



DATE: 12/02/2026  
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**MEEITNG OF LEICESTERSHIRE COUNTY COUNCIL**  
**WEDNESDAY, 18 FEBRUARY 2026**

**SUPPLEMENTARY AGENDA**

4 (a) Medium Term Financial Strategy 2026/27 - 2029/30. (Pages 3 - 20)



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## REPORT OF THE CABINET

### A. MEDIUM TERM FINANCIAL STRATEGY 2026/27 – 2029/30

#### SUPPLEMENTARY REPORT

##### Introduction

1. This supplementary report relates to the Cabinet's consideration of the 2026/27 – 2029/30 Medium Term Financial Strategy (MTFS) at its meeting on 3<sup>rd</sup> February.

##### Background

2. Attached to the Council agenda is the report considered by the Cabinet on 3<sup>rd</sup> February 2026 which reflects the changes to the budget since it was approved for consultation in December including the provisional Local Government Settlement. The report to Cabinet included the following appendices marked A – R. Some of these have now been updated and are being circulated with this supplementary report following receipt of the final Local Government Settlement on 9<sup>th</sup> February. These are shown in the table below:

Appendix A	2026/27 Revenue Budget Summary <b>(as amended)</b>
Appendix B	Four Year Revenue Budget 2026/27 to 2029/30 <b>(as amended)</b>
Appendix C	Growth and Savings 2026/27 to 2029/30 <b>(as amended)</b>
Appendix E	Detailed Revenue Budgets 2026/27 <b>(as amended – Corporate and Central Items only)</b>
Appendix K	Earmarked Reserves Forecasts <b>(as amended)</b>

##### Changes arising from the final Local Government Finance Settlement

3. Since the Cabinet meeting the final Local Government Finance Settlement was announced on 9 February 2026. As a result the following changes have been made to the 2026/27 – 2029/30 budget:
  - (i) Final Settlement. The settlement provided an increase in Revenue Support Grant (RSG) over the previous forecasts of £2.7m in 2026/27 and £1.4m in 2027/28. The additional funding reduces the amount required from the budget equalisation reserve in 2026/27 to £15.4m to balance to the budget

and reduces the budget gap in 2027/28 to £34.2m.

- (ii) Dedicated Schools Grant (DSG) deficits. The Government has announced support to local authorities with DSG deficits:
  - a. Phase 1 - Local Authorities with DSG deficits at the end of 2025/26 will be eligible to receive a High Needs Stability Grant covering up to 90% of their DSG deficit subject to each authority submitting and securing the Department for Education's (DfE) approval of a local SEND reform plan. The DfE will commission local area partnerships to develop these plans during 2026. Payments will then be made in autumn 2026.
  - b. Phase 2 – the Government will confirm the detail on further support for deficits arising in 2026/27 and 2027/28 before the end of the statutory override (31 March 2028), stating 'we will continue to take an appropriate and proportionate approach, although it will not be unlimited'.
  - c. From 2028/29 – SEND spending will be covered by the DfE's central budget meaning that local authorities will not be expected to fund future SEND costs from general funds, but no funding has yet been included in the DfE's budget for this.

The Dedicated Schools Grant is made up of three blocks – High Needs, Schools and Early Years. The forecast net DSG deficit as at 31 March 2026 is £94m. This comprises the High Needs Block deficit of £110m and underspends on the Schools and Early Years blocks of £16m. It's not clear which basis MHCLG intend to use for the calculation.

The DfE have also advised that they will scrutinise local authority DSG accounts on an ongoing basis to identify discrepancies and significant fluctuations, as well as potential ineligible spend, which will be deducted from the total net DSG balance before calculating the 90% grant.

Based on the above, an initial estimate is that around £80m of government grant could be received in respect of the net DSG deficit as at 31 March 2026, subject to the DfE approval process. The Council would then need to fund the balance of £30m (of the £110m projected High Needs deficit) as at 31 March 2026.

For some time the Council has been setting aside funding in the budget equalisation reserve towards the High Needs deficit with a balance of £65m forecast to be held at 31 March 2026. A total of £35m is therefore proposed to be redirected towards other priorities of the Council and to support the MTFS in the longer term, as detailed below:

- £2.5m to be held in the budget equalisation to ensure there is sufficient cover for two years of MTFS budget gaps.
- £10m to contribute to the costs of Local Government Reorganisation (LGR), to be held in the Transformation and LGR reserve
- £10m transferred to the capital financing reserve to reduce the capital shortfall of £75m and reduce the need for prudential borrowing in later

years of the MTFS. The capital programme will be updated in the summer refresh (August/September 2026) for this change.

- £10m for the implementation phase of the Efficiency Review, subject to a Cabinet decision following completion of the review, to be held in the Transformation and LGR reserve
- Balance of £2.5m to be added to the Service Investment Fund to fund one off priority projects.

There are still ongoing financial risks with DSG deficits from April 2026 until responsibility transfers to the DfE from 2028/29. The level of government support for these deficits has not yet been confirmed and therefore the MTFS continues to set aside 50% towards these deficits until the position becomes clearer.

4. Appendices A, B, C, E and K have been amended to reflect the changes above.
5. The recommendations of the Cabinet to the County Council concerning the MTFS taking account of the proposed changes outlined above are set out in the motion which appears below.

### **Motion to be moved**

- (a) **That subject to the items below, and following changes arising from the Local Government Finance Settlement, approval be given to the Medium Term Financial Strategy (MTFS) which incorporates the recommended net revenue budget for 2026/27 totalling £616.1m as set out in the revised Appendices A, B and E of this report and includes the growth and savings for that year as set out in the revised Appendix C;**
- (b) **That the revised Appendices A, B, C and E be approved to reflect the changes in Revenue Support Grant, which reduces the use of reserves in 2026/27 and reduces the funding gap in 2027/28, and the allocation of £2.5m in the Service Investment Fund, as set out earlier in this supplementary report;**
- (c) **That approval be given to the projected provisional revenue budgets for 2027/28, 2028/29 and 2029/30, set out in revised Appendix B to the report, including the growth and savings for those years as set out in revised Appendix C, allowing the undertaking of preliminary work, including business case development, engagement and equality and human rights impact assessments, as may be necessary to achieve the savings specified for those years including savings under development, set out in Appendix D;**
- (d) **That each Chief Officer, in consultation with the Director of Corporate Resources and following consultation with the relevant Cabinet Lead Member(s), undertake preparatory work as considered appropriate to develop proposals and associated investment required to reduce the financial gap in all four years of the MTFS, to enable the Cabinet, subject to scrutiny processes, to consider a new multi-year transformation programme;**
- (e) **That approval be given to the early achievement of savings that are included in the MTFS, as may be necessary, along with associated investment costs,**

subject to the Director of Corporate Resources agreeing to funding being available;

- (f) That the level of the General Fund and earmarked reserves as set out in the revised Appendix K, to reflect the updates for the High Needs Deficit cover as set out earlier in this report, be noted and the planned use of those earmarked reserves as indicated in that appendix be approved;
- (g) That the risk assessment at paragraph 140 and the Director of Corporate Resources assurance statement at paragraph 155 be noted;
- (h) That the recommended Council Tax increase of 2.99% for 2026/27 and the resulting precept be approved;
- (i) That the Chief Executive be authorised to issue the necessary precepts to billing authorities in accordance with (g) above and the tax base notified by the District Councils, and to take any other action which may be necessary to give effect to the precepts;
- (j) That approval be given to the 2026/27 to 2029/30 capital programme, totalling £501m, as set out in Appendix F;
- (k) That the Director of Corporate Resources following consultation with the Cabinet Lead Member for Resources be authorised to approve new capital schemes and revenue spend to save schemes, including revenue costs associated with their delivery, shown as future developments in the capital programme, to be funded from funding available;
- (l) That the financial indicators required under the Prudential Code included in Appendix N, Annex 2 be noted and that the following limits be approved:

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
<b>Operational boundary for external debt</b>				
i) Borrowing	194	200	225	255
ii) Other long term liabilities	1	1	1	1
<b>TOTAL</b>	<b>195</b>	<b>201</b>	<b>226</b>	<b>256</b>
<b>Authorised limit for external debt</b>				
i) Borrowing	204	210	235	265
ii) Other long term liabilities	1	1	1	1
<b>TOTAL</b>	<b>205</b>	<b>211</b>	<b>236</b>	<b>266</b>

- (m) That the Director of Corporate Resources be authorised to effect movement within the authorised limit for external debt between borrowing and other long-term liabilities;
- (n) That the following borrowing limits be approved for the period 2026/27 to 2029/30:

**(i) Maturity of borrowing:-**

	<u>Upper Limit</u>	<u>Lower Limit</u>
	%	%
<b>Under 12 months</b>	<b>30</b>	<b>0</b>
<b>12 months and within 24 months</b>	<b>30</b>	<b>0</b>
<b>24 months and within 5 years</b>	<b>50</b>	<b>0</b>
<b>5 years and within 10 years</b>	<b>70</b>	<b>0</b>
<b>10 years and above</b>	<b>100</b>	<b>25</b>

**(ii) An upper limit for principal sums invested for periods longer than 364 days is 25% of the portfolio.**

- (o) That the Director of Corporate Resources be authorised to enter into such loans or undertake such arrangements as necessary to finance the capital programme, subject to the prudential limits in Appendix N;**
- (p) That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2026/27, as set out in Appendix N, be approved including:**
  - (i) The Treasury Management Policy Statement, Appendix N; Annex 4;**
  - (ii) The Annual Statement of the Annual Minimum Revenue Provision as set out in Appendix N, Annex 1;**
- (q) That the Capital Strategy (Appendix G), Investing in Leicestershire Programme Strategy (Appendix H), Risk Management Policy and Strategy (Appendix I), Earmarked Reserves Policy (Appendix J) and Insurance Policy (Appendix L) be approved;**
- (r) That it be noted that the Leicester and Leicestershire Business Rate Pool has been revoked for 2026/27;**
- (s) That the Leicestershire School Funding Formula is subject to capping and scaling and continues to reflect the National Funding Formula for 2026/27;**
- (t) That delegated authority be given to the Director of Children and Family Services, following consultation with the Cabinet Lead Member for Children and Family Services, to agree the funding rates for early years providers for 2026/27.**

**12<sup>th</sup> February 2026**

**Mr. D. Harrison CC  
Leader of the Council**

## **Background Papers**

Report to the Cabinet 16 December 2025 – Provisional Medium Term Financial Strategy 2026/27 to 2029/30 – Proposals for Consultation

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7882&Ver=4>

Report to the County Council 19 February 2025: Medium Term Financial Strategy 2025/26 – 2028/29

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7391&Ver=4>

County Council Strategic Plan

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>

## REVENUE BUDGET 2026/27

	Gross Expenditure								Gross Income (external)				NET TOTAL	
	Base including inflation	Growth			Gross Expenditure	Base including inflation	Growth			Gross Income				
		£	£	£			£	£	£					
<b>Spending</b>														
<b>Services :</b>														
Children & Family Services *	521,653,690	27,730,000	-6,730,000	542,653,690	-384,009,120	0	0	0	-384,009,120	158,644,570				
Adults & Communities	387,432,880	14,830,000	-4,390,000	397,872,880	-150,875,150	-2,660,000	-2,625,000	-156,160,150	241,712,730					
Public Health	35,830,770	0	0	35,830,770	-37,917,240	0	0	0	-37,917,240	-2,086,470				
Environment & Transport	149,455,320	5,110,000	-5,090,000	149,475,320	-34,779,120	0	-590,000	-35,369,120	114,106,200					
Chief Executives	21,546,710	255,000	-345,000	21,456,710	-5,519,460	0	-235,000	-5,754,460	15,702,250					
Corporate Resources	68,361,750	1,005,000	-2,820,000	66,546,750	-28,652,990	0	-305,000	-28,957,990	37,588,760					
	1,184,281,120	48,930,000	-19,375,000	1,213,836,120	-641,753,080	-2,660,000	-3,755,000	-648,168,080	565,668,040					
DSG (Central Dept recharges)	0	0	0	-2,285,000			-2,285,000		-2,285,000					
Service Investment Fund	2,500,000		2,500,000	0			0		0	2,500,000				
MTFS Risks Contingency	8,000,000		8,000,000	0			0		0	8,000,000				
Contingency for inflation/ Living Wage	18,250,000		18,250,000	0			0		0	18,250,000				
<b>Total Services</b>	<b>1,213,031,120</b>	<b>48,930,000</b>	<b>-19,375,000</b>	<b>1,242,586,120</b>	<b>-644,038,080</b>	<b>-2,660,000</b>	<b>-3,755,000</b>	<b>-650,453,080</b>	<b>592,133,040</b>					
<b>Central Items:</b>														
Financing of capital	14,832,000		14,832,000	-2,432,000			-2,432,000		-2,432,000	12,400,000				
Bank & other interest	0		0	-11,000,000			-11,000,000		-11,000,000	-11,000,000				
Central expenditure	4,085,300		4,085,300	-915,000			-915,000		-915,000	3,170,300				
<b>Total Central Items</b>	<b>18,917,300</b>	<b>0</b>	<b>0</b>	<b>18,917,300</b>	<b>-14,347,000</b>	<b>0</b>	<b>0</b>	<b>-14,347,000</b>	<b>4,570,300</b>					
<b>Total Services &amp; Central Items</b>	<b>1,231,948,420</b>	<b>48,930,000</b>	<b>-19,375,000</b>	<b>1,261,503,420</b>	<b>-658,385,080</b>	<b>-2,660,000</b>	<b>-3,755,000</b>	<b>-664,800,080</b>	<b>596,703,340</b>					
Contribution to earmarked reserves	33,800,000		33,800,000	0			0		0	33,800,000				
Contribution to General Fund	1,000,000		1,000,000	0			0		0	1,000,000				
Contribution from budget equalisation														
reserve to balance 2026-27 revenue budget	-15,373,490		-15,373,490	0			0		0	-15,373,490				
<b>Total Spending</b>	<b>1,251,374,930</b>	<b>48,930,000</b>	<b>-19,375,000</b>	<b>1,280,929,930</b>	<b>-658,385,080</b>	<b>-2,660,000</b>	<b>-3,755,000</b>	<b>-664,800,080</b>	<b>616,129,850</b>					
<b>Funding</b>														
Revenue Support Grant										-82,846,600				
Business Rates - Top Up										-52,467,830				
Business Rates Baseline/Retained										-38,083,610				
Council Tax Precept										-441,556,540				
Council Tax Collection Fund net deficit / (surplus)										-1,175,270				
<b>Total Funding</b>										<b>-616,129,850</b>				
<b>Council Tax</b>														
Council Tax Base										254,971.43				
Band D Council Tax										£1,731.79				
Increase on 2025/26 (£1,681.50)										2.99%				

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## 2026/27 - 2029/30 REVENUE BUDGET \*

	TOTAL 2025/26 Restated £000	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2026/27 £000	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2027/28 £000	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2028/29 £000	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2029/30 £000
<b>Spending</b>																	
Services :																	
Children & Family Services	140,368	-2,724	27,730	-6,730	158,645	0	9,520	-5,000	163,165	959	10,200	-4,400	169,923	0	10,800	-4,175	176,548
Adults & Communities	223,234	13,323	12,170	-7,015	241,712	21,824	6,060	-5,190	264,406	0	5,190	-3,030	266,566	0	6,290	-1,410	271,446
Public Health **	-2,746	660	0	0	-2,086	0	0	0	-2,086	0	0	0	-2,086	0	0	0	-2,086
Environment & Transport	110,841	3,835	5,110	-5,680	114,106	1,725	4,465	-1,150	119,146	1,000	8,305	-95	128,356	1,000	3,445	0	132,801
Chief Executives	16,888	-861	255	-580	15,702	0	0	-10	15,692	0	0	0	15,692	0	0	0	15,692
Corporate Resources	39,039	670	1,005	-3,125	37,589	35	0	-650	36,974	132	0	-85	37,021	90	0	-100	37,011
DSG (Central Dept recharges)	527,625	14,903	46,270	-23,130	565,668	23,584	20,045	-12,000	597,297	2,091	23,695	-7,610	615,473	1,090	20,535	-5,685	631,413
Growth Contingency	-2,285	0	0	0	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	-2,285	
Service Investment Fund	1,200	1,300	2,500	0	2,500	-2,500	0	0	6,955	0	3,305	0	10,260	0	6,465	0	16,725
MTFS Risks Contingency	8,000	8,000	8,000	0	8,000	8,000	0	0	8,000	0	0	0	8,000	0	0	0	8,000
Contingency for inflation/ Living Wage	34,430	-16,180	18,250	18,500	34,430	18,250	18,500	0	36,750	17,800	0	0	54,550	17,950	0	0	72,500
Central Items:	568,970	23	46,270	-23,130	592,133	39,584	27,000	-12,000	646,717	19,891	27,000	-7,610	685,998	19,040	27,000	-5,685	726,353
Financing of capital	14,800	-2,400	12,400	100	14,800	12,400	100	0	12,500	200	0	0	12,700	700	0	0	13,400
Bank & other interest	-12,000	1,000	-11,000	4,000	-12,000	-11,000	4,000	0	-7,000	3,000	0	0	-4,000	2,000	0	0	-2,000
Central expenditure	3,015	155	0	0	3,170	-100	0	0	3,070	-100	0	0	2,970	-100	0	0	2,870
<b>Total Services &amp; Central Items</b>	<b>574,785</b>	<b>-1,222</b>	<b>46,270</b>	<b>-23,130</b>	<b>596,703</b>	<b>43,584</b>	<b>27,000</b>	<b>-12,000</b>	<b>655,287</b>	<b>22,991</b>	<b>27,000</b>	<b>-7,610</b>	<b>697,668</b>	<b>21,640</b>	<b>27,000</b>	<b>-5,685</b>	<b>740,623</b>
Contributions to earmarked reserves	22,600	0	33,800	0	22,600	33,800	0	0	39,200	0	0	0	45,800	0	0	0	54,000
Contributions to General Fund	1,000	0	1,000	0	1,000	1,000	0	0	1,000	0	0	0	1,000	0	0	0	1,000
Contributions from reserves to balance budgets	-4,653	0	-15,374	0	-4,653	-15,374	0	0	0	0	0	0	0	0	0	0	0
<b>Total Spending</b>	<b>593,732</b>				<b>616,129</b>				<b>695,487</b>				<b>744,468</b>				<b>795,623</b>
<b>Funding</b>																	
Revenue Support Grant	-68,290	0	-82,847	0	-68,290	-82,847	0	0	-106,628	0	0	0	-109,807	0	0	0	-109,807
Business Rates - Top Up	-42,912	0	-52,468	0	-42,912	-52,468	0	0	-53,671	0	0	0	-54,754	0	0	0	-55,849
Business Rates Baseline/Retained	-31,818	0	-38,084	0	-31,818	-38,084	0	0	-38,957	0	0	0	-39,743	0	0	0	-40,538
S31 grants - Business Rates	-17,713	0	0	0	-17,713	0	0	0	0	0	0	0	0	0	0	0	0
Business Rates Pool - share of Levy	-8,000	0	0	0	-8,000	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax Precept	-422,465	0	-441,556	0	-422,465	-441,556	0	0	-461,580	0	0	0	-482,510	0	0	0	-504,390
Council Tax Collection Fund net deficit / (surplus)	-1,493	0	-1,175	0	-1,493	-1,175	0	0	-500	0	0	0	-500	0	0	0	-500
New Homes Bonus Grant	-1,041	0	0	0	-1,041	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Funding</b>	<b>-593,732</b>				<b>-616,129</b>				<b>-661,336</b>				<b>-687,314</b>				<b>-711,084</b>
<b>VARIANCE</b>	<b>0</b>				<b>0</b>				<b>34,151</b>				<b>57,154</b>				<b>84,539</b>
Band D Council Tax	£1,681.50		£1,731.79		£1,681.50	£1,731.79			£1,783.57				£1,836.90				£1,891.82
Increase	4.99%		2.99%		4.99%	2.99%			2.99%				2.99%				2.99%

\* provisional for 2027/28 and later years

\*\* preventative expenditure within other Departments' budgets to be identified and absorbed into the ring fenced budget

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References		2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
<b><u>GROWTH</u></b>					
<b><u>CHILDREN &amp; FAMILY SERVICES</u></b>					
** G1	Demographic growth & increasing cost of Social Care Placement mix	22,200	30,200	38,700	47,900
** G2	Front-line social care staff - increased caseloads	700	700	900	900
** G3	Post Transforming SEND & Inclusion In Leicestershire(TSIL) sustainability	1,850	1,850	1,850	1,850
** G4	Unaccompanied Asylum Seeking Children (UASC) - increased demand/cost	800	2,000	3,200	4,450
G5	Disabled Children Service	1,380	1,700	2,000	2,350
G6	Oakfield Expansion - Increased Transport need/demand	800	800	800	800
	<b>TOTAL</b>	<b>27,730</b>	<b>37,250</b>	<b>47,450</b>	<b>58,250</b>
<b><u>ADULTS &amp; COMMUNITIES</u></b>					
** G7	Older people - new entrants and increasing needs in community based services and residential admissions	5,130	8,980	12,580	16,770
** G8	Learning Disabilities - new entrants including children transitions and people with complex needs	3,780	6,530	9,150	12,000
** G9	Mental Health - new entrants in community based services and residential admissions	1,420	2,400	3,290	4,340
** G10	Physical Disabilities - new entrants in community based services	340	670	1,040	1,370
** G11	Additional Service User Income from new growth to offset costs	-530	-1,380	-2,350	-3,420
** G12	Additional Health Income from new growth to offset costs	-1,380	-2,380	-3,330	-4,390
G13	Increased Service User Income realigning to 2025/26 levels	-750	-750	-750	-750
G14	Archives digital preservation and offsite storage	170	120	100	100
G15	CQC Improvement Plan	3,990	4,040	3,690	3,690
	<b>TOTAL</b>	<b>12,170</b>	<b>18,230</b>	<b>23,420</b>	<b>29,710</b>
<b><u>ENVIRONMENT &amp; TRANSPORT</u></b>					
<b><u>Highways &amp; Transport Services</u></b>					
** G16	Special Educational Needs transport - increased client numbers/costs	4,975	7,290	10,325	13,275
** G17	Mainstream School Transport - increased client numbers/costs	135	285	445	605
** G18	Fleet Services vehicle maintenance costs	-45	-70	0	70
* G19	Street Lighting maintenance costs	-125	-125	-125	-125
G20	Loss of income on Passenger Fleet from removal of School Food Service	65	90	90	90
	<b>Total</b>	<b>5,005</b>	<b>7,470</b>	<b>10,735</b>	<b>13,915</b>
<b><u>Waste Management Services</u></b>					
** G21	DIY Waste - loss of income	0	65	130	195
** G22	Increased waste tonnages	80	240	440	640
* G23	Emissions Trading Scheme (ETS) expansion to include energy from waste facilities	0	1,500	6,000	6,000
G24	Deposit Return Scheme (DRS)	0	275	550	550
	<b>Total</b>	<b>80</b>	<b>2,080</b>	<b>7,120</b>	<b>7,385</b>
<b><u>Department Wide</u></b>					
* G25	HGV Driver Market Premia	25	25	25	25
	<b>Total</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
	<b>TOTAL E&amp;T</b>	<b>5,110</b>	<b>9,575</b>	<b>17,880</b>	<b>21,325</b>
<b><u>CHIEF EXECUTIVES</u></b>					
G26	Legal Services - Childcare team	175	175	175	175
G27	Local Government Association (LGA) and County Councils Network (CCN) subscriptions	80	80	80	80
	<b>TOTAL</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>
<b><u>CORPORATE RESOURCES</u></b>					
** G28	ICT cyber security	330	330	330	330
G29	Commercial Services	675	675	675	675
	<b>TOTAL</b>	<b>1,005</b>	<b>1,005</b>	<b>1,005</b>	<b>1,005</b>
<b><u>CORPORATE GROWTH</u></b>					
** G30	Growth contingency	0	6,955	10,260	16,725
	<b>TOTAL</b>	<b>0</b>	<b>6,955</b>	<b>10,260</b>	<b>16,725</b>
	<b>TOTAL GROWTH</b>	<b>46,270</b>	<b>73,270</b>	<b>100,270</b>	<b>127,270</b>
<i>Overall net additional growth</i>					
* items unchanged from previous Medium Term Financial Strategy					
** items included in the previous Medium Term Financial Strategy which have been amended					

## SAVINGS

### References used in the following tables

\* items unchanged from previous Medium Term Financial Strategy

\*\* items included in the previous Medium Term Financial Strategy which have been amended

Eff - Efficiency saving

SR - Service reduction

Inc - Income

		<b>CHILDREN &amp; FAMILY SERVICES</b>				
*	CF1 Eff	Innovation Partnership - Creation and investment in Internal Residential provision	-750	-1,250	-1,500	-1,500
*	CF2 Eff	Defining CFS For the Future Programme - Phase 2 - Social Care Workforce Strategy (Recruitment and Retention)	-250	-650	-650	-650
*	CF3 Eff	Reduced Care Costs through growth of internal family based placements	-300	-600	-850	-850
**	CF4 Eff/Inc	Smarter commissioning, Procurement and Demand Management - Social Care Placements and externally commissioned services				
		Strand 1 - Contain & Minimise impact of market cost pressures for children placements - external providers	-1,000	-2,250	-3,700	-5,470
		Strand 2 - Review of care packages /cost (Pro-active and Reactive) ensuring value for money and effectiveness	-200	-400	-650	-955
		Strand 3 - Development of a wide range of other accommodation and support options	-3,600	-5,950	-8,150	-10,250
CF5	Eff	Departmental Service Efficiency Review	-630	-630	-630	-630
<b>TOTAL</b>			<b>-6,730</b>	<b>-11,730</b>	<b>-16,130</b>	<b>-20,305</b>

### ADULTS & COMMUNITIES

#### **Adult Social Care**

*	AC1 Inc	Increased income from fairer charging and removal of subsidy / aligning increases	-100	-200	-300	-400
*	AC2 Eff	Implementation of digital assistive technology to service users	-150	-150	-150	-150
*	AC3 Inc	Increased Better Care Fund income from annual uplift	-2,000	-3,000	-4,000	-5,000
*	AC4 Eff	Transforming Commissioning (Extra Care)	-80	-155	-155	-155
**	AC5 Eff	Transforming Commissioning continuing review of contracts across all areas	-25	-25	-25	-25
**	AC6 Eff	Review of underspends in staffing and general expenditure(turnover)	-100	-100	-100	-100
*	AC7 Eff	Review in-house supported living and short breaks provision	-150	-400	-400	-400
*	AC8 Eff	Review of 1:1 support in residential care	-250	-250	-250	-250
*	AC9 Inc	Increasing Health Income	-200	-200	-200	-200
*	AC10 Inc	Review of Fees & Charges	-50	-50	-50	-50
AC11	Eff	Review of Lightbulb Service contribution and business case with partners to improve efficiency.	-160	-160	-160	-160
AC12	Eff	Review of Direct Payments processes to improve efficiency across teams and robustness of assessments/reviews.	-50	-50	-50	-50
AC13	Eff	Social Care Data Quality	-250	-250	-250	-250
AC14	Eff	Strategic Commissioning Efficiencies	-50	-50	-50	-50
AC15	Eff	Transforming Commissioning (Homecare Reprocurement)	-150	-260	-260	-260
AC16	Eff	Transforming Commissioning (Community Life Choices Reprocurement)	-75	-150	-150	-150
AC17	Eff	Prevention Review - Reviews of cases	-350	-700	-700	-700
AC18	Eff	Prevention Review - Supported Living	-850	-1,700	-1,700	-1,700
AC19	Eff	Prevention Review - Hospital Discharge and Reablement	-950	-1,900	-1,900	-1,900
AC20	Eff	Prevention Review - Improved Pathway to Adulthood	0	-250	-250	-250
AC21	Eff	Increased Reablement Capacity	-1,000	-1,000	-1,000	-1,000
AC22	Eff	Increasing Reablement Capacity through recruitment of additional staff	0	-1,180	-3,070	-3,380
AC23	Eff	Increasing Brokerage fees	-25	-25	-25	-25
<b>Total ASC</b>			<b>-7,015</b>	<b>-12,205</b>	<b>-15,195</b>	<b>-16,605</b>

### Communities and Wellbeing

**	AC24 Eff	Implementation of revised service for communities and wellbeing	0	0	-40	-40
<b>Total C&amp;W</b>			<b>0</b>	<b>0</b>	<b>-40</b>	<b>-40</b>
<b>TOTAL A&amp;C</b>			<b>-7,015</b>	<b>-12,205</b>	<b>-15,235</b>	<b>-16,645</b>

### ENVIRONMENT & TRANSPORT

#### **Highways & Transport Services**

**	ET1 Eff	Assisted Transport Programme	-4,010	-4,845	-4,845	-4,845
**	ET2 Inc	Network Management incl. temporary traffic regulation orders (TTRO)	-200	-200	-200	-200
**	ET3 Inc	Fees and Charges Uplift	-35	-35	-35	-35
*	ET4 Eff	Traffic Signals energy savings arising LED implementation	-20	-20	-20	-20
ET5	Eff	Contract Procurement efficiencies	-800	-800	-800	-800
<b>Total</b>			<b>-5,065</b>	<b>-5,900</b>	<b>-5,900</b>	<b>-5,900</b>

## References

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
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SAVINGS

		<b>Waste Management Services</b>			
**	ET6	Inc	Trade Waste income	-100	-100
**	ET7	Eff/Inc	Food Waste implementation	-260	-575
**	ET8	Inc	Fees and Charges Uplift	-5	-5
	ET9	Inc	Recycling Materials increased income	-250	-250
			<b>Total</b>	<b>-615</b>	<b>-930</b>
			<b>TOTAL E&amp;T</b>	<b>-5,680</b>	<b>-6,830</b>
		<b>CHIEF EXECUTIVE</b>			
*	CE1	Eff	Trading Standards Review	-10	-20
**	CE2	Inc	Additional Registrars fees and income	-135	-135
	CE3	Eff/SR	Staff vacancy	-100	-100
	CE4	Eff	Review of Communities Management	-95	-95
	CE5	Eff	Travel reduction	-10	-10
	CE6	SR	Hospitality reduction	-10	-10
	CE7	Eff	Democratic Services - Staff Review	-55	-55
	CE8	Eff	Departmental Efficiencies	-125	-125
	CE9	Inc	Increasing monitoring fees for Section 106 obligations, funded by developer	-40	-40
			<b>TOTAL</b>	<b>-580</b>	<b>-590</b>
		<b>CORPORATE RESOURCES</b>			
		<b>Corporate Resources Department</b>			
**	CR1	Eff/Inc	Use of office space	-175	-595
**	CR2	Eff	Customer Programme (cross cutting)	-85	-195
*	CR3	Eff	Transformation Unit efficiencies	0	-70
**	CR4	Eff	Energy Efficiency Initiatives	-50	-80
**	CR5	Eff	ICT efficiencies	-925	-925
**	CR6	Eff	Property Service efficiencies	-180	-180
*	CR7	Eff	Transfer of temporary Departmental/Administrative savings to permanent	300	300
	CR8	Inc	Tax Opportunities - review of opportunities for payroll tax savings	-40	-50
	CR9	Eff	Rationalisation of Multi-Functional Devices (Photocopiers)	0	-10
	CR10	Eff	Communications team efficiency (Social Media Strategy and Delivery)	-55	-55
	CR11	Eff	Early Payments Partnership	-50	-50
	CR12	Inc	Country Parks- increasing parking fees	-80	-80
				<b>-1,340</b>	<b>-1,990</b>
		<b>Central Items</b>			
CR13	Eff	Minimum Revenue Provision Review - assessment of alternative prudent approaches	-1,600	-1,600	
CR14	Inc	ESPO Increased Dividend Yield	-185	-185	
				<b>-1,785</b>	<b>-1,785</b>
		<b>TOTAL</b>			
				<b>-3,125</b>	<b>-3,775</b>
		<b>TOTAL SAVINGS including additional income</b>			
				<b>-23,130</b>	<b>-35,130</b>
		<b>MTFS net shortfalls - savings required</b>			
				<b>-15,373</b>	<b>-34,151</b>
		<b>Gap in 2026/27 budget to be met from earmarked reserves</b>			
				<b>15,373</b>	
		<b>TOTAL SAVINGS REQUIRED - EXCLUDING DSG</b>			
				<b>-23,130</b>	<b>-69,281</b>
		<b>Dedicated Schools Grant - Deficit reduction activity</b>			
		Integrated programme of six strategic actions to create a whole-system transformation that address the root causes of rising EHCP demand and inefficient placement patterns			
				<b>-15,363</b>	<b>-33,403</b>
		<b>TOTAL SAVINGS REQUIRED - INCLUDING DSG</b>			
				<b>-15,363</b>	<b>-33,403</b>
				<b>-38,493</b>	<b>-102,684</b>
				<b>-149,528</b>	<b>-199,110</b>

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CORPORATE & CENTRAL ITEMSREVENUE BUDGET 2026/27

Net Budget 2025/26 £		*	Employees £	Running Expenses £	Internal Income £	Gross Budget £	External Income £	Net Budget 2026/27 £
<b>CORPORATE</b>								
-2,285,000	<b>DSG (Central Dept recharges)</b>	S	0	0	0	0	-2,285,000	-2,285,000
0	<b>Service Investment Fund</b>	B	0	2,500,000	0	2,500,000	0	2,500,000
8,000,000	<b>MTFS Risks Contingency</b>	B	0	8,000,000	0	8,000,000	0	8,000,000
8,500,000	<b>Contingency for Inflation / Living Wage **</b>	B	7,585,000	11,665,000	0	19,250,000	0	19,250,000
<b>14,215,000</b>	<b>TOTAL CORPORATE BUDGETS</b>		<b>7,585,000</b>	<b>22,165,000</b>	<b>0</b>	<b>29,750,000</b>	<b>-2,285,000</b>	<b>27,465,000</b>
<b>CENTRAL ITEMS</b>								
14,800,000	<b>Financing of Capital</b>	B	0	14,830,000	0	14,830,000	-2,430,000	12,400,000
-12,000,000	<b>Bank &amp; Other Interest</b>	B	0	0	0	0	-11,000,000	-11,000,000
<b>Central Expenditure</b>								
1,400,000	Pensions (pre LGR /LGR)	S	0	1,300,000	0	1,300,000	0	1,300,000
1,483,600	Members Expenses & Support etc	S	1,379,300	100,000	0	1,479,300	0	1,479,300
340,000	Flood Defence Levies	S	0	340,000	0	340,000	0	340,000
500,000	Elections	S	0	500,000	0	500,000	0	500,000
-400,000	Financial Arrangements etc	B	0	516,000	0	516,000	-915,000	-399,000
-50,000	Car Leasing	B	0	0	-50,000	-50,000	0	-50,000
3,273,600			1,379,300	2,756,000	-50,000	4,085,300	-915,000	3,170,300
<b>6,073,600</b>	<b>TOTAL CENTRAL ITEMS</b>		<b>1,379,300</b>	<b>17,586,000</b>	<b>-50,000</b>	<b>18,915,300</b>	<b>-14,345,000</b>	<b>4,570,300</b>

\* **S/D/B** : indicates that the service is **Statutory**, **Discretionary** or a combination of **Both**

\*\* 2025/26 contingency of £34.4m less £16.7m transferred to Departmental budgets and £9.2m adjustment for Pensions contribution changes

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EARMARKED RESERVES BALANCES

	Revised Balance 01/04/25 £000	Forecast Balance 31/03/26 £000	Forecast Balance 31/03/27 £000	Forecast Balance 31/03/28 £000	Forecast Balance 31/03/29 £000	Forecast Balance 31/03/30 £000
<b>Renewal of Systems, Equipment and Vehicles</b>	2,110	1,880	1,700	1,350	1,210	1,080
<b>Trading Accounts</b>						
Investing in Leicestershire Programme (iLP)	5,760	6,250	8,170	10,370	11,820	13,270
<b>Insurance</b>						
General	11,720	12,190	12,680	13,160	13,650	14,140
Schools schemes and risk management	30	30	30	30	30	30
Uninsured loss fund	4,930	4,930	4,930	4,930	4,930	4,930
<b>Committed Balances</b>						
Central Maintenance Fund	1,360	860	860	360	360	360
<b>Other</b>						
Children & Family Services						
C&FS Developments	1,610	730	230	230	230	230
Youth Offending	930	1,010	860	710	560	410
Other	200	150	80	40	0	0
Adults & Communities						
A&C Developments	1,380	890	310	70	70	70
Public Health	5,820	3,370	1,960	1,480	80	80
Environment & Transport						
E&T Developments	740	1,240	840	690	540	390
Commuted Sums	1,740	1,240	740	240	0	0
Pan regional transport model (PRTM)	1,120	630	1,050	1,470	1,900	2,330
Waste Developments	510	320	0	0	0	0
Section 38 Income	440	0	0	0	0	0
Other	530	570	550	500	450	400
Chief Executive						
Economic Development-General	200	130	0	0	0	0
Chief Executive Dept Developments	660	410	280	190	170	120
Other	100	70	60	60	30	0
Corporate Resources						
Other	870	790	730	670	670	710
Corporate:						
Transformation and LGR	11,990	7,810	11,930	0	0	0
Broadband	2,710	2,710	1,260	0	0	0
Business Rates Retention	570	570	570	570	570	570
Elections	1,350	350	850	1,350	1,850	350
Other	100	100	100	100	100	100
Budget Equalisation	92,110	112,780	104,900	109,950	151,980	205,980
Flooding Restoration Works	3,160	2,910	1,350	680	0	0
Capital Financing and Improvement Projects	139,520	90,980	46,620	420	260	100
<b>Total</b>	<b>294,270</b>	<b>255,900</b>	<b>203,640</b>	<b>149,620</b>	<b>191,460</b>	<b>245,650</b>
<b>Schools and Partnerships</b>						
Dedicated Schools Grant	-48,350	-95,880	-169,560	-254,690	-349,490	-453,430
Active Together	1,060	940	560	0	0	0
Health & Social Care Outcomes	10,180	8,810	4,210	3,490	2,890	2,890
Emergency Management	850	430	460	500	530	530
Leicestershire Safeguarding Children Board	240	200	160	100	40	0
Leics Social Care Development Group	30	30	30	30	30	30
<b>Total</b>	<b>-35,990</b>	<b>-85,470</b>	<b>-164,140</b>	<b>-250,570</b>	<b>-346,000</b>	<b>-449,980</b>
<b>TOTAL</b>	<b>258,280</b>	<b>170,430</b>	<b>39,500</b>	<b>-100,950</b>	<b>-154,540</b>	<b>-204,330</b>

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