded by service resources, up to an amount of £250,000. This provides flexibility for small schemes to be added to the programme without a report to the Executive, but only where service resources are identified. (Borrowing is treated as a corporate resource requiring a higher level of approval).

Proposed Programme

- 4.9 The whole programme is summarised at Appendix 2. Responsibility for the majority of projects rests with the Strategic Director of City Development and Neighbourhoods.
- 4.10 £47.01m is provided for grant funded schemes. These schemes are funded either from unringfenced grant (where we have discretion) and ringfenced resources.

- a) £12.99m has been provided to continue the **Schools Capital Maintenance Programme** across three financial years. This is in addition to the £6m previously approved within the 2025/26 capital programme for delivery in 2026/27. The programme will include routine maintenance and spending and is prioritised to reflect asset condition and risk. The proposed programme is shown at Appendix 5. Detailed schemes will be developed following consultation with schools.
- b) £16.09m is provided as part of the continued **Highways Capital Maintenance Programme** across three financial years. This is a rolling annual programme and spending is prioritised to reflect asset condition, risk and local neighbourhood priorities. The proposed programme is shown at Appendix 4.
- c) £12.35m is provided in 2026/27 to continue the rolling programme of works constituting the **LTG – Local Transport Schemes Programme**. This scheme will focus on maintaining and improving local transport infrastructure through the Department for Transport's Local Transport Grant, providing investment in the design, construction, and maintenance of local transport networks. The proposed programme is shown at Appendix 6.
- d) £5.58m has been provided for **Disabled Facilities Grants**, across three financial years to private sector householders which is funded by government grant. This is an annual programme which has existed for many years. These grants provide funding to eligible disabled people for adaption work to their homes and help them maintain their independence.

4.11 £14.89m is provided for the Council's own buildings.

- a) £13.11m has been provided to support the annual **Operational Estate Capital Maintenance Programme** of works to properties that the Council occupies for its own use. This is a rolling annual programme and spending is prioritised to reflect asset condition and risk. The proposed programme is shown at Appendix 3 but may vary to meet emerging operational requirements.
- b) £0.15m has been provided for **LCB Maintenance**. The scheme focuses on essential maintenance works at the LCB Depot to ensure the building remains fit for purpose. This includes priority repairs, general maintenance, and upgrades necessary to meet current compliance standards.
- c) £0.50m has been provided for **IT Investment**, ensuring we have technology to support our councillors and teams, this will include ensuring our committee and Council rooms Town Hall and City

Hall to support councillors and ensure the public have access to democracy.

- d) £0.35m has been provided for the **Demolition of Rally House**. This is to facilitate the demolition of Rally House and the creation of a fenced, hardstanding area for vehicle parking, providing potential short-term parking income until the site is brought forward for future development.
- e) £0.25m has been provided for the **Parks & Open Spaces Depot Transformation** scheme. This focuses on upgrading depot facilities at Gilroes Cemetery and Beaumont Park to enhance staff welfare facilities, storage, environmental compliance, and site security.
- f) £0.10m has been allocated to support the ongoing **Depot Transformation** Project, enabling the relocation of the Park Services Environmental Ranger team from Riverside Depot to Knighton Park Depot.
- g) £0.45m has been provided for **Public Toilet Refurbishment**. This is a rolling renovation programme for public toilet blocks across parks, highways, and cemeteries. Works will replace fixtures and improve facilities to maintain hygiene and appearance.

4.12 £50.00m has been provided for **Temporary Accommodation (TA) Acquisitions** for the purchase of 90 self-contained accommodation units for singles and 160 family accommodation units. Through this increase in the number of Council-owned TA units, we can better ensure that homeless households are housed in suitable accommodation, minimising the use of hotel stays. This builds on the £45m approved by Council in March 2024, and will directly result in annual cost avoidance of over £6m per year. Appendix 7 provides further details of the context to these proposals and the impact.

4.13 £13.29m is provided for Routine Works.

- a) £0.10m is provided for **Foster Care Capital Contribution** Scheme to support foster carers with alterations to their property to allow fostered children to remain living with their carers or to increase the capacity to look after more children.
- b) £0.23m is provided for the **Historic Building Grant Fund** to provide match funding to city residents and organisations to support the repair of historic buildings and the reinstatement of lost original historic features.
- c) £1.20m is provided for **Local Environmental Works** which will focus on local neighbourhood issues including residential

parking, local safety concerns, pedestrian routes, cycleways and community lighting to be delivered after consultation with ward members.

- d) £0.90m is towards the **Flood Strategy** to support the local flood risk management strategy and action plan, and the delivery of our statutory role to manage and reduce flood risk in collaboration with the Environment Agency & Severn Trent Water.
- e) £0.08m is included as part of the continued programme to refresh **Festival Decorations**.
- f) £0.43m is provided for **Heritage Interpretation Panels**. This scheme will focus on expanding the city's heritage interpretation by installing additional panels, highlighting Leicester's historic places and people. It will also enhance online content and collaboration with Visit Leicester and Place Marketing to boost public engagement and tourism.
- g) £0.45m is provided for **Grounds Maintenance Machinery** to replace ageing machinery with up to date, energy efficient models to provide continued maintenance of our parks and open spaces.
- h) £0.19m is provided for the **Environmental Crime / Parks & Open Spaces CCTV Enforcement Action Project** to purchase mobile CCTV cameras to tackle fly-tipping and street scene offences across the city.
- i) £0.36m is provided for **Replacement Tree Planting** on a rolling tree replacement programme across parks and highways, delivering environmental, biodiversity, health, aesthetic, and economic benefits.
- j) £0.65m has been provided for the **3G Pitch Replacements Scheme** to replace aging 3G synthetic pitches to reduce safety risks, protect user wellbeing, maintain FA compliance, and ensure surfaces remain fit for purpose.
- k) £8.71m has been made available for the annual **Fleet Replacement Programme**. Wherever possible, ultra-low emission vehicles (ULEVs) will be sought to support the Council's climate emergency response.

4.14 £1.10m has been provided for the **Corporate Estate** to support the council's property portfolio. Including wall, steps & roof repairs, replacement windows. The council has a statutory responsibility to ensure business property is safe for our tenants and anybody else using the buildings. This will also ensure income is maintained for the revenue budget.

4.15 £0.35m is provided for Policy Provisions:

- a) £0.35m is provided for the **Voices of Leicester** Project, as potential match funding to support an application to the National Lottery Heritage Fund. The application looks to support creating new social history and natural world galleries, improve building infrastructure, and develop inclusive learning and engagement spaces. To assist with celebrating Leicester's communities and stories.

4.16 £3.17m is provided for Other Schemes & Feasibilities:

- a) £2.83m for infrastructure works to enable **Capital Asset Sales**, in particular Ashton Green.
- h) £0.34m is provided for **Feasibility Studies**. This will enable studies to be done, typically for potential developments not included elsewhere in the programme or which might attract grant support. The breakdown for this is shown at Appendix 2e but may vary to meet emerging operational requirements.

Proposed Programme – Policy Provisions

4.17 Policy provisions are sums of money which are included in the programme for a stated purpose, but for which a further report to the Executive (and decision notice) is required before they can be spent. Schemes are usually treated as policy provisions because the Executive needs to see more detailed spending plans before full approval can be given.

4.18 Executive reports seeking approval to spend policy provisions must state whether schemes, once approved, will constitute projects, work programmes or provisions; and, in the case of projects, identify project outcomes and physical milestones against which progress can be monitored.

4.19 Where a scheme has the status of a policy provision, it is shown as such in the appendix.

Capital Strategy

4.20 Local authorities are required to prepare a capital strategy each year, which sets out our approach for capital expenditure and financing at high level.

4.21 The proposed capital strategy is set out at Appendix 8.

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

5.1 Financial implications

This report is exclusively concerned with financial issues.

Signed: Amy Oliver, Director of Finance

Dated: 5th December 2025

5.2 Legal implications

In accordance with the constitution, the capital programme is a matter that requires approval of full Council. The subsequent letting of contracts, acquisition and/or disposal of land, etc., all remain matters that are executive functions and therefore there will be the need to ensure such next steps have the correct authority in place prior to proceeding. Legal Services will provide specific advice in relation to individual schemes and client officers should take early legal advice.

Signed: Kevin Carter, Head of Law

Dated: 18 November 2025

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 will benefit from the improved public good arising from the proposed capital programme. However, as the proposals are developed and implemented, consideration should continue to be given to the equality impacts of the schemes in question, and how it can help the Council to meet the three aims of the Public Sector Equality Duty.

The main purpose of this report is to ask the Council to approve a capital programme for 2026/27, the capital programme includes schemes which improve the city's infrastructure and contribute to overall improvement of quality of life for people across all protected characteristics. By doing so, the capital programme promotes the PSED aim of: fostering good relations between different groups of people by ensuring that no area is disadvantaged compared to other areas as many services rely on such infrastructure to continue to operate.

Some of the schemes focus on meeting specific areas of need for a protected characteristic: disabled adaptations within homes (disability), home repair grants which are most likely to be accessed by elderly, disabled people or households with children who are living in poverty (age and disability).

Other schemes target much larger groups of people who have a range of protected characteristics reflective of the diverse population within the city. Some schemes are place specific and address environmental issues that also benefit diverse groups of people. The delivery of the capital programme contributes to the Council fulfilling our Public Sector Equality Duty (PSED).

Where there are any improvement works to buildings or public spaces, considerations around accessibility (across a range of protected characteristics) must influence design and decision making. This will ensure that people are not excluded (directly or indirectly) from accessing a building, public space or service, on the basis of a protected characteristic.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 18 November 2025

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.

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: Phil Ball, Sustainability Officer, Ext 37 2246

Dated: 18th November 2025

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

Policy	Yes	The capital programme is part of the Council's overall budget and policy framework and makes a substantial contribution to the delivery of Council policy.
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	A number of schemes will benefit elderly people and those on low income.

6. Background information and other papers:

7. Summary of appendices:

- Appendix 1 Capital Resources.
- Appendix 2a Grant Funded Schemes
- Appendix 2b Own Buildings
- Appendix 2c Routine Works
- Appendix 2d Temporary Accommodation
- Appendix 2e Corporate Estate
- Appendix 2f Other & Feasibilities Schemes
- Appendix 2g Policy Provisions
- Appendix 3 Operational Estate Maintenance Capital Programme
- Appendix 4 Highways Maintenance Capital Programme
- Appendix 5 Children's Capital Improvement Programme
- Appendix 6 Local Transport Schemes
- Appendix 7 Temporary Accommodation Acquisitions
- Appendix 8 Capital Strategy 2026/27

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 – it is a proposal to Council.

Capital Resources

	26/27 {£000}	27/28 {£000}	28/29 {£000}	Later Years {£000}	Total {£000}
<u>Capital Receipts</u>					
General Capital Receipts	1,209	574	1,051	0	2,835
Total Receipts	1,209	574	1,051	0	2,835
<u>Unringfenced Capital Grant</u>					
School Capital Maintenance	1,084	5,957	5,944	0	12,985
Local Transport Grant	12,349	0	0	0	12,349
Highways Maintenance	5,364	5,364	5,364	0	16,092
Total Unringfenced Grant	18,797	11,321	11,308	0	41,426
Prudential Borrowing	59,644	11,558	8,652	116	79,970
TOTAL UNRINGFENCED RESOURCES	79,650	23,453	21,012	116	124,231
<u>Ringfenced resources</u>					
Disabled Facilities Grant	1,861	1,861	1,861	0	5,583
TOTAL RINGFENCED RESOURCES	1,861	1,861	1,861	0	5,583
TOTAL CAPITAL RESOURCES	81,511	25,314	22,873	116	129,814

Grant Funded Schemes

	Division	Scheme Type	26/27	27/28	28/29	Later Years	Total Approval
			{£000}	{£000}	{£000}	{£000}	{£000}
<u>Grant Funded Schemes</u>							
School Capital Maintenance	CDN (ECS)	WP	1,084	5,957	5,944	-	12,985
Highway Capital Maintenance	CDN (PDT)	WP	5,364	5,364	5,364	-	16,092
Local Transport Grant	CDN (PDT)	PJ	12,349	-	-	-	12,349
Disabled Facilities Grants*	CDN (HGF)	WP	1,861	1,861	1,861	-	5,583
TOTAL			20,658	13,182	13,169	0	47,009

Key to Scheme Types: PJ = Project; WP = Work Programme

*This scheme is funded through a ringfenced grant.

Own Buildings

	Division	Scheme Type	26/27	27/28	28/29	Later Years	Total Approval
			{£000}	{£000}	{£000}	{£000}	{£000}
<u>Own Buildings</u>							
LCB Maintenance	CDN (TCI)	PJ	150	-	-	-	150
Property and Operational Estate	CDN (EBS)	WP	3,472	6,515	3,110	-	13,097
IT Investment	CDN (EBS)	WP	500	-	-	-	500
Rally House Demolition	CDN (EBS)	PJ	210	140	-	-	350
Parks & Open Spaces Depot Transformation	CDN (NES)	PJ	165	80	-	-	245
Depot Transformation	CDN (NES)	PJ	100	-	-	-	100
Public Toilet Refurbishment	CDN (NES)	PJ	150	150	150	-	450
TOTAL			4,747	6,885	3,260	0	14,892

Key to Scheme Types: PJ = Project; WP = Work Programme

Routine Works

	Division	Scheme Type	26/27 {£000}	27/28 {£000}	28/29 {£000}	Later Years {£000}	Total Approval {£000}
<u>Routine Works</u>							
Foster Care Capital Contribution Scheme	ECS	WP	100	-	-	-	100
Historic Building Grant Fund	CDN (PDT)	WP	75	75	75	-	225
Local Environmental Works	CDN (PDT)	WP	400	400	400	-	1,200
Flood Strategy	CDN (PDT)	WP	300	300	300	-	900
Festival Decorations	CDN (PDT)	WP	25	25	25	-	75
Heritage Interpretation Panels	CDN (TCI)	WP	210	220	-	-	430
Grounds Maintenance Machinery	CDN (NES)	WP	150	150	150	-	450
Environmental Crime / Parks & Open Spaces CCTV Enforcement Action	CDN (NES)	WP	185	-	-	-	185
Replacement Tree Planting	CDN (NES)	WP	200	80	80	-	360
3G Pitch Replacement – FIS Carpets	CDN (NES)	PJ	250	400	-	-	650
Vehicle Fleet Replacement Programme	CDN (HGF)	WP	1,732	2,735	4,246	-	8,713
TOTAL			3,627	4,385	5,276	-	13,288

Key to Scheme Types: PJ = Project; WP = Work Programme

Temporary Accommodation Acquisitions

Division	Scheme Type	26/27 {£000}	27/28 {£000}	28/29 {£000}	Later Years {£000}	Total Approval {£000}
<u>Temporary Accommodation Acquisitions</u>						
Temporary Accommodation Acquisitions		50,000	-	-	-	50,000
TOTAL		50,000	-	-	-	50,000

Key to Scheme Types: PJ = Project; WP = Work Programme

Corporate Estate

	Division	Scheme Type	26/27	27/28	28/29	Later Years	Total Approval
			{£000}	{£000}	{£000}	{£000}	{£000}
<u>Corporate Estate</u>							
Corporate Estate	CDN (EBS)	WP	1,100	-	-	-	1,100
TOTAL			1,100	-	-	-	1,100

Key to Scheme Types: PJ = Project; WP = Work Programme

Feasibilities and Other Schemes

	Division	Scheme Type	26/27 {£000}	27/28 {£000}	28/29 {£000}	Later Years {£000}	Total Approval {£000}
<u>Feasibilities and Contingencies</u>							
Infrastructure works to enable Capital Asset Sales	CDN (PDT)	PJ	1,209	574	1,051	-	2,835
PDT Feasibility	CDN (PDT)	WP	70	170	-	-	240
Curve Automation System Feasibility	CDN (TCI)	WP	50	-	-	-	50
Housing Public Space Infrastructure Regeneration (CCTV) Feasibility	CDN (NES)	WP	50	-	-	-	50
TOTAL			1,379	744	1,051	-	3,175

Key to Scheme Types: PJ = Project; WP = Work Programme

Policy Provisions

		Scheme Type	26/27	27/28	28/29	Later Years	Total Approval
Division			{£000}	{£000}			{£000}
Policy Provisions							
Voices of Leicester (Match Funding)	CDN (TCI)	PP	-	118	116	116	350
TOTAL			-	118	116	116	350
GRAND TOTAL – ALL SCHEMES			81,511	25,314	22,873	116	129,814

Property and Operational Estate Maintenance Capital Programme

Description	26/27 Amount £000's	27/28 Amount £000's	28/29 Amount £000's	Total Amount £000's
Building Works - Maintenance at the Councils operational buildings to ensure they meet the needs of our residents and employees. Key works will include refurbishment of buildings, including ensuring appropriate utilisation to enable maximisation of our assets, pathway replacements at park, refurbishment of public areas and works at heritage sites.	1,983	2,541	830	5,354
Compliance Works - Generally consisting of surveys to gain condition data across the estate and works arising from the various risk assessments that are undertaken.	568	503	815	1,886
Mechanical Works - Ventilation systems, pool filtration & dosing systems, building management systems and heating controls, including essential works at York House.	839	3,417	1,360	5,616
Emergency Provision – Provision for emergency reactive works that could be required across the Council's estate.	82	54	105	241
TOTAL	3,472	6,515	3,110	13,097

Highways Maintenance Capital Programme

Description	26/27 Amount £000's	27/28 Amount £000's	28/29 Amount £000's	Total Amount £000's
Main Roads (Principal Roads & Classified Non-Principal Roads) – 2026 schemes include Victoria Road East, Hinckley Road, Glenfrith Way	625	625	625	1,875
Unclassified Neighbourhood Roads, Large Area Patching & Pothole Repairs – Target large carriageway defect repairs to provide longer term repairs in readiness for surface dressing. Includes lining, joint sealing, concrete bay repairs and road hump replacements. 2026 schemes include: Barkbythorpe Road – Humberstone Lane - Boundary Walnut Street Longfellow Road Vicarage Lane Eastfield Road Floyd Close Westernhay Road Southernhay Road Morley Road Dumbleton Avenue Rowley Fields Avenue Includes lining, joint sealing, concrete bay repairs and road hump replacements	1,750	1,750	1,750	5,250

Description	26/27 Amount £000's	27/28 Amount £000's	28/29 Amount £000's	Total Amount £000's
Footway Relays and Reconstructions – Focus on neighbourhood street scene corridor improvements in district centres. 2026 schemes included Melton Road uneven footway improvements and local footway maintenance.	750	750	750	2,250
Strategic Bridge Deck Maintenance & Replacement. 2026 schemes include feasibility studies and structural surveys to assess St. Margaret's Way half joint replacement and Burleys Way flyover maintenance.	50	250	250	550
Bridge Improvement & Maintenance Works including various parapet replacements, structural maintenance works and technical assessment review. 2026 schemes include Shady Lane, Ocean Rd, Dakyn Rd, Southgate Underpass.	689	250	250	1,189
Traffic Signal Installations Renewals and Lighting Column Replacements – Signalling upgrades, lamp column replacements, illuminated bollard and sign replacement.	240	400	400	1,040
Highway Drainage – Flood mitigation schemes and drainage improvement projects.	260	339	339	938
DfT Whole Government Accounting Lifecycle Asset Management Development Project – Strategic asset management development, condition surveys, data analysis, lifecycle planning and reporting in support of DfT Challenge Funding bidding linked to asset management performance.	1,000	1,000	1,000	3,000
TOTAL	5,364	5,364	5,364	16,092

Children's Capital Improvement Programme

Description	26/27 Amount £000's	27/28 Amount £000's	28/29 Amount £000's	Total Amount £000's
Building Works - Typical works include roof replacements, sports hall floor replacements, playground resurfacing and window replacements.	478	3,830	3,143	7,451
Compliance Works - This work stream will mainly be used to ensure the playing fields and pavilions used by schools are fully compliant with current regulations and to conduct health and safety works.	434	783	1,251	2,468
Mechanical Works - schemes being undertaken within the programme typically consist of re-piping heating systems and end of life ventilation replacements.	172	981	1,181	2,334
Individual Access Needs Works - This is a provision to allow works to be carried out to enable children with additional needs to access mainstream school.	-	121	123	244
Emergency Provision - This is provision within the programme to allow for emergency unforeseen works to be carried out.	-	242	246	488
TOTAL	1,084	5,957	5,944	12,985

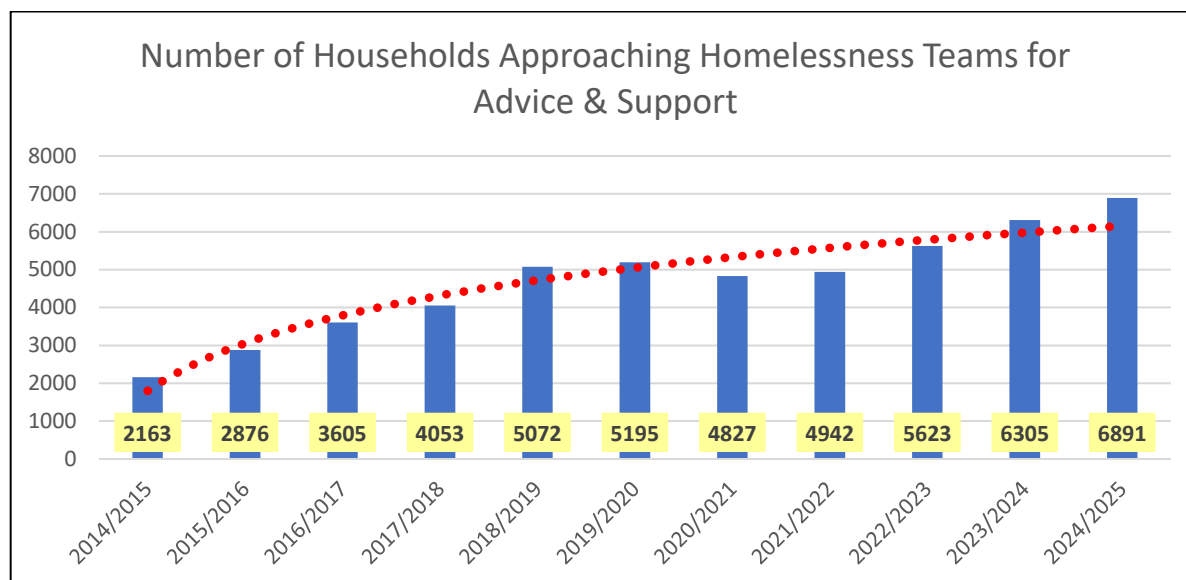
Local Transport Schemes

	Description	26-27 Amount £000
City Centre	Granby Street Phase 3 Delivery	1,100
City Connectivity	LCWIP Phase 1 Design Work	300
City Connectivity	LCWIP Phase 0 Delivery	1,400
City Connectivity	Stokeswood Park Culvert Repairs	2,200
City Connectivity	Rally Park Phase 3a Delivery	800
City Connectivity	Saffron Lane Phase 3/4 Design	300
City Connectivity	Service support (inc. data collection, modelling)	350
Future City	PROW Programme	434
Future City	Greengate Lane Design/Build	1,200
Future City	Highway Asset Replacement Programme	800
Healthier Neighbourhoods	Ped crossing programme (phase 3 design)	350
Healthier Neighbourhoods	Ped crossing programme (phase 2 delivery)	350
Healthier Neighbourhoods	Local Works Contribution	400
Healthier Neighbourhoods	School Streets Programme	165
Healthier Neighbourhoods	AQAP Delivery	850
Local Safety	20s Programme block allocation	750
Local Safety	Local Safety Scheme Block Allocation	600
TOTAL		12,349

The Local Transport Scheme grant is a one-off grant, so the programme of works is only for a single financial year.

Temporary Accommodation Acquisitions

Like many other local authorities, Leicester has been experiencing significant pressures in the cost of meeting the needs of homeless households through the provision of temporary accommodation. Since 2014/15 the number of approaches has risen by 219% as can be seen in the table below:



The council works positively to support households in preventing homelessness with circa 60% prevented from ever becoming Homeless, with Leicester performing better than the national average. This is supported by the table below that shows the percentage of prevention duty cases that came to an end within Quarter with the outcome being “Secured accommodation for 6+ months”:

	Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25
Leicester	62%	63%	62%	59%
National Ave.	52%	52%	54%	51%

However, the Council is unable to prevent all cases and needs to support households who have often found themselves homeless often due to no fault of their own.

The Council in March 2024 approved the addition of £45m to the capital programme to acquire properties to hold as temporary accommodation, providing 253 units. Alongside a package of different measures this has successfully achieved financial cost avoidance for the Council of £4m in 24/25, rising to £16m in 25/26 and forecast to be £39m in 26/27.

This positive intervention leads to a stronger homelessness pathway, that is more resilient to the ongoing pressures and improves the conditions for those going through homelessness, especially because of the additional self-contained temporary accommodation.

As of October 2025, we had a total of 1,100 households residing in temporary accommodation. A total of 653 of those households were families and a further 447 single households remain in temporary accommodation.

Even with the positive interventions for singles and families, due to the ongoing strong demand for Homelessness services and accommodation it is expected that numbers will continue to exceed LCC owned and commissioned temporary accommodation with 392 families in expensive temporary accommodation and 81 singles in expensive temporary accommodation as at March 2026. These figures are expected to grow to 452 families and 261 singles in expensive temporary accommodation by March 2027

The proposed capital budget provides an additional £50m for acquiring temporary accommodation during 2026/27. This is anticipated to provide 90 units for singles and 160 units for families, which will be held in the Councils General Fund and managed through a third-party provider.

In addition to this, we are increasing our staffing in this area to assist with our prevention work. Overall, the combination of the £50m investment in temporary accommodation and the additional staff to support the prevention work is forecast to achieve cost avoidance of £3.8m in 2026/27, rising to £6.4m in 27/28. The revenue implications costs of this investment including borrowing costs are included in the General Fund Revenue Budget.

Capital Strategy 2026/27

Appendix to be added for final report



Tenancy Support (Leicester City Council Tenants)

Housing Scrutiny Commission

Date of meeting: 13/01/2026

Lead director/officer: Chris Burgin

Useful information

- Ward(s) affected: All
- Report author: Gurjit Kaur Minhas
- Author contact details: 0116 454 5144
- Report version number: V1

1. Summary

This report details the housing support offered and provided by Leicester City Council housing services to its tenants. Housing support is essential for many tenants to enable them to maintain successful tenancies and to prevent tenancy failure and homelessness. When a tenancy is first offered, the Property Lettings Team carry out escorted viewings with a prospective tenant and sign them up in person to the tenancy. The Tenancy Management service offers support to tenants once they move into their new home. The STAR and Help Beyond Housing teams provide support to our very vulnerable tenants with complex needs and the Income Management Team supports tenants to pay their rent and maximise their income.

2. Recommendation(s) to scrutiny:

Housing Scrutiny Commission are invited to:

- Note the contents of this report

3. Detailed report

3.1 Background

3.1.1 Leicester City Council manages approximately 19,000 council tenancies. One of our key responsibilities as a social landlord is to support tenants and prevent homelessness. The Housing Ombudsman and now the Housing Regulator have legal powers to ensure we provide good customer service to our tenants and treat them with respect.

3.1.2 Some of our tenants will be able to move into their new homes and not need significant support. However, we are finding that more and more people are now being housed with multiple support needs and chaotic lifestyles. The cost-of-living crisis is also impacting on all our tenants.

3.1.3 The Homeless Strategy 2023-2028 highlights that around half of singles presenting to homelessness services have support needs, and of those a quarter have mental health support needs and over 20% have complex support needs (2 or more issues). Many of

these people go on to be housed in council tenancies and for some it is their first tenancy.

3.1.4 Not everyone with complex needs requires support, some tenants cope well independently or have family and friends to assist. We target support to those tenants that really need our help and that is why we carry out checks, assessments and have an eligibility criterion for our specialist support services like the STAR (Supporting Tenants and Residents) service.

3.2 Support Provided by the Property Lettings Team

3.2.1 When an applicant is offered a property, they are invited to attend an escorted viewing and sign-up appointment with the Housing Allocation and Lettings Officer. Over the last year **790** escorted viewing and sign-ups took place. During the appointment, the officer will show them around the property, answer any questions they have, show them how to use the heating and provide them with information about the location of the stop tap, gas, electric and water meters. The officer will take meter readings and give them details of how to register with the utility companies.

3.2.2 During the appointment, the officer will:

- Support them to terminate their current tenancy (current Leicester City Council tenants).
- Arrange a first visit appointment with their Housing Officer.
- Support them to apply for the Housing Element of Universal Credit or complete a change of address for Housing Benefit as appropriate.
- Where they are leaving temporary accommodation, the officer will ensure that a Community Support Grant application is progressed as appropriate.
- Set up a direct debit to ensure rent payments are maintained and they don't fall into debt.
- Issue a decorating voucher to contribute towards the cost of decorating materials.
- Assist the applicant to complete their Council Tax application form and ensure relevant discounts are applied for.
- Identify any additional support needs that they may have and refer or signpost as necessary to:
 - STAR
 - Open Hands
 - Baby Basics
 - Local food banks
 - Local community shops
 - Vista
 - Occupational Therapy Team
 - Rent Management Advisor (IMT)
 - Family fund
 - SAAFA
 - British Legion
 - Help for Heroes
 - Vicarage relief fund
 - Charity Link

3.2.3 The officer will ensure that the property is ready to move into and meets the letting standard. However, there may be some additional work to be completed after the tenant has moved in such as garden clearance or external works. The tenant will be advised of what work is required and the officer will make sure that these are progressed with the Void Repairs Team.

3.2.4 The officer will ensure that the new tenant has access to Housing Online and explain how to report any repairs during the course of their tenancy.

3.2.5 The new tenant is provided with written advice regarding:

- 3.2.5.1 Asbestos in the home
- 3.2.5.2 Fire Safety
- 3.2.5.3 Legionella and water safety
- 3.2.5.4 Roof void (loft) safety sheet
- 3.2.5.5 Conditions of Tenancy

3.3 Support provided by Tenancy Management

3.3.1A sensitive let process is in place for those applicants with additional support needs coming from the single homeless pathway and a direct let is completed. Careful consideration is given to match to an appropriate property, considering area preferences and areas that applicants may not be able to live in because of potential restrictions. The impact on existing tenants is also considered when assessing the suitability of an allocation through the direct let process. For people with additional support needs already identified prior to their tenancy commencing, referrals to appropriate support services are made to assist them to set up their home and settle into a tenancy. It should be noted that most tenants have chosen and bid for properties themselves, through Leicester HomeChoice, the council's choice based letting scheme in line with housing legislation on allocations.

3.3.2 Housing Officers will carry out a first visit on all new tenants usually within the first 6 weeks. At these visits, checks are carried out and if additional support needs are identified our welfare and tenancy support procedures are instigated. This means a welfare support plan will be developed for the tenant and referrals made to appropriate support services.

3.3.3 The housing officer will provide low level advice and assistance and make referrals and signpost as appropriate. Referrals for support are often made to:

- Income Management Team
- Domestic abuse support services
- STAR
- Help Beyond Housing
- Children's Services
- Adult Social Care
- GP or Community Mental Health Team
- Fire Service/Police
- Community Safety/ Housing Anti-Social Behaviour Team

3.3.4 Housing Officers will provide initial support, but their main role is to oversee the case and ensure that the right specialist support services are working with the tenant. This can prove challenging as many tenants may not be ready to engage with services and the capacity of support services to take on cases maybe limited due to resourcing challenges.

3.3.5 At any point during the tenancy, a welfare visit may be conducted if it is identified that the tenant is struggling to cope in their tenancy. The Housing Officer will visit and ensure referrals to appropriate support are made to assist the tenant to stabilise their tenancy and to help improve their health and wellbeing, over the last year **1259** welfare visits were conducted.

3.3.6 The Housing Pop-up Offices have been set up in response to tenants requesting that they would like to speak to their housing officers face to face. Tenants can get information, advice and support at the pop ups, which are open from 11am to 3pm every week on the following days, at the venues listed below:

- Tuesdays at the New Parks Library & the Tudor Centre
- Wednesdays at Pork Pie Library & the BRITE Centre
- Thursdays at the Saint Matthews Centre & Thurnby Lodge Community Centre



One of the pop-up offices is pictured above, over the summer we had over 1,300 tenants attend the offices from March to June 2025. They are proving to be very popular, and we have housing officers and repairs staff in attendance to provide tenants with assistance. We are now looking to widen the service offer and exploring if Adult Social Care staff can attend the pop-ups too.

3.3.7 The housing service has also recently adopted the Vulnerability Policy, attached at **Appendix 1**, which has been disseminated to staff. The definition of vulnerability

has been agreed with council tenants, and it is recognised that people can have a long term or short-term vulnerability. The policy ensures that when staff are made aware that a household has vulnerabilities, this is recorded on the tenancy record so that all housing services working with the tenant will know how to assist the tenant. An example of a short-term vulnerability is if there has been a flood or fire at the property or if someone has been a victim of crime. The policy advises staff to be sensitive towards the tenant's needs in relation to their vulnerability or situation and to make reasonable adjustments to how the service is delivered.

3.3.8 During the winter months we have prepared information and advice for tenants to help them through any severe weather conditions. This includes what to do if pipes have frozen or burst, how to clear a blockage in the condensate pipe and who to call in an emergency. When severe weather has taken place, we will contact our most vulnerable and elderly tenants to check on their welfare and to ensure they are safe and have access to heating.

3.4 Support provided by STAR (Supporting Tenants and Residents)

3.4.1 The **STAR service** provides wrap around support; the service is committed to stabilising the tenancy to prevent homelessness by developing a personalised support plan with tenants. The service has an eligibility criterion that referrals must meet for cases to be supported. There are 5 community teams supporting Leicester City Council tenants and the service has been developed e around trauma informed practice. This year was the 25th anniversary of the STAR service and the successes of the service were celebrated with staff coming together over the summer, pictured below. The service receives many compliments and some of these are included in **Appendix 2**.



3.4.2 The service gets referrals from a range of sources, including internal council departments as well and partnership agencies such as the Police, in 2024/25, the service supported:

- **641** of the most vulnerable tenants with multiple disadvantage
- **151** cases presenting with abuse, suicide or self-harm
- **51** hoarding cases

- **322** households that had been homeless within 2 years
- **297** tenants who had poor mental health
- **200** vulnerable adults at risk of self-neglect
- **374** households that required help with furniture and household items
- **£324,553** income maximised for households on average per quarter

3.4.3 The STAR AMAL team has had specialist training, knowledge and specific experience of working with newly arrived refugees and has extensive experience of the practicalities of managing refugee families fleeing conflict and persecution. The team is multi-cultural and multi-lingual, with team members from Morocco, Tunisia, Iraq and Ukraine, speaking many languages including Arabic. In 2015 the team was set up to resettle 45 Syrian families under the Vulnerable Persons Resettlement Scheme (VPRS).

In 2021 the team began to provide support to 230 Locally Employed Staff (LES), evacuated from Afghanistan, who had been supporting the coalition forces in Afghanistan. The team has resettled 20 families, with 4 more expected in 2026. The team now also run the Leicester Home for Ukraine scheme and has supported 167 households with mainly sponsorship arrangements in the city.

Case Study - Jenny's Story (Not their real name)

Jenny was referred to STAR, she had recently lost her husband, had a history of homelessness, hoarding, mental ill health, learning difficulties, self-neglect, suffered from domestic abuse, suffered from epilepsy and was digitally excluded. Jenny struggled to read and write, and did not like to use the phone. In one year, she had had over 60 admissions to A&E due to self-harm and suicide attempts.

6 professional meetings were held, 62 home visits, 21 home visits where Jenny failed to attend. The support worker sent over 400 emails on the tenant's behalf, received over 100 phone calls, from agencies and nearly 300 phone calls from the tenant.

STAR helped with tenancy sustainment, accessing support around grief, income maximisation, managing rent arrears, obtaining furniture, aid and adaptations, accessing health services, setting up payment plans, managing benefit claims, daily living skills and managing home environment, building relationships with other services and emotional support.

STAR helped Jenny clear her rent arrears, organised council tax support, assisted her to make a Universal credit claim, where she was eventually placed in the limited capability for work and work-related activity.

STAR supported Jenny to access the right support for her mental ill health. This included supporting the Community Care Assessment. This resulted in referral for Enablement Support.

Jenny still has challenges around her mental health, but she is reading, has joined the library and is mostly engaging with support services. She has a good relationship with her Housing officer and CPN. Her rent account is clear, and she continues to pay her bills. She occasionally contacts STAR, if she needs assurance.

3.4.4 The **Help Beyond Housing (HBH) team** is a joint project with the Department of Health set up in July 2023. The team are working with tenants with the most complex needs, who have a combination of drug, alcohol and mental health issues. Often coming from a background of entrenched rough sleeping, who are not coping in tenancies. The team is providing intensive targeted floating support to assist people into recovery in partnership with Health and Drug and Alcohol Services in the city. Some of these individuals may have worked with treatment services in the past and some will be referred for the first time. The team have been working with **121 cases** over the last year. Due to the hard work of this team, no tenants are currently rough sleeping. The team have also assisted in providing support to maximise income of tenants with a total of £287,608 during its two-year period. Tenants have also been able to be supported via a personal budget with £54,000 being provided in the year 2024-25.

Case Study - Joe's Story (Not their real name)

Joe was at risk of eviction, has cognitive impairment and is a heavy cannabis smoker, both issues leading to lack of engagement with services. Joe under occupying a property and not being able to pay the bedroom tax and in council tax arrears. Joe was digitally excluded and has physical disabilities.

26 home visits (14 of which were failed attempts but helped to secure engagement)

16 agency visits (mainly to support with accessing GP and support around benefits) were carried out.

Support worker managed to get Jo to engage, fill in a housing application, met with Joe weekly to bid for suitable properties. Appealed against benefit sanctions and applied for a Housing Support Grant to clear his arrears. Enabled Joe to access health services and GP, advocated on Joes behalf to get him the health services he needed.

Joe has now moved to more affordable ground floor accommodation that meets his physical health needs.

3.4.5 Zip Trainer Accommodation Project

January 2025 saw the team open the Zip Trainer Accommodation Project officially, the residents in the 11 trainer flats are now interacting with each other in a positive way. The trainer accommodation provides tenants with training on life skills to help them manage a tenancy before they are allocated a council property. A few of the residents have now moved onto independent tenancies after receiving the training and are now successfully managing on their own homes. Support will continue with these tenants on an intensive basis for 3 months to ensure that tenancy sustainment skills learnt are built on and supported, and all tenants will be monitored for a further 2 years to assist Tenancy Management with support if identified.

3.5 Support provided by Income Management Team

- 3.5.1 Within the Income Management Team there is a specialist group of **8 Rent Management Advisors** (RMA) responsible for supporting our most vulnerable tenants, or those with complex needs with claiming and maintaining Universal Credit claims. They have been helping tenants set up e-mail accounts, supporting people to make and manage their UC claims, supporting tenants with backdated payments and reconsideration of welfare benefits and encouraging people to consider digital learning courses. Additionally, they are regularly conducting research and sharing information within the team so we can respond to tenants needs and provide the most appropriate advice.
- 3.5.2 The RMAs received a total of **1,111 referrals** which is **9% higher** than at the same point in the previous year and **77%** from the total number of referrals had an identified vulnerability disclosed by the tenant.
- 3.5.3 The cases are separated into two types of support 'Short-Term' usually up to two months and 'Long-Term' up to six months. From the **883** cases that have been closed so far, a total of **81%** of the tenants required **short-term support** in making benefit claims or basic budgeting advice and the remaining **19%** required **longer-term support** to help manage their claims and also, to apply for any additional elements within their claim for example, Limited Capability for Work Related Activity. This is worth an extra **£423.27 per month** to tenants, however it can take several months for this to be awarded as tenant would usually be required to complete a Work Capability Assessment (WCA) to qualify for this payment.
- 3.5.4 The referrals were marked within a priority banding high, medium, and low. **High** defines tenants at immediate risk of homelessness i.e., pending evictions which amounted to **28%** from the **1,075 referrals received**. **Medium** priority referrals where tenants who were at risk of court possession proceedings equated to **59%** of the referrals. **Low** priority referrals where tenants had low level arrears with no legal action being considered were **13%**.
- 3.5.5 The team pursue legal action only as a last resort when all opportunities to sustain tenancies have been exhausted. From the 883 closed cases, **8%** of cases were pursued with **legal actions** due to non-engagement or persistent non-payment despite RMA intervention. This demonstrates that **92%** of households were supported with **tenancy sustainment** and any threat of possession proceeding as removed. On current and active cases, it demonstrates there is further scope to provide tenancy sustainment and support. For ongoing eviction cases RMAs provide frequent support and maintain efforts to engage with tenants until such time the eviction is cancelled or goes ahead.
- 3.5.6 RMA's supported tenants to claim welfare benefits, discretionary housing payments (DHP), backdated payments, reconsiderations, and underpayments. In the last 12 months a total value of **£398,000** was achieved by supporting **883 households**. This amount includes any potential entitlements for the next 12 months for disability related benefits which are awarded for a minimum of 12 months before reviewed.
- 3.5.7 Due to RMA involvement and contributions in rent arrears cases the total value of **reduction in rent arrears** through RMA intervention equated to **£372,000**. This figure has been drawn out by taking the value of rent arrears at case opening stage and

subtracting this from the value at the time of closing the case, resulting in the difference RMA intervention made to the rent arrears.

3.5.8 RMAs measured “Soft Outcomes” to help identify tenants confidence levels *after* their support had ended. It also helped to determine if the tenant felt empowered to be able to manage their claims for benefits without support in the future. An initial assessment gives scores between 1 and 5 based on tenant confidence. When the case is closed the assessment is then carried out again and re-scored to establish any improvement. If the score is higher than when the support initially started, it demonstrates an improvement in tenants’ confidence. Based on the 883 closed cases, **70%** of tenants confirmed they had a **marked improvement** in their level of confidence. The remaining **30%** were tenants who felt their confidence levels **did not improve** or did not engage with the service.

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

4.1 Financial Implications

There are no direct financial implications arising from this report, as it provides an overview of the tenancy support already delivered within the existing HRA budget. The teams referenced - Property Lettings, Tenancy Management, STAR, Help Beyond Housing and Income Management - are all funded from current budgets, and the report does not outline any new spending commitments. Any future proposals for service expansion, additional staffing or any other changes would need separate consideration and approval

Signed: Jade Draper, Principal Accountant

Dated: 26/11/2025

4.2 Legal Implications

Tenancy support is a vital service for tenants who are unable to or find it difficult to manage their tenancy, whether due to health concerns or due to matters outside their control.

Where effective and considered assistance is available, a tenant is more likely to engage and understand the Council’s expectation of them as a tenant, in line with the Terms and Conditions of Tenancy. They would be less likely to breach the T&C’s or if they are in such position, would be more likely to be able to recover from that position where support is available.

Litigation (specifically proceedings such as for possession) should be reserved as an action of last resort, after all other available avenues have been exhausted. The litigation pre action protocols require an engaged approach with the tenant to explore the circumstances around the breach of tenancy and steps which can be taken to remedy the situation without the tenant losing their home. The Court will be keen to discover the assistance offered to the tenant by its landlord. The question is one of reasonableness, to balance hardship and fair result.

Signed: Shazmina Ghumra
Principal Lawyer – Civil Litigation

Dated: 1/12/2025

4.3 Equalities Implications

Our Public Sector Equality Duty (PSED) requires us to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic as defined by the Equality Act 2010 (sex, sexual orientation, gender reassignment, disability, race, religion or belief, marriage and civil partnership, pregnancy and maternity, age) and those who do not. The Council also has an obligation to treat people in accordance with their Convention rights under The Human Rights Act, 1998.

In keeping with our PSED, we are required to pay due regard to any negative impacts on people with protected characteristics arising from our decisions (and this would include decisions on how we deliver our services) and put in place mitigating actions to reduce or remove those negative impacts. It is recommended that Equality Impact Assessments (EIAs) are undertaken as appropriate.

The report provides an overview of the housing support offered and provided by Leicester City Council housing services to its tenants. The council aims to help sustain tenancies, prevent unnecessary evictions and support tenants who may be vulnerable or facing difficulties. By ensuring that housing and tenancy support services officered by the council are delivered fairly and accessibly to all, regardless of protected characteristics. Housing services offer support and assistance as required and the housing pop up offices have been successful providing tenants the opportunity to liaise face to face with officers.

Signed: Sukhi Biring, Equalities Officer

Dated: 26/11 /2025

4.4 Climate Emergency Implications

Housing-related energy consumption is responsible for 33% of carbon emissions in Leicester. Following the council's climate emergency declaration and ambition to achieve net zero carbon emissions addressing these emissions is key, particularly within the council's own housing stock, where it has the greatest level of influence and responsibility.

The council's management of its housing should include identifying opportunities to reducing emissions from properties, such as increased insulation, use of low energy lighting and appliances, the installation of low carbon heating and renewable systems and provision of home energy advice for tenants. These measures could also improve housing conditions and reduce energy bills for tenants. Various schemes have been and continue to be delivered within the council's housing service to deliver such improvements to various properties.

Signed: Phil Ball, Sustainability Officer, Ext 372246

Dated: 24th November 2025

4.5 Other Implications

Signed:

Dated:

5. Summary of appendices:

Appendix 1 – Vulnerable Person Policy

Appendix 2 - STAR Compliments

Appendix 1

Leicester City Council Housing Division	 Leicester City Council
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Vulnerable Person Policy

Version control

Version	Date	Changes	Owner
1.0	March 2024	Created	
2.0	July 2025	Amendment made TSP comments added	Programme Manager
2.1	July 2025	Corrections made	

1. Purpose of Policy

This policy statement sets Leicester City Council's Housing Division's commitment to assisting vulnerable people to ensure they can access services and promotes inclusion and equality.

We aim to ensure that all customers have the opportunity to have good quality services delivered to them and acknowledge that some people may face barriers which may prevent access.

The policy statement does not mean that each and every tenant has a right to be treated as a vulnerable person. We will assess the risk to the person posed by any vulnerability and use this assessment to tailor services as appropriate and consider each case on its own merits.

Throughout this policy we refer to our customers, by which we mean our tenants and members of their household along with our prospective tenants. This policy also applies to our Homecome customers and our Leaseholders (where appropriate).

2. Definition of Vulnerability

The Housing Division of Leicester City Council (LCC) will consider someone to be vulnerable where:

They are an individual or part of a household who are experiencing difficulties with everyday living.

or

customers who have a particular characteristic and/or experience an exceptional life event and are currently unable to act independently and/or are unable to cope with managing their tenancy without additional support.

This does not mean that everyone who meets the definition is vulnerable, we will assess each case on its merits. We do not define entire demographic groups as vulnerable by default.

In addition, we recognise that vulnerability may not always be permanent. Someone may be deemed to be vulnerable for a relatively short period of time. Vulnerability may need bespoke interventions.

Examples of short-term vulnerability can include life events which are outside a customer's direct control such as:

- Major upheaval caused by an unforeseen event such as fire, flood or structural damage to their home.
- Loss of income or sudden change to finance
- Relationship breakdown
- Being the victim of a crime

- Being the victim of antisocial behaviour
- Bereavement

Examples of long-term vulnerability may include:

- A disability or long-term condition,
- Elderly,
- Households with children,
- Self-neglect, hoarding or related other behaviour.

There are other examples where a customer may be vulnerable such as:

- Period of illness or sickness which is not life threatening
- Is a survivor or victim of Domestic Abuse
- Care leaver
- Substance misuse
- Difficulties reading / writing
- Providing intensive care to another person.
- English not spoken as first language
- Digitally excluded.

We recognise that it is the interaction of a number of factors which will determine how vulnerable a person is at any point in time and how much additional assistance (if any) they may require to access services.

We understand that sometimes people lack the capacity to make decision for themselves (under the Mental Health Capacity Act) and that this can be short term or long term. Where a person lacks capacity, we will work with advocates, carers, legal representatives or statutory services to achieve the best outcome for them.

3. Our Approach

The overarching principle of our policy is to offer appropriate support, advice and guidance to vulnerable people to enable them to receive the best possible services. Each case will be dealt with as an individual matter reflecting that people need assistance at different stages of their lives and in different circumstances. There is no “typical case” and dealing with vulnerability cannot be mapped out as linear process.

When dealing with vulnerable customers we will use the following as a guide:

- We want to empower customers, and allow them to make their own choices,
- Assisting customers to access services,
- Tailoring our approach by making reasonable adjustments to processes where appropriate to accommodate a customer’s individual needs,
- Considering a customer’s vulnerability when making decisions about services,
- Minimising disruption and distress,
- Ensuring all sections of the diverse customer base can access services,
- Taking a multi-agency approach.

- Take into account the specific individual needs of the person and their household.

We recognise that on some occasions we will not be able to meet all of the need of a person. In these cases, we will work with them and advocates to achieve the best solution.

Offering support relies on co-operation. If the vulnerable person does not engage with our processes, there may be times where we cannot make any changes to our services. In these cases, we will proceed sympathetically but there may be instances where we have no choice but to take enforcement action.

When dealing with cases where a customer is in breach of the Conditions of Tenancy, their behaviour is causing a nuisance to others, is a threat to the safety of staff or other customers or is acting in such a manner we believe that a tenant is not capable of managing or sustaining a tenancy, having a vulnerability will not prevent us from taking appropriate action. In these cases, we will consider the matter and balance the needs of other residents with the needs of the individual.

4. Training and staff support

We will regularly provide clear guidance and training for staff on identifying the signs of vulnerability and safeguarding.

We will ensure that staff are aware on how to make appropriate referrals, and empower staff to make decision to assist vulnerable people

5. Service Delivery

It is the responsibility of relevant staff in the housing division to act in accordance with this Policy Statement by taking ownership of service delivery and recognising vulnerability.

A customer does not need to explicitly express that they or a member of their household is vulnerable in a particular situation. Staff will make an assessment of a person's vulnerability and consider what additional support is needed to deliver a service. This will vary from service area to service area, but may include:

- allowing additional time to complete tasks,
- arranging joint visits with other staff members / advocates to provide support and assurance,
- offering additional services, such as moving furniture to access areas to carry out repairs or arranging daytime welfare facilities allowing a person to be away from the property while a repair is carried out,
- allowing longer for customers to answer their door when we call for an appointment,
- arranging a joint visit of servicing engineers with carers or another person,
- visits in person where we would normally provide a phone service,
- explain a letter over the phone in addition to sending it.

This list is not exhaustive, and consideration must be given to both the service being delivered and the individual needs of the customer.

We expect that staff consider a person's individual needs when delivering services and where vulnerability is identified, ensure this is recorded appropriately in case notes to back up decision making.

We will use feedback from residents who have a vulnerability when shaping services and revising the policy

6. Advocates and Support

We will allow customers to be supported by a representative or advocate in interactions about the services. To enable this, we will ensure that we have permission from the customer to disclose information and will record this appropriately.

7. Multi agency approach.

Housing Division staff will make appropriate safeguarding referrals and attend any necessary multi-agency meetings both statutory and informal to deliver services to vulnerable customers.

8. Equality and Diversity

LCC will apply this policy to any vulnerable customer regardless of protected characteristics.

Where necessary we will store information about a person's vulnerability on our ICT systems and use this information when delivering services.

9. Data Protection

We will work in line with our data protection policies when handling personal data about vulnerability.

Appendix 2

STAR Compliments

My STAR worker was my lifeline, we have been through so much, we could not have managed without her, we were so down with everything, but she was there for us.

I moved into my first tenancy after being homeless for a long time. My STAR worker was very patient with me and helped me get a bank account. I couldn't remember things and she visited me at home, now I feel better she has encouraged me to do ESOL and go out alone. Thank you

My STAR worker did absolutely everything for me and went the extra mile for me. I was able to be myself and she was my voice.

When STAR got involved, I had no furniture-I left my husband due to DV. My STAR worker listened to me. She made my house a home. I am in a better place with my own home and daughter. Thank you for all your support.

My STAR worker is amazing, on top of things, reliable, productive, show empathy and a good listener, she is a ✨

My star workers biggest attribute was he listened to me and understood my good days and my bad days



Housing Revenue Account Budget (including Capital Programme) 2026/27

Housing Scrutiny Commission: 13th January 2026

Overview Select Committee: 2nd February 2026

Full Council: 25th February 2026

Decision to be taken by: Council
Lead director: Chris Burgin, Director of Housing

Useful information

- Ward(s) affected: All
- Report authors: Chris Burgin, Director of Housing &
Stuart McAvoy, Head of Finance

1. Purpose

- 1.1 The purpose of this report is for Full Council to consider and approve the City Mayor's proposed Housing Revenue Account (HRA) budget for 2026/27.

2. Summary

- 2.1 Throughout the changing financial landscape since self-financing was introduced in 2012, the HRA has consistently delivered balanced budgets. This report proposes a balanced budget against a difficult financial backdrop for local authorities, with additional pressure arising from housing regulation changes, and the erosion of income from the continuing loss of stock through Right to Buy (RTB).
- 2.2 The maximum rent increase that can be applied for HRA tenants in 2026/27 is 4.8%, this being CPI+1% as at September 2025. This report details the continued inflationary pressures being faced by the service and, therefore, proposes a core rent increase in line with the maximum rate permitted. Applying a rent increase below 4.8% would lead to a budget shortfall, and further work would be required to bridge this gap; if, for example, a 2.5% increase was to be applied then this would lead to a £2m shortfall in the budget.
- 2.3 The proposals within this report are for the charges to tenants and leaseholders (homeowners) for services they receive to be representative of the underlying cost of the service being provided. The installation of heat meters for those tenants and homeowners connected to the District Heating network has enabled people to pay the direct cost of what they consume; this report seeks approval of the unit rate per kWh charge, along with the standing charge. For those tenants without heat meters there is the continued need to apply a fixed charge which is not directly linked to usage.
- 2.4 There is a comprehensive capital maintenance programme in place to ensure that homes are properly maintained, and this is supplemented with investment into the wider estate. The proposals in this report support the continuation of this approach.
- 2.5 Consultation on the proposals within this report **[will]** have taken place with the tenants and leaseholders, the Housing Scrutiny Commission, and the Overview Select Committee.

3. Recommendations

3.1 Full Council is recommended to:

- i) Note the comments from the tenants and leaseholders at Appendix G, the Housing Scrutiny Commission at Appendix H, and the Overview Select Commission at Appendix I;
- ii) Approve the Housing Revenue budget;
- iii) Approve a Capital budget for 2026/27 of £11.66m;
- iv) Approve rent changes for tenants for 2026/27 as follows:
 - 4.8% increase to core rent;
 - 4.8% increase to garage rent.
 - 4.8% increase for Hostel rent and service charges;
 - 4% increase for Gypsy and Traveller plot rent;
- v) Approve service charge changes for tenants and leaseholders for 2026/27 as follows:
 - A reduction in the charges for District Heating as set out in section 4.6.2, including a 16% reduction in the variable charge for metered heat and a 22% reduction in the fixed metered charges;
 - applying increases to all other service charges of 3.8%, in line with CPI.
- vi) Agree to delegate to the City Mayor the authority to vary service charges by the extent to which this represents a change to the cost of providing those services.
- vii) Note the equality impact assessment of the proposed revenue and capital reductions required to present a balanced budget, at Appendix J;
- viii) Note that the scheme of virement (included within the General Fund Revenue Budget report which is also on your agenda) applies also to the HRA budget with total expenditure and total income acting as budget ceilings for this purpose;
- ix) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules, rules concerning land acquisition and finance procedure rules;
- x) For the purposes of finance procedure rules determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes;
- xi) As in previous years, delegate to the City Mayor:
 - Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources in each instance;
 - Authority to reduce or delete any capital scheme, subject to a maximum reduction of 20% of scheme value for “immediate starts”; and
 - Authority to transfer any “policy provision” to the “immediate starts” category.
- xii) Delegate to directors, in consultation with the relevant deputy/assistant mayor, authority to incur expenditure up to a maximum of £250k per scheme in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure;
- xiii) Note that the capital strategy in the Capital Budget report applies also to the HRA.

4. Report

- 4.1 The overall aim of Leicester City Council's Housing Division is to provide a decent home within the reach of every citizen of Leicester. This underpins the priorities for the HRA budget.
- 4.2 The HRA operates in a self-financing environment. Spending priorities are made in the context of needing to achieve the right balance between investing in, maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £313m. The HRA budget is set by modelling expected levels of income and expenditure.
- 4.3 This report identifies the pressures facing the HRA in 2026/27 (most of which are unavoidable) followed by measures which would be required to set a balanced budget. These include proposals for increases to rent and service charges and savings from efficiency measures.

4.4 Revenue Cost Pressures

- 4.4.1 In recent years the primary external pressure on the HRA has been a loss of income from Right to Buy sales. Whilst this is expected to continue along with some inflationary pressures, complying with new legislation and Regulation also features as a key challenge. Table 1, below, summarises the known pressures and budget growth requirements within the HRA:

Table 1: Revenue Cost Pressures	2026/27 £000
Legislative & Regulatory Pressures	2,098
Increase in capital expenditure	1,100
Right to Buy sales	1,094
Staffing growth	774
Running costs	602
Interest & Debt	223
Other Pressures	353
Total Cost Pressures	6,244

4.4.2 Legislative & Regulatory Pressures

There is a pressure arising from the need to create additional capacity and resource in relation to the implementation of Awaab's Law, alongside the continued roll out of Electrical Installation Condition Reports (EICR's).

4.4.3 Capital Expenditure Financed from Revenue

The default source of funding for the maintenance aspects of the HRA capital programme (i.e. excluding affordable housing) is from revenue resources, which in 2025/26 amounted to £10.56m. In 2026/27 the figure increases to £11.66m, representing a revenue pressure. The detail of changes to specific schemes is within section 4.8, below.

4.4.4 Right to Buy

From November 2024, the maximum discount a tenant is eligible for when purchasing their property reduced from £102,400 to £24,000. This should aid the long-term finances of the HRA, through the loss of a smaller number of properties and through the retention of a higher capital receipt when properties are sold. There was a surge in applications prior to November 2024, in anticipation of the changes, and these applications are still being processed. As a result, it is predicted that the HRA will suffer an income loss of £1.1m in 2026/27 from sales under Right to Buy. Whilst a reduction in dwelling stock should lead to reductions in associated expenditure on managing and repairing those properties, the economies of scale that come from managing a large portfolio are gradually being eroded. Longer term, the changes to RTB eligibility and discount levels should help lead to a more financially sustainable HRA.

4.4.5 Staffing growth

There are various areas in the division where increased staffing is required for 2026/27. Pest control staff are to be sought at a cost of £230k to make local areas cleaner and target locations with persistent pest issues. Secondly, the complaints team require growth of £89k to fund a complaints manager and 1.5 FTE complaints officers to ensure any tenant complaints are dealt with in a timely and efficient manner. Thirdly, a repairs QC and a Training Safety Coordinator are required to assist with training and process improvement, as well as ensuring compliance with standards outlined by the Housing Regulator. Furthermore, 5.5 FTE Neighbourhood Housing Officers are required to help support access work, including PEEP regulation measures. There will also be £85k to fund a Principal Accountant post to deal primarily with HRA matters due to complexities within the division.

4.4.6 Running Cost Inflation

Inflation affects almost all areas of HRA running costs and is largely unavoidable. Contracts are reviewed as required to ensure that best value is being obtained, but the HRA is subject to wider market forces over which it has little influence. For 2026/27, materials and contractor inflation are forecast to be £0.3m higher than 2025/26. Other service costs, including cleaning and vehicle costs, are increasing due to inflation, which causes a pressure of £0.3m.

4.4.7 Interest & Debt

Over the lifespan of the assets, HRA finances are improved through the building and acquisition of properties for affordable rent. This new supply relies on prudential borrowing, on which interest must be paid, and interest charges are expected to decrease by £0.16m in 2026/27 due to the fall in the base rate of interest. However, the HRA also holds cash balances on which it earns interest; due to the reduced interest rate, £0.38m less will be earned in interest in 2026/27.

4.4.8 Other Pressures

Estates warden services require growth of £140k to ensure there is adequate coverage during annual leave periods and to increase the remit to cover work previously conducted by the Green Team. Extra Legionella risk assessments are required at a collective cost of £108k to be in line with government regulations. A further £105k is to be spent on training to ensure that all Housing Managers are trained in line with new guidelines within the Competency and Conduct Standard issued by the Housing Regulator.

4.5 Rent

4.5.1 The primary source of income into the HRA is from the rent charged to tenants. Through the Rent Standard, central government set the rules governing the maximum rent which may be charged and the maximum increase from one year to the next. Whilst the stated aim has been to provide medium-term assurance on a consistent methodology, in practice this has fluctuated. The government has announced a long-term rent settlement permitting increases to rents of CPI + 1% for the next 10 years from April 2026. In 2026/27 social rent increases of up to 4.8% are permitted, reflecting CPI + 1% as at September 2025.

4.5.2 Given the scale of the pressures outlined in section 4.4 of this report, the proposal is to seek approval to apply a rent increase of 4.8%. To apply a rent increase of anything less than this would necessitate either a scaling back of the capital programme, a draw on limited reserves, or revenue service cuts. A rent increase below 4.8% would lead to a loss of income of over £1m for each 1% in 2026/27, and £11.1m over a 10-year period. Importantly, there would be no opportunity to recover this reduction to the base level income by applying a higher rental increase in future years (other than when properties are re-let). This level of increase will also apply to hostels, where all individuals staying at the Dawn centre are eligible for Housing Benefit.

4.5.3 Gypsy & Traveller Plot Rent

Whilst the Gypsy and Traveller sites sit outside the Housing Revenue Account, it is still necessary to set the annual rent for these plots and this is typically incorporated within this report. It is proposed that a 4% rental increase be applied for 2025/26, in line with the combined effect of CPI and wage inflation.

4.5.4 Garage Rent

Whilst garage rents are set separately to dwelling rents it is proposed to increase these by 4.8%, in line with core rent.

4.6 Service Charges

4.6.1 Service charges should be set with the intention of recovering the full cost of providing the service. To ensure parity with costs, it is proposed that a 3.8% increase is applied in 2025/26 in line with inflation (CPI), other than for district heating.

4.6.2 District Heating

Approximately 1,900 tenants and 1,000 homeowners are supplied heating and hot water through the District Heating scheme. Charges are raised on 2 separate bases: those which have a heat meter installed and those which do not.

It is essential to remember that the Council are subject to market forces when buying gas for the District Heating system. We do not control the price of gas and while the Council works to buy gas through ESPO at times that wholesale prices are low ultimately District Heating prices have to reflect the market gas price and these can be subject to rises and external forces. Those on the District heating system and charges

do benefit from a degree of protection from any in year increases in gas because it is usual for the Council to only set the charge levels once per year as part of this budget.

Properties With a Heat Meter

The charges for properties with a heat meter are separated into fixed charges (which are payable regardless of usage) and a variable charge for the heat actually consumed. The forecast underlying cost of gas for 2026/27 is significantly lower and this is reflected in the proposed charges set out in the table below:

	25/26 Annual Charge for Tenants	26/27 Annual Charge for Tenants
Fixed Charges	£140	£91
Billing & Collection	£78	£78
VAT on the above (@5%)	£10.90	£8.47
Total Fixed Charges	£228.80	£177.83
Weekly Charge (over 50 weeks)	£4.58	£3.56

Variable Charge pkWh of Heat	6.30p	5.28p
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It is important to note that the forecast price of gas is subject to change and will crystallise as the year progresses; there may be a need to revise these charges during the financial year.

Properties With No Heat Meter Installed

Where there is no way of charging based on actual heat consumption, fixed charges are applied. The reduction in the forecast price of gas means that the charges for tenants and leaseholders in 2026/27 will be 18% below the level for 2025/26. The proposed charges are set out below:

	2025/26 Annual Charge	2026/27 Annual Charge
1 bed	£885	£716
2 bed	£1,226	£1,002
3 bed	£1,543	£1,267
4 bed	£1,871	£1,542
Other	£470	£369
Avge	£1,087	£886
Average Weekly Charge (50 weeks)	£21.75	£17.71

4.7 Revenue Savings

4.7.1 The proposals within this report meet the identified budget pressure of £6.24m in 2026/27. The proposed changes to rent and service charges at section 4.5 and 4.6 would result in additional income of £5m. Table 2, below, summarises the additional income and proposed savings to deliver a balanced budget:

Table 2: Additional Income & Reductions in Expenditure	2025/26 £000
Dwelling Rent & Service Charges	(5,041)
Rent From Supply of New Housing	(1,105)
Pay Inflation	(98)
Total Savings	(6,244)

4.7.2 Rental Income from Supply of New Housing

The HRA has embarked on an extensive programme of acquiring properties on the open market to increase the number of homes available at an affordable rent. In addition, a programme of building new properties on Council-owned land is underway. Additional rental income will accrue of £1.1m in 2026/27 as a result of this programme.

4.7.3 Pay Inflation

An assumed pay award for 2026/27 of 3% has been built into this budget resulting in an increase in pay costs of £1.2m. This however has been offset by a reduction in Employer's pension contributions, with the rate for 2026/27 falling from 27.8% to 21.8%, generating a saving of £1.3m.

4.7.4 In summary, the proposals outlined in this report will meet the amount required to balance the revenue budget for 2026/27. Appendix A shows a high-level breakdown of the proposed HRA revenue budgets for the year.

4.8 **Capital Expenditure**

4.8.1 The proposed 2026/27 capital programme (excluding budgets slipped from previous years) is £11.66m.

4.8.2 Appendix E outlines the way in which capital works are identified as being required in council dwellings. Appendix F provides wider details of the priorities which direct HRA expenditure, including achievements throughout the last year.

4.8.3 Work is underway in preparing the 30-year HRA Business Plan. Outputs from the HHSRS Stock condition surveys feed into this and will help to inform and manage any risks of increased need for capital investment.

4.8.4 Appendix B shows the proposed capital programme for 2026/27. The following changes to the capital programme are proposed:

4.8.5 Kitchens & Bathrooms

The Kitchen and Bathrooms programme is ongoing with 250 refurbishments anticipated to be completed for 2025/26. For 2026/27 the annual budget will be £1.25m, which will fund a further 250 installations. This factors in slippage of £1.15m from 2025/26.

4.8.6 Boilers

A further investment of £2m has been included to fund boiler replacements, in line with the 2025/26 programme. We aim to replace 480 boilers during 2025/26, and a further 480 in 2026/27.

4.8.7 Re-Wiring

A continuation of the re-wiring budget at the same level as for 2025/26 will help to support full/partial re-wiring at 450 properties across the city.

4.8.8 Re-Roofing, Soffits & Facias

The investment in re-roofing will increase by £0.5m to facilitate a greater number of roof replacements. This will help to address the increase in responsive repairs over the last year. During 2025/26 we aim to have replaced roofs at 120 properties and 160 during 2026/27.

4.8.9 District Heating

The HRA incurs costs in maintaining the secondary network of district heating. The £0.5m cost of this important work in 2026/27 is not passed on to tenants.

4.8.10 Communal Improvements & Environmental Works

This report proposes the continuation of this important work with a further £0.2m budget. Examples of the type of work this has funded over the last year include:

- Eco fencing installed on Humberstone Road to provide security and privacy for tenants.
- Development of a community garden at Meadow Gardens with widened pathways around bungalows to improve access for residents who are wheelchair users. This project has helped tackle food poverty, combat social isolation and reduced void turnover in the area, therefore creating a more settled community. This was a joint project with Public Health.
- Mesh fencing installed on Tudor Road to improve security.
- New bin stores installed at Gresley Close and Oronsay Road to reduce pest problems and fly tipping.
- Knee rails installed on Comet Close to stop cars parking on the grass.
- Internal painting of communal areas at Portmore Close, which has completely transformed these blocks.

4.8.11 Community & Environmental Works – St Peter's Boiler House

£275k has been added to the capital programme to part-fund the demolition of the chimney at St Peter's Boiler House; further budget will be required in 2027/28.

4.8.12 Communal Flat Improvement Programme

The improvements to communal flats is set to continue, with £0.2m being included in the capital programme to continue funding the replacement of external cladding, which has become dated, with more efficient materials which will also be easier to maintain.

4.8.13 Loft Insulation

A further investment of £0.1m has been proposed to fund loft top ups, in line with the 2025/26 programme. This is required to improve energy efficiency as well as ensuring that insulation meets current standards.

4.8.14 Door entry replacements

£250k has been added for a further year to continue funding the replacement of various door entry systems. Many of these systems are dated and due to their age are becoming very expensive to repair. This programme is required to ensure the systems are kept up to standard.

4.8.15 St Matthews Estate Balcony/Walkway Work

A further £0.2m is being added to the capital programme towards balcony/walkway work across the St Matthews Estate, including balconies and walkways.

4.8.16 St Matthews Centre

£0.5m has been added to the capital programme for 2026/27 to fund renovation works at St Matthews Centre. This report seeks to add this to the programme as a policy provision, with its use being subject to further details in a future Executive Decision.

4.8.17 Supported Housing Refurbishment

£0.2m has been added to the capital programme for 2026/26 to fund refurbishment and reconfiguration works to various unused buildings to change their purpose and convert them into usable premises.

4.8.18 Water Heater & Tank Replacements

A proposed £0.4m will be added to the capital programme to complete water heater and tank replacements.

4.8.19 The financing of the proposed capital programme is shown in the table below:

Table 3: Financing of HRA Capital Programme	2025/26 £000	2026/27 £000
Funded From Revenue	10,560	11,660
Funded From Reserves	0	0
Funded From 2025/26 Revenue Underspends	400	0
Funded From Right to Buy Receipts (incl. Allowable Debt)	12,000	0
Funded from Borrowing	18,000	0
	40,960	11,660

4.9 HRA Reserves

4.9.1 Drawing down on reserves in an attempt to avoid the need to make savings is only viable as a short-term approach to meeting any budget shortfall. Reserves are better utilised in meeting one-off costs, to support the delivery of long-term efficiencies and providing cover for major repairs. In keeping with this approach, no reserves are proposed to be used to balance the budget for 2026/27.

4.9.2 Projections of the HRA reserve position at the end of 2025/26 indicate that there will be only limited unallocated reserves, in the region of £0.5m. This is a very small sum, particularly given the short and medium-term financial risks facing the HRA.

Forecast Opening Reserves Balance as at 1 st April 2026	£17.8m
Amount held to cover minimum working balances	£5.0m
Amount held to finance prior years' capital approvals (including policy provisions)	£7.7m
Earmarked for future anticipated calls on reserves	£4.6m
Forecast Unallocated Reserves Balance as at 31st March 2027	£0.5m

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 This report is exclusively concerned with financial issues.

Amy Oliver, Director of Finance

5.2 Legal implications

- 5.2.1 The Council is obliged to formulate proposals in relation to
- (a) the income of the authority for the year from rents and other charges in respect of houses and other property within their Housing Revenue Account;
 - (b) the expenditure of the authority for the year in respect of the repair, maintenance, supervision and management of such property; and
 - (c) such other matters connected with the exercise of the authority's functions in relation to such property as the Secretary of State may direct.
- 5.2.2 Proposals under the above, should secure that the account for that year does not show a debit balance. (s.76 Local Government and Housing Act 1989).
- 5.2.3 The Council is also required to ring-fence the HRA to ensure that only monies received and spent for obligations and powers under the Housing Act 1985 can be paid into and out of the HRA (s.75 and Schedule 4 Local Government and Housing Act 1989).

Shazmina Ghumra (Principal Lawyer) Civil Litigation
24/11/25

5.3 Equalities implications

- 5.3.1 When making decisions, the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, 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 must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.
- 5.3.2 Protected groups under the Equality Act 2010 are age, disability, gender re-assignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation.
- 5.3.3 The report recommendations with regards to increases in rent is likely to have a negative impact on people from across a range of protected characteristics by

impact on household budgets. However, the work being carried out from income raised by the rent increases will lead to positive equality impacts, particularly on increased space and adaptations being made to homes. Continued investment in building and acquiring new energy-efficient homes helps address the housing shortage and overcrowding, advancing equality of opportunity for those on the housing waiting list.

- 5.3.4 An Equality Impact Assessment has been carried out and will continue to be updated as consultation continues to reflect information that is collated.

Equalities Officer, Surinder Singh Ext 37 4148
Dated 25 November 2025

5.4 Climate Change and Carbon Reduction implications

- 5.4.1 Housing is responsible for around a third of Leicester's overall carbon emissions. Following the city council's declaration of a Climate Emergency in 2019 and its aim to achieve net zero carbon emissions for the city and council addressing these emissions is vital to meeting our ambition, particularly through the council's own housing where it has the highest level of influence and control.
- 5.4.2 Opportunities to reduce the energy use and carbon emissions of properties should be identified and implemented wherever possible. In the case of newly built or purchased dwellings this means meeting a high standard of energy efficiency and providing low carbon heating and hot water systems, as provided in climate change implications for relevant reports. Additionally, the programme of maintenance for existing housing properties should provide opportunities to improve their energy efficiency, which should be investigated where practical. Improving energy efficiency should also help to ensure that housing reaches a high standard, reduce energy bills for tenants and help to limit maintenance costs.
- 5.4.3 Further detail of actions being undertaken to improve energy efficiency are noted in the report and within Appendix F as part of 'Priority three – Sustainable Leicester', including the construction of new energy efficient council homes, the installation of energy efficiency measures including insulation, LED lighting and upgraded heating in properties and heat metering for properties on the district heating network.

6. Background information and other papers:

None

7. Summary of appendices:

Appendix A: Proposed HRA Revenue Budget 2026/27

Appendix B: Proposed HRA Capital Programme 2026/27

Appendix C: Other Service Charges and Payments 2026/27

Appendix D: Leicester Average Rents Comparison

Appendix E: Planning Capital Works in Council Dwellings

Appendix F: How Priorities Are Assessed for HRA Expenditure

Appendix G: Feedback from Consultation with Tenants' and Leaseholders' Forum

Appendix H: Minutes of the Housing Scrutiny Commission

Appendix I: Minutes of OSC

Appendix J: Equality Impact Assessment (EIA)

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

No

9. Is this a “key decision”?

No

Proposed HRA Revenue Budget 2026/27

		- 2026/27 -		
	2025/26 Current Budget £000	2026/27 Budget Pressures £000	2026/27 Savings & Reductions £000	Proposed 2026/27 Budget £000
Income				
Dwelling & Non-Dwelling Rent	(90,733)	1,094	(6,105)	(95,744)
Service Charges	(12,902)	0	(44)	(12,946)
Total Income	(103,635)	1,094	(6,149)	(108,690)
Expenditure				
Management & Landlord Services	31,790	538	(95)	32,233
Repairs & Maintenance	35,408	2,926	0	38,334
Interest on Borrowing	13,113	223	0	13,336
Charges for Support Services	6,134	174	0	6,308
Contribution to GF Services	6,630	189	0	6,819
	93,075	4,050	(95)	97,030
Capital Funded From Revenue	10,560	1,100	0	11,660
(Surplus) / Deficit Before Reserves	0	6,244	(6,244)	0
Funding From Reserves	0			0
Contributions To Reserves	0			0
(Surplus) / Deficit	0	6,244	(6,244)	0

HRA Capital Programme 2025/26

The table below shows the 2025/26 capital programme approved in February 2025 (excluding budgets slipped from previous years' programmes), and the proposed programme for 2026/27. Other than the St Matthews Centre (which is being added as a policy provision) all of the schemes listed for 2026/27 are immediate starts.

	25/26 Capital Programme £000	26/27 Capital Programme Additions £000
Kitchens & Bathrooms	2,400	1,250
Boilers	2,000	2,000
Re-wiring	1,610	1,610
Re-roofing	1,500	2,000
Soffits & Facia	150	150
Windows and Doors	50	500
District Heating Maintenance	500	500
Communal Improvements & Environmental Works	200	475
Communal Flat Improvement Programme	200	200
Disabled Adaptations	1,200	725
Fire Risk Works	500	500
Safety Works including Targeted Alarms	100	100
Loft Insulation	100	100
Affordable Housing - Acquisitions & New Build	30,000	0*
St Matthews Balcony/walkway Estate Work	200	200
Door Entry Replacements	250	250
St Matthews Centre	0	500
Supported Housing Refurbishment	0	200
Water Heater and Tank Replacements	0	400
Total Capital Programme	40,960	11,660

*As at the end of October 2025 there was £159m remaining in the HRA Affordable Housing Programme, financed from a range of sources including retained Right to Buy Receipts, grant funding, and HRA borrowing. A bid is being prepared for grant funding to Homes England, which if successful could bring in up to £25m of additional funding.

Other Service Charges and Payments

It is proposed that the payments and charges shown in the table be as follows:

Service Charge	Details of Charges
Replacement Rent Swipe Cards	The charge for a replacement swipe card is £5.00.
Pre-sale questionnaires from solicitors and mortgage providers	Housing Services receive a large number of requests from mortgage providers and solicitors for information in connection with property type / condition and tenancy history. A charge is levied to recover the cost to the council of providing this information. The charge for this is £125 (Note that requests in connection with tenants' statutory rights under Right to Buy legislation are excluded from this charge).
Security Fob Replacements	Where tenants and leaseholders require a replacement security fob these are charged at £10 each.

Payments	Details of Payments																																
Disturbance Allowance	<p>Disturbance allowances are paid when a full property electrical rewire is carried out to an occupied LCC-owned property. A disturbance allowance can also be paid where it is necessary to undertake major works in an occupied property. The disturbance allowances are as follows:</p> <table><tr><td>Bedsit £130</td><td>4-Bed £230</td></tr><tr><td>1-Bed £155</td><td>5-Bed £255</td></tr><tr><td>2-Bed £180</td><td>6-Bed £280</td></tr><tr><td>3-Bed £205</td><td>7-Bed £305</td></tr></table>	Bedsit £130	4-Bed £230	1-Bed £155	5-Bed £255	2-Bed £180	6-Bed £280	3-Bed £205	7-Bed £305																								
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1-Bed £155	5-Bed £255																																
2-Bed £180	6-Bed £280																																
3-Bed £205	7-Bed £305																																
Decorating Allowances	<p>Decorating allowances are paid to new tenants based on the condition of the property on a per room basis. The allowances are paid through a voucher scheme with a major DIY chain. Current allowances are set out below:</p> <table><tr><td>Bathroom</td><td>£45.00</td><td>Halls (flats/bungalows)</td><td>£45.00</td></tr><tr><td>Kitchen</td><td>£56.25</td><td>Hall/Stairs/Landing</td><td>£78.75</td></tr><tr><td>Lounge</td><td>£67.50</td><td>Large Bedroom</td><td>£67.50</td></tr><tr><td>Dining Room</td><td>£67.50</td><td>Middle Bedroom</td><td>£56.25</td></tr><tr><td>WC (where separate)</td><td>£22.50</td><td>Small Bedroom</td><td>£36.00</td></tr></table> <p>The amount payable is capped as follows:</p> <table><tr><td>3+ bed house / maisonette</td><td>£300</td></tr><tr><td>3+ bed bungalow / flat</td><td>£250</td></tr><tr><td>2 bed house / maisonette</td><td>£250</td></tr><tr><td>2 bed flat / bungalow</td><td>£200</td></tr><tr><td>1 bed flat / bungalow</td><td>£150</td></tr><tr><td>Bedsit</td><td>£100</td></tr></table>	Bathroom	£45.00	Halls (flats/bungalows)	£45.00	Kitchen	£56.25	Hall/Stairs/Landing	£78.75	Lounge	£67.50	Large Bedroom	£67.50	Dining Room	£67.50	Middle Bedroom	£56.25	WC (where separate)	£22.50	Small Bedroom	£36.00	3+ bed house / maisonette	£300	3+ bed bungalow / flat	£250	2 bed house / maisonette	£250	2 bed flat / bungalow	£200	1 bed flat / bungalow	£150	Bedsit	£100
Bathroom	£45.00	Halls (flats/bungalows)	£45.00																														
Kitchen	£56.25	Hall/Stairs/Landing	£78.75																														
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3+ bed bungalow / flat	£250																																
2 bed house / maisonette	£250																																
2 bed flat / bungalow	£200																																
1 bed flat / bungalow	£150																																
Bedsit	£100																																

Average Rents Comparison

The table below compares the rent levels for different types of property in the HRA with rents for similar sized properties across the city.

Property type	LCC HRA	Housing Association 2025 (gross social rents)	Private Sector (LHA rate 2025)	Private Sector (City wide)
	2026/27			Sept 2025
	£	£	£	£
Room only	-	-	£91	
Bedsit (studio)	£80.31	£100.90		£163.38
1 bed	£84.70	£107.82	£124.27	
2 bed	£99.84	£109.47	£149.59	£203.54
3 bed	£111.92	£115.03	£178.36	£237.46
4 bed	£128.29	£137.05	£241.64	£333.23
5 bed	£138.22	£141.83		
6 bed	£149.36	£159.43		

Planning Capital Works in Council Dwellings

Each defined element within a council property is upgraded or renewed in line with good practice, legislative requirements and the changing needs and expectations of our tenants. The table below identifies some of the main criteria for planning major works in council dwellings:

Component for replacement	Leicester's replacement condition criteria	Decent Homes Standard minimum age
Bathroom	All properties to have a bathroom for life by 2036	30 - 40 years
Central heating boiler	Based on assessed condition from annual service	15 years (future life expectancy of boilers is expected to be on average 12 years)
Chimney	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	50 years
Windows and Doors	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2036	20 – 30 years
Roof	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating System	50 years (20 years for flat roofs)
Wall finish (external)	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	80 years
Wall structure	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	60 years

Asset data for all HRA stock is held on the Northgate IT system. This includes the age, construction type, number of bedrooms, type and age of boiler, the last time the lighting and heating circuits were rewired etc. Condition survey data is also held for certain external elements such as roofs and chimneys, external paths, windows and doors etc.

The proposed capital budget for 2026/27 is not purely based on life cycle and condition survey data; major elements are pre-inspected before they are added to the programme and the repairs history for the property is checked. For example, all roofs are pre-inspected before the order is sent to the contractor. Likewise, all electrical

installations are tested at 30 years and a decision is made whether to carry out a full rewire or part upgrade of the circuits. Properties are not added to the kitchen programme if they have had major repair work carried out in the previous 5 years.

Requests for additions to the capital programme are also received from the Repairs Team if an element requires replacement rather than repair. For example, a roof repair may result in the property being added to the programme.

Some works are reactive such as Disabled Adaptations. There is a joint working protocol between Housing and Adult Social Care, which allocates priority points to each case.

How priorities are assessed for Housing Revenue Account expenditure

The overall aim of Leicester City Council's Housing Division is to provide a decent home within the reach of every citizen of Leicester. Under this aim the priorities for the Housing Revenue Account Budget are:

- Providing Decent Homes
- Making our communities and neighbourhoods places where people want to live and keeping in touch with our tenants
- Making Leicester a low carbon city by improving the energy efficiency of homes
- Providing appropriate housing to match people's changing needs
- Making Leicester a place to do business by creating jobs and supporting the local economy

This appendix sets out how we are meeting these priorities and the plans for investment in our 19,270 (October 2025) council homes and their neighbourhoods.

Priority one – Providing Decent Homes

Just over 1 in 7 homes in Leicester is a council house, flat, maisonette or bungalow. 13.2% of all homes in the city are council homes. It is crucially important that we look after these assets, not just for current tenants, but for those who will live in them for many years to come. When we plan the Housing Capital Programme, we must consider what investment will be needed over at least the next 40 years, not just the next three or four years. We must ensure we do not let the programmes for essential items with long life spans fall behind, for example roofs, boilers, re-wiring, kitchens, and bathrooms.

The Government's Decent Homes target was met in 2011/12. However, to meet the standard on an on-going basis further investment for major works is required.

Major works are planned for all council housing following an assessment of condition, age, tenant priorities and other criteria set as part of the Decent Homes Standard. We have a bespoke software package that enables us to analyse stock condition and plan major work accordingly, when it is required. To ensure we have accurate and up to date information in relation to our properties we have started a programme to visit every property over a 5-year rolling period to undertake a Housing Health and Safety Rating Systems (HHSRS) assessment.

The Government's current definition of a Decent Home was set in 2006. A Decent Home must meet the following four criteria:

- It meets the current statutory minimum standard for housing.
- It is in reasonable repair.

- It has reasonably modern facilities and services; and
- It provides a reasonable degree of thermal comfort.

As well as achieving the Decent Homes Standard, we also address tenants' priorities. The majority of tenants see improvements made within their home as a priority and the priority elements for improvements are kitchens and bathrooms.

Below are some of the main criteria used to plan major works in Council properties:

Component for replacement	Leicester's replacement condition criteria	Decent Homes Standard minimum age
Bathroom	All properties to have a bathroom for life by 2036	30 - 40 years
Central heating boiler	Based on assessed condition from annual service	15 years (future life expectancy of boilers is expected to be on average 12 years)
Chimney	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	50 years
Windows and doors	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2036	20 – 30 years
Roof	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	50 years (20 years for flat roofs)
Wall finish (external)	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	80 years
Wall structure	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	60 years

The table below shows the key Capital Programme work being carried out during 2025 / 26 and our proposals for 2026 / 27.

Programmed element	Achievements and proposals
Kitchens and bathrooms	We expect to have installed 250 kitchens / bathrooms in 2025/26. During 2026/2027 we are expecting to install a further 250. As at the 1 st April 2025, 85% of all council properties have had either a Leicester Standard kitchen or bathroom.
Rewiring	We expect to have rewired 450 homes in 2025/26 and a further 480 during 2026/27
Central heating boilers	Investment is calculated to replace boilers every 15 years based on condition data from the annual gas service. We expect to have replaced 480 boilers in 2025/26 and a further 480 in 2026/27.
Roofing and chimneys	We expect to have installed 120 new roofs in 2025/26 and a further 160 in 2026/27
Central heating systems	We have 54 properties without any form of central heating. In these cases, tenants have refused to have central heating installed. Provision is made in the programme to install central heating on tenant request or when these properties become vacant
Windows and doors	Excluding properties in Conservation Areas where there are often restrictions on the use of UPVC, we have 36 properties that do not have UPVC double glazed windows. In these cases, tenants have refused our previous offers of installing double glazing. Provision is made in the programme to install windows / doors on tenant request or when these properties become vacant.
Structural works	Investment is required to address any structural works identified each year. As well as dealing with structural problems, such as subsidence, issues such as woodwork

	treatment and failed damp proof courses are also dealt with when identified.
Soffits, fascias, guttering	By replacing these items with UPVC, it will help to reduce long term maintenance costs. During 2025/26, we anticipate installing UPVC soffits, fascias and gutters to 106 properties, and a further 105 properties in 2026/27.
Condensation and damp works	On the 27 October 2025 provisions were introduced by Section 42 of the Social Housing (Regulation) Act 2023 (known as Awaab's Law), which means landlords must investigate and fix emergency and significant hazards related to damp and mould within strict timeframes when an issue has been reported. In 2025/26, we expect to complete damp and mould work on 2,820 properties and a further 2,900 in 2026/27.
Safety and fire risk work	Investment is required to implement the planned programme of fire safety measures, as agreed with the Fire Service

The Building Safety Act came into force in April 2022. The Act is principally concerned with improving safety in higher risk buildings (those at least 18 metres in height or those that have at least 7 storeys). We have a Building Safety Manager who is responsible for overseeing work in relation to Building Safety. We are also implementing a new IT module to improve our management of work related to fire safety.

Earlier in the year the Government consulted on a proposed update to the Decent Homes Standard which would extend it from social housing to also include the private rented sector. Other proposed revisions include a new definition of disrepair; a new separate criteria requiring homes to be free of damp and mould and updating the thermal comfort criteria for homes. Current guidelines state the new requirements will be implemented in either 2035 or 2037.

It is crucial that we continue to repair and maintain homes. Responsive repairs are those reported by tenants when something breaks or stops working in their home, which we are responsible for fixing. During 2024/25 80,308 responsive repairs were completed compared to 77,538 in 2023/24. To make sure that the most serious repairs are dealt with first, we have 3 levels of repair priority. During 2024/25 we completed 89.6% of emergency repairs within our 24 hours target. For other repairs we completed 73.2% of these on our first visit. Sometimes we are unable to complete repairs when we first visit if tenants are not at home for their appointment or we need to order in specific parts to complete the work.

During 2024/25 the average time it took to re-let a property after it became vacant was 177 days – this is 7 days less than the previous year. Increasingly major works need to be carried out on our vacant properties to ensure the safety of our new tenants. This work can include asbestos removal, the fitting of new kitchens or bathrooms, rewires, boilers replacements and specialist cleaning, which increases the time properties are vacant. At the end of September 2025, we were carrying out work on 406 vacant properties.

Priority two – Making our communities and neighbourhoods places where people want to live and keeping in touch with our tenants

Key to the delivery of all our services in our neighbourhoods is our income collection. Despite significant challenges brought about by the Cost of Living crisis, the Income Management Team have worked hard to support tenants in paying their rent, ensuring 98.84% of rent was collected in 2024/25. The high rate of income collection enables us to continue delivering high quality services.

Providing decent homes is not just about 'bricks and mortar', it can also lead to improvements in educational achievement and health, help tackle poverty and reduce crime. Creating sustainable communities is also more than housing, it means cleaner, safer, greener neighbourhoods in which people have confidence and pride.

The environmental works and communal areas fund helps deliver significant environmental improvements on estates, such as landscaping, new security measures, community facilities, pocket parks, fencing and communal area improvements. Tenants and ward councillors help decide where this money should be spent, based on their local needs and priorities. These schemes have made significant contributions to improving the overall image, appearance and general quality of life within our estates.

In 2025 / 26 the £200k environmental and communal works budget is being shared across the city in all neighbourhood housing areas. Some of the Environmental works that are being carried out this year include:

- Installing fencing on Humberstone Road to provide security and privacy to residents
- Development a community garden at Meadow Gardens and widening pathways around bungalows to improve access for residents who are wheelchair users.
- Installing mesh fencing on Tudor Road to improve security
- Installing new bin stores at Greasley Close and Oronsay Road to reduce pest problems and fly-tipping
- Installing knee rails on Comet Close to stop cars parking on the grass
- Internal painting of communal areas at Portmore Close

We have worked closely with the Burns Flat's Action Group and local ward Cllrs to carry out improvements for tenants in the area. The Crayburn House Community Rooms are a hive of activity and used regularly by tenants to access services and

support. Coffee mornings and advice sessions are being run there by Team Hub. Cleaning services to the Burns Flats have significantly improved with the input of tenants and we are now consulting on the implementation of the new door entry system. We have also had a dedicated team focusing on tackling anti-social behaviour. This is an excellent example of the council working in partnership with communities to improve the local area making it a better place to live and work for everyone.

The Neighbourhood Improvement Scheme carries out painting, clearing of alleyways, removal of graffiti and other works to improve the look of the local environment.

The Housing Division works closely with the Probation Service through the Community Payback scheme, undertaking tasks such as litter picking, painting, and tidying up the green areas in our estates.

District Managers attend ward community meetings and other local forums where concerns about anti-social behaviour are often raised. We work closely with the police and are involved in the local Joint Action Groups.

We respond vigorously to reports of anti-social behaviour and increasingly, we have seen more complex anti-social behaviour cases. The Council has a specialist team that investigates and resolves these issues. The team has close links with housing officers and the police. Where it is determined that tenants have caused anti-social behaviour, we will deal with this as a breach of tenancy conditions. We also offer security packages to tenants who are victims of anti-social behaviour, such as secure letter boxes and alarms, to help them feel safe in their homes whilst reports are investigated.

We continue to provide our housing management service with local teams so that our staff know the neighbourhoods and communities in which they work. Housing Officers are out and about on their 'patches' and our craft repairs workforce is fully mobile.

Housing office services are provided in shared Council buildings within local communities. In addition to this in March 2025 we have introduced weekly "Pop-Up" Housing Offices at 6 locations across the City. These are New Parks Library, the Tudor Centre, Pork Pie Library, the Brite Centre, the St Matthews Centre and Thurnby Lodge Community Centre. These pop up sessions allow tenants to meet with housing staff, who will deal with their enquiries face to face and provides an opportunity to engage with housing services. The Customer Support service runs a telephone advice line during working hours where tenants can report emergency repairs and tenancy issues. Out of hours emergency calls are taken by an external provider.

Tenants now report their non-emergency repairs through Housing Online. At the start of November 2025, 13,140 (just over 63%) of tenants have registered to access services via Housing Online.

We appreciate that some tenants may have difficulty initially signing up to the Housing Online service and reporting a repair for the first time. To address this, we have a dedicated Housing Online Support telephone line where officers will help set up online accounts and give guidance on how to report repairs.

We also understand there will be a small proportion of our tenants who are digitally excluded and will not be able to use the online service, perhaps because they do not have access to IT devices or Wi-Fi, a disability or a lack of skills or confidence to use this service. Where we identify that this is the case, we flag this on our systems and the tenant can continue to report their repairs to the Customer Support telephone line. No tenant will be left in the position where that they cannot report a repair. At the start of November 2025 we have assessed 2,845 tenants as being digitally excluded, who will continue to report their non-emergency repairs through the Customer Support telephone service.

In 2025 we launched our new Tenant Engagement and Communication Strategy, following consultation with our tenants. The aim of the Strategy is to ensure we have robust opportunities for tenants to be involved in the delivery of housing services provided to them and to ensure they are listened to when new projects, initiatives and services are being introduced.

One action resulting from the Strategy has been the formation of the Tenants Scrutiny Panel. This group of tenants from across the City, will be consulted on key aspects of housing services, including being consulted on the proposals for the Housing Revenue Account Budget.

To support the work we want to undertake to widen our engagement activities, we have recruited a dedicated Engagement Manager and 3 Engagement Officers. We are also in the process of recruiting a Communications Officer to support improved communication to our tenants.

To support the needs of people living in our 1,814 (September 2025) leasehold properties we have a Leaseholders Liaison Team who are responsible for responding to Council leaseholder queries and improving services to meet their needs. Leaseholder Forums take place to allow leaseholders to discuss particular issues affecting this tenure type and to put forward suggestions for improvement.

Priority three – Making Leicester a low carbon city by improving the energy efficiency of homes

Leicester City Council has an ambition to become a climate ready city, which means working towards net zero carbon emissions and adapting to climate change. The Housing Division has a significant role to play in helping Leicester become climate ready through improving operational energy use and insulation, as well as through emissions from construction. The energy efficiency work we have previously undertaken, including our Housing Capital Programme initiatives, has already delivered significant reductions in CO₂.

We have been working towards improving the environmental impact of our homes for many years and during this time we have significantly reduced the CO₂ emissions

from our housing stock. This has been achieved through double glazed window replacements, new central heating installations, new energy efficient boilers, internal and external wall schemes and loft top up insulation works. We have also fitted solar panels to some of our properties. Some specific examples of work we undertook in 2024/25 are:

- All replacement boilers fitted had an A grade energy efficiency rating
- Installing loft insulation in 350 properties.
- Ongoing programme of fitting meters into our properties connected to the District Heating network to enable tenants to better control their energy use and save money on these bills.
- The homes being built as part of our current housebuilding programme have been designed to maximise energy efficiency.

We are committed to ensuring that all new housing developments meet the Future Homes Standard 2025. By integrating this standard, we will ensure that new homes in Leicester are built with the highest levels of energy efficiency, reduced carbon emissions, and no reliance on fossil fuels. This commitment aligns with our broader goals for sustainability and carbon neutrality, contributing to a greener future for the city and ensuring that new homes are resilient and environmentally responsible.

Priority four – Providing appropriate housing to match people's changing needs

The latest Housing Needs Assessment (Leicester City Local Housing Need Assessment & Update Addendum, 2022) identified that Leicester's net affordable housing need is 1,117 additional affordable housing homes per year. Of that total, there is a need for an extra 1,008 affordable rental properties per year in Leicester (over the period 2020-36).

Between 2019 and 2025 1,505 new affordable homes were made available through new build, conversions and acquisitions. This equates to an average of 251 completions a year, well below what has been determined to be needed in the Housing Needs Assessment.

Issues affecting our ability to provide new affordable housing include:

- The lack of available and viable sites for residential development
- Poor and/or negligible success in securing new affordable housing supply via planning gain. Historically, a proportion of our new supply of affordable housing had been delivered via planning gain (Section 106 contributions). For a period now, the proportion and number of applicable planning consents which include planning gain affordable housing has been negligible.
- Significant increases in actual and projected costs and inflation associated with housing development. This has been coupled with a shortage of construction labour and skills, significant shortage of materials and financial uncertainties.
- The reduction in the availability of uncommitted Right to Buy Receipts means our funds for new council housing have been fully committed, We are working up bids

with Homes England to fund future house building projects. It is likely that there will be more reliance on this type of external funding in future years.
Right to Buy sales reduce the number of council homes available at an affordable rent. In 2024/25 we lost 146 homes through Right to Buy sales.

The number of households on the Housing Register was 6,368 on 01/4/2025. Overcrowding remains the biggest reason for households joining the Housing Register and currently accounts for 54% (3,451) of the register.

Demand for Housing is very high in Leicester, but it is also a city with a relatively low average household income. For many, renting from the council or a housing association is the only hope of a decent and settled home.

In order to help meet housing need, there is an active programme of housing development through the Housing Revenue Account. In 2024/25 there were 424 completions of new Affordable Housing. Registered Providers delivered 203 of these completions. We also acquired 111 properties via the Housing Revenue Account. This work is continuing in 2025/26 and beyond.

Vacant Council properties are advertised through Leicester HomeChoice. In 2024/25 1,017 households became new Council tenants.

We subscribe to the national Home Swapper Scheme that enables tenants to identify mutual exchanges. This is particularly important for those tenants who want to move but have a low priority on the Housing Register.

It is important to us that our properties are accessible. This means tenants can remain independent and occupy their own home for as long as possible. It is also essential that we have a supply of accessible homes for those who might need them in future.

Adaptations in tenant's homes are undertaken following an occupational therapy assessment of need. Council tenants do not have to pay for the adaptations that are recommended by an Occupational Therapist. They will be carried out if they are necessary and appropriate, reasonable and practical. If these criteria are not met, alternative solutions may be proposed.

We keep a record of which properties have been adapted so we can allocate them to households on the Housing Register who need the adaptation, when the property becomes vacant.

We have 2,508 homes that have been adapted in some way, of which 117 have been fully adapted for wheelchair users and 2,391 partially adapted with level access into and around the property.
Each year the Capital Programme funds the adaptations of tenants' existing homes where Adult Social Care and Children's Services identify the current tenant or family members need those adaptations.

In 2024/25 we carried out 134 major adaptations, such as new and replacement stairlifts, through floor lifts, level access showers and ramps. We also carried out

283 minor adaptations to tenants' homes, such as installing grab and handrails, fitting shower seats, raising electrical sockets and fitting lever taps.

Due to the increasing demand for adaptations in tenants' homes, £600k has been set aside for this work in 2026/27. We are also in the process of developing an Adaptations Strategy to tackle the current lack of suitable adapted housing available to help tenants to live well.

As well as providing homes, it is also important that we provide support to our tenants to maintain their tenancies. We have a Sensitive Lets and Tenancy Support Procedure which helps to identify suitable housing for tenants who are vulnerable and have complex needs. This is to ensure tenants have the right support in place as soon as they move into their new home.

The Supporting Tenants and Residents (STAR) service provides one-to-one support to council tenants who might otherwise lose their homes. Priority is given to support those who have been previously homeless and those who have other problems which means they are not coping or complying with tenancy conditions. The service also works closely with Children's Services to help looked after children, foster families, children leaving care and other vulnerable families. During 2024/25, there were just 4 evictions for rent arrears and 2 evictions for anti-social behaviour. We have a low eviction rate compared to other authorities, due to the comprehensive support and income collection work we undertake with tenants.

In 2024/25 the Income Management Team helped 1,399 vulnerable households to access the Government's Housing Support Fund. This was money allocated to help people during the Cost-of-Living crisis. On average households received over £600 from this fund. In addition to this the Income Management Team supported tenants to apply for Discretionary Housing Payments. A total £259,153 was paid in awards for all qualifying council tenants.

As part of the Council's response to the invasion of Ukraine, a team within STAR continues to operate to support Ukrainian Refugees to help them settle into their new homes and provide assistance with pathways to employment. The STAR service also includes the STAR AMAL team who provide support for Syrian refugees as part of the Government's resettlement programme.

Housing Officers undertake a programme of Welfare Visits to tenants who may be vulnerable. This contact is an opportunity for us to check whether the tenant is coping in their home and, where appropriate, we signpost or refer people to support services. This is a preventative measure to help sustain tenancies, ensure people are safe and well, and enables us to act before a crisis point is reached.

Our Tenancy Management and Homeless Services were successful in bidding for funding from Public Health England to address substance misuse. This award has allowed us to fund a team of 7 Housing Related Support Workers for three years, and provides additional support to tenants with drug and alcohol dependency issues. The team provides floating support to tenants in their own home to help sustain tenancies and help people engage with treatment services to aid their recovery.

Some people may not have all the skills needed to manage a new tenancy. To help address this need, we have created 11 “trainer accommodation” units in the ZIP building. This provides people with 12 months accommodation in a supported environment. The support includes providing assistance with tasks, such as budgeting, maintaining a home, shopping and cooking, accessing community services, training and education, and keeping healthy. The aim of the project is to give people the skills and knowledge to be able to manage a home when a longer-term council tenancy is granted and to support the sustainment of their new home.

In 2024/25 95.29% of Council tenancies were sustained. This means that 95.29% of people who became new tenants in 2023/24 remained in their tenancy 12 months later. During 2024/25, the STAR service received 928 referrals for support. At the end of 2024/25 the service was supporting 345 tenants to help maintain their home.

Priority five – Making Leicester a place to do business, by creating jobs and supporting the local economy

The Housing Division makes a significant contribution to the local economy.

The Housing Division employs a workforce of just over 1,000 people, funded through the Housing Revenue Account. Additional employment is created with local firms through the procured contracts that the Housing Division has to undertake certain types of work for the Division.

The Housing Division continues to offer craft apprenticeship opportunities each year and boasts the largest programme within the Council. This year, 16 additional apprentices have been recruited to train as Roofers, Gas Engineers, and Electrical Engineers. Currently, there are 48 apprentices in total.

The Housing Neighbourhood Improvement Scheme continues to assist the long-term unemployed by providing pre-employment training and offering a 12-month work placement through the Leicester to Work programme. Each year, 10 individuals are recruited, and this year, 7 have successfully transitioned into roles within the business; 4 of these employees have been successful in the apprenticeship programme.

Regulator of Social Housing Consumer Standards

In April 2024, as part of the Social Housing (Regulation) Act 2023, the Regulator for Social Housing brought in new Consumer Standards that all social landlords are required to meet. The four standards now in place are:

Quality and Safety Standard: Social Housing providers must ensure that homes meet the Decent Homes Standard, and all health and safety assessments have been undertaken. These include areas such as gas, electrical, water, lift and fire safety checks.

Transparency, Influence and Accountability Standard: Ensures that tenants have opportunities to be involved in the decision-making processes in relation to the management of their home and area in which they live. This Standard also places requirements on landlords to listen to tenants', so their voices are heard and that complaints are dealt with effectively.

Tenancy Standard: Requirements are placed on landlords to ensure properties are let fairly and transparently, tenants are supported to remain in their homes and support is available for those who wish to move through a mutual exchange.

Neighbourhood and Community Standard: Addresses the management of communal areas and the role of housing providers play in fostering safe, sustainable communities. This includes tackling anti-social behaviour and promoting neighbourhood wellbeing.

These standards aim to enhance the quality of social housing and services provided, to ensure that residents live in safe, well-managed environments that meet their needs. When determining spend from the Housing Revenue Account Budget as well as meeting our 5 priorities above we also ensure that money is available to meet the specific requirements on The Housing Regulator's Consumer Standards.

Feedback from consultation with Tenants' and Leaseholders'

Combined Summary

Tenant HRA budget 2026/27 consultation

Question 1

What is your opinion of our proposal to increase council home and temporary accommodation rents by 4.8% to ensure services and our improvement programmes are maintained?

377 people responded to this question, 175 (46.42%) supported the proposals or supported them with some concerns. 168 (44.56%) did not support the proposal

Response option	Number of respondents	% of respondents
Fully support	69	18.30%
Support, but with some concerns	106	28.12%
Do not support	168	44.56%
Don't know	27	7.16%
Not answered	7	1.86%

Question 2

What is your opinion of our proposals for service charges to ensure these continue to be provided?

There were 377 responses to this question. 154 (40.85%) supported the proposals or supported them with some concerns. 130 (34.48%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	80	21.22%
Support, but with some concerns	74	19.63%
Do not support	130	34.48%
Don't know	78	20.69%
Not answered	15	3.98%

Question 3a

What is your opinion of our proposals to reduce District Heating charges?

There were 367 responses to this part of the question. 189 (51.50%) supported the proposals or supported them with some concerns. 50 (13.62%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	171	45.36%
Support, but with some concerns	28	7.43%
Do not support	50	13.26%
Don't know	110	29.18%
Not answered	18	4.77%

Housing Revenue Account Budget 2026/27

Tenant and leaseholder consultation feedback

The Tenants Scrutiny Panel (TSP) met on 10 December 2025 to consider the proposed Housing Revenue Account (HRA) budget for 2026/27.

Chris Burgin, Director of Housing, and Alvin Raj, Policy and Engagement Manager, consulted with ten TSP members representing Council tenants on the proposals. The consultation covered the proposed rent levels, service charges, district heating charges, and the allocation of investment within the Capital Programme.

A series of questions were asked to the Tenants Scrutiny Panel in relation to the HRA budget proposals for 2026/27 and the feedback to these were:

Question 1

What is your opinion of our proposal to increase council home and temporary accommodation rents by 4.8% to ensure services and our improvement programmes are maintained?

Response option	Number of respondents	% of respondents
Fully support	1	10.00%
Support, but with some concerns	9	90.00%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

The Tenants' Scrutiny Panel either supported the proposals or supported them with some concerns. The tenant who fully supported the increase acknowledged the reasons for the rent rise and noted that non-council tenants often pay higher rents elsewhere, adding that they would prefer a council property.

The nine panel members who supported the proposals with some concerns acknowledged that 65% of tenants have their full housing costs covered by Housing Benefit or Universal Credit. However, they expressed concern about the remaining 35% of tenants who receive partial or no housing cost support. They felt that, given the current cost-of-living pressures, these tenants would find it challenging to afford the rent increase.

Question 2

What is your opinion of our proposals for service charges to ensure these continue to be provided?

Response option	Number of respondents	% of respondents
Fully support	0	0%
Support, but with some concerns	10	100.00%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

All ten members of the Tenants' Scrutiny Panel supported the proposal for service charges, albeit with some concerns. While all acknowledged the rationale for the increased cost of services, the panel felt that tenants are currently paying for services that require improvement. The panel's expectation is that the quality of services delivered should reflect and justify the service charges paid by tenants.

Question 3

What is your opinion of our proposals to reduce District Heating charges?

Response option	Number of respondents	% of respondents
Fully support	10	100.00%
Support, but with some concerns	0	0%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

All ten members of the Tenants Scrutiny Panel fully support the reduction in District Heating charges. Some panel members felt that the savings made on District Heating would help offset increases in other charges, such as rent and service charges. However, this will benefit only tenants that have District Heating.

Question 4

What is your opinion of our proposals on how the Capital Programme is going to be spent?

Response option	Number of respondents	% of respondents
Fully support	10	100.00%
Support, but with some concerns	0	0%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

All ten members of the Tenants Scrutiny Panel fully support the proposal on how the Capital Programme is to be spent.

Housing Revenue Account Budget 2026/27

Tenant Online HRA Budget 2026 / 27 Consultation

An online consultation on the Housing Revenue Account (HRA) budget proposals took place with Leicester City Council tenants and leaseholders between 5th December 2025 and 21st December 2025.

Tenants and leaseholders were informed of the consultation via email and postal letters. The communications explained the purpose of the consultation and outlined the different ways in which feedback could be provided. This included attending a face-to-face drop-in session at one of 12 locations across the city, or completing the consultation survey online via a weblink provided in the correspondence. Repairs operatives distributed 2,000 leaflets while visiting tenant homes.

Face-to-face drop-in sessions were held at the following locations:

- New Parks Library – 9th and 16th December 2025 11am to 3pm
- Tudor Centre – 9th and 16th December 2025, 11am to 3pm
- Pork Pie Library – 10th and 17th December 2025, 11am to 3pm
- Brite Centre – 10th and 17th December 2025, 11am to 3pm
- St Matthews Centre – 11th and 18th December 2025, 11am to 3pm
- Thurnby Lodge Community Centre – 11th and 18th December 2025, 11am to 3pm.

Engagement Officers recorded the responses at these sessions onto the online consultation portal.

In total 367 tenants and leaseholders responded to the online consultation. Of these:

- 324 (88.28%) were from tenants
- 41 (11.18%) were from leaseholders
- 1 (0.27%) were from non-tenants and leaseholders
- 1 (0.27%) not answered

A series of questions were asked in relation to the HRA budget proposals for 2026/27 and the feedback to these were:

Question 1a

What is your opinion of our proposal to increase council home and temporary accommodation rents by 4.8% to ensure services and our improvement programmes are maintained?

367 people responded to this question, 165 (44.96%) supported the proposals or supported them with some concerns. 168 (45.78%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	68	18.53%
Support, but with some concerns	97	26.43%
Do not support	168	45.78%

Don't know	27	7.36%
Not answered	7	1.91%

Question 1b

If you have said you do not support the proposal or you support the proposal with some concerns, please state why.

A total of 232 respondents submitted comments in relation to this question. Where comments related specifically to the proposed rent increase, 27 respondents expressed concerns regarding their ability to afford the additional rent. A further 112 respondents indicated that the proposal would exacerbate the financial pressures associated with the current cost-of-living crisis.

In addition, 46 respondents stated that improvements to housing services would be necessary in order to justify the proposed increase, while 16 respondents felt that enhancements to Leicester City Council's housing stock would be required to merit the increase.

Question 1c

What impact do you feel the proposals to increase council home rents may have on you, your family or the wider community?

A total of 257 responses were received to this question. Where comments related to the potential impact of the proposed rent increase, 13 respondents stated that it would have little or no impact. In contrast, 119 respondents indicated that the increase could lead to further financial hardship, poverty, and debt, particularly in the context of the rising cost of living.

Additional impacts identified by respondents included a potential increase in homelessness (4 respondents) and adverse effects on mental health (14 respondents).

In terms of groups perceived to be most affected by the proposed rent increase, the greatest concerns were expressed in relation to families (19 respondents), working people (11 respondents), and people with disabilities (4 respondents). Other groups highlighted included single parents (5 respondents) and pensioners (5 respondents).

Question 2a

What is your opinion of our proposals for service charges to ensure these continue to be provided?

There were 367 responses to this question. 144 (39.24%) supported the proposals or supported them with some concerns. 130 (35.42%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	80	21.80%
Support, but with some concerns	64	17.44%
Do not support	130	35.42%
Don't know	78	21.25%
Not answered	15	4.09%

Question 2b

If you have said you do not support the proposal or you support the proposal with some concerns, please state why.

There were 162 responses to this question. Where feedback related to concerns about the service charge proposals, it was similar to that received in relation to the rent proposals. Respondents felt that Housing Services would need to improve to justify the proposed increase. Concerns were also raised about affordability, particularly in the context of rising day-to-day living costs. Where specific service charges were mentioned, the highest number of concerns related to communal cleaning charges (16 respondents), followed by door entry system charges (9 respondents) and laundry room charges (3 respondents).

Question 2c

What impact do you feel the service charge proposals will have on you, your family or the wider community?

There were 147 responses to this question. Of those that commented on the potential impact of the service charge proposals, 18 respondents stated that they would have little or no impact. In contrast, 36 respondents said the proposals could lead to further financial hardship, poverty, and debt, particularly in the context of the rising cost of living.

In terms of which groups may be most affected, the greatest concerns related to tenants with families (4 respondents). Other groups identified as being particularly impacted included pensioners (4 respondents), disabled people (1 respondent), and vulnerable people (1 respondent).

Question 3a

What is your opinion of our proposals to reduce District Heating charges?

There were 367 responses to this part of the question. 189 (51.50%) supported the proposals or supported them with some concerns. 50 (13.62%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	161	43.87%
Support, but with some concerns	28	7.63%
Do not support	50	13.62%
Don't know	110	29.97%
Not answered	18	4.90%

Question 3b

If you have said you do not support the proposal or you support the proposal with some concerns, please state why.

There were 91 responses to this question. 28 people stated the proposal to reduce district heating charges was positive. Despite the proposed reduction in charges 24 people commented on affordability issues related to paying this reduced charge, with comments made generally about rising energy costs and other household bills.

4 people were concerned the proposed reduction is a forecast.

Question 3c

What impact do you feel the District Heating Charge proposals will have on you, your family or the wider community?

There were 88 responses to this question. Of these, 20 respondents felt that the proposal would have a positive impact for tenants and leaseholders on the district heating scheme, as they would pay less for the service. A further 12 respondents stated that the proposal would have little or no impact.

Despite the proposal to reduce district heating charges, 16 respondents stated that the amount they would still be required to pay was too high and could place additional financial pressure on some households. These comments were generally made in the context of wider increases in day-to-day living costs.

A few people commented the proposal would still impact on the elderly and vulnerable people.

Question 4a

What is your opinion of our proposals to increase garage rents by 4.8% in line with the proposed increase of rent for council homes?

There were 367 responses to this part of the question. 114 (31.06%) supported the proposals or supported them with some concerns. 58 (15.80%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	85	23.16%
Support, but with some concerns	29	7.90%
Do not support	58	15.80%
Don't know	163	44.41%
Not answered	32	8.72%

Question 4b

If you have said you do not support the proposal or support the proposal with some concerns, please state why.

There were 89 responses to this question. Where these related to concerns about the proposed increase to garage rents, 15 responses raised concerns about the ability for some people to pay the increase charge. Generally, comments received were about the maintenance of the garages.

Question 4c

What impact do you feel the proposal to increase garage rents may have on you, your family or the wider community?

There were 70 responses to this question. 21 people stated there would be no or little impact. 17 people stated the proposed increase would add to the financial hardship of people renting garages. 2 responses stated the garages should be demolished to generate additional car parking spaces.

General comments received were about the current pressures of street parking and value for money.

There were no comments received as to whether the proposed garage rents would impact more on a particular group.

Question 5

As a Leicester City Council tenant or leaseholder, what are your top three priorities for how we spend the money?

There were 345 responses to this question. Where services are provided by the Housing Revenue Account, the highest priority by a significant margin was repairs. This was followed by home improvements and modernisation of properties, and then security measures. The table below sets out the full range of priorities identified by respondents.

Service area	Number of respondents	% of respondents
Repairs	197	53.68%
Improvements and modernization of homes	45	12.26%
Security measures	37	10.08%
Upkeep of communal areas in blocks/communal cleaning	8	2.18%
Energy efficiency measures	7	1.91%
Tenant support services	4	1.09%
Building new council homes	16	4.36%
Parking on estates	8	2.18%
Providing value for money	5	1.36%
Tackling anti-social behavior	10	2.72%
Letting empty properties	3	0.82%
Tenant involvement activities	1	0.27%
Providing information to tenants	1	0.27%
Rent	3	0.82%

Background information of respondents:

Ethnicity

Option	Total	Percent
Asian or Asian British: Bangladeshi	4	1.09%
Asian or Asian British: Indian	49	13.35%
Asian or Asian British: Pakistani	4	1.09%
Asian or Asian British: Any other Asian background	15	4.09%
Black or Black British: African	30	8.17%
Black or Black British: Caribbean	9	2.45%
Black or Black British: Somali	3	0.82%
Black or Black British: Any other Black background	1	0.27%
Chinese	2	0.54%
Chinese: Any other Chinese background	0	0.00%
Dual/Multiple Heritage: White & Asian	2	0.54%
Dual/Multiple Heritage: White & Black African	0	0.00%
Dual/Multiple Heritage: White & Black Caribbean	3	0.82%
Dual/Multiple Heritage: Any other heritage background	0	0.00%
White: British	165	44.96%
White: European	11	3.00%
White: Irish	2	0.54%
White: Any other White background	6	1.63%
Other ethnic group: Gypsy/Romany/Irish Traveller	0	0.00%
Other ethnic group: Any other ethnic group	4	1.09%
Prefer not to say	47	12.81%
Not Answered	10	2.72%

Sex

Option	Total	Percent
Female	217	59.13%
Male	109	29.70%
Other	1	0.27%
Prefer not to say	29	7.90%
Not Answered	11	3.00%

Age

Option	Total	Percent
under 18	0	0%
18 - 25	7	1.91%

26 - 35	38	10.35%
36 - 45	67	18.26%
46 - 55	67	18.26%
56 - 65	89	24.25%
66+	70	19.07%
Prefer not to say	20	5.45%
Not Answered	9	2.45%

Disability

Option	Total	Percent
Yes	149	40.60%
No	164	44.69%
Prefer not to say	41	11.17%
Not Answered	13	3.54%

Sexual orientation

Option	Total	Percent
Bisexual	7	1.91%
Gay / lesbian	2	0.54%
Heterosexual / straight	262	71.39%
Prefer not to say	55	14.99%
Other	9	2.45%
Not Answered	32	8.72%

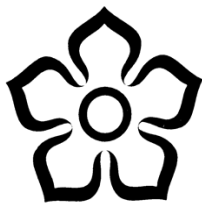
Religion and belief

Option	Total	Percent
Atheist	18	4.90%
Bahai	0	0%
Buddhist	3	0.82%
Christian	111	30.24%
Hindu	22	5.99%
Jain	0	0%
Jewish	0	0%
Muslim	56	15.26%
Sikh	1	0.27%
No religion	68	18.53%

Prefer not to say	52	14.17%
Other	8	2.18%
Not Answered	28	7.63%

Parent or carer

Option	Total	Percent
0-4 years	46	12.53%
5-10 years	61	16.62%
11-15 years	50	13.62%
16-17 years	25	6.81%
18+	68	18.53%
Not Answered	207	56.40%



Leicester
City Council

Appendix H

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

**7. HOUSING REVENUE ACCOUNT BUDGET DRAFT (INCLUDING CAPITAL
PROGRAMME) 2026/27**

To Follow



Leicester
City Council

Appendix I – OSC Minutes Extract

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

To Follow

Equality Impact Assessment

Title of proposal	Housing Revenue Account Budget (including Capital Programme) 2026/27
Name of division/service	Housing
Name of lead officer completing this assessment	Helen McGarry, Programme Manager
Date EIA assessment commenced	3 rd November 2025
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>)	23 rd December 2025
Decision maker	Full Council
Date decision taken	25 th February 2026

EIA sign off on completion:	Signature	Date
Lead officer	Helen McGarry	23 rd December 2025
Equalities officer (has been consulted)	Surinder Singh	4 December 2025
Divisional director	Chris Burgin	23 rd December 2025

Please ensure the following:

- e) 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.
- e) 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.

- e) 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.
- e) 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?

The Housing Revenue Account (HRA) operates in a self-financing environment. This means the budget is set by the Council, within Government boundaries, taking into account expected levels of income and predictions on what needs to be spent. Spending priorities are made based on the need to achieve the right balance between investing in, maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £313m.

There is a requirement that the proposed budget for 2026/27 is set as a balanced budget (money spent does not exceed the income received). However, there are a number of pressures (most of which are unavoidable) that are increasing the amount which must be spent. These pressures include:

Legislative and Regulatory Pressures

There is a pressure arising from the need to create additional capacity and resource in relation to tackling reports of damp and mould following the implementation of Awaab's Law, alongside the continued roll out of Electrical Installation Condition Reports (EICR's).

Capital Expenditure Financed from Revenue

An increase in funding is required for the maintenance aspects of the Housing Revenue Capital Programme. It is proposed that to adequately fund this programme

the amount allocated needs to increase from £10.56m in 2025/26 to £11.81m in 2026/27.

Right to Buy

From November 2024, the maximum discount a tenant is eligible for when purchasing their property reduced from £102,400 to £24,000. This should aid the long-term finances of the Housing Revenue Account, through the loss of a smaller number of properties. However, it is predicted that the Housing Revenue Account will still lose £1.1m income from Right to Buy sales in 2026/27.

Staffing growth

There are various areas in the division where increased staffing is required for 2026/27:

- Pest control staff are to be sought at a cost of £230k to make local areas cleaner and target locations with persistent pest issues.
- The complaints team require growth of £89k to fund a complaints manager and 1.5 FTE complaints officers to ensure any tenant complaints are dealt with in a timely and efficient manner.
- A Repairs Quality Control Officer and a Training Safety Coordinator are required to assist with training and process improvement, as well as ensuring compliance with standards outlined by the Housing Regulator.
- 5.5 FTE Neighbourhood Housing Officers are required to help support access work to properties, including Personal Emergency Evacuation Plan regulation measures.
- It is also proposed that £85k will be needed to fund a Principal Accountant post to deal solely with Housing Revenue Account matters due to complexities of this budget.

Running Cost Inflation

Inflation affects almost all areas of Housing Revenue Account running costs and is largely unavoidable. For 2026/27, materials and contractor inflation are forecast to be £0.3m higher than 2025/26. Other service costs, including cleaning and vehicle costs, are increasing due to inflation; together, this causes a pressure of £0.3m.

Interest and Debt

The new supply of housing relies on prudential borrowing, on which interest must be paid. These interest charges are expected to decrease by £0.16m in 2026/27 due to the fall in the base rate. However, the Housing Revenue Account also holds cash balances on which it earns interest; due to the reduced interest rate, £0.38m less will be earned in interest in 2026/27.

Other Pressures

- The Estates Warden service require growth of £140k to ensure there is adequate coverage during annual leave periods and to increase the remit to cover work previously conducted by the Green Team.
- Extra Legionella risk assessments are required at a cost of £108k to be in line with government regulations.
- £105k is needed to be spent on training to ensure that all Housing Managers are trained in line with new guidelines within the Competency and Conduct Standard issued by the Housing Regulator.

Through the Rent Standard, central government set the rules governing the maximum rent which may be charged and maximum annual rent increases, which is currently CPI+1%. As at September 2025 this means the maximum permitted rent increase social landlords can implement is 4.8%.

Taking into account all the pressures being felt, the Housing Revenue Account Budget proposals for 2026/2027 is recommending a 4.8% increase to Council tenant rents. It is reported that applying a rent increase less than 4.8% would either result in scaling back of the Capital Programme, a draw on limited reserves, or service cuts.

As well as this proposed rent increase for 2026/27, the following recommendations are put forward:

- Whilst the Gypsy and Traveller sites sit outside the Housing Revenue Account, it is proposed that a rental increase of 4% is applied for plot rents, in line with the combined effect of CPI and wage inflation.
- A 4.8% increase in garage rents, in line with increases to core rents
- A 4.8% increase in hostel rents and service charges, which aligns with inflation and estimated increases in pay for the delivery of the services

Service charges should be set with the intention of recovering the full cost of providing the service. It is proposed that a 3.8% increase is applied to service charges in line with inflation.

District heating charges (metered properties) – It is proposed that tenants and leaseholders on the district heating scheme, who have meters fitted in their homes will have an annual charge of £177.83 applied for the provision of the service in 2026/27, a reduction from £228.80 in 2025/26. Through the fitting of meters in properties, these tenants will be able to control the amount of energy they use in their property. It is proposed the variable charge p/kwh of heat will be £5.28 in 2026/27, a reduction from £6.30 in 2025/26. The cost of energy use will be charged in addition to the fixed charges and the actual costs will be dependent on the energy use of each household.

District heating charged (non-metered properties) – Where meters are not fitted in properties there is no way of charging based on actual energy consumption. It is

therefore proposed that a combined annual cost charged (fixed costs for providing the service and energy use), will on average be £886 for 2026/27. This is a reduction from the average annual charge of £1,087 in 2025/26.

The following project are those where it is proposed changes are made to the allocation of funding through the Capital Programme:

- The kitchen and bathrooms programme is ongoing with 250 refurbishments anticipated to be completed for 2025/26. For 2026/27 the annual budget will be £1.25m, which will fund a further 250 installations. This factors in slippage of £1.15m from 2025/26
 - A further investment of £2m has been included to fund boiler replacements.
 - A continuation of the re-wiring budget at the same level as for 2025/26 to help support full/part rewires.
 - The investment in re-roofing will increase by £0.5m to facilitate a greater number of roof replacements.
 - £0.5m for maintaining the district heating system. This cost is not passed onto tenants
 - A continuation of the Communal and Environmental Works budget with a further £0.2m for 2026/27
 - £275k has been added to the Capital Programme to fund the demolition of the chimney at St Peter's Boiler House
 - £0.2m has been included in the capital programme to continue funding the replacement external cladding
 - A further £0.1m is proposed to fund loft top up insulation
 - £250k has been added to the Capital Programme for a further year to fund the replacement of door entry systems
 - A further £0.2m is being added to the capital programme towards balcony/walkway work across St Matthews
 - £0.5k is to be added to the Capital Programme to fund renovation works at the St Matthews Centre.
 - £0.2m is being proposed to fund refurbishment and reconfiguration works to various unused buildings to change their purpose and convert them into usable supported accommodation
 - A proposed £0.4m will be added to complete water heater and tank replacements
- The main service need of tenants is that they have a suitably sized, Decent Home, maintained through an effective repairs service with quality tenancy and estate management services. Current service user needs will continue to be met with the recommendations being made.

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?

Some households may experience a rise in costs and therefore it will impact on their personal budgets and disposable income. This will impact on people across all protected characteristics. Support is in place through the Supporting Tenants and Residents service (STAR) and the Income Management Team for tenants and leaseholders to access services and manage their tenancy. Some of the potential barriers may relate to:

- Customer access to information about the changes
- How information is communicated to users
- The ease of use of information provided
- Availability in different language formats
- Information provided on rights and /or entitlements
- Information on which agencies can help with money / debt advice (promotion of this to tenants and leaseholders)
- Physical access to services
- Monitoring of potential adverse impact on particular groups

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 proposals continue to commit to the provision of Decent Homes to council tenants and equality of opportunity for people to have Decent Homes to live in, which includes carrying out adaptations for those with a disability. The standard of accommodation in council owned properties is higher than in some areas of the private sector.

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?

Maintaining properties and making improvements on estates creates an environment where people are satisfied with their homes they live in, and reducing the likelihood of anti-social behaviour and community tensions.

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 tenants and leaseholders of Leicester City Council will be impacted upon by the proposals (just over 19,200 tenanted properties and just over 1,800 leasehold properties).

All Council tenants will be charged more rent. The current average rent for a Council property is £94.73 per week. The proposals will mean, on average, tenants will be charged an additional £4.55 per week. The additional amount tenants will actually have to pay is dependent on the number of bedrooms in their property. This weekly increase will range from £3.68 per week for a bedsit and £6.84 per week for a 6-bedroom property.

Tenants in receipt of full Housing Benefit or in receipt of full Universal Credit Housing costs will have the additional charges paid through their benefit entitlement. We know that this applies to approximately 65% of our tenants. Therefore, the proposed increased rent charges will depend on a tenants' financial situation and will impact upon approximately 35% of tenants who are in receipt of partial or no Housing Benefit or Universal Credit Housing Costs.

37 Gypsy and Traveller households, who rent pitches from the council will be impacted upon by the proposed 4% increase in charges for these. Those households in receipt of full Housing Benefit or those that receive Universal Housing Costs will have the increased charges paid through their benefit entitlement.

The 4.8% increase for hostel rents will impact on households who are homeless and currently in temporary accommodation. All individuals staying in this accommodation are eligible for Housing Benefit or Universal Credit Housing Costs, so the increased charge will be paid through their benefit entitlement.

Service charges are paid in addition to rent where additional services are provided. Individual service charges for tenants and leaseholders vary due the additional services provided. Where service charges are in place tenants and leaseholders will need to pay an additional 3.8% for these. The table below shows the financial impact of the proposed charges and the number of tenants impacted upon by each of these.

Tenant Service Charges	Approximate Number of Tenants	Current Average Weekly Charge	Proposed Increase	Proposed Weekly Charge
Waylighting	6,290	£2.97	3.8%	£3.08
Security	1,486	£6.04	3.8%	£6.27
TV Receiving Service	5,536	£0.78	3.8%	£0.81
Cleaning	4,058	£3.71	3.8%	£3.85
Laundry	751	£1.56	3.8%	£1.62
Furniture / White Goods	829	£2.10	3.8%	£2.18
Sheltered Lounge	398	£2.88	3.8%	£2.99
Energy Conservation Package	27	£2.41	3.8%	£2.50
Access to Parking Spaces	11	£1.20	3.8%	£1.25
Door Entry	4,071	£3.61	3.8%	£3.75

The table below shows the financial impact of the proposed charges and the number of leaseholders impacted upon by each of these.

Leaseholder Service Charges	Approximate number of Leaseholders	Current Average Weekly Charge	Proposed Increase	Proposed Weekly Charge
Waylighting	1,525	£3.96	3.8%	£4.11
Security	43	£7.84	3.8%	£8.13
TV Receiving Service	1,594	£0.78	3.8%	£0.81
Cleaning	874	£4.76	3.8%	£4.95
Laundry	23	£1.10	3.8%	£1.14
Admin Charges	1,794	£4.02	3.8%	£4.18
Building Insurance	1,794	£4.43		£4.43
Door Entry	1,059	£3.59	3.8%	£3.73
Lifts	97	£2.65	3.8%	£2.75

Approximately 1,900 tenants and an additional 1,000 other households are connected to the district heating scheme. These charges are not covered by Housing Benefit or Universal Credit Housing Costs, so all tenants and other households on the scheme will be impacted upon by the proposals. The Council is undertaking a programme to fit meters into properties served by district heating. This means households will have greater control of their energy usage and the costs associated with this, which could reduce. In November 2025 approximately 970 properties have had meters installed. This number will increase as the meter fitting programme progresses. The table below states how tenants and other households, with meters will benefit from reduced fixed costs during 2026/27. The table also provides information on how tenants and other households will benefit from lower variable charges per KHW of heat in 2026/27.

	25/26 Annual Charge for Tenants	26/27 Annual Charge for Tenants
Fixed Charges	£140	£91
Billing & Collection	£78	£78
VAT on the above (@5%)	£10.90	£8.47
Total Fixed Charges	£228.80	£177.83

Weekly Charge (over 50 weeks)	£4.58	£3.56
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Variable Charge kWh of Heat	6.30p	5.28p
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At the start of November 2025 approximately 2,000 tenants and other households on the district heating scheme do not have meters fitted to their home. This number will reduce as the meter fitting programme progresses. District heating charges to these households will include both fixed costs and costs for the use of energy. The proposed charges vary, dependant on the number of bedrooms in a property. The table below shows how the proposed reduction in charges will impact households in each bedroom category.

Bedroom size	2025/26 Annual Charge	2026/27 Annual Charge	Annual saving for 2026/27
1 bed	£885	£716	£169
2 bed	£1,226	£1,002	£224
3 bed	£1,543	£1,267	£276
4 bed	£1,871	£1,542	£329
Other	£470	£369	£101
Average	£1,087	£886	£201

Average weekly charge (50 weeks)	£21.75	£17.71	£4.04
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Council owned garages are rented out to members of the public generally, not just Council tenants. The charge is not covered by Housing Benefit or Universal Credit. At the start of November, we currently had 502 garages and parking spaces rented out, so the proposed 4.8% increase will impact upon these people. People renting Council garages will see an increase in charges from £12.14 per week to £12.72.

The above proposals will also impact households who become new tenants and new leaseholders in 2026/27. Also, new people accessing temporary accommodation, and renting a garage from the Council.

The Housing Capital Programme generally benefits all tenants and leaseholders in the city. Projects to improve individual properties are decided on their condition to meet health and safety regulations. The impact for tenants and leaseholders will generally be positive as properties and areas are improved.

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.

Tenant profiling information has been collected and analysed from the NEC IT system (See profiling information at the end of the EIA.) This includes information on ages, ethnic origin, disability, gender, sexuality and religion.

For tenants there are gaps in data in relation to gender re-assignment, marriage and civil partnership, pregnancy and maternity and sexual orientation.

We also have limited profiling information in relation to leaseholders.

For those tenants with protected characteristics commented upon in Section 6 below we know:

15,256 are of working age (18 – 60)

2,293 have a disability

9,595 have a white background and 5,939 have other ethnic backgrounds

10,841 are female

48 are Gay (male) and 47 are Gay (female / lesbian)

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 Tenants Scrutiny Panel (TSP) met on 10 December 2025 to consider the proposed Housing Revenue Account (HRA) budget for 2026/27.

Chris Burgin, Director of Housing, and Alvin Raj, Policy and Engagement Manager, consulted with ten TSP members on the proposals. The consultation covered the proposed rent levels, service charges, district heating charges, and the allocation of investment within the Capital Programme.

A series of questions were asked to the Tenants Scrutiny Panel in relation to the HRA budget proposals for 2026/27 and the feedback to these were:

Question 1

What is your opinion of our proposal to increase council home and temporary accommodation rents by 4.8% to ensure services and our improvement programmes are maintained?

Response option	Number of respondents	% of respondents
Fully support	1	10.00%
Support, but with some concerns	9	90.00%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

The Tenants' Scrutiny Panel either supported the proposals or supported them with some concerns. The tenant who fully supported the increase acknowledged the

reasons for the rent rise and noted that non-council tenants often pay higher rents elsewhere, adding that they would prefer a council property.

The nine panel members who supported the proposals with some concerns acknowledged that 65% of tenants have their full housing costs covered by Housing Benefit or Universal Credit. However, they expressed concern about the remaining 35% of tenants who receive partial or no housing cost support. They felt that, given the current cost-of-living pressures, these tenants would find it challenging to afford the rent increase.

Question 2

What is your opinion of our proposals for service charges to ensure these continue to be provided?

Response option	Number of respondents	% of respondents
Fully support	0	0%
Support, but with some concerns	10	100.00%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

All ten members of the Tenants' Scrutiny Panel supported the proposal for service charges, albeit with some concerns. While all acknowledged the rationale for the increased cost of services, the panel felt that tenants are currently paying for services that require improvement. The panel's expectation is that the quality of services delivered should reflect and justify the service charges paid by tenants.

Question 3

What is your opinion of our proposals to reduce District Heating charges?

Response option	Number of respondents	% of respondents
Fully support	10	100.00%
Support, but with some concerns	0	0%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

All ten members of the Tenants Scrutiny Panel fully support the reduction in District Heating charges. Some panel members felt that the savings made on District Heating would help offset increases in other charges, such as rent and service charges. However, this will benefit only tenants that have District Heating.

Question 4

What is your opinion of our proposals on how the Capital Programme is going to be spent?

Response option	Number of respondents	% of respondents
Fully support	10	100.00%
Support, but with some concerns	0	0%
Do not support	0	0%
Don't know	0	0%
Not answered	0	0%

All ten members of the Tenants Scrutiny Panel fully support the proposal on how the Capital Programme is to be spent.

An online consultation on the Housing Revenue Account (HRA) budget proposals took place with Leicester City Council tenants and leaseholders between 5th December 2025 and 21st December 2025.

Tenants and leaseholders were informed of the consultation via email and postal letters. The communications explained the purpose of the consultation and outlined the different ways in which feedback could be provided. This included attending a face-to-face drop-in session at one of 12 locations across the city, or completing the consultation survey online via a weblink provided in the correspondence. Repairs operatives distributed 2,000 leaflets while visiting tenant homes.

Face-to-face drop-in sessions were held at the following locations:

- New Parks Library – 9th and 16th December 2025 11am to 3pm
- Tudor Centre – 9th and 16th December 2025, 11am to 3pm
- Pork Pie Library – 10th and 17th December 2025, 11am to 3pm
- Brite Centre – 10th and 17th December 2025, 11am to 3pm
- St Matthews Centre – 11th and 18th December 2025, 11am to 3pm
- Thurnby Lodge Community Centre – 11th and 18th December 2025, 11am to 3pm.

Engagement Officers recorded the responses at these sessions onto the online consultation portal.

In total 367 tenants and leaseholders responded to the online consultation. Of these:

- 324 (88.28%) were from tenants
- 41 (11.18%) were from leaseholders
- 1 (0.27%) were from non-tenants and leaseholders
- 1 (0.27%) not answered

A series of questions were asked in relation to the HRA budget proposals for 2026/27 and the feedback to these were:

Question 1a

What is your opinion of our proposal to increase council home and temporary accommodation rents by 4.8% to ensure services and our improvement programmes are maintained?

367 people responded to this question, 165 (44.96%) supported the proposals or supported them with some concerns. 168 (45.78%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	68	18.53%
Support, but with some concerns	97	26.43%
Do not support	168	45.78%
Don't know	27	7.36%
Not answered	7	1.91%

Question 1b

If you have said you do not support the proposal or you support the proposal with some concerns, please state why.

A total of 232 respondents submitted comments in relation to this question. Where comments related specifically to the proposed rent increase, 27 respondents expressed concerns regarding their ability to afford the additional rent. A further 112 respondents indicated that the proposal would exacerbate the financial pressures associated with the current cost-of-living crisis.

In addition, 46 respondents stated that improvements to housing services would be necessary in order to justify the proposed increase, while 16 respondents felt that enhancements to Leicester City Council's housing stock would be required to merit the increase.

Question 1c

What impact do you feel the proposals to increase council home rents may have on you, your family or the wider community?

A total of 257 responses were received to this question. Where comments related to the potential impact of the proposed rent increase, 13 respondents stated that it would have little or no impact. In contrast, 119 respondents indicated that the increase could lead to further financial hardship, poverty, and debt, particularly in the context of the rising cost of living.

Additional impacts identified by respondents included a potential increase in homelessness (4 respondents) and adverse effects on mental health (14 respondents).

In terms of groups perceived to be most affected by the proposed rent increase, the greatest concerns were expressed in relation to families (19 respondents), working people (11 respondents), and people with disabilities (4 respondents). Other groups highlighted included single parents (5 respondents) and pensioners (5 respondents).

Question 2a

What is your opinion of our proposals for service charges to ensure these continue to be provided?

There were 367 responses to this question. 144 (39.24%) supported the proposals or supported them with some concerns. 130 (35.42%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	80	21.80%
Support, but with some concerns	64	17.44%
Do not support	130	35.42%
Don't know	78	21.25%
Not answered	15	4.09%

Question 2b

If you have said you do not support the proposal or you support the proposal with some concerns, please state why.

There were 162 responses to this question. Where feedback related to concerns about the service charge proposals, it was similar to that received in relation to the rent proposals. Respondents felt that Housing Services would need to improve to justify the proposed increase. Concerns were also raised about affordability, particularly in the context of rising day-to-day living costs. Where specific service charges were mentioned, the highest number of concerns related to communal cleaning charges (16 respondents), followed by door entry system charges (9 respondents) and laundry room charges (3 respondents).

Question 2c

What impact do you feel the service charge proposals will have on you, your family or the wider community?

There were 147 responses to this question. Of those that commented on the potential impact of the service charge proposals, 18 respondents stated that they would have little or no impact. In contrast, 36 respondents said the proposals could lead to further financial hardship, poverty, and debt, particularly in the context of the rising cost of living.

In terms of which groups may be most affected, the greatest concerns related to tenants with families (4 respondents). Other groups identified as being particularly impacted included pensioners (4 respondents), disabled people (1 respondent), and vulnerable people (1 respondent).

Question 3a

What is your opinion of our proposals to reduce District Heating charges?

There were 367 responses to this part of the question. 189 (51.50%) supported the proposals or supported them with some concerns. 50 (13.62%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	161	43.87%
Support, but with some concerns	28	7.63%
Do not support	50	13.62%
Don't know	110	29.97%
Not answered	18	4.90%

Question 3b

If you have said you do not support the proposal or you support the proposal with some concerns, please state why.

There were 91 responses to this question. 28 people stated the proposal to reduce district heating charges was positive. Despite the proposed reduction in charges 24 people commented on affordability issues related to paying this reduced charge, with comments made generally about rising energy costs and other household bills.

4 people were concerned the proposed reduction is a forecast.

Question 3c

What impact do you feel the District Heating Charge proposals will have on you, your family or the wider community?

There were 88 responses to this question. Of these, 20 respondents felt that the proposal would have a positive impact for tenants and leaseholders on the district

heating scheme, as they would pay less for the service. A further 12 respondents stated that the proposal would have little or no impact.

Despite the proposal to reduce district heating charges, 16 respondents stated that the amount they would still be required to pay was too high and could place additional financial pressure on some households. These comments were generally made in the context of wider increases in day-to-day living costs.

A few people commented the proposal would still impact on the elderly and vulnerable people.

Question 4a

What is your opinion of our proposals to increase garage rents by 4.8% in line with the proposed increase of rent for council homes?

There were 367 responses to this part of the question. 114 (31.06%) supported the proposals or supported them with some concerns. 58 (15.80%) did not support the proposal.

Response option	Number of respondents	% of respondents
Fully support	85	23.16%
Support, but with some concerns	29	7.90%
Do not support	58	15.80%
Don't know	163	44.41%
Not answered	32	8.72%

Question 4b

If you have said you do not support the proposal or support the proposal with some concerns, please state why.

There were 89 responses to this question. Where these related to concerns about the proposed increase to garage rents, 15 responses raised concerns about the ability for some people to pay the increase charge. Generally, comments received were about the maintenance of the garages.

Question 4c

What impact do you feel the proposal to increase garage rents may have on you, your family or the wider community?

There were 70 responses to this question. 21 people stated there would be no or little impact. 17 people stated the proposed increase would add to the financial hardship of people renting garages. 2 responses stated the garages should be demolished to generate additional car parking spaces.

General comments received were about the current pressures of street parking and value for money.

There were no comments received as to whether the proposed garage rents would impact more on a particular group.

Question 5

As a Leicester City Council tenant or leaseholder, what are your top three priorities for how we spend the money?

There were 345 responses to this question. Where services are provided by the Housing Revenue Account, the highest priority by a significant margin was repairs. This was followed by home improvements and modernisation of properties, and then security measures. The table below sets out the full range of priorities identified by respondents.

Service area	Number of respondents	% of respondents
Repairs	197	53.68%
Improvements and modernization of homes	45	12.26%
Security measures	37	10.08%
Upkeep of communal areas in blocks/communal cleaning	8	2.18%
Energy efficiency measures	7	1.91%
Tenant support services	4	1.09%
Building new council homes	16	4.36%
Parking on estates	8	2.18%
Providing value for money	5	1.36%
Tackling anti-social behavior	10	2.72%
Letting empty properties	3	0.82%
Tenant involvement activities	1	0.27%
Providing information to tenants	1	0.27%
Rent	3	0.82%

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.

i) 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?

With the Cost of Living Crisis earnings have not kept up with inflation so working households are likely to already be facing pressures on household budgets. Younger people, and particularly children, are more likely to be in poverty before the current Cost of Living Crisis and this is likely to continue.

What is the risk of disproportionate negative impact on age?

Incomes continue to be squeezed through reducing real term wages for working age households and families with children.

What are the mitigating actions?

Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

i) 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?

Disabled people are more likely to be in poverty. In addition, many disabled people are disproportionately affected by household fuel costs and may have limited opportunities to reduce usage.

The rent and service charge increases could have an impact on such household incomes.

What is the risk of disproportionate negative impact on disability?

Further erosion of the quality of life being experienced by disabled people.

What are the mitigating actions?

Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing budgets. This includes signposting people to support agencies such as Clockwise, Citizens Advice,

Department of Work and Pensions and Energy Wise. Information about support available can be found at [Cost of living support](#). Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs. However, it has not yet been announced as to whether this support will be provided by Government in 2026 / 27.

The programme in place to install meters in properties on the District Heating network, will give disabled households more control over their energy use and costs.

Where needed we will provide information in different formats to enable tenants with a disability to receive this.

i) 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 disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

What are the mitigating actions?

Not applicable

i) 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 disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

What are the mitigating actions?

Not applicable

i) 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?

No disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

What are the mitigating actions?

Not applicable

i) 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?

Those from white backgrounds are disproportionately on low incomes (indices of multiple deprivation) and in receipt of benefits [English indices of deprivation 2025: statistical release - GOV.UK](#) . Some ethnic minority people are also on low income and on benefits, this will include our Gypsy and Traveller tenants who rent pitches from the council.

A large proportion of properties in the centre area of the city are on the District Heating scheme. We know a higher proportion of people with a Black, Asian and other ethnic background live in this area, so they could be more impacted upon by the District Heating charge proposals.

What is the risk of disproportionate negative impact on race?

Household income being further squeezed through low wages and reducing levels of benefit income. There is a direct impact on Gypsy and Traveller families who may not be able to afford the proposed increased charges for pitch rents.

What are the mitigating actions?

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

Where required, interpretation and translation will be provided to remove barriers in accessing support.

The programme in place to install meters in properties on the District Heating network, will give households more control over their energy use and costs.

The City Council employs a Gypsy and Traveller Manager to manage our sites and provide support to people living on these. Communication about the proposed changes will take place. Gypsy and Travellers will be provided with specific support from this officer if they are facing financial difficulties.

i) 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 disproportionate impact is attributable specifically to this characteristic.

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

Not applicable

What are the mitigating actions?

Not applicable

i) Sex

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

What is the impact of the proposal on sex?

Disproportionate impact on women who tend to manage household budgets and are responsible for childcare costs. Women are disproportionately lone parents, who are more likely to experience poverty

What is the risk of disproportionate negative impact on sex?

Incomes squeezed through low wages and reducing levels of benefit income.
Increased risk for women as they are more likely to be lone parents

What are the mitigating actions?

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

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?

Gay men and Lesbian women are more likely to be in poverty than heterosexual people, and trans people are even more likely to be in poverty and unemployed

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

Household income being further squeezed through low wages and reducing levels of benefit income

What are the mitigating actions?

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

7. Summary of protected characteristics

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

All protected characteristics have been commented on because the budget proposals will impact upon all tenants and leaseholders

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

Not applicable

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.

A local authority must consider the principles of the Covenant when carrying out specific housing-related functions, including: 78

Processing homeless applications

Allocating social housing properties

Formulating tenancy and homelessness policies

All these policies will take on board impacts on the armed forces

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?

No disproportionate impact is attributable specifically to Care Experienced People

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

Not applicable

What are the mitigating actions?

Not applicable

b. Children in poverty

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

Households with children living in poverty are likely to face difficulties generally, with the rising costs of living

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

There is a risk that an increasing number of households with children living in poverty are unable to afford all essential items for day-to-day living

What are the mitigating actions?

Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Also, promotion of any Government financial schemes for vulnerable households to provide support with energy and living costs.

c. Other (describe)**What is the impact of the proposal on any other groups?**

Not known at present

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

Not applicable

What are the mitigating actions?

Not applicable

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.

The wider cost of living crisis and rise in energy bills has put additional financial pressure on all households and it is likely this will continue for the foreseeable future.

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:

No known impacts

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](#).

Our IT system allows us to monitor tenants rent accounts, including district heating payments and see when accounts go into arrears. Our Income Management Team carries out this monitoring on a daily basis. Through this monitoring we will be able to identify any increases in rent arrears, relating to the proposed increased charges and provide support to tenants to reduce these and maximise their income.

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
All tenant and leaseholders are able to pay their rent, service and district heating charges.	The service needs to ensure that they effectively communicate information about the increase in charges as well what advice and assistance is available to tenants, so they are able to access benefits and entitlements. Provide translated	Chris Burgin – Director of Housing	Ongoing

	materials/options where required.		
Households have access to financial help and assistance if they find they are unable to pay for the additional charge	Referrals to the Income Management Team and financial support services in the city.	Natasha Pau – Income Collection Manager	Ongoing

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

Tenant profiling information – November 2025

Ethnicity

Ethnicity		Number of tenants	% of tenants
Asian	Arab	42	0.23%
Asian	Asian/Asian British of Other Asian Origin	573	2.97%
Asian	Asian/Asian British of Bangladeshi Origin	199	1.03%
Asian	Asian/Asian British of Chinese Origin	18	0.09%
Asian	Asian/Asian British of Indian Origin	1,405	7.29%
Asian	Asian/Asian British of Pakistani Origin	261	1.35%
Black	Black/Black British of African Origin	1,468	7.62%
Black	Black/Black British of Caribbean Origin	360	1.87%
Black	Black/Black British of Other Black Background	204	1.06%
Black	Black/Black British of Somali Origin	417	2.16%
Dual Heritage	Dual/Multi Heritage Asian and White	49	0.25%
Dual Heritage	Dual/Multi Heritage Black African and White	62	0.32%

Dual Heritage	Dual/Multi Heritage Black Caribbean and White	252	1.31%
Other	Any Other Ethnic Group	490	2.54%
Other	Any other Heritage Background	118	0.61%
Other	Other Ethnic Group Gypsy/Romany/Irish Traveller	21	0.11%
Prefer Not to Say	Prefer Not to Say	537	1.85%
Unknown / Not Recorded	Ethnicity Unknown	3,199	17.55%
White	White British	8,655	44.91%
White	White of European Origin	467	2.42%
White	White of Irish Origin	94	0.49%
White	White of Other White Background	379	1.97%
Total		19,270	100.00%

Age

Age	Number of Tenants	% of tenants
18 - 29	953	4.95%
30 - 39	2,678	13.90%
40 - 49	4,032	20.92%
50 - 59	4,084	21.19%
60 - 69	3,509	18.21%
70 - 80	2,382	12.36%
80+	896	4.65%
Not known	736	3.82%
Total	19,270	100%

Gender

Gender	Number of tenants	% of tenants
Female	10,841	56.20%

Male	7,693	39.92%
Non-binary	2	0.01%
Prefer to say	9	0.05%
Transgender	11	0.06%
Not known	714	3.76%
Total	19,270	100%

Religion or belief

Religion	Number of tenants	% of tenants
Not recorded	9,419	48.47%
Atheist	331	1.72%
Buddhist	18	0.09%
Christian	2,404	12.48%
Hindu	437	2.67%
Jain	1	0.01%
Jewish	5	0.03%
Muslim	2,477	12.85%
No religion	2,760	14.32%
Other	306	1.59%
Prefer not to say	1,002	5.20%
Sikh	110	0.57%
Total	19,270	100%

Sexual orientation

Sexual orientation	Number of tenants	% of tenants
Bisexual	195	1.01%
Gay (female / lesbian)	47	0.24%
Gay (male)	48	0.25%
Heterosexual	8,935	46.37%
Other	198	1.03%
Prefer not to say	1,417	7.35%
Not known	8,430	43.75%
Total	19,270	100%

Disability

Disability	Number of tenants	% of tenants
Yes	2,293	11.90%
No	16,974	88.1%
Total	19,270	100%





Housing Scrutiny Committee

Work Programme 2025-2026

Meeting Date	Item	Recommendations / Actions	Progress
10 July 2025	Income Collection Annual update	-	Details included in the report presented at the meeting held on 26 August. Details shared with commission members.
	Stock Condition – Property MOT	The upcoming Repairs Report to include detailed information on associated timescales and the number of outstanding damp and mould requests.	
	Fire Safety	Information on the average wait time for the 452 low-level fire risk repairs to be shared with the commission.	
	PRS Strategy / Renters Reform Bill	-	
26 August 2025	Housing Regulatory Inspection update	<p>Provide regular dashboard reports on the HHRS inspection to the Commission.</p> <p>Present tenancy scrutiny engagement outcomes to the Commission in 6 months, including proposals to integrate the tenant scrutiny engagement with the Council's scrutiny function.</p> <p>Provide a future report on lessons learned from the complaints process and from other councils in similar situations.</p>	

	<p>Who gets Social Housing</p> <p>Repairs & maintenance update (inc Damp & Mould)</p> <p>Maintenance Charges</p> <p>Water Hygiene Report</p>	<p>Mutual Exchange scheme to be added to the work programme.</p> <p>Reshare the banding scheme and allocation policy with commission members.</p> <p>The Council's approach to implementing Awaab's Law to be added to the work programme.</p> <p>Report back to the Commission on how the Council benchmarks maintenance charges against other Local Authorities or Housing Providers.</p> <p>Conduct formal tenant engagement in major housing blocks and with the tenant scrutiny panel citywide to gather input on service needs and include details in the next report.</p> <p>Other maintenance charges to be brought to future meetings – Chris Burgin</p> <p>-</p>	<p>Complete</p> <p>Details shared with commission members.</p> <p>Complete</p> <p>-</p>

11 November 2025	<p>Tenants Scrutiny Panel – Verbal update</p> <p>District Service performance (inc update on Tenant Engagement & Pop Up Housing Offices) to include Tenant Scrutiny Panel & Tenant Associations</p> <p>Housing Capital Programme update</p> <p>Homelessness Strategy & Operational performance update (inc Temporary accommodation & £45m update)</p>		Housing Allocations Policy Review
13 January 2026	<p><i>Items TBC:</i></p> <p><i>General Revenue Account and Capital Programme 2026/27</i></p> <p><i>Housing Support</i></p> <p><i>HRA Budget 26/27 proposals</i></p>		
17 March 2026	<p><i>Items TBC:</i></p> <p><i>Who Gets Social Housing (possible remove)</i></p> <p><i>Environmental Budget & Public Realm update</i></p> <p><i>Housing Building & Acquisition update</i></p>		
21 April 2026	<p><i>Items TBC:</i></p> <p><i>Housing Regulator update</i></p>		

	<i>Adaptations Strategy</i> <i>Repairs & Maintenance update (including all Housing Safety items)</i>		
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Forward plan items 2025-26:

Topic	Detail	Proposed Date
District Performance Report 2026	To include feedback regarding engagement with Community Engagement Officers and use of QR codes.	November 2026
District Heating		TBC
Mutual Exchange Swap Scheme	It was requested by commission members for a report to be brought on the Mutual Exchange Swap Scheme, including the incentives and barriers.	TBC
Awaab's Law implementation	Officers committed to bringing a report on the Council's approach to the implementation of Awaab's law.	TBC
Maintenance Charges	The Commission requested for reports to be brought on other maintenance charges, aside the Cleaning Charges.	TBC
Tenancy Scrutiny Engagement Outcomes	Members requested a report on the tenancy scrutiny engagement outcomes in 6 months, including proposals to integrate the tenancy scrutiny engagement with the Council's scrutiny function	13 Jan 2026