



CABINET - TUESDAY 26 MAY 2026

ORDER PAPER

ITEM DETAILS

APOLOGIES FOR ABSENCE

Mr. A. Tilbury CC

1. MINUTES (Pages 3 - 8)

That the minutes of the meeting held on 28 April 2026 be taken as read, confirmed, and signed.

2. URGENT ITEMS

None.

3. DECLARATIONS OF INTEREST

Members of the Cabinet are asked to declare any interests in the business to be discussed.

4. PROVISIONAL REVENUE AND CAPITAL OUTTURN 2025/26 (Pages 9 - 62)

- *A revised Appendix F to the report, summarising the Investing in Leicestershire Programme position as at Quarter 4, is attached to this Order Paper, marked "4".*

Proposed motion

- a) That the 2025/26 provisional revenue and capital outturn be noted;
- b) That the prudential indicators for 2025/26 as shown in Appendix E to the report be noted;
- c) That the net revenue underspend is used for the additional commitments as specified in paragraph 86 of the report;
- d) That the EMSS Partnership Agreement addendum as set out at Appendix G to the report be approved.

5. EFFICIENCY REVIEW - OUTCOMES AND REVISED CHANGE AND IMPROVEMENT PROGRAMME (Pages 63 - 192)

- *A report was considered by Scrutiny Commission at its meeting on 11 May and its comments are attached to this Order Paper, marked "5".*

Proposed motion

- a) That the views of the Scrutiny Commission be noted;
- b) That the revised Transformation Programme at Appendix A to the report be approved and re-named the Better Leicestershire Programme;
- c) That the relevant Chief Officers, following consultation with the relevant Cabinet Lead Members, be authorised to implement the initiatives in the Better Leicestershire Programme, subject to the usual Scrutiny and Cabinet process in relation to proposed service change;
- d) That the Chief Executive and the Director of Corporate Resources, following consultation with the Leader and the Cabinet Lead Member for Resources be authorised to;
 - i) mobilise the internal and external resources required to implement the Better Leicestershire Programme,
 - ii) undertake any procurement or contractual processes required to deliver i) above;
- e) That up to £20m of investment to fund the net implementation costs required to deliver the Better Leicestershire Programme be approved;
- f) That the Director of Corporate Resources, following consultation with the Cabinet Lead Member, be authorised to allocate the funding at e) above from the Council's reserves;
- g) That further reports be made to the Cabinet and the Scrutiny Commission later in the year.

6. RESPONSE TO CONSULTATION ON OADBY AND WIGSTON REGULATION 19 LOCAL PLAN (Pages 193 - 196 and Supplementary Report pages 1 - 31)

Proposed motion

- a) That the proposed timetable for the progression of the Oadby and Wigston Borough Council (OWBC) Local Plan be noted;
- b) That the declaration of an unmet housing need in OWBC be noted;
- c) That the County Council's formal response to the OWBC's Local Plan Regulation 19 consultation, set out in paragraphs 33 to 60 and the Appendix to the report be approved, noting in particular:

- i) That the County Council is considering the draft Local Plan as presented to it, and it considers that it is for OWBC to demonstrate to the Inspector(s) at the Plan's Examination in Public why the Local Plan has been positively prepared in respect of the local housing need requirement (LHN), i.e. that the OWBC will need to demonstrate that there is a substantive evidence base to justify its conclusion that OWBC is unable to meet its LHN as calculated by the national standard method, based solely on highway reasons;
- ii) That the County Council has no fundamental issue with the Local Plan's Spatial Strategy, but as the Local Transport Authority (LTA) it considers that the transport evidence presented by the OWBC is not sufficiently granular in detail to be able to conclude that the OWBC's highway network would be severely congested if the area delivered housing over the Local Plan period equivalent to that calculated by the standard method;
- iii) The County Council's formal position on the matter of the OWBC's declaration of an unmet housing need, set out in paragraphs 46 to 57 of the report;
- d) The Director of Growth, Environment and Transport, following consultation with the relevant Cabinet Lead Members, be authorised to work with OWBC and other partners within the Leicester and Leicestershire Housing Market Area (HMA) to seek to agree to the most appropriate approach to addressing the OWBC's declaration of an unmet housing need and work through any substantive issues to resolution, to demonstrate effective and on-going joint working.

7. ITEMS REFERRED FROM OVERVIEW AND SCRUTINY

None.

8. ANY OTHER ITEMS WHICH THE CHAIRMAN HAS DECIDED TO TAKE AS URGENT

None.

Officer to contact

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Investing in Leicestershire Programme (liLP) – 2025/26 Q4 Update

Asset Class	Opening Capital Value ¹	Capital Incurred (returned) 2025/26	Change in valuation	Q4 25/26 Capital valuation ²	Net income YTD	Budget Net Income FY	Variance to Budget	Actual net income return % ³	Since Inception IRR ⁴
	£000	£000	£000	£000	£000	£000	£000	%	%
Direct Commercial Holdings									
Development	42,133	12,687	0	54,820	-165	-178	14	-0.3%	
Rural	95,888	-607	0	95,281	-5	201	-206	0.0%	
Offices inc County Hall ⁵	63,073	380	0	63,453	3,281	4,126	-844	5.2%	
Industrial	26,002	0	0	26,002	1,670	1,819	-149	6.4%	
Other	4,727	-625	0	4,102	246	245	1	5.6%	
Direct Holdings	231,823	11,835	0	243,658	5,028	6,213	-1,184	2.1%	
Diversifier Holdings									
Private Debt MAC 4 2017	2,269	-1,668	-601	0	166			14.6%	4.7%
Private Debt MAC 6 2021	13,281	-3,016	-146	10,119	548			4.6%	6.2%
Private Debt MAC 7 2023	7,479	809	266	8,554	346			n/a	8.3%
Private Debt - TOTAL	23,029	-3,875	-481	18,673	1,060	816	244	5.1%	5.5%
Pooled Property	16,091	-8,201	-91	7,799	448	422	26	3.7%	2.4%
Pooled Infra Fund	8,742	0	480	9,222	464	293	171	5.1%	7.2%
Pooled Bank Risk Share	12,651	5,016	66	17,733	1,863	895	968	12.2%	12.6%
Central adjustments					-224		-224		
TOTAL (All liLP)	292,335	4,775	-26	297,085	8,639	8,639	0	2.9%	
TOTAL exc development and rural	154,314	-7,305	-26	146,983	8,808	8,616	192	5.8%	

1. Opening valuations based on market valuations not historic cost.
2. Direct property valuations are in the process of being finalised. Actual Q4 25/26 end information is used for the valuation of the diversifiers.
3. Actual net income return % is based on the opening capital value and in year net capital and any known valuation change.
4. IRRs for diversifier investments include all cashflows from the inception of the relevant investments.
5. The capital value for County Hall relates to rented areas only.

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SCRUTINY COMMISSION – 11 MAY 2026

MINUTE EXTRACT

The Commission considered a report of the Director of Corporate Resources regarding the outcomes of the County Council's Efficiency Review (ER) and which set out the implications for the Council's revised Transformation Programme and the Medium Term Financial Strategy (MTFS). A copy of the report marked 'Agenda Item 3' is attached to these minutes.

The Chairman welcomed Stephen Knight, Mandeep Mohan and Dominic Ansbro from Newton Consulting Ltd (Newton) to the meeting and thanked them on behalf of the Commission for their work on the review.

The Chairman also welcomed to the meeting Mrs N. Bottomley CC, Mr M. H. Charlesworth CC, and Mr J. Miah who had been invited to attend for this item.

At the invitation of the Chairman, the Leader introduced the proposals commenting that, following the change in administration after the County Council elections, the new administration had inherited a significant budget gap of £90 million and had therefore decided to commission a root and branch efficiency review of Council spending, income and procurement. He reported that the review aimed to identify opportunities to maximise efficiencies, to enable the Council to live within its means, and to reduce and ultimately eliminate budget deficits over time, as well as protect valued frontline services. Members were advised that this represented a clear change from previous ways of working, including a council tax increase of 2.99%, described as the lowest in over a decade. Investment in social care teams, earlier intervention, support to keep children with their families, and improved contract value would also improve outcomes and reduce longer-term costs.

The Leader outlined that savings of £33.4 million had originally been built into the budget, which had been increased to £44 million through work with officers, and that external consultants had worked with the Council to identify further potential savings of up to £60 million, contributing to an overall target of £102.6 million. He further stated that, after a three-year payback period, the savings delivered through the programme would deliver recurring annual financial benefits.

The Leader advised that proposals for local government reorganisation could also, if a single council model for Leicestershire and Rutland was introduced, release a further £40 million and provide a financially viable basis for a new authority. The Leader further commented that in his view, the measures proposed would place the Council at the forefront of innovative local government and support improved services alongside financial sustainability.

The Lead Member for Resources supported the Leader's comments and explained that the efficiency review had been established to take a fundamental look at how the Council operated, with the aim of identifying savings whilst also improving services. He emphasised that, notwithstanding criticism of its ambition and scope, the independent review had produced a rolling programme of action expected to deliver payback within around three years, target £60 million of savings, and continue to identify additional opportunities in the future. The Lead Member further stated that in his view, the proposals provided the best opportunity to secure improved outcomes and financial sustainability for residents.

Arising from questions asked of the Leader and the Leader Member for Resources, the following points were made:

- (i) In response to questions as to whether the appointment of external consultants had been necessary the Leader highlighted that their involvement had brought a fresh perspective, drawing on experience from a range of organisations and sectors. He suggested that their wider organisational view had enabled additional opportunities to be identified beyond those visible within individual service departments.
- (ii) Regarding concerns about the interaction between the efficiency programme and the timing of local government reorganisation (LGR) the Leader commented that the proposals were intended to continue as a rolling programme irrespective of LGR. The Chief Executive added services currently provided to vulnerable children and adults would still need to be delivered whatever model was adopted. The proposals had therefore been designed to remain relevant and resilient under any future arrangements.
- (iii) Members expressed concern about the level of risk involved, the timetable for delivery, the payback period, and the extent to which the proposals relied on assumptions about future local government arrangements and savings that had yet to be achieved. The Leader argued that the programme should not be characterised as placing public money at risk, emphasising that the proposals reflected a clear vision for achieving efficiencies and demonstrated how the public would benefit.
- (iv) A Member commented that the Commission had previously been unable to obtain clear answers to questions about the programme and suggested that this had contributed to ongoing concerns being raised about the course of the review. The Leader strongly disputed that the approach was new in terms of seeking savings, noting cost reductions and service cuts made over the last decade. The Leader advised that more detailed answers had not previously been possible because the work had still been in development.
- (v) Some Members highlighted that significant savings had already been delivered by the previous administration and cautioned against

characterising the Council's inherited position simply 'as a mess'.

- (vi) A Member commented that public criticism of the proposals risked undermining the Council and the work of officers.

Arising from questions of the Chief Executive, the Director of Corporate Resources and Newton, the following points were made:

- (vii) Efficiencies identified prior to Newton's involvement had already been included within the MTFS to the value of £44m. The additional savings of £59m had been developed with Newton's support. Whilst there was overlap between officer knowledge and external support, it was emphasised that Newton had added analytical capacity, challenge, pace, and external learning to help shape and accelerate the programme to this level.
- (viii) Members questioned the realism and deliverability of the projected savings, commenting that some proposals remained at design or pilot stage. It was suggested that the programme depended on speculative and unproven assumptions. The Director advised that the "confident" savings estimate had already been moderated to reflect delivery risk and the need for further design work. All proposals had been reviewed through departmental and finance processes before being brought forward.
- (ix) Some members raised concerns that implementation costs were front-loaded whilst a significant proportion of savings would not be delivered until later in the MTFS period.
- (x) Members expressed concern about the level of risk involved, particularly in the context of staff morale, organisational change, and LGR. The Chief Executive advised that the programme was based on investing in new ways of working, prevention, and service redesign rather than simple service cuts. Staff had played a significant role in contributing towards the development of the proposals and there was therefore significant buy in given these were also expected to deliver service improvements.
- (xi) It was noted that the proposals had been developed with LGR in mind and while some elements might need to be rephased once the future structure of LGR had been confirmed, the work already undertaken would still strengthen the Council's evidence base, delivery model, and preparedness for successor arrangements.

Children and Family Services

The Commission examined proposals relating to reunification, targeted prevention, family-based placements, and smarter commissioning. Arising from discussion on these specific proposals the following points were made:

- (xii) Members questioned whether ambitious targets could create pressure to prioritise financial savings over children's welfare. The Director of Children

and Family Services stressed that children's safety and the delivery of outcomes remained paramount. The proposals had been built on existing strong practice rather than seeking to replace it, and targets had been developed from evidence of what could be safely achieved rather than from seeking to meet an identified savings requirement.

- (xiii) A Member questioned whether increased reliance on family-based placements was realistic given long-standing recruitment challenges in fostering, and whether higher payments to carers had been factored into the savings assumptions. The Director acknowledged the national difficulty in recruiting foster carers and advised that the proposal was not based on simply paying more, but on redesigning the support offer for carers, including therapeutic support, simpler fee arrangements and work linked to regional fostering arrangements. It was emphasised that this would be a longer-term programme of change and not therefore a quick solution. The projected benefits were therefore phased over time.
- (xiv) The department had already identified the relevant areas for improvement. However, Newton had provided additional challenge, change-management expertise, analytical capacity and support to accelerate delivery and manage the interdependency between the various proposals.
- (xv) Members expressed concern that the proposals on reunification and prevention might imply a lowering of thresholds or standards in order to achieve savings. It was noted that reunification had always been part of existing practice, but that the service was now seeking to strengthen this work through improved family time, earlier planning for reunification, and stronger support to families both before and after a child returned home, utilising family hubs, the best start in life approach and wider Family First reforms. The Director assured members that no child would be returned home unless it was safe to do so, and that the intention would be to work differently, not to lower standards.
- (xvi) Concerns were raised about the setting of numerical targets for children stepping down from care, and whether these could create pressure to prioritise savings over individual need. The Director again assured members that the proposals had been developed from evidence about what would improve outcomes for children and families. The numerical assumptions had been determined afterwards to reflect what was considered achievable. The Director gave assurance that targets would not be pursued at the expense of child safety or wellbeing, and that the service's statutory duties and established practices remained paramount.
- (xvii) Regarding the use of data and artificial intelligence the Director clarified that automated decision-making would not be used to identify children or determine interventions. Rather, the service would continue to rely on professional judgment, partnership working and existing intelligence from agencies such as health, the police and family hubs. Instead, improved data analysis would be used only to help join information together more effectively and ensure that needs were not overlooked. The Director

emphasised that decisions about children and families would remain human-led and centred on the child's best interests.

The Chairman at this point in the meeting agreed to adjourn for 10 minutes. The meeting was reconvened at 12.46pm.

Adults Social Care

The Commission examined proposals relating to independence outside of residential care, adults targeted prevention, commissioning for the future and maximising independence for working age adults. Arising from discussion on these specific proposals the following points were made:

- (xviii) The suggested approach to developing care homes would not follow a Private Finance Initiative model. It could, however, involve a range of funding options, including traditional borrowing by the Council, external investment from organisations such as pension funds, or other partnership arrangements. Market testing to determine the most suitable approach would be undertaken.
- (xix) Concerns about the deliverability and timing of new care home provision was acknowledged. It was noted that a full business case would be required followed by the need to obtain planning permission and undertake partner engagement. This would take time and significant savings would not therefore be realised before the end of the current MTFS period.
- (xx) Concerns were expressed regarding the implications of LGR and the potential risks to any future authorities which might inherit long-term commitments to build residential care homes. The Director of Adults and Cultural Services advised that the position on reorganisation would be clearer before any final decision was brought forward regarding this proposal.
- (xxi) Members raised concerns about proposals to maximise independence for working-age adults and questioned whether this implied reductions in care. It was suggested that there would likely be a negative impact if more frequent reviews on people with lifelong disabilities had to be undertaken. The Director of Adults and Cultural Services emphasised that no existing care package would be reduced without an individual review involving the person concerned, carers and relevant professionals, and that any changes would only be made where appropriate and agreed through that review process. It was noted that the proposal was to provide a more structured, goal-focused approach for those for whom it was suitable, while recognising that this would not apply to all individuals, particularly those with long term complex needs.

Environment and Transport

- (xxii) In considering the proposal to develop independent travel training, the Chairman welcomed the change in emphasis from 'home to school

transport' to a broader 'travel for life' approach, recognising the potential to support young people and young adults to develop life skills and greater independence.

- (xxiii) Members raised concerns about the rising cost of transport provision and suggested that continued engagement with parliamentary representatives would be important in seeking legislative change in this area.
- (xxiv) Members emphasised that the success of the proposal would depend heavily on how it was communicated to families, so that it was understood as an opportunity to build independence rather than a withdrawal of support.
- (xxv) Concerns were raised about the practical and emotional impact on families of children and young people with additional needs, particularly where anxiety or complex needs might make independent travel unrealistic. Members sought reassurance that the proposal would not operate as a blanket policy and that participants who found the training unsuitable would be able to return to supported transport without significant disruption. The Director of Growth, Environment and Transport confirmed that the scheme would be voluntary and delivered only with the support of families and schools, and that it would be aimed at a relatively small group of young people with less complex needs, representing a limited proportion of the overall cohort.
- (xxvi) It was noted that the programme would operate initially as a two-year trial, enabling the Council to test and refine matters such as the appropriate length of training, individual suitability and arrangements for transition back to traditional transport where necessary. It was further noted that, where the approach did not prove suitable, individuals would be able to return to previous transport arrangements and that every effort would be made to ensure this happened as seamlessly as possible, with no significant gap in provision.

Procurement and Third Party Spend

- (xxvii) In considering the proposal to expand the procurement team in order to reduce third-party spend, members sought clarification on the financial assumptions set out in the report. The Director of Corporate Resources confirmed that the staffing cost of approximately £460,000 for five additional full-time posts was an annual figure and had already been taken into account within the cumulative benefits shown.
- (xxviii) Whilst it was noted that the cost of staffing could rise over time as a result of national pay awards, or changes to employer national insurance contributions, the Director advised, that such risks would likely be offset to some degree by corresponding increases in the value of procurement savings, given that supply-side costs had historically risen faster than local government salary costs.

- (xxix) A Member expressed support for the proposal, noting from business experience that improved procurement practices and closer contract management represented a significant opportunity to secure greater efficiencies and value for money with the potential to deliver substantial longer-term benefits.

County Council as a Resident Focused Organisation

- (xxx) The new approach was intended to support the effective delivery of services for residents. Working arrangements, recruitment and retention were intrinsically linked and managers were therefore working across the organisation to deliver in a way that maintained service quality while taking account of staffing needs. It was acknowledged that reorganisation would create uncertainty for staff. However, this workstream would strengthen services and improve support to staff rather than introduce destabilising change.
- (xxxi) There was no intention to impose a recruitment freeze, explaining that the savings would instead be pursued through a combination of organisational design, review of management structures, reduction in agency use, and wider efficiency and effectiveness measures.
- (xxxii) Members raised concerns about the difficulty of recruiting permanent staff where agency roles could offer higher pay and the extent to which national pay bargaining constrained the Council's ability to compete in the labour market. It was noted that the Council remained within national pay bargaining arrangements but regularly benchmarked pay against neighbouring authorities and had scope to review pay for hard-to-fill posts where necessary.
- (xxxiii) Challenges in recruiting to specialist roles was acknowledged, particularly in areas such as social work. However, while pay formed part of the picture, wider considerations including working environment, work-life balance and career development were also important in attracting and retaining staff.
- (xxxiv) It was noted that apprenticeship pathways were already in place across a number of service areas, including children's and adult social care, and that further expansion was being considered as part of a longer-term approach to 'grow its own' workforce.

Implementation, MTFS Impact and Risks

- (xxxv) Members questioned the delivery risks associated with savings that were forecast to increase significantly after 2028/29 and asked what contingencies were in place should implementation be delayed or under-deliver. The Director of Corporate Resources confirmed that any slippage would require the Council to identify alternative means of narrowing the budget gap.

- (xxxvi) Members further queried the extent to which the programme would continue to rely on external strategic partners. As part of the next phase of work, it was noted that the balance between external support and internal capacity would be considered.
- (xxxvii) It was noted that whilst limited delegated authority was being sought to mobilise the programme and secure the necessary internal and external support, substantive proposals, including fully costed business cases and any major capital decisions, would be subject to consideration by Scrutiny and the Cabinet.
- (xxxviii) Members sought assurance that Scrutiny would continue to oversee the programme as it developed, including where proposals underperformed. The Chief Executive confirmed that further updates on progress and performance would be brought to the Commission in the autumn and again as part of the MTFS process. This would be supplemented by ongoing cross-party working group discussions. Members noted that future reporting would seek to reflect not only financial outcomes but also wider service user benefits and broader programme impacts.

RESOLVED:

- (a) That the outcome of the County Council's Efficiency Review and the implications for the Council's revised Transformation Programme and Medium Term Financial Strategy be noted;
- (b) That the comments now made by the Scrutiny Commission on the proposals put forward be presented to the Cabinet at its meeting on 26 May 2026 for consideration.
- (c) That officers and Newton be thanked for their hard work in carrying out the reviewing and bringing forward the proposals.