
Decision to settle proceedings: X Ltd v Leicester City Council

Decision date: 30 September 2025

**Report of Chief Operating Officer: Alison
Greenhill**

Useful information

- Ward(s) affected: All
- Report author: Alison Greenhill
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- Report version number: 1

1. Summary:

- 1.1 The Council has been involved in litigation with X Ltd for some time. X Ltd are a company with whom we have an ongoing contractual relationship.
- 1.2 This report confirms the intention to settle the litigation with X Ltd on terms which are exempt, but which entail the expenditure of a sum of money that is in excess of the £1m identified as the threshold for a “Key Decision” in the Council’s Constitution. The intention is also to vary the ongoing contractual relationship on terms which are exempt.

2. Recommendations:

- 2.1 That the Council’s Monitoring Officer (or relevant Head of Law in his stead) be authorised to settle the proceedings on the terms proposed and to sign the relevant Settlement Deed and Deed of Variation under Article 15.03 and Article 15.05 of the Council’s Constitution.

3. Background:

- 3.1 The nature of the dispute and the terms of the settlement are exempt from disclosure. They entail the making of a payment, and agreement to other terms. This report focuses on the payment.
- 3.2 Throughout the litigation the Council has been supported by a project team of in-house and external experts across many disciplines.
- 3.3 In due course the Council will be permitted to make a statement about the matter, and there will also be appropriate reporting of the settlement in the Council’s Accounts as well as Revenue Budget Monitoring cycle.

3.4 The Council's External Auditors have been notified and engaged with.

3.5 I have considered whether the information relevant to this Decision should be classified as exempt as allowed for in law and the Constitution and refer to the classifications of exemption in paragraph 5 below which I consider the information falls within. I am satisfied that there is overwhelming public interest in upholding the relevant exemptions. It is the case that both parties to litigation commonly insist on confidentiality to be maintained regarding the negotiations and the terms of the settlement until, and beyond, they are signed. I accept that after the settlement is signed there will be greater cause for some more information to be revealed, and this will be forthcoming to Members. At this juncture however I am clear that it is in the taxpayer's interests to settle this litigation.

3.6 I am also exercising my judgement to withdraw call-in of this Decision on the grounds of urgency. Aside from the highly confidential nature of the settlement terms, I am advised that the settlement itself is at high risk if agreement is not signed-off within the next few days. X Ltd are clear that their commercial operations are compromised by further delay, and if they withdraw from this settlement I am clear that the Council will face additional risks.

4. Financial implications

The settling of this claim will be funded from the use of the budget strategy reserve and will be reported in monitoring reports upon completion.

Amy Oliver
Director of Finance
19 September 2025

5. Legal implications

- a. Article 15.03 provides the mandate for the Monitoring Officer to settle legal proceedings.
- b. This Decision Report confers the mandate to settle on the terms that are covered in the draft Settlement Deed and Deed of Variation.

- c. Those confidential terms entail the making of a Key Decision to authorise the payment, albeit that the information about this is exempt. Key Decisions are capable of being taken by officers (Article 14.03(d)).
- d. The Settlement Deed as drafted, and as negotiated, includes a clause for confidentiality of both the mediation process and subsequent settlement discussions and the Settlement Deed itself.
- e. Local Government Law (and the Council's Constitution) preserves the confidentiality of classes of information pertinent to this case – paragraph 3, Part 1, Schedule 12A, Local Government Act 1972 – information relating to the financial or business affairs of any particular person (including the Council). Paragraph 5 – information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- f. The Public Interest Test must also be satisfied by the decision-maker in applying these exemptions, and this is recorded in paragraph 3.5 above.
- g. Notice of this Decision has not been published in the Plan of Key Decisions however Rule 15 of the Access to Information Procedure Rules (General Exception) provides an alternative available route that could be used in this case. If a Key Decision has not been included in the Plan of Key Decisions (as here), then the decision may still be taken if:
 - It must be taken by such a date that it is impracticable to defer the decision until it has been published in the Plan of Key Decisions for 28 days;
 - The Monitoring Officer has informed the Chair of a relevant Scrutiny Committee or, if there is no such person, each member of that committee by notice in writing of the matter on which the decision is to be made;
 - The Monitoring Officer has made copies of that notice available to the public at the Council offices and on its website; and
 - At least five clear days have elapsed since the Monitoring Officer complied with bullet points 2 and 3 above

The Chair of Overview Select Committee and of the Governance and Audit Committee were briefed by the Monitoring Officer on 9th September 2025.

- h. Rule 12 of the City Mayor & Executive Procedure Rules deals with the call-in of Executive decisions. At Rule 12(a) it states that - *This Rule applies to Executive decisions by the City Mayor or Executive, any Committee of the Executive, a Deputy City Mayor, Assistant City Mayor or Officer*
- i. Rule 12(b) appears to reduce the scope of decisions capable of being called-in to only those taken by the City Mayor or Executive, thus excluding other Executive

decisions, including those made by officers - 12b. *After such an Executive decision has been taken by the City Mayor or Executive, subject to the exceptions within this Rule, a Scrutiny Committee or any five Councillors may request formally that the decision be called-in...*

- j. In any event the Chief Operating Officer has determined, even in the absence of Rule 12b, Rule 12d is applicable – *No call-in may be made if the decision maker decides when making a decision that the matter is urgent for specified reasons.*

Kamal Adatia
Monitoring Officer
19 September 2025

In making this decision the Chief Operating Officer has had regard to the legal advice (which is exempt) provided by the Council's solicitors on the terms of the proposed settlement.

6. Climate emergency implications

Not sought owing to the confidential nature of the legal proceedings and settlement negotiations.

7. Equality Implications

Not sought owing to the confidential nature of the legal proceedings and settlement negotiations.

8. Background information and other papers

General Exception Notice

9. 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)?

The report is not private. Much of the detail of the settlement (and the negotiations) is exempt, and the report has therefore been written with only the public-facing information contained on it.

10. Is this a “key decision”? If so, why?

The settlement of the proceedings entails expenditure of a sum of money that is in excess of the £1m identified as the threshold for a “Key Decision” in the Council’s Constitution