



Leicester
City Council

Minute Extract

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 Cassidy – Vice Chair

Councillor Bonham

Councillor O'Neill

Councillor Osman

Councillor Porter

Councillor Rae Bhatia

In Attendance:

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

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:

- That the reports be noted.