



Leicester
City Council

Minutes of the Meeting of the
CULTURE AND NEIGHBOURHOODS SCRUTINY COMMISSION

Held: WEDNESDAY, 15 JANUARY 2025 at 5:30 pm

P R E S E N T:

Councillor Dawood – Chair
Councillor Mohammed – Vice Chair

Councillor Aldred
Councillor Halford
Councillor Singh Johal

Councillor Chauhan
Councillor Haq

In Attendance

Deputy City Mayor – Councillor Cutkelvin
Assistant City Mayor – Councillor Dempster

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106. DRAFT CAPITAL PROGRAMME 2025/26 AND DRAFT GENERAL REVENUE BUDGET 2025/26

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

The Director of Finance submitted reports detailing the proposed Capital Programme for 2025/26 and the proposed Revenue Budget for 2025/26.

Key points included:

- The medium-term outlook was the most severe ever experienced. The Local Authority, along with many other authorities, would face increasing difficulties with budget balancing. Some local authorities had already issued a Section 114 notice and,
- The aim of the strategy was to balance budgets up to and including 2027/28; if successful, the budget strategy would avoid the same outcome for the next three years.
- The decade of austerity up to 2020 was an influencing factor, during this period services other than Social Care had to be reduced by 53% in real terms. This had substantially reduced the scope to make further cuts.
- There were also cost pressures which were not matched by an increase in income. These included Social Care, support for homeless households, and increased inflation.

- The Council were fortunate to have one-off monies available, however, following the Chancellor's national budget in October, more constraints were anticipated.
- The Government understood the situation that councils were in, however, it was thought that new funding would be modest and a cut in 'unprotected services' which usually include local authorities would be expected in the period to 2028/29.
- There were five strands to the strategy:
 - Strand 1 - To release one off monies of £110m to buy time. This included £20m from earmarked reserves and £90m previously set aside to fund the current Capital Programme. This left a gap in funding for already approved schemes. Borrowing of £90m would be required which would cost the local authority £5m pounds in interest and debt repayments. This would not usually be contemplated.
 - Strand 2 – Involves reductions of £13m from the approved Capital Programme to reduce the amount of borrowing required.
 - Strand 3 – The sale of property to secure an additional £60m. To use this for the budgets, permission is required from The Secretary Of State.
 - Strand 4 - To constrain growth in statutory services that are under demand-led pressure. Much work on this had already been done, cost growth had been reduced by estimates of £99m per year.
 - Strand 5 – To make ongoing savings to revenue budget of £20m per year.
- Savings required that were relevant to this Commission included £7.2m needed from Neighbourhoods and Environmental Services and £2.3m needed from Tourism, Culture and Inward Investment.
- The strategy was heavily reliant on one-off money to reach 2027/28, in which year a gap of £90m was expected.
- The strategy included risk as it was difficult to predict new pressures in social care or the housing crisis. Lots of one-off monies were being used, as such, an unexpected cost of £5m would result in the use of £15m of reserves being needed unless more cuts could be found. This was another reason why annual savings were important.
- Elements of the Capital Programme relevant to the Commission included:
 - £1m for Neighbourhood Services Transformation.
 - £140k for Staff Welfare Facilities at Evington Park Depot.
 - £150k for Grounds maintenance Equipment.
 - £80k as match funding for the Historic Building Grant Programme.
 - £50k for festival decorations.
 - Invest to Save Schemes, including £550k for the relocation of the King Richard III café, £445k for street cleaning equipment, £180k for the automatic locking of public toilets and £55k for the Trees and Woodlands Stump Grinder.

The Committee were invited to ask questions and make comments. Key points included:

- In response to a question raised regarding savings for homelessness services, it was explained that investments had been approved by the Council to invest in properties to alleviate pressures. This included work done in the Housing Revenue Account (HRA) and grant funded schemes through which houses had been built and properties acquired. Projections were based on what would happen once the work was undertaken.
- Points made about the recommendation to delegate powers to the City Mayor to add/amend capital schemes by up to £10m, and the suggestion it be decreased so as to give the Council more of a say over how money was used would be fed back.
- Points made regarding flood drainage were better raised in a different forum.
- It was clarified that the Policy Provisions were pots of money set aside that required further decisions to be released. These were set aside with the anticipation that they may be required, but with further detail needed for their release. As such there are no specific schemes which have been cancelled by removing these provisions. A large sum was set aside for New Ways of Working; now that more settled accommodation arrangements are in place this is no longer required. Some money had also been set aside for strategic acquisitions that was no longer required.
- With regard to a question raised about Ultra Low Emission Vehicles (ULEV) it was clarified that these included some internal combustion engines such as diesel and hybrid and electric vehicles and were considered for use where appropriate, sustainable and affordable.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission to be taken into account by the lead officers.
- 3) That points made on about the City Mayor's Delegated powers, and the suggestion that the amounts the City Mayor has authority over be reduce so as to give the Council more of a say over how money was used be fed back.
- 4) That the report be brought to Overview Select Committee prior to Full Council.

Deputy City Mayor Councillor Cutkelvin joined the meeting during the discussion of this item.

