

## **COUNTY COUNCIL MEETING – 4<sup>TH</sup> DECEMBER 2024**

### **POSITION STATEMENT FROM THE ACTING LEADER OF THE COUNCIL**

#### **MTFS Position**

The Council's financial position remains extremely challenging, although the strong grip that we've maintained over our finances has ensured that we are not at crisis point. The Chancellor's budget on 30<sup>th</sup> October did little to improve the position. Whilst some new funding was announced, we don't expect it to cover the additional costs announced in the budget.

We are still awaiting the actual details of the budget, and particularly how much of the National Insurance increase we will be compensated for, but it's likely that we will still be facing a gap approaching £100m by the final year of our Medium Term Financial Strategy. The 'Policy Statement' last Thursday from the Local Government Minister gave little clarity and we await the provisional settlement which the Minister said is still due before Christmas.

The Chancellor's budget and the 'Policy Statement' also failed to provide any certainty or solution for the High Needs Deficit, which is one of the biggest risks facing the Council. The additional £1bn SEND funding, whilst helpful, will barely make a dent in the deficit.

Innovation, efficiency and tough decisions mean that we have been able to avoid the crisis point many councils are now in. We're still working hard to provide vital support to vulnerable people and protect other services our residents value, but what we really need from Government is a credible, long-term plan. In the meantime, we are refreshing our MTFS based on a number of assumptions, and Cabinet will be receiving a report on 17<sup>th</sup> December on the draft budget proposals for 2025/26 and updated MTFS. The report will be circulated next week, and I would urge you all to read and understand the Council's difficult financial position and the actions we need to take to ensure that the Council remains financially sound, despite increasing costs, demand and funding uncertainty.

#### **Household Support Fund**

The UK Government has provided the council with £3.6m of funding through the Household Support Fund to support our communities over the winter months with the cost of living. This is allowing us to support children in receipt of free school meals with food vouchers during the school holidays, provides £200,000 of funding to

foodbanks and charities to purchase food and energy efficient white goods, and makes available over £1.4m in food and fuel vouchers to help the most vulnerable households through our referral scheme.

Demand for the Household Support Fund has been unprecedentedly high in this round and we are grateful to the many referring bodies who are supporting their clients to access support through the HSF. This adds to the frustration felt when external analysis of the budget indicated that the overall grant will be cut by 10% for the next financial year.

The recent cold weather has reminded many of the financial impact of the loss of winter fuel payment for pensioners in Leicestershire. We know that there are many residents in the county who will lose out on this support but who could be eligible for pension credit, unlocking winter fuel payment and other benefits. We have used a small amount of our funding from the HSF to support Age UK's information and advice services which can offer support to pensioners to help them to see if they are eligible for pension credit and to make an application.

### **Getting Ready for Winter**

Our winter gritting teams carried out their first precautionary treatment of the season the night of Sunday 17<sup>th</sup> November 2024. On the following night, Monday 18<sup>th</sup> November, our gritting teams worked throughout the night carrying out two treatments to 48% of the Council's road network ensuring the heaviest used routes were safe and traffic could keep moving.

To promote preparedness for winter flooding, the Council is working with other risk management authorities, community groups and flood wardens, and the 'Be Flood Ready' messaging is being used. Two community drop-in sessions were recently held in Market Harborough and at County Hall with high levels of engagement. We will continue to issue communications prior to significant forecast storms. This work helps us achieve one of the five objectives in the Leicestershire Local Flood Risk Management Strategy: 'To manage local flood risk through effective preparedness, response to, and recovery from flood events.'

### **Bus Service Improvement Plan (BSIP) Funding**

On 19<sup>th</sup> November, the Department for Transport (DfT) announced a further allocation of Bus Service Improvement Plan (BSIP) funding for 2025/26.

| <b>FUNDING TYPE</b> | <b>AMOUNT</b>     |
|---------------------|-------------------|
| Capital             | £3,145,798        |
| Revenue             | £4,379,636        |
| Capacity funding    | £94,000           |
| <b>Total</b>        | <b>£7,619,434</b> |

Conditions and detail surrounding the funding are expected imminently. The additional funding will be used, in addition to the previous BSIP grant allocations, to:

- Review/re-design the County's supported bus network to increase access and pump-prime services to increase patronage and secure more sustainable services for the future.
- Trial new services to assess demand.
- Introduce more flexible demand-responsive transport solutions.
- Offer fixed term and targeted promotions such as free travel for all, free or reduced travel for young people and seasonal/festive journeys.
- Work with operators to improve operational standards such as punctuality and passenger satisfaction.
- Investigate travel hubs and look to improve bus stop infrastructure where appropriate.
- Improve public transport information for all.

The grant funding allocated will assist the Authority further in moving towards achieving some of the ambitions detailed within the recently updated Leicestershire BSIP24.

The grant funding is being awarded with an initial spend date of March 2026.

### **Leicestershire Business and Skills Partnership (BSP)**

Members will be aware that the responsibilities of the former Leicester and Leicestershire Enterprise Partnership (LLEP) were transferred to the two upper tier local authorities with effect from 1<sup>st</sup> April 2024. These responsibilities include

business representation, strategic economic planning, and the delivery of government programmes.

In the Chancellor's Budget of 30<sup>th</sup> October, the Government announced that it was minded to cease support funding for the BSP and similar post-LEP bodies across England. Funding was provided for the current financial year but will now end on 31 March 2025. Funding for specific programmes is the subject of separate decisions by Government.

Officers from the City and County Councils are considering the implications of ending funding and a review of the future aim and purpose of the Business and Skills Partnership has been instigated. Options will be presented to the City Mayor and myself.