



Leicester
City Council

Minute Extract

Culture and Neighbourhoods Scrutiny Commission

Held: Thursday, 22 January 2026 at 5:30 pm

P R E S E N T:

Councillor Zaman – Chair
Councillor Halford – Vice Chair

Councillor Dr Barton

Councillor Chauhan

Councillor Dave

Councillor Haq

Councillor Waddington

In Attendance

Deputy City Mayor - Councillor Cutkelvin

Assistant City Mayor – Councillor Dempster

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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 included amounts for areas previously supported by grants that were no longer available.
- Revenue Budget points directly relevant to the Culture and Neighbourhoods Scrutiny commission included:
 - £300k for a dedicated team to help deal with Ash Die Back
 - £300k to part fund a team to tackle anti-social behaviour and enforce public space protection orders
 - £1m to replace the loss of the UK Shared Prosperity Fund, to enable partial continuation of the work that was funded from this grant
- The final budget would be updated and presented to Council on the 25th February and would include the updated figures following the draft finance settlement, currently being worked through.
- 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 Culture and Neighbourhoods Scrutiny commission included:
 - £345k for depot improvements and transformation works
 - £450k for public toilet refurbishment
 - £225k for the Historic Building grant fund
 - £75k to continue the programme to refresh festival decorations
 - £430k for Heritage Interpretation panels
 - £450k to replace grounds maintenance machinery
 - £185k for mobile CCTV equipment to tackle fly tipping and street scene offences
 - £360k for replacement tree planting
 - £650k for 3G Pitch Replacements
 - £50k feasibility for the Curve automation system
 - £350k as possible match funding for the Voices of Leicester project

In response to member discussion, the following was noted:

- Members expressed concern that the draft budget would leave the incoming administration in 2028 with significant unresolved issues.
- Savings on back-office functions appear to be under-performing with current pressures now impacting frontline services. It was clarified that reported progress was against a three-year target, with remaining savings representing residual requirements, and that Finance and Corporate Services have fully achieved their savings for 2025/26.
- Members queried the final figures being presented at the Council meeting rather than first to the Overview Select Committee. It was confirmed in response that this was the case and that the same draft reports would be submitted to the OSC.
- The savings were profiled out and there may be changes in the final report where savings are not deliverable. Alternative considerations were in the pipeline for Libraries and Community Centres.
- All divisions were required to deliver savings, with continual challenge to all directors across the different service areas.
- In response to a member question on The Dedicated Schools Grant, it was noted that this question would be best directed to the Children, Young People and Education Scrutiny Commission (CYPE). A recent CYPE task group had recently made several recommendations, and it was noted that Leicester City benchmarked well against other authorities in relation to deficit.
- There was a £60m target set for asset sales. Yield consideration was taken into account for any potential assets to be sold.

- Members suggested that it would be helpful to show savings as a percentage of the overall budget for each division.

AGREED

- 1) That the reports be noted.
- 2) For more figures to be circulated on savings as a percentage of the overall budget for each division.

