



Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND CLIMATE EMERGENCY
SCRUTINY COMMISSION

Held: WEDNESDAY, 14 JANUARY 2026 at 5:30 pm

P R E S E N T:

Councillor Waddington - Chair

Councillor Bonham
Councillor Osman
Councillor Rae Bhatia

Councillor O'Neill
Councillor Porter

In Attendance:

City Mayor Sir Peter Soulsby
Deputy City Mayor Councillor Cutkelvin
Assistant City Mayor Councillor Whittle

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190. WELCOME AND APOLOGIES FOR ABSENCE

The Chair welcomed those present to the meeting.

Apologies were received from Councillor Clarke.

191. DECLARATIONS OF INTEREST

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

There were no declarations of interest.

192. MINUTES OF THE PREVIOUS MEETING

It was noted that Councillor Cassidy was present at the previous meeting on 5 November 2025 but had not been recorded as present in the minutes.

AGREED:

- 1) That the minutes of the meeting of the Economic Development, Transport and Climate Emergency Scrutiny Commission held on 5th November 2025 be confirmed as a correct record.

- 2) Councillor Porter to receive a response from Andrew L Smith regarding the legality of the concrete blocks on Aylestone Road as noted in the previous meeting.

193. CHAIR'S ANNOUNCEMENTS

There were no Chair's Announcements.

194. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that none had been received.

195. PETITIONS

The Monitoring Officer reported that none had been received.

196. CALL-IN OF EXECUTIVE DECISION - LAND EXCHANGE TO ENABLE REGENERATION AT MIDLAND STREET/SOUTHAMPTON STREET IN THE CULTURAL QUARTER

An Executive decision taken by the City Mayor on 26 November 2025 relating to a land exchange arrangement has been the subject of a 6-member call-in under the procedures at Rule 12 of Part 4D, City Mayor and Executive Procedure Rules, of the Council's Constitution.

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

The 6 Councillors who signed the call in were: Councillor Kitterick (Proposer), Councillor Porter (Seconder), Councillor Rae Bhatia, Councillor Chauhan, Councillor Westley and Councillor Kennedy-Lount.

The Chair clearly outlined the process that she would follow in determining how to resolve the call-in. The Commission was recommended to either:

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

The Chair invited the proposer of the call-in, Councillor Kitterick, to make their case. The following points were raised:

- Concerns regarding the overall value and strategic implications of the proposed land exchange. While acknowledging that the Council may reasonably seek to acquire land and pay an appropriate premium, it was argued that the proposal would result in the Council exchanging a larger area of land for a smaller site, with additional financial costs to the Council including paying the Stamp Duty to facilitate the exchange.
- Concerns were expressed regarding the valuation assumptions underpinning the decision, with Councillor Kitterick questioning whether sufficient weight had been given to the relative size, location and development potential of the land being disposed of by the Council. Councillor Kitterick highlighted that there are viable buildings on site, with there appearing to be a local training college on site although the revenue lost is unknown and details of the lease term terminations.
- It was noted that the land pursued does not seem to have any viable buildings that are lettable.
- Reference was made to the strategic importance of the existing land to the St George's Street area, including its proximity to the ring road, the Cultural Quarter and the Phoenix site, and concerns were raised that the Council could lose long-term control of a key gateway site.
- Councillor Kitterick further noted that previous land disposals of the area had resulted in fragmented ownership and reduced influence over future development and suggested that a clearer long-term strategy for the St George's area should be in place before proceeding with the exchange.

The Chair invited the seconder of the call-in, to the table to make their case. Councillor Porter and raised the following points:

- Questioned whether alternative options had been fully explored whether the Council approached the developer and the asked for details on the process, and whether the Council sought to acquire the land without disposing of its own assets.
- Reference was made to the valuations cited within the report on page 21, with concerns raised about transparency and clarity, including the absence of certain valuation details and comparative site sizes.
- It was suggested that, based on indicative calculations, the land being exchanged may represent a significant different in value, and that further information should be provided to enable members to assess whether the proposal represented best value.
- Councillor Porter emphasised that the call-in was not party-political but was intended to ensure that the Council had discharged its duty to taxpayers by fully scrutinising the financial and strategic implications of the decision.

Councillor Osman entered the meeting and declared no interests.

The City Mayor entered the meeting at this point.

The Director presented to the Commission and highlighted the following points:

- Provided context for the proposal within the Council's wider regeneration objectives. It was explained that the land exchange formed part of a broader strategy for the regeneration of the St George's area, in line with allocations in the adopted Local Plan and the Council's economic development and city-centre strategies.
- Officers explained that the Council had been engaged in a process of land assembly to enable comprehensive regeneration, similar to the approach previously taken in the Waterside area. It was stated that the proposed exchange represented a more proportionate and cost-effective alternative to compulsory purchase, which would be complex, time-consuming and potentially more expensive.
- The importance of securing control over key sites to enable delivery of office space, improved connectivity and enhanced public realm was emphasised, particularly given the site's proximity to the railway station, Cultural Quarter and Phoenix Cinema.
- Officers highlighted the intention to improve pedestrian access and create a strong gateway between St George's Street and the Phoenix area, thereby increasing footfall and supporting wider city-centre vitality.
- The Director summarised the Executive Decision involving site B, owned by the Council, being exchanged for site A owned by Rakal Limited who intend to develop Site B for apartment housing. The Council intend to consolidate land already acquired on Site C, establish strong pedestrian links connecting St Georges St and Queens Street to the Phoenix Cinema which is a key objective of the decision and has Department for Transport funds allocated for this.

The Director responded to the first Call-In question:

“The plot of land the City Council is giving up is clearly larger than the received plot of land we are receiving in exchange”.

- The Director highlighted that site B has a series of trees and a root area which is a non-developable area. Once the TPOs and root protection areas are discounted from site B, the developable area of the two sites are similar.
- Plot A is now demolished and has a higher land value per acre than Plot B, which still requires demolition at cost as buildings still remain on the plot.
- The Director referred to 'marriage value' noting that the Council owning Plot C, the value of plot A is enhanced through the consolidation of adjoining sites which provides further options and is more flexible, compared to the current arrangement where a road separates sites B and C.
- The Director shared that the two independent valuers took these factors into consideration with external professional advice being taken throughout the process.
- It was explained that the differences in site size needed to be

considered alongside constraints, including the presence of protected trees, route protection areas, existing buildings and tenancy agreements.

- It was further noted that the negotiated payment had been reduced from £195,000 to £180,000 and that the private landowner was under no obligation to sell the Council.

The Director responded to the second Call-In question:

The Plot of land the City Council is giving up has at least one tenant who appears to be in situ “Wise Origin”, yet no reference is made to the loss of rental or legal tenancy issues that may be involved in this transfer. The council is giving up a number of other buildings which appear to be in a poorer state of repair but may be viable for future rental. This compares with the land we are acquiring which has no buildings in place, with the site have been recently cleared.”

- The Director responded that the Council-owned land currently had no tenants and contained buildings in poor condition where there would be a significant cost to bring these into use to comply with modern building standards.

The Director responded to the third Call-In question:

“The gateway to Phoenix could have been further enhanced had the City Mayor not sold the freehold of 50 St Georges Street for £1”

- The director responded that the proposed pedestrian access gateway to the Phoenix can be constructed within the existing highway boundary to achieve a consistent width (c12m) with the first phase of pedestrianisation on St George Street and emphasised there is no need for further land and objectives can be achieved as the adjacent footpath is wide enough.

The Director responded to the fourth Call-In question:

“The plot to be swapped fronts onto the Inner Ring Road, so the use, quality and design of any building in this location will be at least as important to the development of the area if not more so.”

- The Director responded that high quality design is expected throughout this regeneration area and will be controlled by the planning authority through the usual development management process.

The Director responded to the fifth Call-In question:

“The plot to be swapped is adjacent to the Inner Ring Road so it fetters any further changes to the layout of access to the St Georges area from the ring road in this location”

- The Director responded that the regeneration scheme for the area will not require any changes to Southampton St and Queen St adjoining the ring road

The Director responded to the sixth Call-In question:

“The loss of 50 St Georges Street and Plot B mean that there is only a relatively narrow pinch point in the City Council’s control between the two plots of land in developing the ambition for an attractive entrance to the Phoenix when entering from the Railway Station part of the City Centre.”

- The Director responded that the width of the highway/footpaths here is c12m, consistent with the first phase of the St George Street pedestrianisation and sufficient space for good quality access.

Councillor Kitterick responded by reiterating that while the case for acquiring land had been clearly articulated, concerns remained regarding the disposal of Council-owned land and the loss of long-term control over a strategically important site. It was suggested that reliance on a private developer to deliver wider regeneration outcomes carried risk, and that future development intentions could change.

The Chair asked if the proposer wished to withdraw the call-in. It was noted that the proposer wished for the call-in to proceed.

Councillor Kitterick left the meeting at this point.

Members of the Commission discussed the report which highlighted the following points:

- Members of the Committee sought clarification on the relative size and constraints of the sites, the proposed pedestrian access arrangements, and how the exchange aligned with planning and regeneration policies. Officers confirmed that areas subject to tree preservation orders and route protection were taken into account in the development value calculations, and that the proposed pedestrian route could be delivered without the need to acquire additional land.
- In response to questions on design and quality, officers confirmed that any further development would be subject to the Council’s normal planning processes, with expectations of high-quality design consistent with council’s policies. Officers also confirmed that the regeneration proposals would not require changes to the ring road as they adjoined Southampton Street or Queen Street.

Councillor Cassidy moved that, following the points raised during the meeting, the call-in be withdrawn. This was seconded by Cllr O’Neill, and upon being put to the vote the motion was CARRIED.

The City Mayor left the meeting at this point.

197. DRAFT GENERAL FUND REVENUE BUDGET 2026/27 AND DRAFT THREE YEAR CAPITAL PROGRAMME 2026/27

As the reports on the Revenue Budget and Capital Programme were related, they were taken as one item.

The Director of Finance submitted a report setting out the City Mayor's proposed Draft General Fund Revenue Budget for 2026/27, and a report on the City Mayor's proposed Draft Three-Year Capital Programme 2026/27.

The Head of Finance (City Development & Neighbourhoods) gave an overview of the reports, key points to note were as follows:

- It was noted that the draft settlements were complex and included the amalgamation of existing grants.
- The Revenue report set out the budget for 2026/27, and the medium-term financial strategy for the following two years.
- The draft Budget reflected the Government's Fair Funding consultation over the summer; however, despite an improved financial position, a budget gap remained, requiring continuation of the five-strand strategy agreed by Council last year, including the following:
 - Budget savings of £23m
 - Constraining growth in areas such as Social Care and Homelessness
 - A reduction in the Capital Programme
 - Releasing one off monies to buy time
 - A programme of property sales, which was now planned to reduce the cost of borrowing
- It was proposed that the strategy be extended to March 2029.
- The budget built in scope to meet ongoing cost increases in Social Care, homelessness and housing benefits.
- The scope for additional investment was limited, but includes amounts for areas previously supported by grants that were no longer available.
- Revenue Budget points directly relevant to the EDTCE Scrutiny commission included:
 - £450k to cover the shortfall in market income
 - £1m to replace the loss of the UK Shared Prosperity Fund
- The General Fund Draft Capital Report sought approval of just under £130m over the next three years.
- In 2025/26, the Capital Programme moved to being funded primarily through government grants and borrowing, and this approach would continue in 2026/27.
- The aim was to alleviate the revenue pressure placed by borrowing Capital Programme, by using £60m of capital receipts.
- Draft Capital Programme points directly relevant to the EDTCE Scrutiny commission included the allocation of:
 - Just over £16m for the continuation of the highways maintenance programme
 - £12.35m in local transport grants to support transport

- networks
 - £150k for the maintenance work at the LCB depot
 - £1.2m for local environmental works
 - £900k towards flood strategy work

The Chair invited questions and comments from the Commission, asking that matters be addressed separately for each item. The following key points were discussed in relation to the Draft General Fund Revenue Budget:

- The draft report included fair funding figures from the summer consultation.
- Proposals regarding parking charges were separate decisions and would be reported independently.
- It was clarified that Pride in Place and UK Shared Prosperity Fund were different funds. Pride in Place would be reflected in the Capital Programme Report to Council.
- Key Points discussed for the Draft Three Year Capital Programme included:
 - Final figures on pot-hole management, including multi-year grant figures would be included within the final report.
- Under the Highways Grant, the amount of capital funding for road maintenance was as follows:
 - 2026/27 - £5.6m
 - 2027/28 - £6.6m
 - 2028/29 - £7.1m
 - 2029/30 - £8.1m
- 95.7% of identified pothole maintenance tasks have been completed.
- Maintenance work in flooding hotspots was ongoing. Coordination with the water supplier had resulted in issues being prioritised, and an additional £300k each year had been allocated to address them.
- Regarding the demolition of Rally House, members highlighted concerns with the site being temporarily used as a carpark.
- It was agreed that members could highlight specific issues to the Assistant City Mayor for Environment and Transport.
- Members queried issues with street lighting along the A46/47 and Hastings Road, and it was agreed that issues could be sent to the Director Planning - Development and Transportation.
- Issues with road cleaning could be taken up at the Overview Select Scrutiny with the Committee.

AGREED:

- 1) That the reports be noted.

198. GET LLR WORKING JAN 26 SCRUTINY FINAL

The Director of Tourism, Culture and Economy submitted a report updating on 'Get LLR Working'.

The Director of Tourism, Culture and Economy provided an overview of the report, key points to note:

- The Director provided a background into the formal governance arrangements, agreeing ways of working with partners, ongoing discussions with partners on addressing labour market challenges and data analysis of the labour market across Leicester, Leicestershire and Rutland.
- It was noted that Leicester City Council would be the accountable body for the Get LLR Working ten-year plan.
- The Director also referred to the efforts to map existing provision for inactive cohorts involving health, skills and employment support. Further to this, identifying any duplication, gaps and opportunities for future action by the Council or collaborating partners.
- The overall aim was highlighted to improve the employment rates to 80%, it was noted that there are stark differences across the geography in districts and Leicester City.
- It was noted that 35,000 people need supporting into work across the LLR and highlighted that the Leicester City accounts for almost 31,000 of those individuals.
- The Director clarified that a new cross-LLR partnership has been developed from scratch over the past six months including partners in local authorities, DWP, health partners, Voluntary and Community Sector, Universities and Colleges as well as business representative organisations.
- A core working group will oversee delivery and review projects whilst wider engagement mechanisms will ensure broader stakeholder involvement as the plan evolves.
- The Regeneration Programmes and Projects Manager explained that the plan is intended to be a live, iterative document, providing a framework rather than a fixed set of final actions.
- Projected timelines were shared with the commission noting that the initial work would commence in late spring, a draft submission in June, final sign-off by October with publication by December 2026.

Members were invited to comment and ask questions; responses were as follows:

- A question arose whether there are resources currently allocated to deliver the plan, the Director responded that there are currently no additional national resources allocated specifically to deliver the full ambition of the plan, the plan is intended to provide a framework to support investment decisions and existing resources across partners are being aligned more effectively.

- A key funded element is the Connect to Work programme where £17.2m over five years funding from DWP would support economically inactive residents into work. Further resources from government would be required to fully realise the long-term ambition.
- The Director responded to a question on the impact of Local Government Reorganisation on the plan, by informing the commission that despite potential changes in organisational structures the plan is designed to be flexible, adaptive and will evolve alongside governance changes as the core labour market challenges and partnership principles will remain relevant.
- The Director was asked about support for individuals intending to enter into local government employment and responded that Leicester City Council actively promotes apprenticeships and graduate routes across services. The Director informed that the City Council utilises the apprenticeship levy to support social care and other providers and noted over 1,000 apprentices have been supported over the past decade with annual graduation events recognising the achievement.
- A member asked why the economic inactivity was so high in Leicester, the Director informed of the various factors from the initial analysis and referenced health, long-term sickness and caring responsibilities as major drivers. It was also identified that female economic activity remains significantly lower than the national average and has been a long-standing issue. Commission members were reminded that the data provides a baseline, and further detailed analysis is required at the neighbourhood level.
- The Director responded to a question on why the plan involves Rutland and the wider county given that Leicester City has the most need, the Director explained that the geography was mandated by DWP and the LLR functions as a single economic area residents commute across boundaries. It was shared that Leicester City Council holds the lead role in the plan, ensuring the key city priorities are reflected and the scale of inactivity in Leicester City is recognised as a primary focus.

AGREED:

1. To provide further information to Councillor Porter on grants or other support available for individuals such as university leavers intending to start businesses.
2. A further report be brought to the Committee clarifying the relationship between initiatives aimed at reducing economic inactivity and trends in unemployment data, to enable the Committee to assess impact before reaching conclusions.

Councillor Rae Bhatia left the meeting at this point.

199. EDTCE SCRUTINY TASK FORCE - LABOUR MARKET WORKER EXPLOITATION - EXECUTIVE RESPONSE

The Director of Tourism, Culture and Economy gave a verbal update on the

task group on worker exploitation. It was noted that:

- The Director thanked commission members as well as the University of Leicester for their work on the task force, and noting the proactive approach taken by the City Council to address labour market exploitation in recent years, particularly in the garment sector, while recognising that exploitation was not unique to Leicester.
- Members were reminded that local authorities do not have formal labour market enforcement powers and that many drivers of exploitation sit at national level.
- The Commission was informed of ongoing national developments including the proposed Employment Rights Bill and the establishment of the Fair Work Agency expected to launch in 2026.
- Reference was made to the Council's Social Value Charter, which underpins procurement and commissioning processes and reflects aspect of the Task Force's recommendations.
- Reference was made to the role of the Local Government Association (LGA) in lobbying government for additional resources to support delivery.
- The Task Force's emphasis on partnership working was acknowledged and identified the 'Get LLR Working' programme as a key partnership framework through which labour market exploitation issues could be addressed including prevention, raising awareness and supporting individuals into work.
- The importance of trusted community and voluntary sector organisations in supporting vulnerable workers was emphasised.

The Deputy City Mayor for Housing, Economy and Neighbourhoods provided some comments:

- Commented on whether the City Council has sufficient resources to replicate the in-depth approach previously taken with the textiles industry across other sectors, including social care and the gig economy and whether Leicester faces challenges different to those experienced nationally.
- Noted engagements with the local Government Association (LGA), including the recent national work and evidence on workforce exploitation and its overlap with modern slavery particularly within licensed migration and social care settings.
- The role of LGA in promoting the introduction of funded modern slavery coordinators within local authorities was outlined, as pilot schemes elsewhere had demonstrated positive outcomes and this was an area that would require further government support.
- The Deputy City Mayor praised previous work undertaken on the textiles industry work and stressed the importance of continuing to challenge negative narratives while promoting fair working practices.
- Concerns were raised about the allegations of exploitation within social care linked to work visas, and the potential impacts of national policy changes,

- The Deputy City Mayor emphasised the importance of continued lobbying through the LGA, and monitoring developments such as the Fair Work agency to progress the agenda.

AGREED:

1. A meeting to be arranged with respect to a task group in a meeting to be arranged to discuss the issues raised.

200. WORK PROGRAMME

The Chair referred to the local transport affordability topic which had been previously raised in the Overview Select Committee. The Committee agreed to hold one meeting where concerns raised by the Youth Representatives could be addressed in one sitting rather than commissioning a task group.

201. ANY OTHER BUSINESS

There being no further items of urgent business, the meeting finished at 20:16.