AGENDA SUPPLEMENT

Item		Report by	
9.	MTFS Monitoring and Strategy Update.	Director of Corporate Resources	(Pages 3 - 42)

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Leicestershire County Council

SCRUTINY COMMISSION – 2 SEPTEMBER 2026

**MEDIUM TERM FINANCIAL STRATEGY –
BUDGET MONITORING AND STRATEGY REFRESH**

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of the Report

1. The purpose of this report is to provide the members with an update on the County Council's short and medium term financial position in light of the current economic climate. The report also details the changes to the previously agreed 2026-30 capital programme following the latest review, and covers the latest revenue budget monitoring position for 2026/27.

Policy Framework and Previous Decisions

2. The Medium Term Financial Strategy (MTFS) for 2026/27 to 2029/30 was approved by the County Council on 18 February 2026. The MTFS forms part of the Budget and Policy Framework as set out in Part 4C of the Council's Constitution.

Timetable for Decision (including Scrutiny)

3. The Cabinet will consider a report on the MTFS position on 8 September 2026, including the proposed changes to the previously agreed 2026-30 capital programme.

4. The Cabinet will be asked to approve the draft MTFS 2027 to 2031 for consultation in December 2026. All Overview and Scrutiny Committees and the Scrutiny Commission will consider the draft MTFS in late January 2027 and the Cabinet will then make a final recommendation to the County Council in February 2027.

Medium Term Financial Strategy

5. The County Council continues to face a challenging financial outlook. The current MTFS showed the 2026/27 revenue budget as being balanced only after the use of £15m from earmarked reserves and anticipated a funding gap of £34m in 2027/28 rising to £85m by 2029/30, despite savings of £115m being targeted and built into the financial projections. An initial review of the position in light of service

pressures, particularly those relating to children's social care, adult social care and children with special education needs and disabilities, through demand and cost increases, indicates that the Council will continue to face significant additional costs in 2027/28 and future years.

6. The national economic picture continues to impact on the Council's MTFS, although the outlook is looking slightly better than in recent years. The Bank of England's latest forecasts show a peak of CPI inflation this year to 3.2% in the fourth quarter of 2026 and then a fall to 1.7% in the first quarter of 2028 in line with the Bank of England's 2% target. However, the stop-start negotiations between the US and Iran and few ships navigating the Strait of Hormuz, continue to create uncertainty in the markets. Therefore, while the inflation outlook has improved there are still material risks. In particular, disruption to energy supplies with the continuing middle east conflict could increase wholesale energy prices and delay the anticipated easing of inflation.

7. In the short term, the impact of higher inflation on the County Council's expenditure will continue to be partially offset from higher than anticipated investment interest income due to continued higher levels of interest rates. The Bank of England base rate is currently 3.75% with the next reduction of 0.25% not forecast until September 2027. Further reductions seem unlikely in the short term given the risks to inflation.

8. Sustained inflation will increase the pressure on energy costs and for wage growth, with the Council particularly sensitive to the level of the National Living Wage, which is set nationally and is therefore outside of the Council's control. .

9. A full refresh of the MTFS is underway, updating expenditure and funding assumptions for the latest position.

10. The Council will continue to pursue efficiencies with the Better Leicestershire Programme (the outcome of the Efficiency Review) contributing to this process. However, it is clear that in the current climate, and on the back of the £313m of savings already delivered since 2010, achieving a balanced position will be very challenging without further impact on services. A key factor driving the current MTFS gap is the SEND deficit and so much will depend on clarification on future government support.

11. From 2026/27 the Government introduced a three-year financial settlement covering 2026/27 to 2028/29. Provisional allocations are therefore known for the first two years of the new MTFS. However, these will still be subject to annual local government finance settlements - draft settlement in December with the final settlement in February each year.

12. The Capital Programme will also need to continue to be prioritised with only essential projects progressing. The refreshed four-year capital programme includes a revised shortfall in funding of £57m – reduced from £65m since the original programme - which will need to be funded by borrowing unless other funding sources are identified. The revenue costs arising from this borrowing are estimated to total £4m per annum on the basis of using internal borrowing.

Pressure on the schools capital programme, due to shortfalls on funding for new school places, may reduce the ability to reduce the overall capital shortfall in future years. It is therefore vital that the County Council continues its focus on managing its financial sustainability.

13. The Council is also subject to Local Government Reorganisation (LGR). The Government's proposed model for Leicester, Leicestershire and Rutland has recently been announced with the establishment of two new unitary authorities for Leicester, Leicestershire and Rutland, to take effect on 1 April 2028. A significant amount of work will now be required to determine the financial impact on the new authorities. For this MTFS, the detailed impacts of LGR have not yet been included. However, funding towards the estimated cost of transition of LGR are included in reserves.

2026/27 REVENUE BUDGET MONITORING – PERIOD 4

14. The Period 4 revenue budget monitoring exercise shows a neutral position, after reducing the amount of reserves required to balance the budget. This is explained further in the report below. A summary of the position is shown below and in more detail in Appendix A.

REVENUE BUDGET MONITORING STATEMENT
FOR THE PERIOD : APRIL 2026 TO JULY 2026

	Updated Budget	Projected Outturn	Difference from Updated Budget	
	£000	£000	£000	%
Schools Budget – Schools and Early Years	0	0	0	
Schools Budget – High Needs	0	62,200	62,200	
Net Total	0	62,200	62,200	
Children & Family Services (Other)	158,396	155,946	-2,450	-1.5
Adults & Cultural Services	249,352	249,582	230	0.1
Growth, Environment & Transport	116,780	115,580	-1,200	-1.0
Public Health, Communities, Law & Governance	10,671	10,911	240	2.2
Corporate Resources	40,082	39,632	-450	-1.1
Capital Financing	10,800	10,900	100	0.9
Contingency for Inflation	10,846	10,846	0	0.0
Other Areas	-225	-1,475	-1,250	n/a
Contributions to earmarked reserves	33,800	33,800	0	0.0
Contribution to General Fund	1,000	1,000	0	0.0
Contribution from budget equalisation reserve to balance 2026/27 revenue budget	-15,373	-15,373	0	0.0
Total	616,130	611,350	-4,780	-0.8
Funding	-616,130	-616,130	0	0.0
Sub Total	0	-4,780	-4,780	
Reduce reserve contribution to balance overall budget	0	4,780	4,780	
NET POSITION	**0**	**0**	**0**	

15. At the time that the budget was set in February 2026, £15.4m of reserves was included to balance the budget. The Period 4 position above shows an underspend of £4.8m, and so the reserves needed to balance have been reduced accordingly and therefore the position presented in this report is neutral.

16. The key projected variances that have been identified are set out below. Further details of major variances are provided in Appendix B.

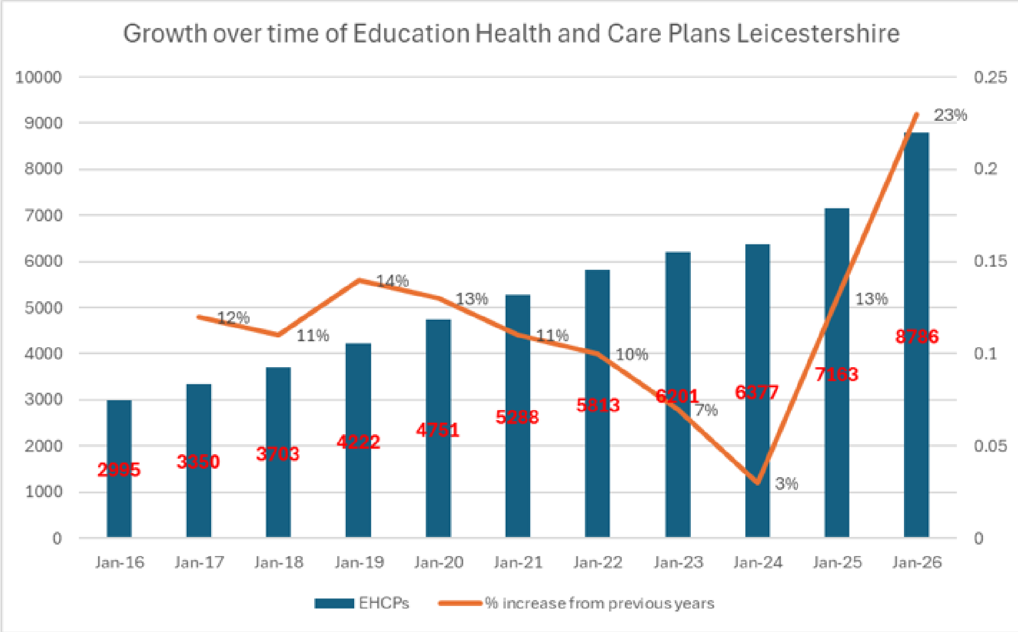
Children and Family Services (C&FS) – Schools Budget

17. Overall, there is a net projected overspend of £62.2m on the Dedicated Schools Grant (DSG), wholly against the High Needs Block (HNB).

18. Due to sustained year-on-year growth in demand for funded Education, Health and Care Plans (EHCPs) since they were introduced in 2014, a £72m overspend on the HNB budget was forecast in the original MTFS after mitigations for the 2026/27 financial year based on a 15% increase in EHCPs from the previous year. The latest forecast at Period 4 shows a reduction in the overspend to £62m based on the final 2025/26 outturn and the latest in year information. This includes a reassessment of demand levels and trends, revised placement mix and unit cost assumptions, and a clearer view of the expected impact of mitigation activity. Collectively these changes result in a lower projected financial pressure in the refreshed forecast, but nonetheless a variance position still of financial significance and concern.

19. Overall demand for EHCP's has continued to rise which is illustrated in the chart below – active EHCP's over time by calendar year. At January 2026 there were 8,786 active EHCP's representing a 23% increase since January 2025, and a 193% increase in EHCPs since 2016. At mid-July 2026 there were 9,188 EHCP's (a 5% increase halfway through the calendar year). .It is too early at this stage, based on available data, to conclude if the increase in EHCP activity is slowing. Further on-going analysis of both demand and costs are actively underway as part of MTFS planning.

Number & Growth of children and young people with EHCPs in Leicestershire



20. At the end of 2025/26 the cumulative DSG deficit was £79.2m. If future demand remained on a similar trajectory to 2025/26 the cumulative DSG deficit could increase to upwards of £400m by March 2030, before any government financial support. This will be kept under review as part of the MTFS refresh to understand if the slower growth so far this year is likely to be sustained. As a demand-led service it is subject to volatility.

21. In the final Local Government Finance Settlement in February 2026, the government announced support for local authorities with net DSG deficits as below:

- Phase 1 - Local Authorities with DSG deficits at the end of 2025/26 will be eligible to receive a High Needs Stability Grant (HNSG) covering up to 90% of their net DSG deficit subject to each authority submitting and securing the Department for Education's (DfE) approval of a local SEND Reform Plan. The Council would be required to fund the balance.
- 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'. No further details have been provided to date.
- 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.

22. The DfE has also advised that it 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. The Council submitted its Local SEND Reform Plan in June 2026 which will now be reviewed by the DfE (this is the subject of a separate report on the agenda for this Cabinet meeting). Subject to the DfE review payments of HNSG are expected to be made later in 2026. It is not yet clear how the scrutiny of DSG spend is going to be undertaken by the DfE.

23. In March 2026 the government issued its Schools White Paper on SEND reform. While the plans are expected to result in systemic changes to the national SEND system, such changes will take several years to deliver, and it is uncertain at this stage whether and how such changes will directly address the current or forecast funding issues in the short to medium term.

24. Despite current planned mitigations, at the levels of expected and/or projected growth, the financial position is unsustainable. As such it is essential that the planned measures to contain ongoing growth are successful, and further mitigations and actions are actively considered to reduce the projected financial burden on the DSG High Needs funding block. This work is currently underway, and its impact will be reflected as part of the wider MTFS planning work over the coming months. In developing additional mitigations, consideration is being given to aligning actions to changes coming through linked to the Schools White Paper and SEND reforms.

25. There are still significant 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 funding towards these deficits until the position becomes clearer. Assumptions around the DSG deficit and funding towards it will be a key factor in the MTFS refresh this year.

<u>Children and Family Services – Local Authority Budget (Other)</u>

26. The Local Authority budget is projected to underspend by £2.5m (1.5%).

27. The overall underspend position is largely due to a projected underspend of a combined £2.3m on the Children's Social Care Placement budget – comprising both of Unaccompanied Asylum-Seeking Children (UASC) and non-UASC placement costs.

28. Whilst demand remains volatile and forecasting the year-end position remains challenging, pressures continue within residential and secure placements where cost scrutiny remains high. However, the core placements budget is forecast to deliver an underspend of £1m, reflecting a more favourable placement mix and lower average unit costs than assumed at budget setting, supported by continued focus on demand and cost management through the Smarter Commissioning programme. In addition, a £1.3m underspend is projected within UASC, driven by both reduced placement unit costs and the impact of the time-limited UASC incentive scheme, which provides additional unbudgeted Home Office funding to support participation in the National Transfer Scheme.

29. A £0.2m underspend is projected for 2026/27, driven by continued focus on departmental financial controls and ensuring all expenditure is essential and supports efficient service delivery. This includes a potential opportunity and scope that this underspend may be able to be translated into an ongoing financial benefit as part of future MTFS planning.

Adults and Cultural

30. A net overspend of £0.2m (0.1%) is forecast for the revenue budget for 2026/27. The main areas of budget variances are:

Supported Living - £1.3m overspend

31. The overspend reflects a sharp increase in the average hours per service user (+4%) that was observed in the final quarter of 2025/26 that is expected to continue into 2026/27. There are also some very high-needs packages that started in the final quarter of 2025/26 that are significantly above the normal average package cost; Health funding will be received which will offset the cost and will appear within the Health income elsewhere in the Department's budget. Offsetting this at this stage are lower than budgeted service user numbers amounting to a reduction of 2%. However, historic data suggests an increase in service user numbers going into the autumn months as young adults transition from care provided by the Children's and Family Services department to the Adults and Cultural Services department.

Direct Cash Payments - £1.2m overspend

32. The overspend is based on an expected shortfall of clawbacks based on performance to date (£0.5m). The department is working to improve its performance on clawbacks through the Direct Payment Support Team which is working alongside the Care Pathway Operational Teams to implement process improvements and the recovery of clawbacks. In addition, £0.7m is from higher than budgeted average package costs some of which relates to the purchase non-regulated services, such as Community Life Choices/day services.

Better Care Fund (Balance) / Other NHS Income - £1.2m overspend

33. Reduced funding from the Integrated Care Board relating to residential discharge to assess packages. Discharge to assess income of £1.6m which can be used to support discharge-related costs from hospital are expected against a budget of £2.8m due to lower activity.

Homecare - £0.4m overspend

34. Service user numbers have continued to increase above demographic trends since February 2026 from around 2,730 to 2,813 (+2.85%) at the end of May 2026 primarily through new starts being greater than service ends for Homecare maintenance packages. However, the average hours commissioned has remained around 10.8 hours per service user.

Non-Residential Income - £0.9m underspend

35. Estimated additional income of £0.8m expected from non-residential client income at this stage primarily through a combination of increased service users (+2%) receiving a service and higher average chargeable amount per person (+1.3%). Health income is forecast to be £0.1m higher than budget at this stage.

Residential and Nursing Care - £0.8m underspend

36. Gross residential expenditure is forecast to be £1.1m overspent, largely due to the numbers of older people within long stay being higher than budgeted. This reflects the full year effect of a sharp rise that was observed in the final quarter of 2025/26. Data on the number of new starts indicates that there is the potential for the number to decrease over the summer period therefore this overspend could reduce in future periods. Offsetting this overspend is additional client income and health income. Additional client income of £0.4m is forecast predominantly from the additional long stay service users reflecting the higher service user numbers being observed in 2025/26 and the full year effect of this in 2026/27. Additional health income of £1.5m is forecast due to the higher residential service user numbers and the department working to improve processes to ensure that health funding is recorded correctly.

Care Pathway - £0.6m underspend

37. Staffing vacancies both within the Cognitive and Physical Disability and Mental Health and Safeguarding care pathway teams reflect the current difficulties in recruiting the appropriate adult social care staff. In addition, there is an underspend expected with the Integrated Community Equipment Service.

Home First - £0.5m underspend

38. The underspend is primarily from vacant support worker posts within the HART (reablement) service that are in the process of being filled. Recruitment is ongoing as part of the department's plan to increase the HART workforce to enable more cases to be retained by the service thereby requiring fewer referrals to the external Homecare sector, which should generate better longer-term outcomes for the department. This is also a focus of the Better Leicestershire Programme (Efficiency Review). Recruitment, however, remains difficult within the social care market.

Shared Lives Residential - £0.5m underspend

39. A lower level of long and short-term residential placements is taking place due to lower levels of shared lives carers available to take on new placements. The Shared Lives Team is working to promote the service and encourage the uptake of new carers signing up to the service.

Supported Living, Residential and Short Breaks - £0.3m underspend

40. The underspend relates to staffing vacancies from the difficulty in recruiting staff in the current social care market across the Council's short break sites. A recruitment campaign is ongoing to fill vacancies which will allow the short breaks sites to increase capacity which is linked to an MTFS saving.

41. The net underspends above are increased by a net £0.3m underspend mainly from staffing vacancies and other minor variations.

Growth, Environment and Transport

42. A net underspend of £1.2m (1.0%) is forecast.

43. Across Highways and Transport operations a net £0.4m underspend is reported as a result of:

- Social Care Transport - £0.6m overspend arising from an increasing number of service users.
- Street Lighting - £0.1m overspend as a result of increased street lighting maintenance costs.
- Increased S38 and S278 developer income -£0.4m underspend.
- Passenger Fleet – £0.2m underspend due to difficulties in recruiting drivers and escorts.
- Network Management - £0.2m underspend arising from additional permitting income from utility companies.
- Vacancies across teams – underspend of £0.1m
- Highways Income - £0.1m underspend arising from increase in vehicle access income (dropped kerbs).

44. Development and Growth services are reporting a £0.2m overspend arising from an increase in Area Traffic Control reactive faults resulting in additional traffic management costs £0.2m and increased concessionary travel passenger numbers £0.1m. This has been partly offset by vacancies across teams £0.1m.

45. A net underspend of £0.9m is reported for Environment and Waste Management services. Additional income from the sale of dry recyclable materials £0.2m, lower composting tonnage £0.2m as well as underspends arising from in-year staffing turnover across teams £0.4m and changes to waste treatment and associated haulage £0.2m, partially offset by increased property costs £0.1m.

46. The remaining balance relates to £0.1m underspend on department and business management due to staffing vacancies.

Public Health, Communities, Law and Governance

47. The Department is forecasting a net overspend of £0.2m (2.2%), mainly due to staffing vacancies within Democratic Services £0.1m and unallocated savings that are still to be allocated across the department £0.3m. The department is expected to approve a plan to allocate these shortly.

Corporate Resources

48. A net underspend of £0.5m (1.1%) is forecast.

49. Vacancies across the directorate account for £0.4m of the underspend as services continue to experience significant difficulties in recruitment and retention for professional and technical posts due to competition in both public and private sector markets.

50. Lower building running costs £0.3m across Property Services have been partly offset by late delivery of customer programme savings £0.1m and additional agency costs on Strategic Property due to the transition into a new structure.

Central Contingencies

51. MTFS Risks Contingency (£8m). No release of the contingency has been assumed in the projection at this relatively early stage. Monies that are not required to offset any issues that may arise elsewhere in the 2026/27 budget will be transferred to corporate earmarked reserves to assist with addressing the projected MTFS budget gaps in future years.

52. Inflation Contingency. The contingency is currently projected to be on budget. The original contingency total was £18.3m and transfers totalling £7.4m have been made, mainly relating to the Adult Social Care Fee review (£7.0m). The position on a number of other key requirements, such as the 2026/27 pay award and running cost inflation should become clearer as the year progresses so at this stage there is uncertainty in this estimate.

53. Service Investment Fund (£2.1m). The original 2026/27 budget was £2.5m with £0.4m transferred to the Growth, Environment and Transport departmental budget for 2026/27 for the items approved at the County Council budget meeting for additional investment in public bus services, environmental maintenance and grit bin discount. The additional investment was for two financial years, therefore £0.4m of the balance will be transferred to earmarked reserves at the year end to fund spend next year. Overall, this leaves a balance of £1.6m in 2026/27 for new investments. At this stage the amount has been forecast to be spent.

Central Items

54. The Financing of Capital budget is forecast to overspend by a net £0.1m. Following elevated gilt yields hitting 20-year highs caused by inflation remaining stubbornly above the Bank of England's target of 2% and the US-Israel-Iran conflict, there continued to be an increase in the discounts available for the premature repayment of Public Works Loan Board debt, which will then lead to annual savings in interest payments for the next 30 years in excess of the premiums paid.

55. As a result, the Council repaid a further £26.9m of external debt early in April and May 2026, incurring a premium of £5.2m. The cost of the premiums is offset by a reduction in interest payments of £2.6m (ongoing in later years) as well as a

contribution of £2.5m from earmarked reserves which was set aside as part of the 2025/26 Outturn report to continue to reduce capital financing costs by taking opportunities to repay external debt, where repayment rates are favourable. Since Period 4, a further £10m of external debt was repaid in August 2026, following the lender exercising their option to increase the interest rate on the loan. This did not incur any premium.

56. The Council's level of external debt now stands at £93m continuing to be at the lowest level for over 30 years. Compared with the capital financing requirement (the level of historic capital expenditure required to be funded) which is estimated to be £189m at 31 March 2027, the Council will be £96m under-borrowed at year end. This difference can be funded using internal investment balances rather than more expensive external borrowing.

57. Bank and other interest gives £1m forecast increased investment income. With inflation in the UK continuing to be stubbornly above the Bank of England's 2% target, the Bank of England base rate, the main mechanism used to control inflation, has not reduced as originally forecast by markets when the budget was compiled in January 2026. As a result of the bank rate being higher and for longer than forecast, together with higher than estimated average Council cash balances a £1m increase in bank interest is forecast.

58. Central expenditure budgets are currently forecast to underspend by £0.3m, mainly relating to the cleansing of receipted aged purchase orders that are no longer required.

59. Regarding contributions to earmarked reserves, the current MTFS strategy included setting aside 50% of the in-year DSG deficit in an earmarked revenue reserve. Given the forecast reduction of the deficit, by £10m at Period 2 mentioned earlier in the report, it is possible to reduce the amount being set aside by £5m and show this as an underspend. However, it is still very early in the year and demand can be volatile as previous years has shown., With no details yet from the government on the funding of 2026/27 and 2027/28 DSG deficits, the latest forecast for contribution to reserves continues with the original contributions being set aside. This position will be reviewed during the year and as part of the new MTFS 2027-31.

60. The MTFS projected a net gap in 2026/27 of £15.4m to be covered by a contribution from the Budget Equalisation reserve. However, based on the £4.8m underspend across the Council's budget, the reserves required can be reduced to £10.6m to give an overall neutral bottom line position. However, it is still relatively earlier in the financial year so this may be subject to change.

Savings Monitoring

61. The current MTFS includes £23m of savings to be delivered in 2026/27. The majority of these savings are on target with four exceptions with a total value of £0.6m which is reflected in the budget monitoring position that are expected to fall short of target in the current financial year:

- Customer Programme - £130,000
- Ways of Working (use of office space) - £50,000
- Review of ASC Lightbulb Service -£160,000
- Defining CFS for the Future Programme – Phase 2 -£250,000

62. In addition, there are 10 initiatives totalling £3.9m which are tracking with some delivery concerns for the current year. These exceptions are being managed in the current year within departmental budgets. The status of savings delivery is monitored by CMT and where possible mitigating actions are being taken to address any slippage and reduce any impact on the MTFS in future years.

Overall Revenue Summary

63. At this stage the Council's budget is showing a neutral position, as the £4.8m underspend across service and corporate budgets is offset by a reduction in the level of reserves required to balance the budget. This is very early in the financial year and the impacts of demand and inflation on the County Council budget are difficult to assess, and so it is subject to change. The position will be updated as more information is known during the financial year.

CAPITAL PROGRAMME – CAPITAL REVIEW

64. Over the summer the four-year capital programme has been reviewed and refreshed to reflect the latest scheme estimates and expenditure profiles, and funding changes.

65. The original MTFS 2026-30 capital programme totalled £501m, including a funding gap of £65m to be financed from prudential borrowing. The programme was increased to £586m as at Period 3 after the rephasing of expenditure from the 2025/26 outturn and additional grant and section 106 funding notified since the programme was set.

66. Following the review the revised overall four-year capital programme has increased to £600m due mostly to two new DfE grants:

    - High Needs DfE Grant, £11.4m in 2026/27.
    - Special and Alternative Provision Free School Alternative Places grant, £2.3m in 2027/28 (in addition to the same amount previously notified for 2026/27)

67. Overall capital funding has also increased, for these new grants, and also for the latest estimate of capital receipts and contributions from the capital financing reserve. The increase in capital receipts and capital financing reserve contributions have reduced the overall capital funding shortfall by £8m to £57m. This reduction in borrowing needed will reduce the estimated ongoing borrowing costs of the Council by around £0.5m per annum, supporting the MTFS. This improvement will be included in the new MTFS for 2027-31.

68. Details are included in the following paragraphs. The revised 4-year programme is summarised below, and shown in detail in Appendix C.

Capital Programme Expenditure 2026-30	Original 2026-30 Programme £000	Updated 2026-30 (Period 3+ Outturn) £000	Revised 2026-30 (Aug 26 Refresh) £000	Revised Programme Changes £000
Children & Family Services	87,178	113,156	127,871	14,715
Adults & Cultural	25,830	26,028	26,624	596
Growth, Environment & Transport	274,687	325,617	325,584	(33)
Public Health, Communities, Law & Governance	200	200	0	(200)
Corporate Resources	7,144	9,363	9,455	92
Corporate Programme	105,917	111,164	110,965	(199)
Total	**500,956**	**585,528**	**600,499**	**14,971**

Capital Programme Funding 2026-30	Original 2026-30 Programme	Updated 2026-30 (Period 3+ Outturn)	Revised 2026-30 (Aug 26 Refresh)	Revised Programme Changes
Grant Funding/ Specific Contributions	319,824	365,114	380,505	15,391
Discretionary Funding – capital receipts/ Revenue/ Reserves	116,132	155,414	162,994	7,580
Sub Total	**435,956**	**520,528**	**543,499**	**22,971**
Funding Shortfall - borrowing required	65,000	65,000	57,000	(8,000)
Total	**500,956**	**585,528**	**600,499**	**14,971**

69. The key changes from the capital review are described below.

Children and Family Services

70. The four-year programme has increased overall by £15m due to the new grants announced mentioned earlier in the report; DfE High Needs £11.4m and DfE Alternative Places grant £2.3m. The funding is shown as part of the provision and improvement of SEND places within the revised capital programme. £1m of additional section 106 contributions have also been confirmed and are added to the provision of additional school places programme.

71. As reported in previous MTFS reports the department is continuing to identify shortfalls in funding to deliver additional school places. The need for places has arisen from housing development across the County. The projects are a mixture of new schools and expansions to existing premises. The Council was required to add £12.6m and £6.7m of discretionary funding to support urgent priority one projects for school places in the summer refresh 2025 and the new MTFS in February 2026 respectively.

72. There are around a further ten schools that are likely to require additional funding in the new MTFS. The department is urgently reviewing the position and options to reduce the costs and funding shortfalls. However, this remains a significant

Education and financial risk to the Council. An update will be provided in the new MTFS for 2027-31 in December.

73. The shortfall in funding has been caused by both increased construction costs and funding shortages in legacy Section 106 agreements, alongside a reduction in DfE Basic Need capital funding following changes to the funding methodology implemented by the DfE last year. The revised methodology introduced minimum thresholds of places required within a planning area before an allocation is made and discounts pupils forecast to arise from housing developments which now account for much of the pupil growth being forecast for Leicestershire. Combined with reduced birth rates in recent years, this has significantly reduced the level of Basic Need funding available to the Council. Efforts to lobby the DfE have been unsuccessful.

74. Funding shortfalls in legacy Section 106 agreements have arisen for a number of reasons, including construction cost inflation outstripping the indexation applied to developer contributions, abnormal costs associated with new school sites not adequately reflected in historic agreements, and the additional costs of implementing more recent requirements such as zero-carbon measures and sprinkler systems that were not anticipated when contribution levels were originally established.

75. To mitigate costs, an extensive review of standard school building designs has been undertaken to consider the size and specification of buildings. In addition, live schemes continue to be value engineered at the end of each project stage to ensure best value is achieved, with targeted design changes made where appropriate to reduce costs. The department is also pursuing standardised designs with reduced specifications and continuing negotiations with developers regarding new school sites. However, it should be noted that some recent schemes have experienced cost overruns as a result of planning delays and additional planning conditions that were not identified at the feasibility stage.

Adults and Cultural

76. Reprofiling of spend on the Social Care Investment Plan (SCIP) to 2027/28 while suitable schemes are being identified, and £0.6m additional Disabled Facilities Grant added to the four-year programme.

Growth, Environment and Transport

77. The overall total for the programme is unchanged at £326m. However, all spending profiles have been reviewed to reflect the latest spending on schemes. The review has also allocated the remaining balances of the Local Transport Grant allocations (for 2027/28 to 2029/30) that were temporarily unallocated in the original MTFS. The funding has been allocated across the Transport Asset Management programme, mainly towards restorative (patching) works on the highway, property flood alleviation and advanced design.

78. There is a separate report on this Cabinet agenda in relation to progress with major road schemes. This includes potential cost pressures which may need to be

managed as part of the MTFS refresh and a further update will be included in future MTFS reports.

Public Health, Communities, Law and Governance

79. This is a small programme with only one capital scheme, new legal case management system. Options are being reconsidered which has resulted in uncertainty on when and if the scheme will go ahead. As a result, the project has been removed and added to the Future Developments programme, £0.2m.

Corporate Resources

80. The overall programme has increased by £0.1m for a new Public Sector Decarbonisation grant recently awarded. Within the programme scheme profiles have been updated with some relatively minor reprofiling to later years. The Transformation - Ways of Working programme £0.5m has now been completed and the funding released has been allocated to a new Corporate Estate – General Improvements programme. This will provide funding for an ongoing programme of corporate estate capital works to reduce the reliance on new schemes being added annually to the capital programme. It will also provide funding towards new landlord responsibilities around single sex toilets following government guidance announced in early August 2026.

Corporate

81. Minor reprofiling of programme costs and a £0.2m reduction in the capital portfolio risk programme, reducing from £25.2m to £25m, but otherwise no other material changes.

Discretionary Funding / Capital Receipts and Reserves

82. Additional funding of £7.6m has been added to the capital programme during the summer refresh, funded from the capital financing reserve following a review of uncommitted reserves and previous year-end capital underspends, and a review of the latest estimated value and timing of capital receipts over the MTFS period. A total of £130m is held in the capital financing reserve to fund the four-year capital programme.

83. The revised capital receipts targets to fund the four-year programme are shown in the table below. Earmarked receipts are mainly sales of Education properties which are required to be reinvested in new Education capital projects.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Property Receipts					
General	6.4	8.9	3.6	3.4	22.3
Earmarked	2.9	4.0	2.7	0.0	9.6
Total	**9.3**	**12.9**	**6.3**	**3.4**	**31.9**

Capital Shortfall / Borrowing Required

84. Overall, the net funding required for the programme has reduced by £8m to £57m. As set out in the original MTFS, and due to the levels of cash balances held by the Council, that no new external borrowing will be taken out and instead the shortfall will be financed by internal borrowing.

85. This reduces the cost of borrowing although the pressure on the school's programme highlighted above may reduce the ability to do this in future years.

Capital Summary

86. The review of the capital programme has resulted in updates to the capital programme for the latest known funding available and latest estimates of profiled spend. The revised four-year capital programme totals £600m.

87. Overall, the balance of funding required for the capital programme has reduced to £57m saving the Council around £0.5m in revenue borrowing costs per annum ongoing.

Investing in Leicestershire Programme – Quarter 1, 2026/27 update

88. The Investing in Leicestershire Programme (IILP) is part of the MTFS. Investments in property and other diversifier holdings generate income that supports the Council's MTFS whilst contributing to the wider strategic objectives of the Council and the economic wellbeing of the area. The IiLP Strategy is approved annually as part of the MTFS. The IiLP Annual Performance Report is the subject of a separate report on the agenda for this Cabinet meeting.

89. A summary of the IiLP position at quarter one for 2026/27 is included within Appendix D. The budgeted outturn for 2026/27 is £8.6m. As at the end of quarter one a revision to the County Hall rental income of £75,000 from tenants exercising break clauses means the forecasted outturn is now £8.5m. There are no other material changes to the direct property estate and the diversifier investments continue to generate income in line with expectations.

90. The total budget is split between direct core holdings and diversifier investments as shown in the appendix. The position also includes a budgeted contribution to the sinking fund of £1.7m in 2026/27. Any outperformance versus the budget will, like previous years, be added to the sinking fund which is forecast to rise towards £10m by the end of the MTFS period.

91. The forecast net income percentage return for the IiLP is 5.5% for 2026/27 when excluding the development assets (those that are in construction), and the rural portfolio. Including these asset classes reduces the forecast net income return to 3.1% for the year as a consequence of the naturally lower returns against the rural portfolio which is in line with the rural strategy. Assets are also held in order to benefit from capital appreciation. For example, external rural revaluations over the past few years have materially increased the carrying value of the overall rural

estate. Capital valuation changes are only calculated at year-end and as such no impact is included above.

92. The diversifying investment are pooled fund investments where the Council invests alongside other investors. The purpose of these holdings is to reduce overall IiLP portfolio risk by investing in differing asset classes and geographies. Four separate types of investment are included: UK pooled property funds, a global infrastructure fund, two vintages of a private debt strategy and two vintages of a bank risk share strategy. The aim is to provide diversified income from a variety of differing sources which has performed well over the past few years whilst UK property total returns have suffered as the Bank of England base rate increased.

93. Diversified investments are currently below the target level set by the last IiLP strategy. The current MTFS includes provision for additional investment which is now pending a IiLP strategy review that is planned later this year and will inform the Council of the future direction for the IiLP. The last review was completed in early 2024.

MTFS REFRESH 2027 - 2031

National Position

94. The previous Chancellor delivered the Spring Forecast at the end of March, backed by the Economic and Fiscal Outlook reported by the Office of Budget Responsibility. The forecast states GDP growth of 1.1% is expected in 2026, down from 1.4% in 2025, rising to 1.6% in 2027.

95. There remains uncertainty arising from the new administration in Westminster. The new Chancellor has announced that they will deliver their first budget on 28 October 2026. The government has also published the Rewiring the State Cabinet Statement which sets out the government’s vision for devolution in England, with an aim to have strategic authorities in place everywhere by the end of 2028. The statement emphasises a preference for mayoral authorities, but states that this will be a local decision.

96. While the introduction of the High Needs Stability Grant (HNSG), covering 90% of Dedicated School Grant (DSG) deficits as at March 2026, is very welcome, considerable uncertainty remains regarding both the treatment of the remaining 10% of deficits and the level and timing of support for deficits that continue to accumulate.

97. CPI inflation peaked in October 2022 at 11.1%, then steadily reduced back down to 1.7% in September 2024, before rising again to 3.8% in July 2025. Since then, the figures have fallen and the latest figure, for July 2026, stands at 2.9%. The Bank of England is currently forecasting that inflation will increase to around 3.2% in quarter four 2026 (owing to the continued impacts and uncertainty of the US-Israel-Iran conflict) before beginning to fall back to around 1.7% in quarter one 2028, below the Bank’s 2% target.

98. Annual growth in employees' average earnings was 3.4% as at May 2026 (5.5% public sector, 2.9% private sector), down from 5.0% in May 2025 but still sufficiently high to create ongoing inflationary pressure. The Office of National Statistics (ONS) notes the variations in timing of public sector pay awards as a contributor to the higher growth reported in the public sector.

99. The UK unemployment rate is currently at 4.9%, increased from a rate of 4.7% last year. The economic inactivity rate for people aged 16-64 is 20.9%.

100. Rising wages and continued relatively low unemployment levels will to some extent boost tax revenues although the ongoing higher-level interest rates will increase the costs of servicing the national debt.

Leicestershire Position

101. The MTFS is currently being refreshed. Growth and savings are being reviewed to ensure they are realistic and robust and discretionary growth will continue to be kept at a minimum. There continues to be a great deal of uncertainty around the likely ongoing impact of inflation, business rates and other service reforms, e.g. to SEND, as well as the Council's core income levels.

102. As well as the impact of growth and inflation there are a number of other risks and challenges that will feed into the financial position.

Multi-Year Financial Settlement

103. The Government issued a three-year Final Settlement in February 2026 covering the years 2026/27 to 2028/29. Whilst a multi-year settlement brings some level of stability, it also means that the impact of inflation may not be adequately reflected in future years settlements. There could also be changes to government spending arising from the priorities of the new Prime Minister and Chancellor's budget.

Pay award

104. A full and final offer of 3.3% for Local Government Services (LGS), Chief Officers and Chief Executives has been accepted by each national body. The MTFS assumption was for an average of 3.5%.

105. No proposals have been made for future awards in future years. The current assumptions regarding pay increases in 2027/28 and later years are for average increases of 3.5%. Each 1% equates to around £2.3m.

National Living Wage

106. The National Living Wage (NLW) interacts with the impact of the pay award for internal staff. But there are additional costs associated with commissioned services, especially in Adult Social Care. Each 50p increase on the rate adds approximately £10m to the Council's bottom line.

107. An announcement of the NLW for the next financial year is usually made alongside the Autumn Budget. The Government takes into consideration the recommendations of the Low Pay Commission, which is anticipating that the NLW from April 2027 will be between £13.02 (2.4%) and £13.34 (5.0%), with a central estimate of £13.18 (3.7%), compared with the April 2026 figure of £12.71.

Running costs

108. The current MTFS allowed for running cost inflation of 3% for 2026/27 onwards. At present the assumption for 2026/27 is anticipated to be generally adequate but there are a number of significant inflation items which are still to be resolved over the coming months, and any amounts in excess of the provision made in the current MTFS will impact on the position for the new 2027-31 MTFS.

Special Education Needs and Disabilities

109. The underfunding of SEND has caused a significant financial problem for the County Council for a number of years. At the end of 2025/26 the cumulative DSG deficit was £79.2m. The latest forecasts show that the cumulative DSG deficit could increase to upwards of £400m by March 2030, before any government financial support.

110. As set out earlier in the report, the government have announced grant support of up to 90% for local authorities with net DSG deficits at 31 March 2026 and a longer-term intention for the responsibility for deficits to transfer to the DfE from 2028/29. Funding for the 31 March 2026 deficit is subject to the DfE review of the Council's SEND Reform Plan, which was submitted in June 2026. Details are expected later this year.

111. The Government have advised that there will be some support for deficits in 2026/27 and 2027/28, however, no confirmation has yet been provided. Therefore, the MTFS continues to set aside funding at a prudent level towards these deficits until the position becomes clearer.

Services Demand

112. The existing pressures within the MTFS are continuing, particularly in relation to Children's services, SEND and Adult Social Care, and this could require increases in growth and adverse in year budget variations. When the MTFS is refreshed and extended for a year, 2030/31 in this case, the new year adds between £25m and £30m to the financial deficit.

Savings Delivery

113. Progress against existing MTFS savings is closely monitored. As identified at paragraphs 61 and 62 above, there are a small number of savings with minor delays or risks, and these are being closely managed by the relevant Chief Officer. Any delay in the savings profiles for some savings are likely to have an impact on the refresh of the MTFS so it is important that mitigating action is taken promptly.

114. Following Cabinet approval of the outcome of the Efficiency Review in May, officers have continued to mobilise the resulting Better Leicestershire Programme, ensuring adequate resources and governance is in place to deliver the anticipated financial and service benefits. The review identified 13 wide ranging opportunities with savings estimated at £27m over the current MTFS period, with the potential to increase this to £60m by 2030/31. Savings where delivery and confidence has progressed sufficiently will be built into the MTFS through the current refresh and Scrutiny will receive a fuller update on the programme in November..As the opportunities are developed they will move from the category called savings under development and be promoted to the main MTFS. Work is underway to ensure as many as possible are at a stage that they can be included in the draft MTFS to be reported in December. The latest position on savings under development are included in Appendix E and this contains both existing initiatives and new opportunities from the Efficiency Review.

Mitigations

115. There are also a number of factors that could potentially help mitigate the financial risks:

Council Tax	The permitted increase without a referendum is 4.99%. The 2026-30 MTFS assumed maximum increases of 2.99% in 2027/28 and later years. The 2025 Spending Review and the 2027-29 Settlement indicate that the referendum limit will remain at 4.99% until 2028/29. A 1% increase in council tax precept would generate c.£4.4m for each year permitted.
Council Tax Collection funds net surplus	2027/28 currently includes a net £0.5m forecast surplus. Latest forecasts show that a net surplus of £1.3m from 2026/27 could be available.
Additional interest on cash balances	Upward movement on interest rates leads to greater returns on treasury management activity.
Reduction in MTFS Growth	There are some early indications in 2026/27 that the placement mix and costs of children's social care placements is more favourable than previously budgeted. The position is difficult to predict for year end. Estimates will be updated and included in the new MTFS.

116. The implications of the various issues described above will be assessed based on the latest emerging information over the coming months and fed into the December Cabinet report. Whilst the current MTFS forecast will undoubtedly change, the scale of the challenge is highly unlikely to diminish to the point that the County Council would not need to take significant corrective action, especially given the increasing pressures in Children's and Adults Services.

117. To balance the budget the use of reserves or other short-term measures may need to be considered as was the case with the County Council's 2024/25, 2025/26 and 2026/27 budgets, with £6m, £5m and £15m respectively being required from reserves to balance the initial budgets. Whilst this can deal with short term problems it does not solve the structural imbalance between income

and expenditure that inflation and spending pressures are causing. Reserves can only be used once and ongoing reliance on reserves to balance the budget should be avoided.

Growth will be subject to significant scrutiny to ensure future projections are robust. Additional growth will only be included for unavoidable demand driven pressures. Growth for service improvements is clearly unaffordable and so will not be included.

118. With respect to capital schemes and projects, there is no room for additional schemes to be added unless they are invest to save, related to end of life of assets needed for essential service delivery, or fully funded from external sources.

119. The revised capital funding gap has reduced to £57m. It is estimated that this will cost £4m in revenue financing costs.

120. Core service capital schemes (such as Highways Maintenance and Schools) will be restricted to the annual capital grant allocations and banked developer funding only although there are some emerging pressures on schools' places which has required a short-term change to this strategy. Services such as ICT and Property will need to be focussed on maintaining service delivery rather than enhancing it. In some cases, where it is possible, there will be a need to until they can be delivered or after inflationary or acute current cost pressures subside, mothball schemes.

Local Government Reorganisation

121. The Government's model for Leicester, Leicestershire and Rutland has recently been announced with the establishment of two new unitary authorities for Leicester, Leicestershire and Rutland, to take effect on 1 April 2028. A significant amount of work will now be required to determine the financial impact on the new authorities and this will evolve over the coming months. For this MTFS, the detailed impacts of LGR have not yet been included. However, funding towards the transition costs of LGR are included in reserves.

Planning Framework

122. The key Government announcements in the coming months will be;

- The Autumn Budget Statement - 28 October.
- The Provisional Local Government Finance Settlement expected late November/early December.

123. The broad MTFS timetable is:
- September to November 2026 – refresh growth, savings and capital including consideration by Cabinet Lead Members.
- Late October 2026 - National Budget and National Living Wage announcements.

- Late November/early December 2026 – receipt of the updated Provisional Local Government Finance Settlement for 2027/28 to 2028/29 including Council Tax referendum Principles
- 15 December 2026 – the Cabinet will be asked to approve the draft MTFS for consultation.
- January 2027 – public consultation on the draft MTFS, including the Overview and Scrutiny Committees and the Scrutiny Commission.
- 2 February 2027 – the Cabinet will be asked to approve the final draft MTFS for submission to the County Council.
- 17 February 2027 – the County Council will be requested to approve the MTFS for 2027/28 to 2030/31.

Recommendation

124. The Scrutiny Commission is asked to note this report.

Circulation under the Local Issues Alert Procedure

125. None.

Equality Implications

126. There are no direct equality implications arising from this report.

Human Rights Implications

127. There are no human rights implications arising from this report.

Background Papers

Report to the Cabinet on 26 May 2026 – Provisional Revenue and Capital Outturn 2025/26
https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=8307&Ver=4

Report to County Council on 18 February 2026 – Medium Term Financial Strategy 2026/27 to 2029/30
https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7391&Ver=4

Appendices

Appendix A: Revenue Position as at Period 4, 2026/27
Appendix B: Revenue budget major variances
Appendix C: Revised Capital Programme 2026-30
Appendix D: Investing in Leicestershire Programme, 2026/27 Quarter 1 update
Appendix E: Savings Under Development

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APPENDIX A

REVENUE BUDGET MONITORING STATEMENT 2026/27
(AS AT PERIOD 4)

	Updated Budget £000	Projected Outturn £000	Difference from Updated Budget £000	%
Schools Budget				
Schools	103,275	103,275	0	0.0
Early Years	128,634	128,634	0	0.0
High Needs	116,623	178,823	62,200	53.3
Dedicated Schools Grant (DSG)	-348,532	-348,532	0	0.0
	0	62,200	62,200	
Earmarked reserve - net deficit at 1/4/26			*79,244*	
Earmarked reserve - projected end of year			*141,444*	
LA Budget				
Children & Family Services (Other)	158,396	155,946	-2,450	-1.5
Adults & Cultural Services	249,352	249,582	230	0.1
Growth, Environment & Transport	116,780	115,580	-1,200	-1.0
Public Health, Communities, Law & Governance	10,671	10,911	240	2.2
Corporate Resources	40,082	39,632	-450	-1.1
DSG (Central Dept. recharges)	-2,285	-2,285	0	0.0
Service Investment Fund	2,075	2,075	0	0.0
MTFS risks contingency	8,000	8,000	0	0.0
Contingency for Inflation/Living Wage	10,846	10,846	0	0.0
Total Services	593,918	590,288	-3,630	-0.6
Central Items				
Financing of capital	10,800	10,900	100	0.9
Bank & other interest	-11,000	-12,000	-1,000	9.1
Central expenditure	2,985	2,735	-250	-8.4
Total Central Items	2,785	1,635	-1,150	-41.3
Contribution to earmarked reserves	33,800	33,800	0	0.0
Contribution to General Fund	1,000	1,000	0	0.0
Contribution from budget equalisation reserve to balance 2026/27 revenue budget	-15,373	-15,373	0	0.0
Total Spending	616,130	611,350	-4,780	-0.8
Funding				
Revenue Support Grant (new burdens)	-82,847	-82,847	0	0.0
Business Rates - Top Up	-52,468	-52,468	0	0.0
Business Rates Baseline / retained	-38,084	-38,084	0	0.0
Council Tax Precept	-441,557	-441,557	0	0.0
Council Tax Collection Funds - net surplus	-1,175	-1,175	0	0.0
Total Funding	-616,130	-616,130	0	0.0
Sub Total	0	-4,780	-4,780	
Reduce reserve contribution to balance overall budget	0	4,780	4,780	
NET POSITION	**0**	**0**	**0**	

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APPENDIX B

Revenue Budget 2026/27 – forecast main variances (Period 4)

Children and Family Services

Dedicated Schools Grant

There is a net projected overspend of £62.2m. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked reserve drawdown	**62,200**	**n/a**
The DSG budget in the original MTFS includes an estimated HNB drawdown (charge to the reserve) of £72.2m as the forecast in year overspend. The latest forecast shows a reduction to £62.2m based on the latest in year information. This includes a reassessment of demand levels and trends, revised placement mix and unit cost assumptions, and a clearer view of the expected impact of mitigation activity. Collectively these changes result in a lower projected financial pressure in the refreshed forecast, but nonetheless a variance position still of financial significance and concern.		
TOTAL	**62,200**	**n/a**

Local Authority Budget

The Local authority budget is forecast to underspend by £2.5m (1.5%). The main variances are:

	£000	% of Budget
Unaccompanied Asylum Seeking Children (UASC)	**-1,250**	**22%**
The projected underspend reflects a combination of reduced unit costs for placements and the impact of the time-limited UASC incentive scheme. The scheme provides additional Home Office funding to support and incentivise local authority participation in the National Transfer Scheme, effectively reducing the net cost of placements. As this funding was not assumed/confirmed for 26/27 at the time of budget setting, it contributes to the favourable variance against the net budget		
Children's Social Care Placements	**-1,000**	**1%**
Whilst demand remains volatile and it is challenging to predict the outturn position with certainty, pressures continue within secure placements. However, overall the core placements budget is currently projected to deliver a more favourable placement mix and lower average unit costs compared to budget assumptions. This position is largely attributable to continued focus on demand and cost management, aligned to the principles of the Smarter Commissioning programme and broader demand management activity.		
Departmental Financial Controls / Vacancy Control Management	**-200**	**n/a**
For 2026/27, continued focus will be maintained to ensure that all expenditure is essential and supports effective and efficient service delivery, presenting a potential opportunity of circa £200k. This is expected to be reflected as an in-year underspend, with scope for this to be translated into an ongoing financial opportunity as part of future MTFS planning.		
TOTAL	**-2,450**	**-2%**

Adults & Cultural

The Department has a net forecast overspend of £0.2m (0.1%). The main variances are:

	£000	% of Budget
Supported Living	**1,300**	**2%**
The overspend reflects a sharp increase in the average hours per service user (+4%) that was observed in the final quarter of 25/26 from high cost packages that are expected to continue into 26/27. Offsetting this at this stage are lower than budgeted service user numbers amounting to a reduction of 2%. Historic data suggests an increase going into the autumn months as young adult's transition from care provided by the Children's & Family Services department to the Adults & Cultural Services department.		

Direct Cash Payments	**1,190**	**2%**
Overspend (£0.5m) based on an expected shortfall of clawbacks based on performance for periods 1-3. The department is working to improve its performance on clawbacks therefore this variance could reduce as the financial year progresses. In addition £0.7m is from higher than budgeted average package costs some of which relates to the purchase of Community Life Choices/day services.		
Better Care Fund (Balance)	**1,190**	**-3%**
Reduced funding from the Integrated Care Board relating to Residential Discharge to Assess packages. Discharge to Assess income of £1.1m of funds are expected against a budget of £2.8m due to lower activity. Reserve monies of £500k to be brought in to reduce this shortfall to £1.2m.		
Home Care	**435**	**1%**
Service user numbers have continued to increase above demographic trends since February 2026 from around 2,730 to 2,813 (+3.00%) at the end of April 26 primarily through new starts being greater than service ends for standard Homecare maintenance packages. However, the average hours commissioned has remained around 10.8 hours per service user.		
Non Residential Income	**-935**	**2%**
Estimated over recovery of £754k expected from Non-Residential Client Income, primarily from a 2% increase in chargeable service users and a 1.3% increase in average chargeable amount. Additional Health income of £200k to budget is also forecast.		
Residential and Nursing Care	**-785**	**-1%**
Estimated over recovery of £0.4m of Residential Client Income predominantly from the long stay service users reflecting the higher service user numbers being observed in 25/26 and the full year effect of this in 26/27. Estimated over recovery of Health Income of £1.5m. The proportion of health funded residential clients is increasing, it has risen from 13.5% to 14.5% over the last 18 months. The department is reviewing processes to ensure funding is being recorded correctly and this is a factor in the improved performance. Overspend of £1.1m mainly due to the numbers of service users continuing to trend upwards at a rate faster than anticipated at budget setting - specifically within the Older People (long term) group where forecast service user numbers at budget setting were 1,870, but currently running at 1,904. Overall, the forecast is based on 2,540 service users costing an average of £1,203 per week.		
Home First	**-475**	**-4%**
The underspend is primarily from vacant Support Worker posts within the HART Service of which £150k is due to implementation of CQC improvement changes which are unlikely to happen until second half of year. Remaining £327k due to vacancies. Recruitment is ongoing as part of the Department's plan to increase the HART workforce to enable more cases to be retained by the service requiring fewer referrals to the Independent Homecare sector which should generate a saving to the department. Recruitment however remains difficult within the social care market.		
Shared Lives Residential	**-465**	**-30%**
Lower level of long and short term residential placements due to lower levels of carers available to take on new placements. Currently have ~44 Service Users.		
Mental Health & Safeguarding	**-365**	**-4%**
Vacancies within Approved Mental Health Professional, Forensic, Hospital. In reach specialist teams primarily through slippage in the recruitment of social workers related to the CQC Improvement Plan.		
Supported Living, Residential and Short Breaks	**-265**	**-5%**
Difficulty in recruiting staff in the current social care market across Council sites leading to a large number of vacancies across all sites particularly in The Trees & Melton short breaks sites. A recruitment campaign is ongoing to reduce agency staff, fill vacancies and allow the Short Breaks sites to increase its capacity. A plan for continuous improvement is in place focussed on driving up quality taking into consideration learning from CQC across all service areas.		
Cognitive and Physical Disability	**-215**	**-2%**
Underspend primarily due to £350k underspend on Integrated Community Equipment Service, as a result of LCC's contribution to the pool decreasing and LCC receiving a share of the pool one-off underspend in 25/26. This is offset by £160k expenditure for ceiling track hoists, for which budget was removed as part of transfer of these costs to Lightbulb in 2026/27. There is a small underspend of £26k on staffing in the Care Pathway Teams. The CQC Improvement Plan funding is forecast to be fully spent, with many of these vacancies forecast to be filled, so if the vacancies are not filled in future periods, then this underspend will increase.		

Community Life Choices	**-100**	**-1%**
Service User (SU) numbers have steadily been rising above demographic trends and currently stand at 755. However offsetting this higher growth in service user numbers (+6%) is a lower than budgeted average package cost per service user (-7%) that is leading to an overall underspend with this budget at this stage.		
Other variances (under £100k)	**-280**	**n/a**
TOTAL	**230**	**n/a**

Growth, Environment and Transport

The Department is forecasting a net underspend of £1.2m (1.0%). The main variances are:

	£000	**% of Budget**
Social Care Transport	**615**	**12%**
Overspend due to increasing number of users, partly offset by underspend in Passenger Fleet.		
Landfill	**500**	**41%**
Overspend in Landfill due to waste being diverted out of Treatment into Landfill for operational reasons. This includes reacting to changing collection patterns for food waste, busier RHWS's in April, unplanned outages at waste sites, and differing district delivery patterns than forecast.		
Traffic Controls	**175**	**13%**
Forecast overspend due to network damage from increasing number of Road Traffic Collisions.		
Concessionary Travel	**135**	**3%**
Overspend due to an increase in concessionary travel passengers.		
Street Lighting Maintenance	**115**	**5%**
Overspend as a result of increased street lighting maintenance costs, partly offset by an underspend on street lighting energy due to fewer lighting adoptions from new housing developments, as well as later switch-on times due to the lighter spring weather.		
Recycling & Household Waste	**115**	**2%**
Overspend due to lower RHWS recycling income as a result of lower scrap metal prices, in addition to increased property maintenance costs.		
Growth Service	**105**	**28%**
Overspend due to lower numbers of Section 106 planning fees, partly offset by staffing vacancies.		
WEEE Funding	**100**	**-76%**
Overspend due to lower scrap metal prices.		
Treatment & Contracts	**-575**	**-3%**
Underspend in Treatment due to waste being diverted out of Treatment into Landfill for operational reasons, in addition to lower overall tonnage.		
H & T Network Staffing & Admin	**-390**	**-27%**
Increased S38 and S278 developer income		
Staffing, Admin & Depot Overheads (H&T Operations)	**-320**	**-9%**
Underspend due to additional Network Management income, staffing underspends and additional highways income, partly offset by increased highways ops depot costs.		
Dry Recycling	**-265**	**8%**
Underspend in Dry Recycling Materials due to continued high material prices (particularly in plastics) and slightly lower expected tonnage.		
Composting Contracts	**-250**	**-12%**
Underspend due to reduced tonnage of composting as a result of recent dry weather.		
Haulage & Waste Transfer	**-225**	**-7%**
Underspend expected due to operational changes resulting in lower haulage costs.		
Staffing and Admin (Environment & Waste Management)	**-190**	**-11%**
Underspend due to vacancies across E&W management commissioning teams.		
Passenger Fleet	**-165**	**-23%**
Underspend mainly due to vacant driver and escort posts. This partly offsets the overspend in Social Care external transport.		
Staffing & Admin Delivery (H&T Network management)	**-115**	**-2%**
Underspend due to staffing vacancies across the teams.		
Highways & Transport Operations Management	**-115**	**-23%**
Underspend due to staffing vacancies across the teams.		

Road Safety	**-100**	**-15%**
£55k due to Road Safety school crossing vacant posts, £35k reduced costs in Average Speed Camera sites		
Income (Environment & Waste Management Commissioning)	**-100**	**-15%**
Higher than expected trade waste income.		
Other variances (under £100k)	**-250**	**n/a**
TOTAL	**-1,200**	**-1%**

Public Health, Communities, Law & Governance

The Department is forecasting a net overspend of £0.2m (2.2%). The main variances are:

	£000	**% of Budget**
Law & Governance Projects	**385**	**-103%**
Unallocated savings are held here and offset against underspends elsewhere in the Strategy, Law & Governance element of the Department.		
0-19 Children's Public Health	**140**	**1%**
Overspend largely due to increased costs of Teen Health Service agreed with the C&FS department.		
Democratic Services	**-100**	**-8%**
Staffing underspends due to the turnover of senior staff and vacancies.		
Strategic Heads	**-65**	**-4%**
Underspend due to staff vacancies.		
Community Safety	**-50**	**-8%**
Underspend due to staff vacancies.		
Other variances (under £50k)	**-70**	**n/a**
TOTAL	**240**	**2%**

Corporate Resources

The Department has a net forecast underspend of £0.5m (1.1%). The main variances are:

	£000	**% of Budget**
Customer Services Programme saving	**130**	**n/a**
Late delivery of MTFS savings totalling £130k from the Customer Programme. Although benefits from the programme are being achieved, the timing of cashing the saving through staff reductions is yet to be finalised and expected to have a full year effect in 2027/28.		
Strategic Property	**100**	**8%**
Additional agency costs due to transition into new structure.		
Building Running Costs	**-285**	**-6%**
Reduced building costs e.g. utilities, rates, cleaning across the corporate estate (£366k) are offset by an income shortfall of £81k, mainly due to County Hall lettings to UHL NHS Trust exercising lease breaks at 31/12/26 leaving a 3 month void and a planned NHS letting now not progressing.		
ICT	**-260**	**-2%**
Underspend as a result of staff vacancies across multiple teams due to turnover and recruitment drag. Offset by a small running cost overspend.		
EMSS	**-135**	**-4%**
Reduction in LCC's contribution to the partnership following the partnership underspend, which is shared 50:50 with Nottingham City Council (£155k), partially offset by higher non-partnership staffing costs (£15k) and debt management costs (£5k).		
Other variances (under £50k)	**0**	**n/a**
TOTAL	**-450**	**-1%**

APPENDIX C

CHILDREN & FAMILY SERVICES - CAPITAL PROGRAMME 2026-30

Estimated Completion Date	Gross Cost of Project £000		Capital Programme 2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
		MAIN GRANT FUNDED PROGRAMME					
Mar-30	67,311	**Provision of Additional School Places**	**32,726**	**21,414**	**9,124**	**4,047**	**67,311**
Mar-29	46,632	**Provision and Improvement of SEND Places**	**10,578**	**32,655**	**3,400**	**0**	**46,632**
Mar-30	10,255	Strategic Capital Maintenance	4,255	2,000	2,000	2,000	10,255
Mar-30	1,639	Schools Devolved Formula Capital	439	400	400	400	1,639
Mar-30	1,235	Schools Access / Security	335	300	300	300	1,235
Mar-27	741	Childcare Expansion Programme	266	0	0	0	266
Mar-27	483	Music Hub Equipment	124	0	0	0	124
Mar-28	275	Children's SCIP - Residential Home	94	275	0	0	369
Mar-27	99	CPP Assistive Technology	40	0	0	0	40
		Other Capital	**5,552**	**2,975**	**2,700**	**2,700**	**13,927**
		Overall Total	**48,856**	**57,043**	**15,224**	**6,747**	**127,871**

Future Developments - subject to further detail and approved business cases
Additional School Infrastructure arising from Housing Developments
SEN Provision arising from new housing development
Further Residential Opportunities

ADULTS & COMMUNITIES - CAPITAL PROGRAMME 2026-30

			Capital Programme				
Estimated Completion Date	Gross Cost of Project £000		2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
Mar-30	22,866	Disabled Facilities Grant (DFG)	5,716	5,716	5,716	5,716	22,866
		Social Care Investment Plan (SCIP):					
Mar-30	3,758	SCIP - Extra Care schemes	0	2,920	419	419	3,758
		Total A&C	**5,716**	**8,636**	**6,135**	**6,135**	**26,624**

Future Developments - subject to further detail and approved business cases
Century Theatre - Replacement Dressing Rooms
Snibston ancient monument - (SAM)
Potential for further Cafés
Watermead visitor project
Watermead Country Park Bridge
Car parking system replacement with ANPR
Car parking system replacement with ANPR - other sites
Ashby Woulds Heritage Trail - resurfacing
Broombriggs Farm Cottage - refurbishment

ENVIRONMENT & TRANSPORT - CAPITAL PROGRAMME 2026-30

Estimated Completion Date	Gross Cost of Project £000		Capital Programme 2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
		Major Schemes					
Apr-27	19,600	Zouch Bridge Replacement - Construction and Enabling Works	6,393	191	0	0	6,584
Jun-26	127,160	Melton Distributor Road - North and East Sections	13,400	0	0	0	13,400
Mar-27	23,390	A511/A50 Major Road Network	11,860	0	0	0	11,860
Mar-30	21,069	Advance Design / Match Funding	8,908	2,975	4,975	4,211	21,069
Mar-28	9,870	Melton Depot Replacement	1,620	8,000	0	0	9,620
Apr-26	2,509	Market Harbough improvements	0	0	0	0	0
Mar-30	3,899	Leicestershire Cycling Walking Improvements Plan Delivery	899	1,228	891	890	3,908
Mar-28	3,171	MHTS Section 106 Phase 1	2,127	1,044	0	0	3,171
Apr-27	1,880	The Parade Oadby Cyclops	1,664	145	0	0	1,809
Mar-29	3,151	Local Electric Vehicle Infrastructure (LEVI) Full Roll out	315	599	2,237	0	3,151
			47,188	**14,182**	**8,103**	**5,101**	**74,574**
		Minor Schemes / Other					
Mar-30	11,115	Local Authority Bus Grant (LABG)	1,052	2,752	2,806	2,860	9,469
Mar-27	2,799	Bus Grant	2,799	0	0	0	2,799
Mar-27	8,227	Zero Emission Buses	639	0	0	0	639
Mar-27	223	Local Electric Vehicle Infrastructure (LEVI) pilot	178	0	0	0	178
Mar-27	198	Cross Pavement Channel Trial (CPC)	198				198
Mar-27	4,118	Hinckley Hub (Hawley Road) - NPIF	3	0	0	0	3
Mar-30	6,200	Property Flood Risk Alleviation - funded externally + LCC	2,380	2,000	799	1,021	6,200
Mar-30	11,129	Safety Schemes	2,486	2,773	2,754	3,116	11,129
Mar-27	26,212	M1 Junction 23 / A512 Improvements	51	0	0	0	51
Mar-27	10,129	Anstey Lane A46	9	0	0	0	9
Mar-27	3	Other Minor projects	3	0	0	0	3
Mar-30	3,240	Active Travel Improvements	655	309	820	1,491	3,275
Mar-30	400	Plant renewals	105	100	100	100	405
Mar-28	575	Highways Depot Improvements	270	200	0	0	470
Mar-30	14,538	County Council Vehicle Replacement Programme	7,748	3,436	4,880	1,682	17,746
Mar-28	1,674	Externally Funded Schemes	2,675	725	0	0	3,401
			21,250	**12,295**	**12,159**	**10,271**	**55,976**
		Transport Asset Management					
Mar-30	23,618	Capital Schemes and Design	5,995	6,034	5,534	6,055	23,618
Mar-30	10,694	Bridges	2,122	1,385	1,666	5,521	10,694
Mar-30	5,032	Highways Flood alleviation	789	925	1,426	1,892	5,032
Mar-30	14,279	Street Lighting	3,375	3,230	3,731	3,943	14,279
Mar-30	5,913	Traffic Signal Renewal	1,026	1,199	1,675	2,013	5,913
Mar-30	52,413	Preventative Maintenance - (Surface Dressing)	13,492	13,721	13,332	11,868	52,413
Mar-30	73,857	Restorative (Patching)	16,375	17,564	18,981	20,938	73,857
Mar-30	1,497	Network Performance & Reliability	447	350	350	350	1,497
Mar-30	3,416	Public rights of way maintenance	661	1,200	517	1,038	3,416
			44,282	**45,607**	**47,213**	**53,617**	**190,719**

ENVIRONMENT & TRANSPORT - CAPITAL PROGRAMME 2026-30 (Continued)

Estimated Completion Date	Gross Cost of Project £000		Capital Programme 2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
		Environment & Waste					
Apr-26	148	Ashby Canal	0	0	0	0	0
Mar-30	1,628	Recycling Household Waste Sites - General Improvements	411	666	388	391	1,856
Mar-30	497	Recycling Household Waste Sites - S.106 funded schemes	442	88	3	4	537
Mar-28	1,139	Food Waste Treatment Service Delivery	400	894	0	0	1,294
Mar-27	255	RHWS Waste Station - Weighbridge	214	0	0	0	214
Mar-27	8,305	RHWS Majors - Waste Transfer Station	161	0	0	0	161
Mar-27	5	RHWS Majors - Kibworth Site Redevelopment	5	0	0	0	5
Mar-27	146	Ashby Cabal - Badger Activity Mitigation	0	0	0	0	0
Mar-30	374	H&T Other - Land reclamation - Ashby Canal	140	37	37	37	251
			1,772	**1,685**	**428**	**432**	**4,317**
		Total E&T	**114,493**	**73,768**	**67,903**	**69,421**	**325,585**

Future Developments - subject to further detail and approved business cases
New Melton RHWS
Compaction equipment
Green vehicle fleet
Compaction equipment
EV infrastructure at Depots - Grant match fund

CORPORATE RESOURCES - CAPITAL PROGRAMME 2026-30

Estimated Completion Date	Gross Cost of Project £000		Capital Programme 2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
		ICT					
Mar-30	903	Cisco Network Equipment	175	75	15	310	575
Mar-28	240	Replacement of IT Service Management toolset and User Portal (Marval)	0	240	0		240
Mar-30	1,700	Hyper-Converged Infrastructure (HCI) Refresh/re-license	0	0	500	281	781
Mar-29	100	Remote Access Refresh	0	0	76		76
Mar-30	1,949	Backup System Replacement	17	0	0	1,000	1,017
Mar-30	199	Wireless Access points	0	0	0	199	199
Mar-27	70	Wireless Controllers	70	0	0		70
Mar-30	2,943	Workplace Strategy - EUD Refresh (PC, laptop)	713	770	835	604	2,922
Mar-27	200	Loadbalancers	200				200
Mar-27	300	Perimeter Firewalls	300				300
		Sub total ICT	**1,475**	**1,085**	**1,426**	**2,394**	**6,380**
		Property Services					
Mar-30	495	Boiler Replacement Programme	25	340	75	55	495
Mar-27	65	County Hall installation of UPS to CWC's	65				65
Mar-27	95	Bosworth Battlefield car park	95				95
Mar-27	500	Beaumanor Hall	500				500
Mar-27	200	Aston Firs - Living blocks refurbishments	188				188
Mar-27	160	County Hall - MUGA resurfacing	160				160
Mar-27	100	Snibston Scheduled Ancient Monument	100	0			100
Mar-27	85	Bassett Centre window replacement	85				85
Mar-28	510	Corporate Estate - General Improvements	160	150	100	100	510
Mar-27	83	Tree Planting Programme	27				27
Mar-28	603	Energy initiatives	176	150	0		326
Mar-27	187	(PSDS) Public Sector Decarbonisation Scheme - Leicestershire Family Hubs	187				187
Mar-28	375	Electric Vehicle Car Charge Points	80	150			230
Mar-27	62	Energy & Water Strategy - Invest to save	31				31
Mar-28	75	Snibston E V Chargers & Solar Car Port	0	75			75
		Sub total Property Services	**1,880**	**865**	**175**	**155**	**3,075**
		Total Corporate Resources	**3,355**	**1,950**	**1,601**	**2,549**	**9,455**

CORPORATE RESOURCES - CAPITAL PROGRAMME 2026-30 (Continued)

Future Developments - subject to further detail and approved business cases
Strategic Property Future Developments
County Hall Eastern Annexe - roof and cladding for collections hub
County Hall Eastern Annexe - internal adaptations to enable collections hub
ICT Future Development:
Telephony Equipment
BT Contract
Internal Firewalls
BT WAN Router Refresh
Climate Change
Minimum Energy Efficiency Standards (MEES)
Operational Property
Asset Management System
End of life gas boiler replacement

CORPORATE - CAPITAL PROGRAMME 2026-30

Estimated Completion Date	Gross Cost of Project £000		Capital Programme 2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
Mar-27	16,436	**Investing In Leicestershire Programme (IILP)**	3,879	0	0	0	3,879
Mar-27	3,510	Airfield Business Park - Phase 3-4	967	0	0	0	967
May-27	690	Lutterworth Leaders Farm - Drive Thru Restaurants	559	50	0	0	609
Mar-30	1,400	M69 Junction 2 - SDA	387	350	350	350	1,437
Mar-30	850	County Farms Estate - General Improvements	436	275	150	150	1,011
Mar-28	3,227	Industrial Properties Estate - General Improvements	2,044	1,427	0	0	3,471
Mar-27	67	Lutterworth East - Planning and Pre-Highway construction Works	67				67
Mar-30	36,000	Embankment House - Land Development	0	10,000	12,000	14,524	36,524
		New Investments - subject to Business Case					
		Sub total IILP	**8,339**	**12,102**	**12,500**	**15,024**	**47,965**
							0
Mar-30	38,000	**Future Developments**	0	10,000	14,000	14,000	38,000
Mar-30	25,000	Future projects - subject to business cases	0	7,500	7,500	10,000	25,000
		Capital Programme Portfolio Risk					
		Sub total Future Developments	**0**	**17,500**	**21,500**	**24,000**	**63,000**
		Total Corporate Programme	**8,339**	**29,602**	**34,000**	**39,024**	**110,965**

Future Developments - subject to further detail and approved business cases
Sustainability / Invest to Save Schemes

APPENDIX D

Investing in Leicestershire Programme – 2026/27 Q1 Update

Asset Class	Opening Capital Value [1]	Capital Incurred (returned) 2026/27	Change in valuation	26/27 Capital valuation [2]	Net income YTD	Budget Net Income FY	Forecast Net Income FY	Variance to Budget	In year forecast net income return % [3]	Since Inception IRR [4]
	£000	£000	£000	£000	£000	£000	£000	£000	%	%
Direct Commercial Holdings										
Development	38,960	0	0	38,960	-20	10	10	0	0.0%	
Rural	86,716	0	0	86,716	-77	273	273	0	0.3%	
Offices inc County Hall [5]	59,248	0	0	59,248	729	3,503	3,428	-75	5.8%	
Industrial	37,252	0	0	37,252	575	2,222	2,222	0	6.0%	
Other	4,478	0	0	4,478	33	194	194	0	4.3%	
Direct Holdings	**226,654**	**0**	**0**	**226,654**	**1,240**	**6,202**	**6,127**	**-75**	**2.7%**	
Diversifier Holdings										
Private Debt MAC 6 2021	10,119	-1,662	114	8,571	-45				n/a	6.2%
Private Debt MAC 7 2023	8,554	-571	190	8,173	48				n/a	8.7%
Private Debt - Total	**18,673**	**-2,233**	**304**	**16,744**	**2**	**823**	**823**	**0**	**4.8%**	**5.6%**
Pooled Property	7,799	-232	-3	7,564	68	194	194	**0**	2.7%	2.2%
Pooled Infra Fund	9,222	0	-31	9,191	82	243	243	0	2.6%	7.0%
Pooled Bank Risk Share	17,733	-1,507	-1,379	14,847	484	1,174	1,174	0	7.4%	14.8%
Central adjustments										
TOTAL (All IiLP)	**280,081**	**-3,972**	**-1,109**	**275,000**	**1,877**	**8,636**	**8,561**	**-75**	**3.1%**	
TOTAL exc development and rural	**154,405**	**-3,972**	**-1,109**	**149,324**	**1,974**	**8,353**	**8,278**	**-75**	**5.5%**	

1. Opening valuations based on market valuations not historic cost.
2. Direct property is valued annually at year end.
3. Forecast net income return % is based on the opening capital value and in year net capital and valuation change.
4. IRRs for diversifier investments, private debt and pooled property are the combination of all underlying investments in the relevant asset class.
5. Capital Value for County Hall relates to rented areas only.

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APPENDIX E

SAVINGS UNDER DEVELOPMENT

Initiative title	RAG
Children and Family Services	
Supporting more Children in Family Based Placements.	A
Commissioning for the Future - innovative solutions to develop sustainable and resilient commissioning models and provider markets	A
Enabling more Children and Young People to achieve permanence and exit care via Reunification.	A
Targeted Prevention in Children's services to reduce avoidable escalation of need	A
Adults and Cultural Services	
Independence outside of Residential Care.	A
Maximising Independence for working age adults - reviewing the level of need to ensure support is at the right level	A
Targeted Prevention to avoid escalation of need and support residents to be independent for longer	A
Commissioning for the Future - innovative solutions to develop sustainable and resilience commissionng models and provider markets	A
Growth, Environment and Transport	
SEN Post-16 Transport Review: Review of discretionary transport for post-16 SEN students, focusing on appeals, financial controls, and alternative options such as increasing Personal Transport Budget (PTB) values to encourage uptake and reduce overall costs.	A
Fleet Efficiencies and Improvements: Reduce reliance on hired vehicles and optimise fleet size using service data. This includes reviewing utilisation, maintenance costs and replacement cycles. The commercial appetite for using the workshop to generate income will also be explored.	A
Network Management Improvement Project (NMIP): Streamline roadworks permitting processes to achieve operational excellence, improve compliance and strengthen financial control. This is a prerequisite for considering the national Lane Rental Scheme.	A
Lane Rental Scheme: Once NMIP is complete, the Council will explore the ability to charge utility companies and developers for occupying roads during works. This would incentivise quicker completion and generate income.	A
RHWS Income and Service Efficiency: Improve efficiency at RHWS and explore further income generating options, e.g. re-use shops, and maximising contract performance.	A
Forestry Service Review: Review and consolidate under Growth, Environment and Transport Department to reduce costs, improve safety and deliver a consistent, accountable service.	A
Social Care Transport: Partnership working with ASC to manage commissioned services.	A
Independent Travel Training	G
Public Health, Communities, Law & Governance	
Review of current operating model	G
Corporate Resources	
Assess technology offer to further optimise value: Reviewing enterprise technology licences and vendor contracts to maximise utilisation and reduce duplication. Focus is on aligning spend with business priorities and leveraging existing platforms for greater return on investment.	G
Technology Architecture and data review including consolidation of ICT systems to adopts a unified approach: Strategic review of ICT architecture to simplify systems, consolidate platforms, and adopt a unified data approach. Expected benefits include cost reduction, improved resilience, and streamlined support.	G
Targeted Automation - Digitising Caseworker Notes: Exploring automation of manual case recording processes to reduce administrative burden, improve data accuracy, and release staff time for frontline services.	G
Beaumanor Hall - Future options for operation of site Options appraisal underway to determine future operating and delivery model	A
IiLP - Income from investment decisions - further opportunities being explored: Further opportunities being explored to optimise returns through strategic asset management and diversification.	A
Cross cutting	
Resident Focused Organisation - ensuring the Council is organised to deliver on its objectives effectively and efficiently by optimising organisational design and delivery models, reducing agency spend and maximising the use of technology	A
Sustainable Support Services Programme - ensuring the right tools are available alongside cost effective and efficient support services.	A
Third Party Spend Review (TPSR) - Aspiring to ensure all such spend is necessary and represents the best possible value for the authority. Approach is being piloted in Corporate Resources and 3 cross cutting workstreams have been identified.	G

Green
Amber
Red

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