



Leicester
City Council

Minutes Extract

Held: THURSDAY, 9 JANUARY 2025 at 5:30 pm

P R E S E N T :

Councillor March (Chair)
Councillor Cole (Vice Chair)

Councillor Kaur Saini
Councillor O'Neill

Councillor Singh Sangha

Councillor Orton
Councillor Sahu

In Attendance

In Attendance Deputy City Mayor, Councillor Russell – Social Care, Health and
Community Safety Kash Bhayani – Healthwatch

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**DRAFT GENERAL REVENUE BUDGET AND CAPITAL PROGRAMME
2025/26**

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

The Head of Finance gave an overview of the report, key points to note were
as follows:

- The medium-term financial outlook was one of the most severe the Council had faced. Like many authorities, Leicester City Council faces increasing difficulties in being able to balance the Council budget. Some authorities facing this position had been forced to issue a formal report under section 114 of the Local Government Finance Act 1988.
- Services, including social care, have had to make cost savings in previous years and cost pressures were not fully met by previous years' grants. Leicester City Council had been fortunate to have reserves to support the gap.
- Following the Chancellor's announcement in October, we expect more funding constraints. There may be modest additional funds available for deprived authorities, but funding for unprotected services is expected to be cut in real terms.

- The Council had already made substantial cost savings since 2010/11 during the decade of austerity. Those actions served to help the Council to balance the budget and our strategy, if successful, will remove concerns of a Section 114 notice for the next three years.
- The strategy to balance the budget up to and including 2027/28 comprises five strands:
 - Strand One – Releasing one off monies of £110m to buy time.
 - Strand Two – Reductions of £13m in the approved Capital Programme, which will reduce the borrowing required.
 - Strand Three – Embark on an ambitious programme to sell property, with the aim of securing an additional £60m of one-off funding.
 - Strand Four – Continue to take steps to constrain growth in demand-led statutory services such as Social Care Services and Homelessness.
 - Strand Five – Make ongoing savings to the revenue budget of £20m per year.
- If successful, the implementation of the strategy would result in a recurring budget gap of £46.7m in 2025/26 which rises to an estimated £90m in 2027/28 (before the use of one-off monies).
- The Council Tax Support Scheme will be considered by full Council on 16 January 2025.
- The next 3 years' budget is balanced (by using one-off monies) as presented in the report. With the strategy comes risks, which are noted at paragraph 16 of the report.

In response to questions and comments from Members, it was noted that:

- The phenomenal work of the Adult Social Care team, moving to a strength-based approach through scrutiny and collaboration over the last 3 years had prevented the Council from facing a significantly worse situation.
- Specific details were not available yet on which properties would be sold.
- Savings from the Council Tax Support Scheme had already been factored into the draft budget.
- The report did not include an Equality Impact Assessment for Care Leavers. Members requested this be included in the final budget report to full Council on 19 February 2025.
- The previously identified capital programme funding for a Supported Living scheme had been transferred to a policy provision, pending the identification of a new scheme.

AGREED:

1. That the Commission notes the report.

2. That the Director of Finance be asked to update the final version of the report to include an Equality Impact Assessment for Care Leavers.
3. That an update on supported living be presented at the next meeting.
4. That an update be provided to Members when further details are available about properties to be sold.