



Meeting: **Cabinet**

Date/Time: **Tuesday, 26 May 2026 at 2.00 pm**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Ms. J. Bailey (Tel. 0116 305 2583)**

Email: **jenny.bailey@leics.gov.uk**

Membership

Mr. D. Harrison CC (Chairman)

Mr. C. Abbott CC

Dr. J. Bloxham CC

Mr. K. Crook CC

Mr. H. Fowler CC

Mr. A. Hamilton-Gray CC

Mr. P. Harrison CC

Mr. C. Pugsley CC

Mr. M. Squires CC

Mr. A. Tilbury CC

Please note: this meeting will be filmed for live or subsequent broadcast via the Council's web site at [Cabinet meeting webcasts](#) - notices will be on display at the meeting explaining the arrangements.

AGENDA

<u>Item</u>	<u>Report by</u>	<u>Key Decision</u>
1. Minutes of the meeting held on 28 April 2026.		(Pages 3 - 8)
2. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
3. Declarations of interest in respect of items on the agenda.		
4. Provisional Revenue and Capital Outturn 2025/2026.	Director of Corporate Resources	(Pages 9 - 62) Yes



<u>Item</u>		<u>Report by</u>		<u>Key Decision</u>
5.	Efficiency Review - Outcomes and Revised Change and Improvement Programme.	Director of Corporate Resources	(Pages 63 - 192)	Yes
6.	Response to Borough of Oadby and Wigston Regulation 19 Local Plan Consultation and Declaration of Unmet Housing Need.	Director of Growth, Environment and Transport	(Pages 193 - 196)	
7.	Items referred from Overview and Scrutiny.			
8.	Any other items which the Chairman has decided to take as urgent.			



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Tuesday, 28 April 2026.

PRESENT

Mr. D. Harrison CC (in the Chair)

Mr. C. Abbott CC
Mr. K. Crook CC
Mr. H. Fowler CC
Mr. C. Pugsley CC

Mr. V. Richichi CC
Mr. M. Squires CC
Mr. A. Tilbury CC

In attendance.

Dr. D. North CC, Mr. C. Smith CC

109. Minutes of the previous meeting.

The minutes of the meeting held on 24 March 2026 were taken as read, confirmed and signed.

110. Urgent items.

There were no urgent items for consideration.

111. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

112. Leicestershire School Term Dates, Autumn 2027 to Summer 2032.

The Cabinet considered a report of the Director of Children and Family Services regarding proposed consultation on two potential models for Leicestershire school term and holiday dates for the period from autumn 2027 to summer 2032 for schools maintained by the local authority. A copy of the report, marked "Agenda item 4", is filed with these minutes.

Mr. Pugsley CC emphasised that it was not proposed to change the start of the summer holiday in early July, the traditional "Leicestershire fortnight", and explained that the first option was to retain existing term dates, and the second was to have an earlier start of term in August to enable a two-week half-term holiday in the autumn.

RESOLVED:

- a) That a consultation exercise be undertaken on the two proposed term date models for Leicestershire for the academic years 2027/28 to 2031/32, attached as Appendix A to the report;

- b) That the Cabinet receives a further report at its meeting on 8 September 2026 presenting the outcomes of the consultation and the recommended term date model.

(KEY DECISION)

REASONS FOR DECISION:

The Education Act 2002 places a statutory obligation on the County Council to determine the number of school days that schools under its control must open. The Council is required to determine a pattern that ensures at least 380 sessions (190 days) during each school year.

A public consultation process will seek feedback on two potential term date models to inform a recommended model for implementation.

113. Youth Justice Strategic Plan 2026-2027.

The Cabinet considered a report of the Director of Children and Family Services regarding the Leicestershire Youth Justice Strategic Plan 2026-2027 which set out the strategic priorities for the Youth Justice Service. A copy of the report, marked "Agenda item 5", is filed with these minutes.

Comments of the Scrutiny Commission, which had considered the Youth Justice Strategic Plan at its meeting on 22 April, were circulated separately and a copy is filed with these minutes.

Mr. Pugsley CC noted that that Plan set out a practical, joined-up, approach to help prevent reoffending and keep young people safe.

RESOLVED:

- a) That the comments of the Scrutiny Commission be noted;
- b) That the County Council at its meeting on 13 May 2026 be recommended to approve the Youth Justice Strategic Plan 2026-2027.

(KEY DECISION)

REASONS FOR DECISION:

There is a statutory requirement in section 40 of the Crime and Disorder Act 1998 for the County Council to produce a Youth Justice Plan which is linked to releasing the Youth Justice Grant from the Ministry of Justice.

114. Investing in Leicestershire Programme Rural Estate Strategy 2026-2036.

The Cabinet considered a report of the Director of Corporate Resources regarding the Investing in Leicestershire Programme (iLP) Rural Estate Strategy 2026-2036 which set out the proposed future vision, ambitions and objectives for the use, management and development of the Council's rural estate. A copy of the report, marked "Agenda item 6", is filed with these minutes.

Mr. Fowler CC thanked the Scrutiny Commission for its comments (included in the report). He noted that Leicestershire was a rural county and commented on the importance of agriculture and for the Estate to be financially sustainable. Mr. Crook CC added his support for starter farms for new entrants to farming.

RESOLVED:

- a) That the comments of the Scrutiny Commission be noted;
- b) That the Investing in Leicestershire Programme Rural Estate Strategy 2026-2036 be approved;
- c) That the Director of Corporate Resources, following consultation with the Cabinet Lead Member for Resources and the liLP Board, be authorised to approve plans for the Council's Rural Estate, including agreeing disposals and approval of investment proposals within current delegated authority limits and budget approvals.

(KEY DECISION)

REASONS FOR DECISION:

To enable the implementation of the Investing in Leicestershire Programme Rural Estate Strategy 2026-2036.

115. New Plan-Making System and a Joint Minerals and Waste Local Plan with Rutland County Council and Leicester City Council.

The Cabinet considered a report of the Director of Environment and Transport regarding the new plan-making system for England and its implications for the County Council as the Minerals and Waste Planning Authority and seeking in-principle approval for the Council to work with Leicester City and Rutland County Councils to prepare a joint Minerals and Waste Local Plan (M&WLP) across the three authority areas. A copy of the report, marked "Agenda item 7", is filed with these minutes.

Mr. Harrison CC noted that the joint approach reflected the strategic nature of minerals and waste planning. In seconding the motion, Mr. Crook CC referred to concerns relating to the three Councils' different political and strategic priorities and the challenging timetable for production of the M&WLP.

RESOLVED:

- a) That approval be given in principle for the County Council to participate with Leicester City Council and Rutland County Council to prepare a joint Minerals and Waste Local Plan for the Leicester, Leicestershire and Rutland local authority areas, subject to:
 - i) Leicester City Council and Rutland County Council, via their respective governance processes, also giving formal approval;
 - ii) all three authorities agreeing appropriate governance and decision-making, resourcing, and cost-sharing arrangements for the joint plan-making;

- b) That subject to agreement of a) above, a further report be submitted to the Cabinet in autumn 2026 regarding the Plan timetable, publication of the Intention to Commence, and governance arrangements for joint plan-making.

(KEY DECISION)

REASONS FOR DECISION:

Leicestershire County Council has a statutory function to prepare an M&WLP for the County and keep it up to date. The Government has introduced a new plan-making system which requires the County Council to start preparing a new M&WLP before the end of 2026.

As minerals and waste are strategic issues, preparing a joint plan across the larger area of Leicester, Leicestershire and Rutland is a sensible geography to plan for. It will also mitigate the uncertainty associated with the currently unknown boundaries of a future authority under local government reorganisation and allow for sharing of resources across the authorities participating in the joint plan. Approval in principle is sought to ensure that the Cabinet is supportive in advance of committing resources to a joint plan-making approach.

116. Crisis and Resilience Fund 2026-2029.

The Cabinet considered a report of the Director of Corporate Resources regarding a new government grant, the Crisis and Resilience Fund (CRF), which would run from April 2026 to March 2029, and how it would be used to support Leicestershire residents. A copy of the report, marked "Agenda item 8", is filed with these minutes.

Mr. Harrison CC noted that the CRF would provide emergency funding for food, fuel, and other essentials as well as long-term practical help.

RESOLVED:

- a) That the delivery plan and funding allocations outlined in Part B of the report for the Crisis and Resilience Fund in Leicestershire be noted;
- b) That the Director of Public Health, Law and Governance, following consultation with the Director of Corporate Resources, be authorised
 - i) to approve receipt of any future funding from the government for this grant;
 - ii) to approve the CRF delivery plans, funding allocations, and monitoring and evaluation returns for submission to the Department for Work and Pensions throughout the term of the CRF.

REASONS FOR DECISION:

The delivery plan will enable Leicestershire residents to receive financial support when in crisis and to receive ongoing financial resilience support from key partners. This meets the government guidance for the Fund.

The delegations to the Director will enable future funding to be received promptly leading to maximum impact with residents and for the delivery plans and monitoring and evaluation returns to be submitted in accordance with the DWP's prescribed deadlines.

117. Dates of Council Meetings in 2027/28 and 2028/29.

The Cabinet considered a report of the Director of Public Health, Law and Governance regarding dates for Council meetings for the next two municipal years. A copy of the report, marked "Agenda item 9", is filed with these minutes.

RESOLVED:

That the County Council be recommended to hold meetings on the following dates during the next two municipal years:-

Wednesday 17 February 2027 (to consider the budget)

Wednesday 12 May 2027 (Annual Meeting)

Wednesday 7 July 2027

Wednesday 29 September 2027

Wednesday 1 December 2027

Wednesday 16 February 2028 (to consider the budget)

Wednesday 17 May 2028 (Annual Meeting)

Wednesday 5 July 2028

Wednesday 27 September 2028

Wednesday 6 December 2028

REASONS FOR DECISION:

To comply with the Local Government Act 1972 and the County Council's Standing Orders.

118. Items referred from Overview and Scrutiny.

There were no items referred from the Overview and Scrutiny bodies.

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CABINET – 26 MAY 2026

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PROVISIONAL REVENUE AND CAPITAL OUTTURN 2025/26

PART A

Purpose of the Report

1. The purpose of this report is to set out the provisional revenue and capital outturn for 2025/26.

Recommendations

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

(KEY DECISION)

Reasons for Recommendations

3. To inform the Cabinet of the provisional revenue and capital outturn for 2025/26 and seek agreement to the use of the net revenue underspend to fund future commitments.
4. To ensure the EMSS Partnership Agreement remains relevant and fit for purpose.

Timetable for Decisions (including Scrutiny)

5. A report on the provisional revenue and capital outturn will be considered by the Scrutiny Commission on 10 June 2026.

Policy Framework and Previous Decisions

6. The County Council approved the 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) in February 2025. The key aim of the Strategy is to ensure that the Authority has appropriate resources in place to fund key service demands over the next few years. The Strategy includes the establishment of earmarked reserves and the allocation of ongoing revenue budget and capital resources for key priorities.
7. The 2025-29 capital programme was reviewed over the summer of 2025 and an updated programme was approved by the Cabinet on 12 September 2025.

Resource Implications

Revenue Outturn

8. A summary of the revenue outturn for 2025/26, excluding schools grant, is set out below:

	£000
Updated budget	615,335
Provisional outturn	608,013
Net underspend	-7,322
Reduced funding	299
Net underspend	-7,023
Additional commitments	7,023
Net position	0

9. Overall there has been a net underspending of £7.0m, which will be used to meet additional commitments detailed later in the report. A more detailed summary is given in Appendix A. Details of the variances for departments and central items are included in the report and in Appendix B.
10. The General Fund reserve stands at £26m as at 31 March 2026, which represents 4.2% of the 2026/27 revenue budget (excluding schools' delegated budgets), in line with the Council's approved reserves policy target range of 4% to 7% of net expenditure. As this is at the lower end of the approved range, the MTFS 2026-30 includes contributions of £1m per year to increase the General Fund. These will be reviewed as part of updating the 2027-31 MTFS. It is necessary to increase the General Fund to reflect increasing uncertainty and risks over the medium term and to avoid a reduction in the percentage of the net budget covered given the overall budget increase arising from service and cost growth.

Capital Outturn

11. A summary of the capital outturn for 2025/26 is set out below:

	£000
Updated budget	205,364
Less provisional outturn	140,213
Net Variance	-65,151

12. Overall, there has been a net rephasing of expenditure of £65m compared with the updated budget. This funding will be carried forward to 2026/27 to fund schemes that were not completed in 2025/26.

13. Details of the variances and key projects delivered in 2025/26 are included in the report, and in Appendix D.

Circulation under the Local Issues Alert Procedure

14. None.

Officers to Contact

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PART B

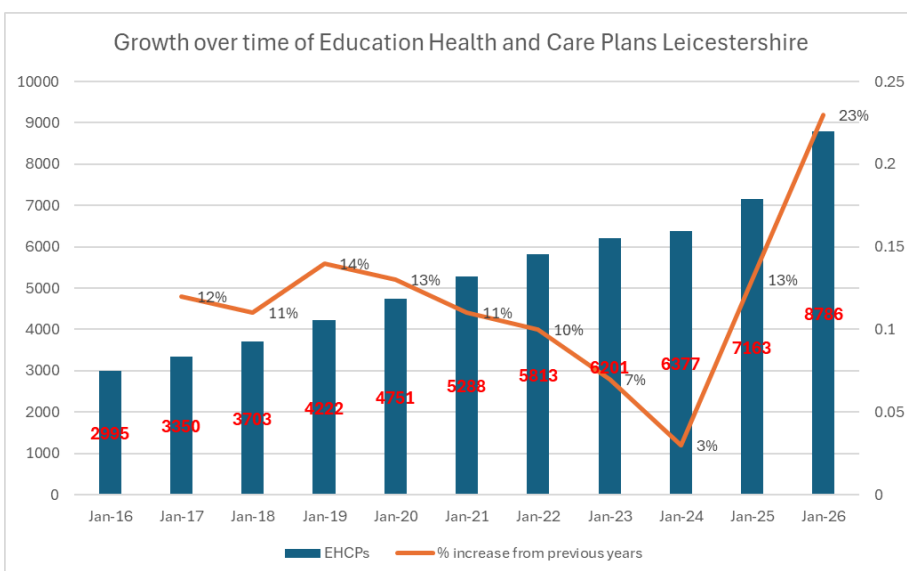
Overall Position - Revenue

15. Appendix A shows the provisional outturn position for 2025/26. This compares the actual net expenditure incurred with the updated budget. The original budget has been updated for transfers between services and from central contingencies.
16. Appendix B gives details of significant variances by departmental revenue budgets for 2025/26.

Children and Family Services – Schools Budget

17. Overall there is a net overspend of £30.9m on the Dedicated Schools Grant (DSG). This comprises an overspend of £34.7m on the High Needs Block (HNB), offset by an underspend of £2.9m on the Early Years Block and £0.9m on the Schools Block.
18. Due to sustained year-on-year growth in demand for funded Education, Health and Care Plans (EHCP's) since they were introduced in 2014, the original 2025/26 budget anticipated a forecast £15m overspend on the HNB after mitigations, based on a 7% increase in EHCP's from the previous year. The High Needs Block outturn overspend is largely due to increased volume/demand on the placement budget compared with budgeted assumptions based and set on Autumn 2024 data and intelligence.
19. Since the original budget was set, overall demand has continued to rise which is further 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 an 193% increase in EHCPs since 2016. At the beginning of April 2026 there were 8,983 EHCP's. 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 2024/25 the accumulated High Needs deficit stood at £64.4m and is now £99.1m at the end of 2025/26. If future demand remained on a similar trajectory to 2025/26, the cumulative DSG deficit could increase to upwards of £400m by March 2030. As part of the Final Local Government Finance Settlement in February, the government confirmed that they would fund 90% of DSG deficits as at 31st March 2026 (which is expected to be based on the net position). This is due to be paid in the autumn, subject to a SEND Reform Plan being submitted and approved by the Department for Education (DfE) and means that the Council will continue to cashflow the deficit until the payment is received. Further details are provided below.
21. Whilst the Government's Schools White Paper is expected to result in systemic changes to the national SEND system such changes will take several years to deliver. It is uncertain at this stage whether and how such changes will directly address the current and forecast funding issues in the short to medium term.
22. The Transforming SEND and Inclusion in Leicestershire (TSIL) change programme was established in August 2022 with partners across the SEND system supported by a third-party partner, Newton Impact. While the programme has now formally concluded, it has played a crucial role in helping Leicestershire manage the financial pressures of supporting children and young people with SEND and has been a key enabler in delivering a forecasted MTFs saving/cost avoidance of £34m by March 2029. Without such impact the financial pressure would be significantly higher.
23. The rising demand for EHCPs places increasing pressure not only on direct provision but also on the broader service infrastructure that supports children and young people with additional needs. Services such as Educational Psychology Services, Special Educational Needs Assessment, and Specialist Teaching Services are experiencing heightened caseloads and resource strain. This surge in demand has a consequential financial impact that spans the DSG funded blocks, particularly the High Needs Block, and the Local Authority funded services, creating sustainability challenges across the system.
24. The DSG funding allocated for high needs is also not keeping pace with the rising demand for these services placing additional financial strain on such budgets. This has resulted in an overspend of £0.5m on Specialist Teaching services, within the High Needs block.
25. Despite current planned mitigations the level of projected growth means that 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 High Needs funding block. This work is currently underway and will be reflected in 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.

26. At year end there was a net underspend of £2.9m across Funded Early Education (FEE) entitlements within the Early Years DSG block. The position is largely driven by timing differences between funding and delivery. Funding is allocated by the DfE on a standard 38-week basis and paid in line with the FEE delivery timetable, which does not always align precisely with the April to March financial year. In 2025/26, fewer delivery weeks fell within the financial year than were funded and this is further exacerbated by stretched entitlements where hours are delivered over a longer period. Given the scale of the expanded entitlement offer, small variations in the number of funded weeks recognised within the financial year can have a materially significant financial impact. From 2026/27, the move to a termly funding mechanism is expected to improve alignment between funding and delivery, simplifying year-end reporting and reducing the scale of timing-related variances.
27. The underspend on the DSG Schools Block of £0.9m in 2025/26 primarily reflects the combination of lower-than-anticipated costs in relation to schools' copyright licences, alongside a reduced call on the Schools Growth Fund. The latter is due to revised forecasts for pupil growth and the timing of planned school expansions resulting in lower revenue costs being incurred in year than originally assumed.
28. The overall net cumulative DSG deficit across all blocks at year end was £79.2m. (31 March 2025 net deficit £48.3m). This is expected to be the basis for the calculation of the 90% grant, and not the £99m deficit on the High Needs Block itself.
29. The Local Government finance settlement for 2026/27 to 2028/29 announced government support to local authorities with 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 covering up to 90% of their net DSG deficit subject to each authority submitting and securing the DfE approval of a local SEND reform plan. The DfE will commission local area partnerships to develop these plans during 2026. Payments will then be made in autumn 2026.
 - 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'.
 - 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.
30. 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.
31. Based on the above year-end position, an initial estimate is that approximately up to £71.3m of government grant could be received by the Council in respect of its cumulative

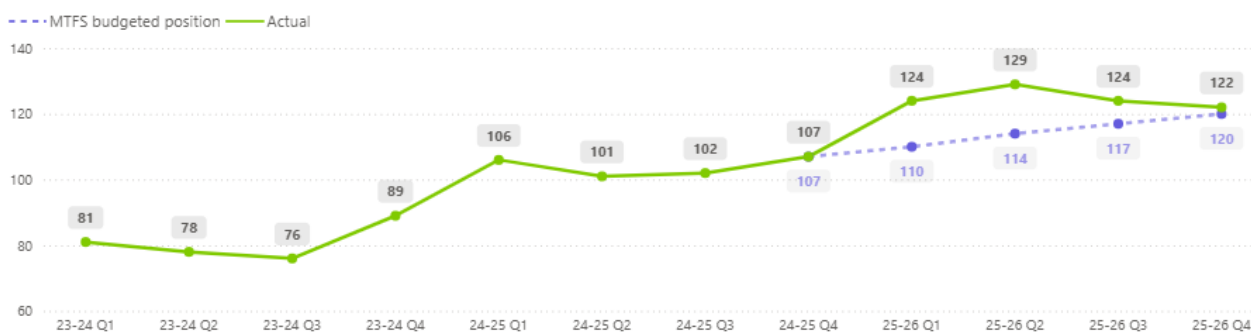
DSG deficit as at 31 March 2026, subject to the DfE approval process. However, given the scrutiny process above, the Council's previous estimate was based on 85% of grant being received, which would reduce the amount to £67m. On this basis, the Council would be required to fund the remaining £28m to 32m from reserves or other resources, which may also include consideration of whether the underspends across the other DSG blocks could be used, although that would reduce the grant available to fund schools and early years services in the future.

32. There are still ongoing financial risks with DSG deficits from April 2026 until responsibility transfers to the DfE from 2028/29. The level of government support for these deficits has not yet been confirmed and therefore the MTFS continues to set aside funding towards these deficits until the position becomes clearer. This will be considered as part of the MTFS refresh later in the year.

Children and Family Services – Local Authority Budget (Other)

33. The Local Authority budget is overspent by a net £2.6m (1.8%), mainly relating to financial pressures on the Children's Social Care Placements budget, Disabled Children's Service and Education Psychology / Special Education Needs Assessment Service.
34. The net overspend on the Children's Social Care Placement budget (£5.1m) – comprising both of Unaccompanied Asylum Seeking Children (UASC) and non-UASC placement costs is largely due to a small but financially significant change in demand and numbers in relation to children in residential provision in comparison to budgeted assumptions. The MTFS for 2025/26 budgeted residential numbers by March 2026 to be at 120 children (includes parent and child placements). Trend and demand analysis at the time of budget setting and then subsequently to the end of the 2024/25 financial year showed demand remaining relatively stable.
35. However, and as illustrated in the graph below, numbers to the end of the 2025/26 financial year have risen and are continually above the budgeted profile projection. At the end of 2025/26 numbers in residential provision were 122, (1.6% increase although for much of the financial year the demand was significantly higher). The year end position was an improvement on what had previously been projected earlier in the year. The latest position and stabilisation of numbers is a key contributing factor for the reduced overspend position that had been forecast in prior months. This has been driven by the progression of the Children and Family Services Smarter Commissioning programme, including a marked reduction in activity within high-cost and unregulated placement types.

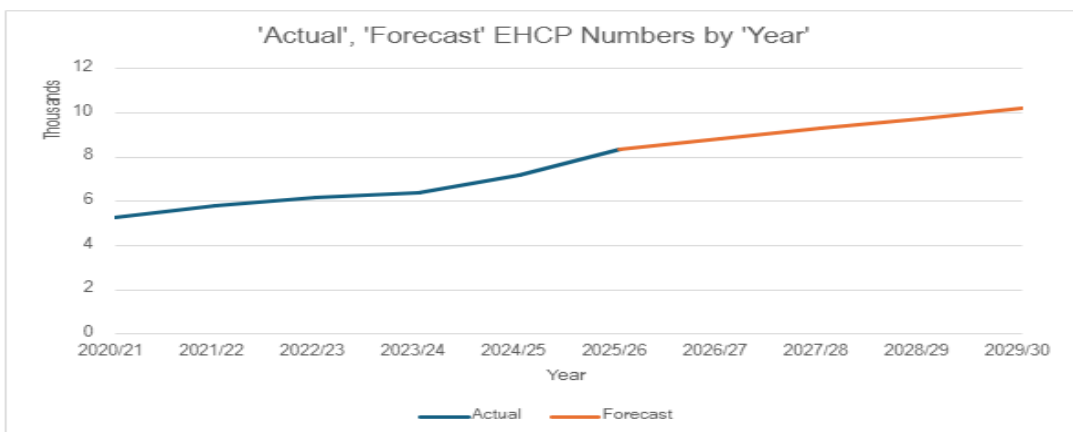
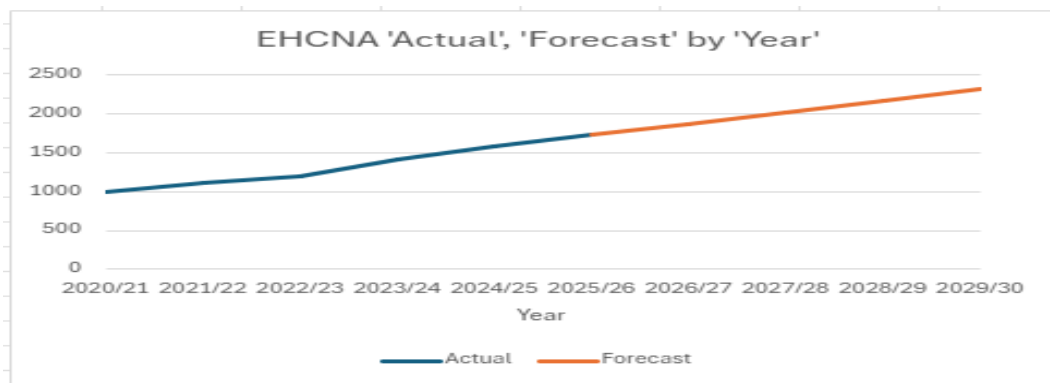
Number of unique mosaic ID's requiring a residential placement at the end of the period



36. Of the overall increase in numbers a small but financially significant increase during the financial year in the number of unregistered and activity placements from May 2025. Unregistered placements are used when no other option is available and are more costly than registered residential placements, with the average weekly cost of such provision ranging from between £13,000 to £17,000 over the last 12 months. The placement budget allowed funding for up to 5 children in this provision type over the financial year. However for the majority of the financial year actual numbers in this provision type have exceeded that (to a peak of 15 in the autumn) and its impact is a key contributing factor for the overall overspend position on the budget.
37. For all children in activity / unregistered placements, searches are regularly undertaken to source a registered provision. However, there is currently a gap in the market to support these children and work needs to be undertaken with providers with a view to how they can support within the remit of their Ofsted registration. Often providers are unable to care / continue to care for children due to complex needs.
38. Senior managers in the Department have oversight of all children in unregistered placements and their circumstances and progress of placement searches are discussed in a weekly meeting chaired by the Assistant Director. For most, the period in unregulated or unregistered provision is short term, but for children with the most complex needs it is more challenging to secure a registered home and, if successful, to keep them there.
39. Also, of note and of financial significance due to a unique set of challenges and issues (sufficiency and need), is the need to place a small number of children in secure provision which is determined by the court. This provision has a very high weekly cost, with average costs in excess of £35,000 per week (historically the upper limit of costs of such provision type has been no more than £15,000 per week). Whilst this is a small number of cases it contributes disproportionately to the overall year end overspend.
40. As part of the direct actions being taken to mitigate against these financial pressures on the placement budget the Defining Children and Family Services for the Future programme has several workstreams to enable MTFS benefits to be achieved alongside the Council's Social Care Investment Programme (SCIP) working in partnership with Barnardo's. This will have a positive impact through the creation of additional residential provision capacity for under 16's, over 16's and parent and children places. This programme will create capacity of up to 23 beds, of which 21 beds across multiple homes

are now operational, with the remaining 2 beds to be operational within the coming months. In conjunction with the department's smarter commissioning programme this is showing a positive trajectory in terms of current weekly unit costs compared with the budgeted position. This can be evidenced through a 15% reduction in average unit cost for UASC care leaver placement costs over the last 12-18 months.

41. Other departmental variances include an overspend on the Disabled Children's Service of £1m. This is linked to increased demand for support across both direct payments and commissioned services. The Children's Innovation Partnership with Barnardo's has seen the creation of an overnight short break unit to support children with a disability and ensure such demands in this area can be managed in the most appropriate and cost-effective manner. This unit opened at the end of January 2026 with many children already in receipt of overnight short breaks through this home.
42. The Education Psychology/SENA service was overspent by £0.8m in 2025/26. As illustrated in the graphs below, continued increased demand due to an increase in the number of EHCPs and EHCNAs (Education Health Care Needs Assessments) has contributed to the overspend within these service areas due to increased caseloads. There has been a 25% increase in EHCNAs since January 2025.



43. There was a £0.8m overspend across Children's Social Care Family Safeguarding and First Response services driven by increased overall demand and case complexity. This has resulted in a higher reliance on agency staffing further increasing pressure on these budgets. The position has been mitigated through in-year and one-off underspends

across other Children's Social Care service areas including Safeguarding, Vulnerability Hub, Children in Care and Care Leavers budgets. These underspends primarily reflect natural staffing turnover and recruitment timescales which have created temporary capacity gaps and a reduced spend against budget. Collectively, this has resulted in an offsetting underspend of £0.9m.

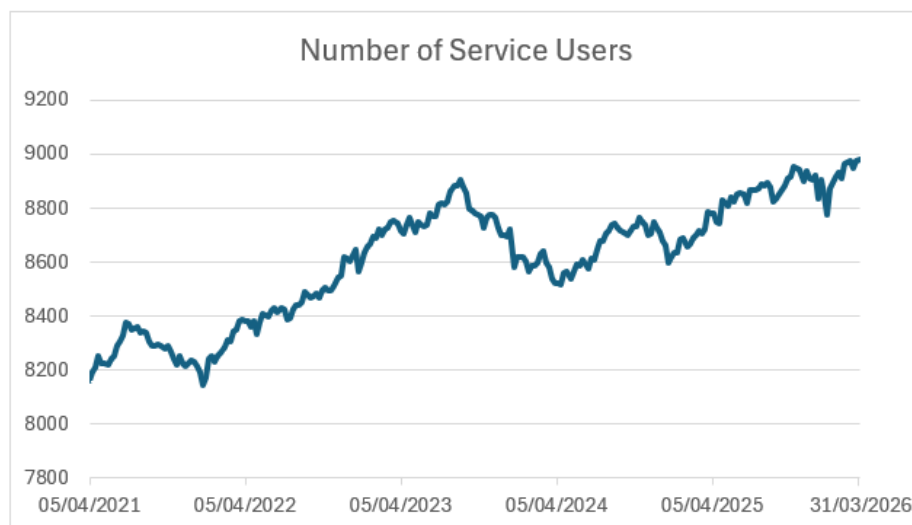
44. In response to financial pressures identified at the start of the financial year the departmental management team undertook a targeted review of primarily non-statutory services alongside the introduction of strengthened corporate-led financial controls. This was complemented by continued robust management of vacancies across the department. Together these actions resulted in a £3.5m reduction to the overall spend position and supported the early delivery of £0.7m of ongoing MTFs savings. Measures included delaying recruitment to non-essential posts where appropriate and maximising the use of available in-year grant funding to ensure prescribed outcomes were met in an efficient, effective and compliant manner. Further work is ongoing to assess the sustainability of these actions and their potential to deliver additional ongoing budget efficiencies in future years.

Adults and Communities

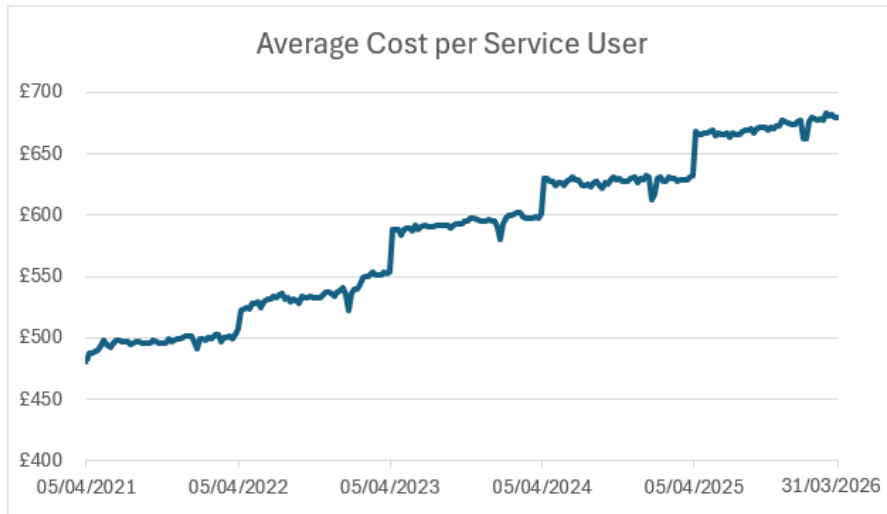
45. There is a net underspend for the departmental for 2025/26 of £3.9m (1.5%).

Overall Demand Trends

46. The chart below shows the overall number of service users being supported across Residential Care, Homecare, Supported Living, Direct Cash Payments and Community Life Choices from April 2021 through to March 2026. Prior to the introduction of the Fair Outcomes Panel in September 2023 annualised growth from April 2021 to September 2023 was approximately 3.5%. Since then the department has worked to be more efficient with commissioning and the growth in service users supported has decreased to an annualised rate of 1.9% over the whole period. Over the course of the next year there is expected to be additional demand from reducing the number of cases that are awaiting to be allocated to social care teams.



47. The average cost per service user rose over the same time period. The rise from April 2025 relates to the annual fee review uplift. Uplifts occur in April each year.



48. The department has established a wide-ranging demand management programme and a panel to review care packages since September 2023 which has started to have an impact on all commissioned services.
49. The main areas of budget variance forecast in 2025/26 are:

Supported Living - £1.7m overspend

50. The overspend reflects a combination of higher service user numbers (1%) and an increase in need in average package costs (2%). The budget was based on an average of 530 service users over the year and the average over the year was 1% higher than this (537), primarily from an increase in the mental health cohort. The budget was based on an average cost of £1,763 and the average cost over the course of the year was 2% higher than this (£1,797), primarily from an increase in the average hours of support. This resulted in an underlying overspend of £1.46m. In addition, one-off cost relating to flooding at Brookfield Gardens of £0.1m was incurred.

Direct Cash Payments - £1.3m overspend

51. The clawback of unspent funds which is conducted as an ongoing process over the course of the year was disrupted by issues with the Direct Payment Card Provider. Normal service has resumed but this had an impact on the overall monies clawed back and the final position for the year, and there was a shortfall of £0.9m for the financial year. A small increase in service user numbers and average package costs (<1%) from November onwards contributed to an additional £0.4m costs.

Home First - £1.5m underspend

52. 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 Council's Efficiency Review. Recruitment, however, remains difficult within the social care market.

Non-Residential Income - £1.4m underspend

53. Additional client income of £0.6m was received primarily from a 1% increase in chargeable service users and a 1.5% increase in the average chargeable amount. An additional £0.2m was due to a lower-than-expected contribution to the credit loss (bad debt) provision. Supported Living health income generated £0.4m over budget due to a higher number of service users observed since budget setting. Health Income relating to Home Care generated an additional £0.2m and Day Care £0.1m.

Residential and Nursing Care - £0.9m underspend

54. Gross residential expenditure was £2.6m overspent, largely due to the numbers of older people. Service user numbers were in line with the previous year in the first half of 2025/26 but increased in the second half, with a sharp rise in the final quarter. Long term packages for older people were 1% higher than budgeted and short term packages were 5% higher. The average cost per package for older people was slightly higher than budgeted (<1%).
55. Gross residential income was £3.5m higher than budgeted, comprising increases of £2.2m client income and £1.3m health income. Client income performance reflects higher than budgeted service user numbers (£1.7m) and a lower-than-expected credit loss provision contribution (£0.2m). Health income exceeded budget due to an upward trend in funded service users throughout the year resulting in a net increase of 50 users and £1m additional income. A further £0.3m was recovered following improved identification and recording of health funding representing early delivery of a 2026/27 MTFs savings target.

Better Care Fund (Balance) / Other NHS Income - £0.7m underspend

56. Better Care Fund income from the minimum contribution to the Council was £1.8m above the budgeted amount, offset by lower discharge to assess income of £1.1m (which can be used to support discharge-related costs from Hospitals) due to lower activity.

Homecare - £0.5m underspend

57. Over the course of the year, service user numbers were slightly above estimates at 0.7% which was offset by lower package costs of 2.1% on average leaving a net position of 1.4% underspend. There was an additional £220k worth of actuals that were paid for that

related to the previous financial year 24/25. Currently there are 2,770 homecare service users.

Shared Lives Residential - £0.5m underspend

58. Underspend due to a reduction in both long and short-term residential placements driven by a shortage of available carers to take on new placements.

Care Pathway - £0.6m underspend

59. Staffing vacancies both within the Cognitive and Physical Disability and Learning Disability and Autism care pathway teams reflect the current difficulties in recruiting the appropriate adult social care staff. This is offset by overspends within the Mental Health and Safeguarding where agency staff are required to ensure that statutory responsibilities are delivered.
60. The net underspends above are increased by a net £0.8m underspend mainly from staffing vacancies and other minor variations.

Public Health

61. The department has a net nil outturn. The department had a gross underspend of £0.7m which was reduced to nil after budgeted contributions from the Public Health earmarked reserve were not required, the departments services are mainly funded from the Public Health grant with variances managed through the earmarked reserve.
62. In year underspends related to sexual health services due to reduced contract activity, and a small underspend on health protection.

Environment and Transport

63. A net underspend of £5.7m (4.6%) is forecast, of which £3.2m relates to early achievement of future years savings and £1.4m has arisen from ongoing recruitment and retention difficulties across the department. Details behind the underspend position for each service is provided below.
64. Across Highways and Transport operations a net £2.1m underspend is reported as a result of:
- Social Care Transport - £0.9m overspend arising from increase in taxi spend as a consequence of insufficient service provision within Passenger Fleet.
 - Environment and Reactive - £0.5m overspend on gulley emptying and essential repairs to the road network.
 - SEN Transport - £1.2m underspend. Contract savings following the SEN transport summer refresh, partly offset by increased costs from additional transport users due to a rise in the number of pupils with EHCP's.
 - Mainstream Transport - £0.2m underspend relating to savings generated following the summer contracts review, partly offset by increased bus operator costs.

- Network Management - £1.0m underspend arising from additional permitting income from utility companies.
- Passenger Fleet – £0.5m underspend due to difficulties in recruiting drivers and escorts, net of additional vehicle hire, maintenance costs and lower income.
- Street Lighting Maintenance - £0.5m underspend due to changes in approach to structural testing and recovery of insurance claims for knockdowns of street lighting columns.
- Highways Income -£0.1m underspend arising from increase in vehicle access income (dropped kerbs).

65. Development and Growth services are reporting a £1.3m underspend arising from additional S38 and S278 income (£0.7m), recruitment and retention difficulties amongst graduate engineers and technicians (£0.5m) and school crossing patrols (£0.2m), and reduced energy costs associated with traffic signals (£0.1m). This has been partly offset by an increase in Area Traffic Control (ATC) reactive faults resulting in additional traffic management costs (£0.2m).
66. A net underspend of £1.9m is reported for Environment and Waste Management services. Additional income from the sale of dry recyclable and trade waste (£0.7m), lower composting tonnage (£0.4m) as well as underspends arising from in-year staffing churn across commissioning teams (£0.3m) and changes to Waste treatment including diverting waste away from landfill (£0.5m) and associated haulage (£0.2m) is partially offset by a provision for the Charnwood Geopark (£0.1m) and increased property costs (£0.1m).
67. The remaining balance relates to an underspend on department and business management due to delays in implementation of a staffing restructure (£0.2m) and general underspends including a reduction in the credit loss (bad debt) allowance required (£0.3m).

Chief Executive's

68. There was a net underspend of £0.5m (3.0%) for the year, mainly due to staffing vacancies within the Growth Unit £0.3m and reduced casual staffing costs and additional income within the Registrars service £0.2m.

Corporate Resources

69. The outturn shows a net underspend of £0.9m (2.1%) for the year.
70. The underspend is largely driven by the early delivery of future savings across IT and Property Services £0.8m, and in-year staffing churn including managed vacancies across the department of £0.9m which is also partly due to early delivery of MTFs savings
71. Traded and Commercial services have ended the year with a shortfall against their target income (£0.8m in total), despite performance being better than anticipated. Throughout the year schools financial position impacted on demand for Commercial Services such as School Food, Bursar and LEAMIS services. This impact extended to school bookings at

Beaumanor Hall compounded further by its temporary closure during the late spring/early summer of 2025.

72. Other variances include; reduced utility costs across the corporate estate £0.2m, learning and development additional income and lower than anticipated demand for training provision £0.2m, offset by increased service charges for the Hinckley Hub and property disposal costs £0.4m.
73. Works to repair and reinstall the chimneys, gables and roof ridges to Beaumanor Hall is estimated to cost £0.5m over the next 12 months. No funding is available from Historic England. The improvement works are included within the capital programme funded from the Councils earmarked reserves.

Central Contingencies

74. The budget included a MTFS risk contingency of £8m which was held to cover any unforeseen in-year changes or slower savings delivery. This has not been needed in 2025/26. It is proposed to contribute the contingency to reserves to fund the Efficiency Review implementation in 2026/27 and beyond. Further details on the Efficiency Review are included in a separate report to the Cabinet on this agenda.
75. The inflation contingency was underspent by £7.6m after transfers of £26.8m to departmental budgets (original budget £34.4m). The underspend mainly relates to forecast lower costs on social care fee reviews than anticipated in the MTFS along with lower forecasts on running costs, particularly regarding provision for the impact of National Insurance increases on supply chain costs. Also, the pay award for 2025/26 of 3.2% was lower than the provision of 3.5% made in the MTFS.

Central Items

76. The Financing of Capital budget was £1.3m overspent. This comprises an underspend of £2.1m due to a reduction in interest payments (following the early repayment of £44m of external debt principal during 2025/26) offset by early repayment premiums of £3.5m charged in 2025/26. 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 had been 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.
77. The Council's external debt as at 31 March 2026 was £130m, the lowest level for over 20 years. Compared with the capital financing requirement (the level of historic capital expenditure required to be funded) the Council was £63m underborrowed as at 31 March 2026, which can be funded using internal investment balances rather than more expensive external borrowing. Further debt repayment opportunities are being explored.
78. Bank and other interest has provided £4.8m increased investment income. Due to the Bank of England base rate levels being higher and for longer than forecast, and higher than estimated average Council cash balances. The Bank of England base rate stands at

3.75% with some market commentators forecasting base rate rises during 2026/27. Average balances remain strong due to earmarked reserves, the latest phasing of spend on the capital programme and government grants received in advance.

79. The central expenditure and other items budgets are overspent by a net £0.2m. The initial costs of £1.4m for the Council's Efficiency Review and a contribution of £0.5m to the Pension Fund to cover actual ill health retirement costs incurred in 2025/26 are offset by the cleansing of receipted aged purchase orders that are no longer required and other smaller underspends (£1.3m) and an increased forecast dividend from ESPO (0.4m).
80. Additional contributions to corporate earmarked reserves of £7.2m. This relates to additional contributions to the budget equalisation reserve to continue to provide cover for the increase in the 2025/26 High Needs Block deficit. The headroom in the reserve as at 31 March 2026 created by the government funding DSG deficits to that date has been released as part of the 2026/27 approved MTFS budget.
81. The approved MTFS projected a net gap in 2025/26 of £4.7m which was planned to be covered by a contribution from the budget equalisation reserve. Given the improved overall position, that contribution was not required in 2025/26 but is likely to be needed in future years, with the approved 2026/27 budget only being balanced with the use of reserves (£15.4m).

Business Rates

82. Reduced Business Rates Pool levy income of £0.3m is forecast for 2025/26. The latest forecast is based on data in the NNDR1 forms and updated forecasts from six of the seven district councils which shows a total of £23.0m, of which one third (£7.7m) will be allocated to the County Council, compared with the forecast of £8.0m included in the 2025/26 budget to fund the capital programme. The actual levy position will be determined from the data in the district Councils NNDR3 returns due by the end of May.

Efficiency Review

83. In November 2025 the Council began a comprehensive review of its cost base and service delivery models, undertaken by Newton Consulting. The review has identified savings of £27m over the MTFS period, with the potential to stretch to almost £60m of savings by 20230/31 and these opportunities have been combined with the Council's existing MTFS savings plans to create a single, coherent Transformation Programme, which will be launched as the Better Leicestershire Programme.
84. To ensure the programme can deliver at pace and reach its full potential, upfront investment will be required which is expected to be a combination of internal and external resources. The Council approved the allocation of £10m towards implementation costs as part of the MTFS in February this year and a proposed £2m use of the 2025/26 underspend plus the allocation of the £8m risks contingency creates a £20m total allocation which will fund the net costs of the programme in the early years.

85. The full outcome of the review, including a breakdown of the savings and cost forecast, is included as a separate item on the agenda for this Cabinet meeting.

Overall Revenue Summary

86. Overall, there is a net underspend of £7.0m. It is proposed to allocate the funding as follows:
- Capital Financing / debt repayment, £2.5m. Continue to reduce capital financing costs by taking further opportunities to repay external debt early, where repayment rates are favourable, or by reducing the capital programme funding shortfall. The capital programme for 2026-30 includes new prudential borrowing of £65m.
 - Highway Investment Fund - £2.5m. Investment for priority services. This will be added to the 2026/27 E&T budget for priority schemes.
 - Efficiency Review - £2m to fund the investment costs needed to fund the revised Transformation Programme and deliver the savings identified in the review.
87. Many of the underspends are due to staff vacancies which by their nature are not on-going, and the significant additional income from bank and other interest is likely to be short-term too. Tight control over spending and reducing running costs where possible through ongoing financial controls has enabled the Council to produce a net underspend position, despite continued cost pressures, particularly on children's services.
88. However the current MTFS for 2026-30 is still extremely challenging and shows a gap of £84m by 2029/30. Monitoring of the 2026/27 budget position will be undertaken and reported throughout 2026/27 in the usual way and a review of 2025/26 underspends will also be completed before the summer to identify the potential for permanent savings.
89. A refresh of the MTFS for 2027 to 2031 will be undertaken over the summer and autumn with an update reported in September and a draft MTFS reported in December 2026. The MTFS refresh will incorporate the Efficiency Review opportunities that have progressed sufficiently with design and implementation to give reasonable confidence over timescale of delivery. The Efficiency Review, alongside SEND Reform, will be key to the future sustainability of the MTFS.

General Fund and Earmarked Reserves

90. The current balance of the General Fund is £26m, representing 4.2% of the 2026/27 net revenue budget, which is within the Council's approved Reserves policy target range of 4% to 7% of net revenue expenditure, but at the lower end of the range. The latest MTFS 2026-30 includes contributions of £1m per year to increase the General Fund by the end of the MTFS period to £30m. It is necessary to increase the General Fund to reflect increasing uncertainty and risks over the medium term and to avoid a reduction in the percentage of the net budget covered given the overall budget increase driven by increased service demand and cost.

91. The level of earmarked reserves held as at 31 March 2026 totals £257m including schools and partnership funding. They can be summarised as below:

Capital/Repairs	£158m
Risk	£109m
Revenue projects	£51m
Ring fenced grants etc	£17m
Schools DSG	-£79m
Partnerships	£1m
Total	£257m

92. Earmarked reserves are shown in more detail at Appendix C. This shows balances at April 2025 and as at the end of March 2026. The MTFS includes further analysis of the County Council's earmarked reserves including the reasons for holding them.
93. The risk-based reserves shown in the table above include the Budget Equalisation reserve which is held to support the MTFS and provide some level of cover for future funding gaps in case adequate savings are not identified or delivered. This reserve also provides some mitigation for the High Needs deficit. Given that the budget gap in 2027/28 is expected to be in the region of £34m, in addition to a planned contribution of £15m to fund the MTFS in 2026/27, it is important that this reserve is held at a reasonable level.
94. The main earmarked reserves are set out below.

Renewals of Vehicles and Equipment (£2.1m)

95. Departments hold earmarked reserves for the future replacement of vehicles and equipment such as ICT.

Trading (£5.8m)

96. Sinking fund set aside to fund repairs and maintenance of the Investing in Leicestershire Programme (liLP).

Insurance (£17.2m)

97. Earmarked reserves of £12.2m are held to meet the estimated cost of future claims to enable the Council to meet excesses not covered by insurance policies and smooth fluctuations in claims between years. The levels are informed by advice from independent advisors.
98. The uninsured loss fund of £4.9m is required mainly to meet potential liabilities arising from Municipal Mutual Insurance (MMI) that is subject to a run-off of claims following liquidation in 1992. The fund also covers the period before the Council purchased insurance cover and any other uninsured losses.

Children and Family Services

99. Children and Family Services Developments (£1.8m). This provides funding to support service improvements, including enhanced management information, data access and retention, and to respond to Ofsted and legislative requirements. This will also enable targeted, proportionate support to time limited projects, such as the department's School Sustainability Programme.

Adults and Communities

100. Adults and Communities Developments (£1.2m). This earmarked reserve is held to fund a number of investments in maintaining social care service levels and assisting the Department in achieving its transformation.

Public Health

101. Public Health (£5.4m) – to fund Public Health initiatives within Leicestershire.

Environment and Transport

102. Commuted Sums (£2.3m). This funding, received from housing developers, is used to cover future revenue costs arising from developer schemes where the specifications are over and above standard developments. For example, block paving, bollards, or trees adjacent to the highway. These liabilities can arise many years after the funding is received and therefore the balance on this earmarked reserve has built up over time.
103. Pan regional transport model (PRTM) £2.3m. Each year the income arising from the PRTM contributes to this reserve, which is used to fund the highways commissioning staffing budget for Network Data Intelligence. This reserve is built up to refresh the model on a regular basis, and as and when new DfT guidance and requirements are released.

Corporate

104. Budget Equalisation (£90.4m). This reserve manages variations in funding across financial years and potential one-off funding for future MTFS gaps.
- MTFS Gaps - £15m has been allocated to fund the 2026/27 MTFS and a further £34m is earmarked to fund the current 2027/28 MTFS funding shortfall if new savings are not identified. This reserve will also need to be of sufficient level to cover the next two years of gaps (2027/28 and 2028/29) when the MTFS is refreshed in the autumn.
 - High Needs Deficit - £32m for funding the net deficit on the High Needs element of the DSG, after the estimated DfE High Needs Stability grant.
 - Highways Investment Fund / Capital Financing Debt Repayment - £5m, including a proposed addition of £2.5m from the 2025/26 provisional outturn.
105. Change and Improvement (£39.4m), including funding for Local Government Reorganisation. To achieve the level of savings within the MTFS and the Efficiency

Review potential, the Council needs to change significantly and this will require major investment, including in some of the core 'building blocks' such as improvements to data quality, and improvements to digital services enabling more self-service. This reserve includes funding for:

- Local Government Reorganisation, £12m.
- Efficiency Review, £20m, subject to approval of £10m from the 2025/26 outturn (£8m MTFS risks contingency and £2m from the net revenue underspend).
- Existing transformation and improvement projects, £7m.

Capital

106. Capital Financing (£142.8m). This earmarked revenue reserve is used to hold MTFS revenue contributions required to fund the approved capital programme in future years. When financing actual capital expenditure incurred, capital funding is used first and this revenue reserve is used last (as revenue funding is less restricted than capital funding, the latter of which can only be used to fund new capital expenditure). This reserve is fully committed to fund the 2026-30 MTFS capital programme and will be used before any of the planned £65m new unsupported borrowing included in the 2026-30 programme is used.

Other / Partnerships Earmarked Reserves

Dedicated School Grant (DSG Reserve)

107. DSG (overall deficit of £79.2m). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations. This reserve is earmarked to meet the revenue costs of commissioning places in new schools, early years and to support pressures on the High Needs block. A summary is shown below:

	Schools Block	Early Years Block	High Needs Block	Total
	£m	£m	£m	£m
As at 31 March 2025	14.2	1.9	-64.4	-48.3
Changes 2025/26	0.9	2.9	-34.7	-30.9
As at 31 March 2026	15.1	4.8	-99.1	-79.2

108. As explained earlier in the report the Government has announced support to local authorities with DSG deficits. Based on the outturn position an initial estimate is that between £67m and £71m of government grant could be received in respect of the net DSG deficit as at 31 March 2026, subject to the DfE approval process. The Council

would then need to fund the balance of between £28m and £32m (of the £99m High Needs deficit) as at 31 March 2026.

Partnership Reserves

109. The main partnership reserve held is the Health and Social Care Outcomes (£10.2m) which is used in conjunction with Health partners across Leicestershire.

CAPITAL PROGRAMME

110. The updated capital programme for 2025/26 totals £205m. This follows a review of the programme undertaken over the summer and approved by the Cabinet in September 2025. A total of £140m has been invested during 2025/26.

111. A summary of the capital outturn for 2025/26 is set out below:

Programme Area	Updated Budget £000	Actual Expenditure £000	Net Variance £000	%
Children and Family Services	52,318	31,389	(20,929)	60%
Adults and Communities	6,099	6,099	0	100%
Environment and Transport	124,028	87,514	(36,514)	71%
Corporate Resources	4,170	1,710	(2,460)	41%
Corporate Programme	18,749	13,501	(5,248)	72%
Total	205,364	140,213	(65,151)	68%

112. A summary of the net variance is shown below:

Programme Area	Underspend £000	Overspend £000	Rephasing of expenditure £000	Accelera- tion £000	Total £000
Children and Family Servs.	(98)	98	(22,214)	1,285	(20,929)
Adults and Communities	0	0	0	0	0
Environment and Transport	(101)	101	(36,514)	0	(36,514)
Corporate Resources	(257)	124	(2,373)	46	(2,460)
Corporate Programme	(41)	41	(5,248)	0	(5,248)
Total	(497)	364	(66,349)	1,331	(65,151)
	(133)		(65,018)		

113. The net underspend has been added to the capital financing reserve to reduce the level of internal borrowing required for the new MTFs capital programme. The net rephasing of expenditure of £65m has been carried forward to the capital programme 2026-30 to fund rephased projects.

114. A summary of the key projects delivered and main variations are set out below. Further details of the main variations are provided in Appendix D.

115. Appendix E compares the provisional prudential indicators with those set and agreed by the Council at its budget meeting in February 2025. These are all within the limits set except for the 'actual capital financing costs as a percentage of net revenue stream' indicator – increase due to premiums on the early repayment of debt, reducing future interest costs, explained earlier in the report.
116. A review of the new 2026-30 MTFS capital programme will be undertaken during the summer 2026 in light of the outturn. An updated capital programme will be reported to the Cabinet in September 2026.

Children and Family Services

Key Projects Delivered

117. During 2025/26, 1,165 additional school places have been created within the County at 10 different schools across all phases of Education. A total of 420 new primary school places at Greenstone Primary School, our first Forest School in the County. For Secondary, work started in year on 450 new school places across 2 schools. This involves expansions at existing schools which will conclude early in the 2026/27 and 2027/28 financial years. In year, 1,145 secondary places were delivered at 5 secondary schools. The SEND programme saw the completion of 40 places across 4 primary schools by creating Enhanced Resource Bases. A further 20 places were delivered at an existing Special School.

Main Variances

118. Overall, the departmental outturn is net reprofiling of £20.9m to 2026/27. The main variances relate to the following programmes:

Provision of School Places Programme, £15.4m:

- Hinckley Redmoor - £0.8m acceleration. This project delivers a new science block, sports hall and refurbished catering facility. It is an academy delivered scheme, prudently profiled in the MTFS.
- Hallam Fields - £0.5m acceleration. Expansion to support nearby housing developments. Budget profiled prudently in MTFS.
- Ibstock School - £5.1m reprofiled. This complex scheme involves the relocation of a number of functions that operate from the school site in order to develop capacity for a further 175 school places, required as a result of housing development and age range change. The scheme has needed to overcome a number of issues in relation to planning and DfE requirements.
- Oadby Brocks Hill Primary - £4.7m reprofiled. Expansion by 1 form of entry. Planning issues have resulted in delays to the delivery timeline. Tenders now received and works to commence May 2026.
- Welland Park - £1.9m reprofiling. Works to provide additional teaching block and external facilities. Delays in finalising the funding agreement.
- Broughton Astley Primary - £1.5m delays due to planning issues.
- Lutterworth High School - £1.3m. Funding agreement delayed.

- Long Field Primary - £0.8m. Scheme to expand up to further 300 places. Timeline has been reprofiled since original budget allocation.
- Unallocated budget - £1m carried forward to 2026/27.

SEND Programme, £3.1m

- Husbands Bosworth Special School - £0.9m. Delays encountered regarding the land upon which the school was planned to be built.
- Oakfield South - £0.9m. Works reprogrammed, interdependencies with other parts of the site impacted by the works.
- Dorothy Goodman - £0.3m. Revised works programme resulted in final completion pushed into 2026/27.
- Various other smaller variances within the programme, £1m.

Adults and Communities

Key Projects Delivered

119. Disabled Facilities Grant of £5.9m passported to Leicestershire district councils to help people with the cost of adapting their homes to meet their essential needs. £0.2m was spent on refurbishments at Coalville and Shepshed Libraries and improvements at Bosworth Discovery Zone.

Main Variances

120. Overall, the departmental outturn is in line with the budget.

Environment and Transport

Key Projects Delivered

121. A total of £48.3m has been spent in year on the preparation and delivery of major projects including:

- Melton Mowbray Northeastern Distributor Road, £24.5m on the construction of the new distributor road to the north and east of Melton Mowbray to ease congestion in the town centre and facilitate growth. The road is expected to be opened in May 2026.
- A511 Major Road Network scheme, £2.4m in designing and preparing the full business case to the Department for Transport. Project to tackle long standing congestion and traffic related problems on the A511 between Leicester (M1 Junction 22) and the A42. Commenced in 2019/20 with completion anticipated in 2028.
- Zouch Bridge, £7.2m to replace the existing bridge which is at the end of its life. The bridge forms part of the A6006 which is strategically important in terms of transport infrastructure and regional economy. Construction commenced in 2024/25 and is expected to be completed by summer 2027.
- Zero Emission buses, £7.5m grant allocation passported to Bus operators to support the infrastructure for and acquisition of electric buses.

122. A total of £34.5m was invested in Highways Asset Maintenance:
- £26.7m on carriageways.
 - £3.0m on street lighting maintenance.
 - £2.1m on footways and rights of way.
 - £1.4m on traffic signal renewal.
 - £0.7m on flood alleviation.
 - £0.6m on bridge maintenance and strengthening.
123. A total of £0.7m has been invested in Environment and Waste improvement works, including Recycling and Household Waste Sites (RHWS):
- £0.5m on general improvements to RHWS locations.
 - £0.1m on food waste disposal.
 - £0.1m on developer funded capacity increases.

Main Variances

124. The outturn for the department is net reprofiling of £36.5m (29%). The main variances are described below.
125. Melton Mowbray Distributor Road, £13.4m reprofiling due to weather-related programme delays and outstanding construction activities into 2026/27. The scheme is expected to be complete in May 2026.
126. Advanced Design, £6m, investment in new major infrastructure programmes, reprofiled to ensure effective use of the funding available.
127. Zouch Bridge Replacement £20m project. Construction works of £2.8m have been reprofiled to 2026/27, primarily due to statutory undertaker works not progressing as anticipated when the 2025/26 forecast was prepared. The new bridge is still estimated to open to public traffic in July 2026, with demolition and final works completing later in 2026.
128. A511 Major Road Network, £0.9m reprofiling resulting from delays in early contractor involvement and deferral of land acquisition to 2026/27.
129. Vehicle Replacement Programme, £3.2m reprofiling due to procurement delays with delivery now expected in quarter 1 of 2026/27.
130. Other schemes:
- Bus Grant, £2.8m reprofiling due to works being rephased until completion of the passenger transport network review and rollout of revised bus network.
 - Externally funded schemes, £1.7m. Various smaller schemes reprofiled for delivery in 2026/27.
 - Safety Schemes, £0.9m net reprofiling caused by changes in scheme direction, contract lead-times and flooding-related impacts across several projects.

- The Parade, Oadby, Cyclops, £0.8m reprofiling following the exploration to rescope the scheme towards targeted corridor interventions (cycling and walkway improved at strategic locations).
- Property Flood Alleviation, £0.7m reprofiling driven by delivery-window constraints, outstanding grant approvals and claim sign-offs.
- Zero Emission Buses, £0.7m delays in claims from bus operators.
- Active Travel Improvements, £0.4m reprofiling due to pending approval of schemes from Active Travel England, with delivery now planned for 2026/27.
- Area Office Accommodation, £0.4m due to reprofiling of the Melton Depot Replacement. Ongoing work within the Council to identify a suitable site and design has delayed the start of the programme.
- Bridge maintenance, £0.4m underspend due to works delivery cost being lower than anticipated. Funding carried forward within the block allocation to 2026/27.

131. There are some variances on Environmental schemes (£0.9m):

- Recycling Household Waste Sites (RHWS) Waste Transfer Station: £0.2m
- RHWS Weighbridge: £0.2m.
- Food Waste Treatment Service Delivery: £0.2m reprofiling due to container procurement being phased in line with revised district council rollout plans.
- RHWS - General Improvements: £0.2m.

Corporate Resources

Key Projects Delivered

132. During 2025/26 £1.7m was invested, including the following:

- ICT end user devices, £0.6m, updating Council-owned computers.
- Hyper-Converged Infrastructure refresh, £0.3m, a refresh of the virtualised network datacentre servers along with associated network storage devices across both data centre sites.
- Cisco Network Replacement, £0.1m, replacing end of life data centre switches
- Property services, £0.6m, extending the life of council properties.

Main Variances

133. The overall departmental position was a £2.5m reprofiling (rephasing of spend) and a net underspend of £0.1m. The main variances are:

- Beaumanor Hall Chimney Works - £0.5m rephasing of works
- MUGA Resurfacing - £0.2m delays to the tender process.
- Bassett Centre Window Replacement - £0.1m tendering delays.
- Aston Firs Living Block Replacement - £0.2m delays in the tendering process.
- Snibston Monument - £0.1m reprofiling as a result of a wider site review
- Ways of Working (WoW) - £0.6m reprofiling due to pausing of County Hall space leasing while future working arrangements are finalised.

- Electronic Vehicle Charge Points and Solar Car Port - £0.3m delays awaiting completion of the car park and a legal services contract review.
- Public Sector Decarbonisation Schemes - £0.1m reprofiling due to the scheduling of heating system upgrades in the spring.
- Rooftop Solar Photovoltaic (PV) - £0.2m finalising procurement route.
- Anstey Frith House County Hall - Replacement windows and roof beams - £0.1m overspend due to higher tenders than expected. Underspends elsewhere in the departmental programme are able to fund the additional costs.
- Romulus Court dilapidation costs - £0.2m underspend. Lower than budgeted dilapidation costs.

Corporate

Key Projects Delivered

134. During 2025/26, £14m was invested into the direct property estate, including £10.3m investment in Airfield Business Park, Market Harborough. Phase 3 completed in 2025/6 with phase 4 due to be completed later this year.

Main Variances

135. The overall programme requires rephasing of expenditure of £5.2m, mainly on the Investing in Leicestershire Programme (liLP). The main variances are:

- Airfield Business Park phase 4, £3.2m reprofiling; Construction mostly complete in February 2026. However, plot F2 has not yet been built as a tenant had not been identified and not wanting to build speculatively. At present the site is allocated for a “drive through” which may change subject to the tenant, and therefore works have been paused .
- Lutterworth Leaders Farm, £0.5m due to inclement weather delaying construction. Completion is expected in May 2026.
- Lutterworth East Planning and pre highway construction works programme, £0.3m. The scheme has progressed more slowly than originally envisaged due to delays in resolving planning issues resulting in the other consultancy work slipping into 2026/27.
- Other underspends of £0.5m across the liLP programme which has been reallocated to the balance held for new liLP investments and carried forward to 2026/27.

Capital Receipts

136. The requirement for new capital receipts to fund the capital programme for 2025/26 was £15.6m. The actual receipts were £7m due to delays in planned disposals. In all cases the sales are still proceeding but did not complete by the year end. The temporary shortfall can be managed due to the rephasing of spend across the capital programme and will be carried forward to 2026/27 to be replenished when the sales are completed.

Overall Capital Summary

137. The Council has delivered a number of key capital projects during 2025/26, including new school places and investment in a number of transport projects. Managing and delivering major capital projects is complex and the spend on some projects has been rephased into future years to match completion timescales.
138. The Capital Programme in future years is challenging, with a funding gap of £65m in the new MTFS. However, further opportunities to generate capital receipts or secure external funding will continue to be explored to reduce the gap and minimise any borrowing requirement.

Investing in Leicestershire Programme (liLP)

139. The Investing in Leicestershire Programme (liLP) is an integral part of the MTFS. Investments in property and other indirect 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 liLP Strategy is approved annually as part of the MTFS.
140. A summary of the liLP position at quarter four for 2025/26 is included within Appendix F and shows total net income for the year of £8.6m which is in line with the budget for 2025/26. The total budget is split between direct core holdings and diversifier investments as shown in the appendix. The position also includes a contribution to the sinking fund of £0.9m in 2025/26, £0.2m of which is as a result of the liLP's net income outperformance versus the budget. The current value of the sinking fund is £5.8m and is forecast to rise towards £10m by the end of the MTFS period.
141. The directly owned property estate ended the year with a £1.2m adverse variance. This is mainly due to voids in an increasingly competitive office market (lower occupancy) of £0.8m of the £1.2m adverse variance. The tougher office rental sector is expected to continue in 2026/27. The pressure on the direct property estate in 2025/26 has been offset by favourable variances within the diversifier investments.
142. The year end annual valuations of direct property investments is currently in progress and as such net income percentages will change, an update will be provided in the liLP Annual Performance Report to the Cabinet later in the year. The full year net income return percentage for the liLP is 5.8% when excluding the development assets still in construction, rural portfolio and contribution to the sinking fund. Including these asset classes reduces the forecast net income return to 3.5% for the year as a consequence of the low percentage returns against the rural and development portfolios which is expected. Assets are held not just for their income generation but also 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.
143. The diversifiers are pooled fund investments the Council holds alongside other investors. The purpose of these holdings is to reduce overall liLP 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, three vintages of a pooled private credit strategy and two vintages of a bank risk share strategy. The aim is to provide diversified income from a variety of differing sources.

144. Two of the original four pooled property funds within the diversifier's portfolio have been largely liquidated over the last two financial years. The current carrying value of the two remaining pooled property funds is £7.8m. There are no plans at present to replace exposure at this time.
145. It is planned to commit to replace diversifier investments exposure which is returning capital, in particular private credit where capital invested is being returned alongside interest income. Due diligence on a number of suitable products will be conducted by an external consultant with any proposals brought to the relevant decision-making body in 2026/27. There are currently two private credit investments that are returning capital alongside providing regular income which at the end of 2025/26 are valued at £18.6m.
146. During 2025/26 there was a new investment to bank risk share where £9.7m was invested in the quarter ending 31 December 2025. This investment started providing income in the final quarter of 2025/26 with performance in line with expectations.

EMSS Partnership Agreement

147. Nottingham City Council and Leicestershire County Council have a shared service partnership agreement in place for transactional finance, payroll and other HR and recruitment services and manages a shared finance and HR system. The East Midlands Shared Services (EMSS) Joint Committee oversees the strategic direction of the EMSS and consists of two executive councillors from each council.
148. The Partnership Agreement gives provision for the Joint Committee to review the agreement either every two years or at other intervals if the Joint Committee consider it appropriate. At its meeting on 16 June 2025, the Joint Committee approved a review of the Partnership Agreement Approval to include:
 - the process for removing a joint shared service function;
 - the process if one partner wants the service to remain, and the other wants it removed;
 - the process for amending and existing shared service provision already in place.
149. The proposed addendum attached as Appendix G, is the result of the review, and the Joint Committee has approved the wording and recommend it to the Member Authority for approval through the Cabinet as required under the Council's constitution.
150. In addition, the Joint Committee has agreed changes to the frequency of meetings and work programme. This does not require Cabinet approval but has been included in the appendix for information and completeness.

Equality Rights Implications

151. There are no direct equality implications arising from the recommendations in this report.

Human Rights Implications

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

Appendices

Appendix A - Comparison of 2025/26 Expenditure and the Updated Revenue Budget

Appendix B - Revenue Budget 2025/26 – main variances

Appendix C - Earmarked Reserve balances 31/3/26

Appendix D - Capital Programme 2025/26 – main variances

Appendix E - Prudential Indicators 2025/26

Appendix F - Investing in Leicestershire Programme 31/3/26

Appendix G - EMSS Partnership Addendum

Background Papers

Report to the County Council on 18 February 2026 - Medium Term Financial Strategy 2026/27 – 2029/30

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7862&Ver=4>

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REVENUE BUDGET 2025/26 - PROVISIONAL OUTTURN STATEMENT

	Updated Budget	Actual Expenditure	Difference from Updated Budget	
	£000	£000	£000	%
<u>Schools Budget</u>				
Schools	72,467	71,539	-928	-1.3
Early Years	109,191	106,314	-2,877	-2.6
DSG Funding	-181,658	-181,658	0	0.0
	0	-3,805	-3,805	
<i>Earmarked fund - start of year</i>			-16,054	
<i>Earmarked fund - end of year</i>			-19,859	
High Needs	118,091	152,791	34,700	29.4
Dedicated Schools Grant (DSG)	-118,091	-118,091	0	0.0
	0	34,700	34,700	
<i>Earmarked fund - start of year</i>			64,403	
<i>Earmarked fund - end of year</i>			99,103	
<u>LA Budget</u>				
Children & Family Services (Other)	145,368	147,993	2,625	1.8
Adults & Communities	252,610	248,707	-3,903	-1.5
Public Health *	-2,746	-2,746	0	0.0
Environment & Transport	123,154	117,449	-5,705	-4.6
Chief Executives	17,429	16,922	-507	-2.9
Corporate Resources	41,342	40,471	-871	-2.1
DSG (Central Dept. recharges)	-2,285	-2,285	0	0.0
MTFS risks contingency	8,000	8,000	0	0.0
Contingency for Inflation	7,616	0	-7,616	-100.0
Total Services	590,487	574,510	-15,977	-2.7
<u>Central Items</u>				
Financing of Capital	14,633	15,974	1,341	9.2
Bank & other interest	-12,000	-16,757	-4,757	39.6
Central Expenditure	3,268	4,524	1,256	38.5
Other Items (including prior year adjustments)	0	-1,038	-1,038	n/a
Total Central Items	5,900	2,703	-3,198	-54.2
Contributions to earmarked reserves	22,600	29,800	7,200	31.9
Contribution to General Fund	1,000	1,000	0	0.0
Contribution from budget equalisation reserve to balance 2025/26 revenue budget	-4,653	0	4,653	-100.0
Total Spending	615,335	608,013	-7,322	-1.2
<u>Funding</u>				
Revenue Support Grant (new burdens)	-1,229	-1,229	0	0.0
Business Rates - Top Up	-42,912	-42,912	0	0.0
Business Rates Baseline / retained	-31,818	-31,727	91	-0.3
S31 Grants - Business Rates	-17,713	-17,826	-113	0.6
Allocation of Business Rates Pool Levies	-8,000	-7,679	321	n/a
Council Tax Precept	-422,465	-422,465	0	0.0
Council Tax Collection Funds - net surplus	-1,493	-1,493	0	0.0
New Homes Bonus Grant	-1,041	-1,041	0	0.0
Local Authority Better Care Grant	-14,190	-14,190	0	0.0
Social Care Grant	-50,971	-50,971	0	0.0
ASC Market Sustainability & Improvement Fund	-10,562	-10,562	0	0.0
Children's Social Care Prevention Grant	-1,488	-1,488	0	0.0
Domestic Abuse Safe Accommodation Grant	-1,464	-1,464	0	0.0
National Insurance increase - compensation	-3,656	-3,656	0	0.0
Extended Producer Responsibility (EPR) Grant	-6,333	-6,333	0	0.0
Total Funding	-615,335	-615,036	299	0.0
Net Total	0	-7,023	-7,023	
<u>Use of Underspend</u>				
Debt Repayment	0	2,523	2,523	
Efficiency Review	0	2,000	2,000	
Highway Investment Fund	0	2,500	2,500	
	0	7,023	7,023	

* Public Health funded by Grant (£29.9m)

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Revenue Budget 2025/26 – main variances (provisional outturn)**Children and Family Services****Dedicated Schools Grant**

There is a net overspend of £30.9m. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked reserve drawdown	15,255	n/a
The DSG budget in the original MTFS includes an estimated HNB drawdown (charge to the reserve) of £15.3m as the forecast in year overspend.		
Special Educational Needs	18,962	16%
Due to sustained year-on-year growth in demand for funded Education, Health and Care Plans (EHCPs) since they were introduced in 2014, a £15m overspend on the HNB budget was anticipated after mitigations for the 2025/26 financial year based on a 7% increase in EHCPs from the previous year. The High Needs Block overspend is circa £20m more than the original budgeted £15m drawdown from the DSG reserve. This is largely due to increased volume/demand on the placement budget vs budgeted assumptions based and set on Autumn 24 data/intelligence.		
Since that position – overall demand through the front door has continued to rise in regards to active EHCP's over time by calendar year. Currently there are 8983 EHCP's at the beginning of April-26. At January 26 there was 8786 active EHCP's, representing a 23% increase since the previous year, and 193% increase in EHCPs since 2016. Further on-going analysis of both demand and costs are actively underway as part of MTFS planning.		
Specialist Teaching Service (STS)	490	20%
Combination of increased demand on services and financial impact of staffing pay awards not being fully funded for these fully High Needs Block funded services.		
Early Years / Nursery Education Funding	-2,877	-3%
A net underspend of £2.9m across all Funded Early Education (FEE) entitlements within the Early Years DSG block. The position is largely driven by timing differences between funding and delivery. Funding is allocated by the DfE on a standard 38-week basis and paid in line with the FEE delivery timetable, which does not always align precisely with the April–March financial year. In 2025/26, fewer delivery weeks fell within the financial year than were funded and this is further exacerbated by stretched entitlements, where hours are delivered over a longer period. Given the scale of the expanded entitlement offer, small variations in the number of funded weeks recognised within the financial year can have a materially significant financial impact. From 2026/27, the move to a termly funding mechanism is expected to improve alignment between funding and delivery, simplifying year-end reporting and reducing the scale of timing-related variances.		
Schools Growth / Central Schools Services Block	-928	n/a
The underspend primarily reflects the combination of lower than anticipated costs in relation to schools copyright licences, alongside a reduced call on the Schools Growth Fund. The latter is due to revised forecasts for pupil growth and the timing of planned school expansions, resulting in lower revenue costs being incurred in year than originally assumed.		
Other variances	-8	n/a
TOTAL	30,894	n/a

Local Authority Budget

The Local authority budget is overspent by £2.6m (1.8%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	5,107	7%
<p>The net overspend on the Children's Social Care Placement budget (£5.1m) – comprising both of Unaccompanied Asylum Seeking Children (UASC) and non-UASC placement costs is largely due to a small but financially significant change in demand / numbers in relation to children in residential provision, in comparison to budgeted assumptions. The MTFS for this financial year assumes budgeted residential numbers by March 2026 to be at 120 children (includes parent and child placements). Trend and demand analysis at the time of budget setting, and then subsequently till end of qtr.4 of financial year 2024/25, showed demand remaining relatively stable.</p> <p>As at end of Qrt4 2025/26 numbers in residential provision stood at 122, (1.6% increase vs budgeted mitigated position in terms of overall volume, although for much of the financial year the demand being significantly higher vs profiled budget position). The end of year position is an improved position versus what had previously been projected earlier in the financial year. The year end position and stabilisation of numbers is a key contributing factor for the reduced overspend position that had previously been forecasted in prior months.</p> <p>Of this overall increase in numbers, a small but financially significant increase during the financial year in the number of unregistered and activity placements can be seen from May 2025 . Unregistered placements are used when no other option is available and are more costly than registered residential placements, with the average weekly cost of such provision ranging from between £13,000 to £17,000 over the last 12 months. The current placement budget allows funding for up to 5 children in this provision type over the financial year, however for the majority of the financial year actual numbers in this provision type have exceeded that, and its impact a key contributing factor for the overall overspend position on the budget, to keep them there.</p> <p>Also, of note and of financial significance due to a unique set of challenges and issues (sufficiency and need), is the need to place a small number of children in secure provision this year, which is determined by the court. This provision has a very high weekly cost, with average costs in excess of £35,000 per week (historically the upper limit of costs of such provision type has been no more than £15,000 per week). Whilst this is a small number of cases it contributes disproportionately to the overall end of year overspend position.</p> <p>The improved overall position has largely been driven by the progression of the C&FS Smarter Commissioning programme, including a marked reduction in activity within high cost and unregulated placement types.</p>		
Disabled Children Service	953	25%
<p>Increased demand for support across both direct payments and commissioned services. The Children's Innovation Partnership with Barnardo's and the creation and opening of an overnight short break unit, to support children with a disability will have a positive effect to ensure demands in this area can be managed in the most appropriate and cost effective manner.</p>		
Children Social Care - Family Safeguarding (Child Protection) & First Response Services	808	8%
<p>Increased complexity of cases and increased demand overall on services, which is partly being supported through agency workers, adding to the financial burden on this budget.</p>		
Educational Psychology Service and SENA Service	774	18%
<p>Continued increased demand due to an increase in the number of EHCPs (Education Health Care Plans) and EHCNAs (Education Health Care Needs Assessments) has further impacted the overspend position within these service areas due to increased caseloads. The medium to long term impact of current demand on this service is currently underway for the purpose of MTFS future planning.</p>		
Departmental Financial Controls / Vacancy Control Management	-3,521	n/a
<p>In response to financial pressures identified at the start of the financial year, the departmental management team undertook a targeted review of primarily non-statutory services, alongside the introduction of strengthened corporate-led financial controls. This was complemented by continued robust management of vacancies across the department. Together, these actions resulted in a £3.5m reduction in the in-year spend position and supported the early delivery of £0.7m of ongoing MTFS savings. Measures included delaying recruitment to non-essential posts where appropriate and maximising the use of available in-year grant funding to ensure prescribed outcomes were met in an efficient, effective and compliant manner.</p>		
Children Social Care - Vulnerability Hub, Safeguarding & Children in Care Services	-927	-10%

The year-end underspend is primarily attributable to natural turnover and recruitment timescales which together has created temporary staffing gaps across services. In addition, challenges in recruiting to some specialist front-line roles meant vacancies were held for part of the year. The combined impact resulting in reduced in-year spend		
Education Quality & Inclusion	-321	-7%
Staff turnover and in year vacancies which have been unfilled for large parts of the year.		
CFS Operational Delivery Support Services	-248	-4%
Higher-than-anticipated staff turnover against budget assumptions, with financial controls further limiting recruitment to these vacancies, resulting in short-term savings.		
TOTAL	2,625	2%

Adults & Communities

The Department has a net underspend of £3.9m (1.5%). The main variances are:

	£000	% of Budget
Supported Living	1,725	4%
The overspend relates to a combination of both higher service user numbers (1%) and an increase in need in average package costs (2%). The budget was based on total of 530 service users over the course of the year and the average over the year was 1% higher than this (537). This was primarily from an increase in the mental health cohort. The budget was based on an average cost of £1,763 and the average cost over the course of the year was 2% higher than this (£1,797), primarily from an increase in the average hours of support. This resulted in an underlying overspend of £1.462m.		
In addition one off costs relating to Brookfields displacement costs were incurred (£117k), a £81k recharge from Leicester relating to service users that were the responsibility of the authority and a £65k recharge from the C&FS Dept relating to package costs they incurred until the A&C department could take over the package.		
Direct Cash Payments	1,262	3%
The clawback of unspent funds which is conducted as an ongoing process over the course of the year was disrupted by issues with the Councils Direct Payment Card Provider. Normal service have resumed but this had an impact on the overall monies clawed back and the final position for the year, £0.9m. A small increase in service user numbers and average package costs (<1%) from November onwards contributed to a £400k overspend. On average there are 1,684 cash payment service users with an average cost of £530 per week. There are also 1,347 carers cash payments with an average cost per week of £55.		
Mental Health & Safeguarding (MH&S)	427	5%
Staffing overspend primarily from using agency staff (£291k) in order to reduce the await care list in line with the CQC Improvement Plan and also to cover several vacancies within Mental Health locality teams (Charnwood, Melton and Harborough) to ensure that statutory duties are maintained (£31k). In addition there is a £80k overspend relating to the Emergency Duty Team driven by volume of work & inflation on recharge from Leicester City Council.		
Adult Learning	120	n/a
Overspend due to reduction in grant funding announced in April 25 of £164k. HR action plans were prepared to deliver savings which resulted in an additional £306k for exit costs from the restructure. Additional income of (£186k) was received through National Insurance rebate and (£164k) from Connect To Work offsetting overall overspend.		
Home First	-1,510	-14%
Vacant Support Worker posts within the HART Service. A recruitment campaign 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. This is also a focus of the Efficiency Review. Recruitment however remains difficult within the social care market.		
Non Residential Income	-1,423	4%
Additional client income of £550k overall primarily from a 1% increase in chargeable service users and a 1.5% increase in average chargeable amount. An additional £160k due to a lower than expected contribution to the credit loss provision. Supported Living Health income generated £390k over budget due to higher numbers of clients since budget setting. Home Care has generated an additional £170k and Day Care £150k.		
Residential and Nursing Care	-885	-1%

Gross Residential Expenditure was £2.6m overspent. Service user numbers over the course of the first half of 2025/26 was broadly the same as the previous financial year. In the latter half of 2025/26 service user numbers began to rise with a steeper rise in the final quarter. The majority of the overspend relates to higher numbers of older people than originally budgeted for. Long term packages for older people was 1% higher than budgeted, and for short term packages it was 5% higher. The average cost per package for older people was slightly higher than budgeted (<1%). Within the working age adults cohort, an overspend on long term packages was broadly offset by an underspend against short term packages. The overall average for the year is 2,477 service users per week costing an average of £1,169 per week.

Gross Residential Income was £3.5m underspent. Of this £2.2m relates to client income and £1.3m relates to higher health income. Underlying client income was £1.170m higher than the budget due to higher service user numbers. In addition deferred debt income was £360k higher than budgeted, third party income was £215k higher than budgeted, £225k was due to a lower than expected contribution to the credit loss provision, and £220k additional arrears income relating to the prior year. Health income was above budget due to an upwards trend in funded service users which began around the start of the year. Currently there are approx 390 clients with funding totalling £340k per week. There were 340 funded service users in April 25. This accounts for the £1.06m over-recovery. The rest of the additional income is due to work being done across the department to improve collection of health funding, this has identified a number of cases where funding had not been recorded and to date £240k of residential health income has been recovered, this is an early achievement of a 26/27 MTFS savings target.

Cognitive and Physical Disability	-843	-10%
There is a £310k underspend on staffing primarily in Occupational Therapy Teams (£236k) which are specialist posts that are difficult to recruit to and Harborough Care Pathway Team (£81k) and an overspend within the Blaby, Oadby and Wigston Care Pathway Team (£7k).		
Also £533k underspend on Aids and Adaptations primarily from the Integrated Community Equipment Service, as a result of LCC's contribution to the pool decreasing in 25/26 which will be reduced in 26/27 following an additional MTFS saving in 26/27.		
Better Care Fund (Balance)	-692	3%
Discharge to Assess income of £1.7m of funds was received against a budget of £2.8m due to lower activity. Better Care Fund income from minimum contribution to LCC is £1.8m above the budgeted amount.		
Homecare	-510	-1%
Over the course of the year, service user numbers were slightly above estimates at 0.7% which was offset by lower package costs of 2.1% on average leaving a net position of 1.4% underspend. In addition there was an additional £220k worth of actuals that were paid for that related to the previous financial year 24/25. Currently there are 2,770 service users receiving on average 10.82 hours per person.		
Shared Lives Residential	-481	-31%
Underspend due to a decrease in the number of long and short term residential placements that are being made due to a low level of carers available to take on new placements.		
Social Care Investment	-275	-39%
An HR action plan was implemented throughout 2025/26, resulting in the team being disbanded. Due to no significant SCIP work being undertaken there was a reduced recharge to the SCIP service.		
Learning Disability and Autism	-176	-4%
Underspend in NWL Care Pathway Team (£400k) due to vacancies and difficulties in recruiting social care staff. This is offset by £224k overspend in Hinckley Care Pathway Team where agency staff are required to cover sickness and vacancies.		
Other variances (under £100k)	-642	n/a
TOTAL	-3,903	-2%

Public Health

The Department has a projected balanced position. There are some variances:

	£000	% of Budget
Public Health Earmarked Reserve	696	n/a
Budgeted contributions from the earmarked Public Health earmarked reserve not required due to the net departmental outturn.		
0 - 19 Children's Public Health	82	1%

Overspend mainly due to income from reserve not being transferred to revenue (+£197k) and an overspend on 0-10 Children's Public Health (+£75k), offset by an underspend on Teen Health Services (-£190k).		
Sexual Health	-514	-13%
Variance due to underspend on contracts for Online Sexual Health Services (-£195k) and Integrated Sexual Health Services (-£391k) due to reduced activity in the first half of the financial year. Offset by overspend on Contraception (+£63k) and Out of Area costs (+£10k).		
Health Protection	-93	-15%
Underspend on Community Infection Prevention and Control (CIP&C) due to impact of Action Plan.		
NHS Health Check programme	-59	-11%
Fewer Health Checks have been undertaken than originally forecast.		
Other variances (under £50k)	-112	n/a
TOTAL	0	0%

Environment and Transport

The Department has a net underspend of £5.7m (4.6%). The main variances are:

	£000	% of Budget
Social Care Transport	937	15%
Overspend due to additional taxi costs that are partly met by an underspend on Passenger Fleet.		
Environmental Maintenance	463	10%
Overspend due to additional works required keeping gulleys clear following named storm events and unexpected costs for Ash dieback work, partly offset by an underspend on grass cutting as winter operatives have been able to pick up some of the environmental work during mild spring weather.		
Recycling & Household Waste	286	5%
Overspend mainly due to increased Recycling and Household Waste Sites (RHWS) property repairs and maintenance.		
H & T Staffing & Admin	271	7%
Overspend due to a shortfall in capital recharge income due to delays in the capital programme, which is partly offset by additional pre-planning advice income.		
Reactive Maintenance	140	10%
Policy led safety and network resilience works following inspections and the May 2025 coroner inquiry have driven the overspend.		
SEN Transport	-1,195	-4%
Underspend due to higher than budgeted contract savings arising from the summer transport reviews (£1.5m) and a release of prior year over accruals (£0.2m) partly offset by an increase in users. There has been a recent increase in the number of active EHCPs, with some users coming through into Transport. Issues with sufficiency remain.		
H & T Network Staffing & Admin	-1,141	-42%
Underspend largely due to increased Section 38 and Section 278 infrastructure developer income.		
Staffing, Admin & Depot Overheads	-854	-18%
Additional income from greater temporary traffic regulation orders (TTRO) and permitting activity under Network Management, increased vehicle access income, increased highways income and sales of grass verges which are partly offset by increased Highway depot costs.		
Dry Recycling	-666	-27%
Underspend mainly due to better material prices.		
Passenger Fleet	-491	n/a
Overall underspend on Passenger Fleet due to difficulties in recruiting drivers and escorts (£905k) partially offset by higher running costs (£146k) and lower income (£268k).		
Street Lighting Maintenance	-486	-18%
Underspend due to structural testing change from more expensive deflection testing to ultrasonic testing, fewer streetlight column knockdowns, less electrical testing and network cabling plus additional knockdown income from insurance claims and less energy kWh's used due to better weather over the summer period.		
Landfill	-453	-17%
Underspend due to waste being diverted out of Landfill into Treatment.		
Composting Contracts	-386	-18%

Underspend mainly due to reduced tonnage forecast of Composting as a result of dry weather in the summer.		
Haulage & Waste Transfer	-347	-13%
Lower bulk haulage due to operational changes moving waste to different destinations, and slightly lower tonnages.		
Departmental Costs	-310	-33%
Underspend includes reduction in credit loss provision (£196k), underspends across computing services (£40k) and other smaller underspends (£75k).		
Management & Admin (Environment & Waste)	-277	-16%
Underspend arising from in-year staffing churn across E&W management commissioning teams.		
Development & Growth	-243	-15%
Underspend due to recruitment and retention difficulties amongst graduate engineers and technicians.		
Staffing & Admin Delivery	-227	-5%
Underspend driven by additional capital recharge income across the service.		
Road Safety	-203	-27%
Underspend mostly due to difficulties in recruiting to school crossing patrols and road safety tutors.		
Staffing & Admin (Department & Business Management)	-176	-6%
Underspend due to delays in implementation of staffing restructure.		
Mainstream School Transport	-146	-2%
Underspend includes £360k of contract savings, partly offset by ongoing increased costs and reduced competition.		
Income	-141	9%
Underspend due to increased trade waste income at Whetstone Waste Transfer Station.		
Other variances (under £100k)	-60	n/a
TOTAL	-5,705	-5%

Chief Executive's

The Department has a net underspend of £0.5m (2.9%). The main variances are:

	£000	% of Budget
Departmental Items	212	n/a
Department-wide saving for staffing vacancy held in this budget. Overspend here is offset by underspends elsewhere in the department.		
Legal Services	117	2%
Overspend on staffing costs (+£47k), reduced income (+£247k), offset by an underspend on general running costs (-£20k) and reduced demand led costs (-£157k) through the utilisation of the in-house advocate role.		
Coroners	101	6%
Overspend due to increased costs from Leicester City Coroner's Service and University Hospitals Leicester.		
Trading Standards	74	3%
Overspend due to in year implementation costs for the Trading Standards database replacement (+£161k) which was due to be funded by a transfer from reserve, offset by an additional £84k of income.		
Business Intelligence	54	3%
Variance largely due to an overspend on staffing (+£20k) and reduced income (+£20k).		
Growth Service	-359	-31%
Vacancies held throughout the duration of the financial year whilst the review of the Growth Service was undertaken.		
Registrars	-201	n/a
Additional income (-£109k) as wedding income continues to be buoyant and a reduction in staff costs through the reduction in the use of casual staff (-£118k), offset by additional premises costs (+£26k), including those incurred during the temporary closure of Beaumanor Hall.		
Management and Administration	-153	-19%
Underspend primarily due to early delivery of a MTFs saving relating to the deletion of a post.		
Democratic Services and Administration	-134	-9%
Underspend mainly due to the retirements (-£50k), staffing vacancies from turnover of staff (-£80k), additional income received (-£12k) offset by additional costs relating to LGR, the efficiency review and Legal fees (+£8k).		
Policy and Communities	-88	-6%
Staffing vacancies throughout the year (-£28k) and reduced running costs (-£61k) through the implementation of spending controls.		

Planning and Historic and Natural Environment (PHNE)	-83	-9%
Underspend largely due to staffing (-£415k) pending the review of the service. This was offset by +£83k relating to the use of external Ecology Consultants to cover the Ecology vacancies. An overspend on running costs (+£26k) and reduced income (+£225k) due to fewer planning applications being submitted.		
Civic Affairs	-54	-47%
The variance is largely due to the reduced cost of many hospitality events.		
Other variances (under £50k)	7	n/a
TOTAL	-507	-3%

Corporate Resources

The Department has a net underspend of £0.9m (2.1%). The main variances are:

	£000	% of Budget
Commercial Services	858	-214%
Challenging commercial environment as customers (especially schools) are facing their own financial challenges. This risk has particularly manifested itself in school food which is forecasting a £0.2m overspend but also at Beaumanor Outdoor Activities (£0.1m), Professional Services (£0.1m) and Traded Property (£0.1m). In addition, the impact of the temporary closure of Beaumanor Hall (£0.1m) related to required chimney repair and maintenance works has impacted income. A stretch target for commercial of £0.2m will not be met in 2025/26.		
Corporate Human Resources	176	6%
Additional posts to support management of staff absences and recruitment (LCC wide).		
Household Support Fund	87	n/a
Over allocation of funding above grant allocation due to increased demand from vulnerable service users for support through, for example, food vouchers.		
Commissioning Support	69	5%
Staffing overspend related to covering long term sickness and additional support for CFS department through agency (£44k) and reduced income (£41k) offset by reduced expenditure.		
Strategic Property	63	2%
Hinckley Hub service charge reconciliations for current and prior years and Property Disposal costs (£0.4m). Partly offset by managed vacancies (£0.2m) across all teams pending a major review, underspend on running costs and additional income, and early delivery of MTFS Savings relates to early exit of Romulus Court (£0.1m).		
ICT	-889	-7%
Underspend arising from in-year staffing churn (£0.4m) across multiple teams as well as early delivery of future MTFS Savings (£0.5m).		
Building Running Costs	-437	-9%
Early delivery of MTFS Savings related to disposal of Roman Way and Energy cost savings (£0.1m). Additional income from service charge reconciliation invoices for County Hall tenants, Active Together and increase in government grants (£0.2m). Income is offset by reduced rental income from vacant properties (£0.1m). Balance is reduced building costs across the corporate estate (£0.2m).		
East Midlands Shared Services	-319	-9%
Reduction in LCC contribution towards partnership (underspend split 50:50 with Nottingham City Council). Staffing vacancies and underspend on licence costs offset by increased debt management costs and reduced income.		
Learning and Development	-170	-11%
Underspend due to in-year staffing churn, additional income for student placements and a lower than anticipated training requirement (£0.1m).		
Strategic Finance	-103	-2%
Underspend due to recruitment challenges.		
Audit & Insurance	-92	-4%
Underspend in Audit due to managed vacancies.		
Communications & Digital	-80	-6%
Early delivery of MTFS Savings through Communication team staff efficiency (£55k) and increased income.		
Customer Services	-55	-4%
Underspend arising from in-year staffing churn and lower use of casuals needed to support school transport.		
Other variances	21	n/a

TOTAL	-871	-2%
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EARMARKED RESERVES BALANCES

	Revised Balance 01/04/25 £000	Actual Balance 31/03/26 £000
Renewal of Systems, Equipment and Vehicles	2,039	2,082
Trading Accounts		
Investing in Leicestershire Programme (IILP)	5,763	5,773
Insurance		
General	11,719	12,190
Schools schemes and risk management	34	34
Uninsured loss fund	4,929	4,929
Committed Balances		
Central Maintenance Fund	1,360	385
Other		
Children & Family Services		
C&FS Developments	1,609	1,762
Youth Offending	929	1,002
Other	196	242
Adults & Communities		
A&C Developments	1,384	1,240
Adult Learning	0	294
Public Health	5,822	5,371
Environment & Transport		
E&T Developments	503	1,063
Commuted Sums	1,739	2,317
Pan regional transport model (PRTM)	749	2,343
Waste Developments	490	490
Major Projects - advanced design	0	217
Section 38 Income	435	435
Other	526	1,164
Chief Executive		
Economic Development-General	200	200
Chief Executive Dept Developments	646	685
Other	93	75
Corporate Resources		
Other	800	830
Corporate:		
Budget Equalisation	62,107	90,447
Change and Improvement	31,844	39,420
Flooding Restoration Works	2,752	3,002
Broadband	2,665	2,665
Business Rates Retention	568	568
Elections	1,351	335
Other	104	258
Capital Financing & Improvement Projects	151,033	142,801
Sub Total	294,390	324,621
Schools and Partnerships		
Dedicated Schools Grant	-48,349	-79,244
Active Together	1,062	1,084
Health & Social Care Outcomes	10,178	10,166
Emergency Management	848	486
Leicestershire Safeguarding Children Board	235	207
Leics Social Care Development Group	33	33
Total	-35,993	-67,268
TOTAL	258,397	257,353

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Capital Programme 2025/26 – main variancesChildren and Family Services

Overall net Reprofiting of spend of £21m. The main variances are:

	£000
Additional school places - net Reprofiting	-15,419
<p>Acceleration: Hinckley Redmoor Academy - £0.8m. This project delivers a new science block, sports hall and refurbished catering facility. It is an academy delivered scheme, prudently profiled in the MTFS. Hallam Fields - £0.5m, Expansion to support nearby housing developments. Budget profiled prudently in MTFS.</p> <p>Reprofilng: Ibstock Community College - £5.1m. The scheme has needed to overcome a number of issues in relation to planning and DfE requirements and therefore has resulted in programme Reprofiting, Oadby Brocks Hill Primary - £4.7m. Planning issues have resulted in a rephased delivery timeline. Tenders now received and works to commence May 2026. Welland Park - £1.9m. Delays in finalising the funding agreement. Broughton Astley Primary - £1.5m due to planning issues. Lutterworth High School - £1.3m. Funding agreement delayed, completed March 26. To be paid by June 2026, Longfield Primary - £0.8m due to Reprofiting scheme timeline post budget allocation, Reprofilng of £1m on unallocated additional places schemes programme.</p>	
SEND Reprofiting	-3,132
<p>£0.9m on Husbands Bosworth Special school, The budget was indicatively profiled for the MTFS. Additionally, the scheme has hit issues regarding the land upon which the school was planned to be built, Oakfield South school £0.9m Reprofiting. This is due in part to the Reprofiting of budget, along with interdependencies of other parts of the site impacted by the works, £0.3m on Ravenhurst primary as additional works have pushed completion into 26/27, £0.4m on Sherard Primary & Swallowdale Primary. Allocation agreed from 2025/26 funds, however, works need to commence during school closure period so will take place in 2026/27. £0.6m on other smaller SEND schemes</p>	
Strategic Capital Maintenance	-1,328
<p>There are a number of smaller schemes within this area. The timing of the Easter break, and the nature of some of the works needing to be done whilst the school is closed resulted in a number of areas not being completed by 31st March.</p>	
Schools Access & Safeguarding - Fewer requests from schools during 2025/26	-575
Childcare expansion programme - assessment of bids to ensure effective of the grant funding to meet emerging needs, balance carried forward to 2026/27.	-266
Other	-115
TOTAL	-20,835

Adults & Communities

The provisional outturn is in line with the budget.

Environment and Transport

Net Reprofiting of £36.5m. The main variances are:

	£000
Melton Mowbray Distributor Rd	-13,365
<p>Weather related programme delays and outstanding construction activities Reprofiting into 2026/27. The scheme is expected to be complete in May 2026.</p>	
Advanced Design Reprofiting	-5,839

<p>a) Charnwood Growth fund - ongoing work with Charnwood BC on the adoption of a Community Infrastructure Levy anticipated in June 2026. The spend is dependent on CBC timescales which were delayed by Local Plan adoption.</p> <p>b) Emerging Priorities Fund is a rolling pot to provide match funding/ risk mitigation for wider programmes (such as Zouch Bridge)/ emerging projects as issues are identified on the highway network as a result of growth – spend is led by demand</p> <p>c) Strategic Transport Plan is a programme of work with third parties (partially externally funded) – strategic work is ongoing as outlined in a report to Cabinet in December 2025.</p> <p>d) NWL Growth Plan – work is ongoing with NWL DC on their local plan – work is led by NWL timescales which have been delayed.</p>	
Vehicle Replacement	-3,208
<p>Procurement delays due to a combination of external supplier-related issues and internal assurance/operational review requirements. Supplier delays including supplier lead times and delivery delays. These issues have now been resolved. For the minibus replacement programme, the first tranche of vehicles was delivered during 2025/26, having been delayed from previous years due to the original supplier going into administration. The procurement of the second tranche was then deferred to allow the service to evaluate and embed the new replacement vehicles within the fleet before committing to the next phase. This was to ensure that future purchases are operationally suitable, meet service requirements and represent value for money. The next tranche of minibus replacements has now been identified, with procurement expected to commence in early 2026/27.</p>	
Zouch Bridge	-2,834
<p>Zouch Bridge Replacement £20m project. Construction works of £2.8m have been reprofiled to 2026/27, primarily due to statutory undertaker works not progressing as anticipated when the 2025/26 forecast was prepared. The new bridge is still estimated to open to public traffic in July 2026, with demolition and final works completing later in 2026.</p>	
Bus Grant	-2,799
<p>The bus grant reprofiling reflects the planned sequencing of delivery. During 2025/26, focus was placed on completing the Passenger Transport Network Review and implementing the revised countywide bus network. As the final network configuration needed to be established before related capital investment could be targeted effectively, delivery of infrastructure works was deferred. The carried-forward £2.8m, together with the new £2.7m grant for 2026/27, will be used to deliver travel hubs, upgrades to c.4,000 bus stops, replacement bus shelters, and improvements to access paths to bus stops. The position has already been reported to DfT through the project plan.</p>	
Externally funded schemes	-1,758
<p>Great Bowden Scheme: £0.4m - The scheme has slipped due to delays in finalising the delivery plan with Great Bowden Parish Council.</p> <p>Z4583: S106 Kibworth A6 - Wistow Rd Roundabout Improvement: £0.3m - Reprofiling has arisen as the scheme scope was expanded following stakeholder discussions to include a crossing. This required additional design work and surveys, and delayed the programme while the crossing location and consultation requirements were clarified. The crossing location has now been agreed and is sufficiently separate from the main junction to proceed independently. A number other smaller schemes have been reprofiled as design and survey work progresses.</p>	
Recycling Household Waste Sites - Reprofiling	-944
<p>£0.2m - The General Improvements(GI) programme is managed as a portfolio of smaller schemes, including reactive works. Prioritisation changes across the smaller GI schemes. Spend has slipped due to changing project priorities, staffing-related delivery delays, and the review of joint working opportunities with Highways.</p> <p>£0.2m - Food Waste Disposal project due to delays with container purchases,</p> <p>£0.2m - Weighbridge due to implementation delays in programme,</p> <p>£0.2m - Waste Transfer Station. The scheme has taken longer to reach the current stage than originally anticipated, resulting in expenditure slipping against the planned profile.</p>	
Safety Schemes Reprofiling	-872
<p>Speed Awareness Pilot and Parish Speed Reduction have had to change direction as initial investigations determined sites previously requested are not suitable or eligible for speed cameras, further engagement is ongoing to agree alternative measures and determine which schemes should be considered. This has resulted in expenditure being deferred into 2026/27. Safety Advanced Design has slipped as the programme is being reprioritised, with the more deliverable works progressed first and the remaining requiring further review.</p>	
A511/A50 Major Road Network	-860
<p>Delays in early contractor involvement has delayed the full business case deferring the acquisition of land. The spend is now required in 2026/27.</p>	
The Parade, Oadby Cyclops	-809
<p>Reprofiling following the exploration to rescope the scheme towards targeted corridor interventions (cycling and walkway improved at strategic locations)</p>	
Property Flood Risk Alleviation	-732

Reprofiling of Environment Agency and Local Levy schemes into next year driven by survey/design and delivery window delays.	
Zero Emission Buses	-639
£8m programme. Delays with a small number of claims from bus operators.	
Restorative Maintenance	-420
The previous forecast reflected the value of works identified for completion in-year, driven by sustained high demand for pothole repairs and the need for additional patching activity. However, due to the significant volume of works and delivery constraints, it was not possible to complete all identified repairs before year-end. The outstanding works remain required and are expected to be delivered in 2026/27.	
Bridge Maintenance Reprofiling	-367
Broughton Astley, Cosby Rd (0581): Investigatory works and pre-cast procurement required to be completed prior to works to be undertaken.	
Area Office Accommodation	-370
Due to ongoing work regarding the Melton Depot Site and design the programme has slipped.	
Active Travel Improvements (ATF5)	-302
Delays pending approval of schemes from ATE, with delivery now planned for 2026/27.	
Other variances	-1,035
TOTAL	-36,514

Corporate Resources

Net Reprofiling of £2.2m and an underspend of £0.2m. The main variances are:

	£000
Ways of Working	-551
Reprofiling due to awaiting new lease approval and leases on hold whilst working arrangements for LCC staff are finalised.	
Climate change - Environmental Improvements	-637
Reprofiling of EV car charge points and Solar Car Port (£305k) due to waiting until car park work is complete at some sites and delays with legal services contract review. Public Sector Decarbonisation Scheme (PSDS) (£75k) Reprofiling due to upgrading heating systems in spring. Rooftop solar PV Reprofiling due to finalising procurement route (£225k).	
Property Services net Reprofiling	-1,257
Reprofiling of works, including: MUGA Resurfacing (£160k), Bassett Centre window replacement (£85k) and Aston Firs living block replacement (£188k) due to tendering delays. Snibston Monument (£100k) due to a wider review of site. Beaumanor Hall Chimney works (£500k) rephased to 2026/27 as approval is pending. Bosworth Battlefield ANPR (£63k) to be included in authority wide solution. Romulus Court underspend (£203k) due to dilapidations being less than anticipated. Overspends on Anstey Frith House window and roof replacement - tenders higher than anticipated (£130k) and Kegworth Library (£17k).	
Other variances	10
TOTAL	-2,435

Corporate Programme

Rephasing of £5.2m, which includes an underspend of £0.5m across the 25/26 programme.

	£000
Airfield Business Park - Phase 3-4	-3,179
Site still under construction. Construction was mostly complete in Feb 2026. However, plot F2 has not yet been built as a tenant had not been identified and did not wish to build speculatively. At the moment the site is allocated for a "drive through" which may change subject to the tenant, therefore need to develop the site will require Reprofiling of spend to 2026/27.	
Lutterworth Leaders Farm - Drive Thru Restaurants	-467
Reprofiling of spend due to inclement weather in February delaying building progress. Practical completion due on 22 May 2026.	
Lichfield South, Refurbishment	-315
Works now completed with an underspend of £315k. The underspend has been reallocated to the balance held for New liLP investments and carried forward to 2026/27.	

Lutterworth East - SDA (Planning and Preparatory works)	-299
The scheme has progressed more slowly than originally envisaged due to delays in resolving planning issues resulting in the other consultancy work slipping into 2026/27.	
Quorn Solar Farm	-250
Project completed in year, no further expenditure is anticipated. The underspend has been reallocated to the balance held for New liLP investments and carried forward to 2026/27.	
M69 Junction 2 - SDA	-219
Delays with the emerging Blaby Local Plan and the need to reschedule the project programme to avoid the need to repeat technical surveys.	
Industrial Properties Estate Reprofiling	-161
Other variances	-399
TOTAL	-5,289

PRUDENTIAL INDICATORS 2025/26

	Original Indicator	Provisional Actual as at 31/03/2026
Capital Expenditure	£164m	£140m
Capital Financing Requirement	£196m	£193m
Actual Capital Financing Costs as a % of Net Revenue Stream	2.2%	2.6%
Net income from commercial activities as a % of net revenue stream	1%	1%
Operational Limit for External Debt	£207m	£207m
Authorised Limit for External Debt	£217m	£217m
Liability Benchmark – Gross loans requirement	-£186m	-£211m
Actual debt as at 31/3/2026 (£000's)	£176m	£130m

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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	7,581	12,687	0	20,268	-98	-121	23	-0.7%	
Rural	79,899	313	0	80,212	-7	243	-250	0.0%	
Offices inc County Hall ⁵	63,073	380	0	63,453	3,235	4,072	-837	5.1%	
Industrial	26,002	0	0	26,002	1,651	1,796	-145	6.3%	
Other	4,727	0	0	4,727	243	241	2	5.1%	
Direct Holdings	181,282	13,380	0	194,662	5,023	6,231	-1,207	2.7%	
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	544			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	1,056	811	245	5.1%	5.5%
Pooled Property	16,091	-8,201	-91	7,799	445	418	26	3.7%	2.4%
Pooled Infra Fund	8,742	0	480	9,222	457	287	170	5.1%	7.2%
Pooled Bank Risk Share	12,651	5,016	66	17,733	1,860	892	968	12.2%	12.6%
Central adjustments					-202	0	-202		
TOTAL (All liLP)	241,794	6,320	-26	248,089	8,639	8,639	0	3.5%	
TOTAL exc development and rural	154,314	-6,680	-26	147,608	8,744	8,517	227	5.8%	

1. Opening valuations based on market valuations not historic cost.
2. Direct property valuations are in the process of being finalised. 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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Proposed Addendum to the East Midlands Shared Services Joint Committee Shared Partnership Agreement.**1. Assumption of Service**

1.1 Where any transactional service has been delivered to the Participating Authorities by EMSS for a continuous period of not less than six (6) months, and such services are consistent with the objectives and scope of the Agreement, those services shall be deemed to constitute a Shared Service Function delegated to Joint Committee for the purposes of this Agreement.

1.2 Upon such services being deemed a Shared Service Function:

- a) the Parties shall, as soon as reasonably practicable, formalise the arrangement by the execution of a Schedule in accordance with Clause 3.2;
- b) the costs and responsibilities associated with such services shall be apportioned in accordance with Clause 8.7 or as otherwise agreed by the Participating Authorities; and
- c) all provisions of this Agreement, including those relating to governance, financial arrangements, performance monitoring, and dispute resolution, shall apply to such services as if they had been expressly included from the Commencement Date.

2. Removal or Amendment of Shared Service Functions

2.1 The Executives of the Parties (operating executive functions) and the Council of any Member Authority (not operating executive arrangements within the meaning of the Local Government Act 2000 (or any of them) may from time to time agree to the removal of or amendment of a Shared Service Function of the Joint Committee PROVIDED that no such removal or amendment shall be delegated to the joint committee for approval without the prior written consent of all the Parties to this agreement.

2.2 Each removal or amendment of a Shared Service Function shall be evidenced by the execution of a Deed of Variation to this agreement; each such Deed shall:

- a) identify the Shared Service Function to be removed or amended, the Participating Authorities affected, and any transitional arrangements including timelines, financial or staffing implications; and
- b) be executed on behalf of each of the Participating Authorities; and
- c) in the event that a Participating Authority initiates the removal or amendment of a Shared Service Function, and such change is not applied equally across all Participating Authorities, any costs associated with or incurred by the removal or amendment of the amended or removed service function shall be borne solely by the initiating Participating Authority.

2.3 Any proposal to amend or remove any element of the Shared Service Function must be accompanied by official written notice to all Participating Authorities. The minimum notice period shall be three (3) months. Depending on the size and scale of the proposed change, the notice period may be extended to six (6) or twelve (12) months, as advised by the shared service provider.

2.4 If it is not possible to agree the exit and or transitional arrangements between participating authorities, the dispute resolution process set out in section 17 of the partnership agreement shall be followed.

2.5 The Shared service functions included in the Removal or Amendment of Shared Service Functions process, shall be process driven and shall not include the removal or amendment of any element of the core operating systems, licences and or system support contracts that form part of the original agreement and are fundamental to its existence.

The following amendments do not change the fundamentals of the Partnership Agreement, however, Terms of reference will require updating and approval by both LCC & NCC Legal departments.

Flexibility to the frequency of the Joint Committee meetings:

- December Joint Committee meeting remains in place Q2 performance report, Budget and MTFP report.
- June Joint Committee meeting remains in place – Annual Performance Report, Strategic Plan update, Audit Update.
- September Joint Committee meeting remains in place, with an agreement that it may be cancelled if there is no significant business requiring decision. The Q1 performance if just for noting, will be included with the Q2 report at the December meeting.

This proposal is based on the following:

- The Head of EMSS jointly meets with the Sponsors' for EMSS monthly, discussing in a structured and formal format all aspects of the service's operational, financial and strategic performance.
- This governance is in addition to the terms set out in the Partnership Agreement.
- Monthly account meetings are held with Strategic Finance and HR colleagues, across all the EMSS service provisions, which discuss performance at a detailed level.
- Whilst the December meetings consist of matters requiring agreement at Joint Committee the June and Sept meetings tends to have little in the way of decision making and is possibly not always a good use of the committee's time.
- The frequency of the Joint Committee means that elected members and councillors are receiving updates on operational, rather than strategic matters. Three months is a short timeframe for most strategic updates, therefore reports between each meeting can feel very similar with little change.
- The reports, with the exception of the budget, are largely for noting. The committee should be used for providing strategic direction and challenge to the shared service.

- The Shared Service function is well established with consistent performance many Joint Committee meetings end well before their allotted time, with significant travel incurred for what is often a very short meeting.
- There is an opportunity to reduce the travel costs and time for attendees.
- Less frequent meetings will provide less repetitive updates and encourage better engagement from members at both LCC and NCC.
- In line with the original agreement additional meetings can be called in addition to the annual meeting as required, should there be any issues that require discussion or approval.

Whilst this meeting flexibility does not require Cabinet approval, it will require the Terms of Reference associated with the Partnership Agreement to be approved by both Legal Teams.



CABINET - 26 MAY 2026

EFFICIENCY REVIEW - OUTCOMES AND REVISED CHANGE AND IMPROVEMENT PROGRAMME

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to present the Cabinet with the outcomes of the County Council's Efficiency Review (ER) and to set out the implications for the Council's revised Transformation Programme and the Medium Term Financial Strategy (MTFS). The report:
 - Summarises the evidence-led opportunities identified through the ER;
 - Describes how these opportunities have been prioritised and categorised;
 - Explains how they translate into a refreshed and more focused Transformation Programme to be launched as the Better Leicestershire Programme;
 - Sets out the impact on the MTFS and the need for implementation support.

Recommendations

2. It is recommended to the Cabinet:
 - 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 ii 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.

(KEY DECISION)

Reasons for Recommendation

3. The revised Transformation Programme and delivery of the newly identified savings will support the Council in maintaining a sustainable Medium Term Financial Plan and make progress towards closing the current gap of £85m by 2029/30.

Timetable for Decisions (including Scrutiny)

4. The Scrutiny Commission received a report on 11th May and its comments will be reported to the Cabinet.

Policy Framework and Previous Decisions

5. At its meetings in July and October 2025, the Cabinet agreed to:
 - Commission an independent, Council-wide Efficiency Review to identify opportunities to improve financial sustainability while protecting outcomes;
 - Use the ER to inform refreshes of the Transformation Programme and MTFS;
 - Ensure opportunities were evidence-based, deliverable and aligned with Council priorities.
6. This report represents the first formal consideration of the outputs from that work.
7. The proposals in the report support the Council in achieving a sustainable and resilient financial position, a fundamental aim of the Council's Strategic Plan.

Resource Implications

8. The outcome of the review has identified savings of £27m across the MTFS period, with the potential to increase the total savings achievable by 20230/31 to £60m.
9. Delivery of the Transformation Programme and achievement of the savings will require some initial investment. This is estimated to be in the region of £28m and

will be a combination of internal and external resources, depending on the delivery model chosen.

10. Further details on the financial benefits, cost and payback of the proposals in given in Table 3 at paragraph 52 in the report.

11. The Chief Legal Officer and Monitoring Officer has been consulted on the proposals.

Circulation under the Local Issues Alert Procedure

12. This report will be circulated to all members.

Officers to Contact

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PART B

Background

13. In November 2025, the County Council commissioned an independent, council-wide ER to identify opportunities to improve financial sustainability while protecting outcomes for residents. This was in response to the increasing scale of the MTFS financial gap due to rising demand pressures across statutory services.
14. The Efficiency Review was designed to:
- Identify savings and income opportunities across all service areas;
 - Review existing MTFS initiatives and assess whether they should stop, change or continue;
 - Ensure opportunities were evidence-led, deliverable, and aligned to the Council's strategic priorities;
 - Establish a sustainable approach to change and improvement, including benefits realisation.
15. The ER was delivered by Newton Consulting Limited (Newton) and structured into four phases between November 2025 and April 2026:
- **Phase 1a – Review set-up:** agreement of scope, data, governance and engagement approach;
 - **Phase 1b – Review and engage:** unconstrained identification of opportunities and assessment of existing MTFS activity;
 - **Phase 1c – Development of savings initiatives:** detailed option development, impact assessment and financial modelling;
 - **Phase 1d – Programme planning and mobilisation:** development of a revised change and improvement programme and mobilisation of early delivery where possible.
16. Throughout the ER, members across all political groups and senior officers were engaged via workshops, briefings and gateways to ensure transparency and shared ownership of emerging findings.
17. The scale, complexity and pace of change required to address the MTFS gap meant that the ER was not simply intended to identify a list of savings proposals. Instead, it was designed to support a broader reset of how the Council approaches change and improvement, prioritisation and benefits realisation, embedding a stronger link between evidence, delivery confidence, outcomes for residents and long-term financial sustainability.

Review Approach

18. Newton adopted a structured, evidence-led review methodology designed to provide Members and senior officers with a robust, transparent assessment of savings opportunities, delivery confidence and service impacts across the Council.

19. The approach combined the following complementary elements:

- a. Benchmarking and comparative analysis
Performance, cost and activity data were benchmarked against statistical neighbours and other councils facing comparable demand, demographic and financial pressures. This enabled the ER to identify areas of relative under-performance, unusual cost drivers and opportunities to close efficiency and outcome gaps, while ensuring comparisons were appropriately adjusted for context such as deprivation, rurality and service mix.
- b. Quantitative analysis of demand, activity, cost and outcomes
A detailed interrogation of financial, operational and performance data was undertaken to understand demand trends, unit costs, productivity, service pathways and outcomes. This analysis focused on identifying underlying drivers of spend growth, areas of variation within and between services, and the relationship between cost and outcomes, providing a strong evidential basis for potential savings and service redesign options.
- c. Qualitative insight through case reviews and practitioner engagement
Quantitative findings were triangulated with qualitative insight drawn from detailed case trawls, frontline practitioner workshops and discussions with managers. This ensured that data-led hypotheses were tested against lived operational reality, and that proposed opportunities reflected practical deliverability, local practice and professional judgement rather than theoretical efficiencies alone.
- d. Assessment of delivery confidence and organisational maturity
Each potential initiative was assessed not only for its financial value but also for delivery confidence. This included consideration of leadership ownership, capability and capacity, dependencies, cultural readiness for change and the maturity of existing programmes. This enabled options to be prioritised on the basis of both scale of benefit and likelihood of successful implementation.
- e. Explicit consideration of non-financial benefits and impacts
Alongside financial savings, the ER explicitly considered wider non-financial impacts, including service quality, outcomes for residents, staff experience, equality implications and system-wide effects. This ensured that recommendations supported sustainable change and avoided delivering savings at the expense of poorer outcomes or increased future demand.
- f. Member and senior officer engagement and governance
Members and senior officers were engaged throughout the review process via structured briefings, workshops and gateway reviews. This approach ensured transparency of evidence, early discussion of emerging findings, and shared ownership of priorities and recommendations. Regular engagement supported informed decision-making, enabled challenge and

refinement of options, and helped build alignment ahead of any transition to delivery.

20. The ER focused on 4 key areas:

- Managing demand and improving lives.
- Increasing value for money and financial sustainability.
- Innovation in prevention and commissioning to further improve outcomes.
- Operating more efficiently and effectively.

21. Newton's final review report is attached at Appendix A.

22. The outcome of the ER is a range of evidence-led benefit proposals which set out opportunities for financial and service benefits with ambitious but achievable targets and recommended next steps. These opportunities will form the basis of a revised Transformation Programme, a single, coherent plan for change and improvement for the organisation. This will be used to inform the allocation of resources and underpin the MTFS in the future. It was acknowledged at the outset of the ER that whilst some opportunities could be defined and implemented relatively quickly, others may require further exploration before a final decision could be made on whether they could be implemented.

23. In practice, this meant that no proposal was progressed purely on the basis of scale of financial benefit. Opportunities that presented large theoretical savings but weak delivery confidence, high risk to outcomes or unclear ownership were either reshaped, deprioritised or identified as requiring further design before any decision on implementation could be taken.

Efficiency Review – Outcome Summary

24. The ER has culminated in the development of 13 benefit proposals covering a wide range of opportunities with financial benefits totalling £27.2m over the MTFS period. There is a further £5.3m of opportunity beyond the current MTFS period, as opportunities are fully embedded and full run rate achieved.

25. The benefit proposal documents are included at Appendix B and a detailed benefit and cost profile is shown within Appendix A. This includes the two early opportunities already included in the MTFS in February – reablement and priority fees and charges, totalling £4.5m.

26. The opportunities have been developed with the following principles in mind:

- Drive better outcomes for residents.
- Create a strategic and unified programme of change to ensure the Council is as ready as possible to deliver the targeted improvements.
- Build on Leicestershire's positioning as a high-performing authority by deploying further innovation, such as AI, market shaping solutions and best practice in models of care.
- Supporting and developing staff, including enabling more productive ways of working

- Establish and embed best practice as part of a “One Council” approach.

27. Many of the opportunities are focused on social care, which aligns with the key priorities of the ER around prevention, demand management and improving outcomes for residents. As the Council spends over 75% of its net budget on social care, and the MTFS includes significant growth for them, it is these services that will naturally create the most significant impact.

28. A summary of each proposal is shown in the table below:

Table 1 – Efficiency Review opportunities

Opportunity	Description	Cumulative net benefit to MTFS period (by 2030)
Reablement*	Increasing the capacity of the HART service and therefore the number of residents accessing reablement, increasing independence and where people require ongoing supporting ensuring this is provided at the right level.	£4.38m
Income Maximisation*	Opportunity to strengthen the Council’s income by applying council-wide principles (covering service costs, increasing existing fees where appropriate and adding new charges where possible) and working in a more commercial way.	£0.39m
Reunification	Enabling more children and young people (CYP) to achieve permanence and exit care via reunification. Reunification is the enabling of CYP to safely return to their birth families or wider networks in a structured and supported pathway.	£1.01m
Independence outside of residential care	Enabling more residents to live in independent settings outside of residential care.	£0.55m
Adults Targeted Prevention	Helping residents achieve better outcomes and live more independently for longer through targeted early intervention.	£4.26m
Adults Commissioning for the Future	Direct Council intervention in areas of market failure to develop new, high quality residential care capacity, improving outcomes and market sustainability and delivering financial savings and income.	£1.59m
Maximising Independence for Working Age Adults	Enabling residents with a life-long disability to live more independently reviewing levels of need to ensure support is provided at the right level.	£1.04m
Independent Travel Training	Supporting children and young people with SEND to travel independently using public transport / walking where possible.	£0.54m

Children and Family Services (CFS) Targeted Prevention	Working with families and wider family networks earlier to prevent escalations (including through the safeguarding pathway) so more children can safely stay within their family network and, where it is right to do so, avoid entering care.	£1.12m
Family Based Placements	Supporting as many CYP in care to live in family-based placements (outside of residential care) by ensuring the right support is provided for carers.	£1.75m
CFS – Commissioning for the Future	Increasing sufficiency for high-need regulated provision, and reducing unit costs by commissioning new provision(s) for children and young people with complex needs.	£1.03m
Procurement and Third Party Spend	Reducing spend on procurement and third parties through negotiation, market strategies and contract management, plus better market management through a strategic approach to commissioning.	£1.48m
Resident Focused Organisation	Ensuring the Council is organised to deliver on its objectives efficiently and effectively, achieved through optimising organisational design, reducing agency spend, reviewing operational delivery models and performance framework and exploiting the use of technology.	£8m
Total Net Benefit	£27.2m	

*opportunities approved and included in the MTFs in February.

29. The Resident Focused Organisation opportunity will have four key strands – delivery models, organisational design, agency spend, and efficient and effective services. This will be an organisation-wide workstream and significant further work on a service-by-service basis will be required to fully define and prioritise the delivery of these savings and service improvements. The prioritisation will be informed by a range of factors, including data analysis undertaken in the review phase and the staff survey results, to identify the areas with the greatest potential to deliver improvements. An overall operating model vision for the Authority will also be developed to guide design activity.
30. The financial benefits shown in the table above are shown net of the ongoing service investment costs needed to deliver them. That includes, for example, investment in staff and technology, and varies opportunity by opportunity. In the first year, the service investment required marginally exceeds the benefit achieved due to implementation timescales (as shown in Appendix A). This is not unexpected as large-scale programme does require investment in new ways of working and operational changes in order to deliver longer term benefits. There are further one-off implementation costs required to deliver the programme, considered further in paragraph 52 below.
31. The financial benefits shown in the table above are those that the Council is confident it can deliver. Some opportunities are still subject to further design but

have provided enough evidence to progress to the next stage of development. The further design work will identify, through trial and iteration where needed, which solutions will bring the best service and financial benefits and help identify further potential. Progress with design and implementation of the opportunities will be assessed as part of the MTFS refresh over the summer, and savings incorporated with a realistic delivery profile. This will be continually monitored through the budget setting process for 2027/28 to ensure the MTFS contains realistic and robust savings targets and cost estimates. Further detail on the MTFS impact is shown in the section below.

32. In addition to the table above, there is potential to “stretch” financial benefit to deliver an additional £26.3m across the MTFS period, but this will depend on implementation progress and the impact of the solutions implemented. There is no difference in the solution design work to target the stretch potential, compared to the “confident” level. Once the programme of works starts, there is potential for the impact to grow as interdependencies between projects are resolved, the impact on provider markets is understood and applicability of the solutions across wider groups of residents is established. Further analysis could be undertaken to increase the confidence in the stretch potential but there are enough benefit proposals to make a meaningful addition to the MTFS making it the right time to commence detailed design and delivery. There will be robust governance in place to monitor progress of each opportunity in development and a route to ensure that any stretch potential is captured in future MTFS refreshes.
33. This gives total potential of £53.5m over the MTFS period, assuming all initiatives achieved their full stretch potential. This is expected to rise to £60m when the MTFS is refreshed and an additional year is added, due to some initiatives taking longer to reach the maximum savings impact. Alongside financial savings, the benefit profiles identify important non-financial benefits, with clear, measurable improvements in outcomes for residents, children and families, including:

Greater independence and quality of life for residents, evidenced by:

- Additional adults successfully completing reablement, increasing independence and reducing reliance on ongoing commissioned care.
- Preventing older people per year from entering long-term care through targeted prevention, supporting people to live independently for longer.
- A 7–11% reduction in residential starts for older adults, with more people supported safely through homecare and extra-care housing instead of residential care.

Reduced time spent in high-cost, high-intensity services, demonstrated by:

- Shorter and more effective hospital discharge and reablement pathways, reducing delayed transfers of care.
- More older adults supported outside residential care, with a growing proportion diverted into lower-intensity settings such as homecare and extra-care housing.
- Earlier intervention preventing escalation, reducing repeat crises and high-cost placements.

Greater stability and permanence for children and young people, with clear outcome measures including:

- An increase in successful reunifications, enabling more children to return safely to their families.
- Around 10 additional children per year supported to step down from, or avoid, residential care through family-based placements.
- Increased use of family-based placements (FBPs), reducing placement breakdowns, emergency moves and reliance on unregulated or high-cost provision.

Improved staff experience and productivity, reflected in:

- Clearer pathways, better decision-making frameworks and reduced re-work, enabling practitioners to spend more time on direct work with residents and families.
- More proportionate reviews and streamlined processes, particularly in adults' reviews, prevention, and commissioning activity.

More consistent and equitable decision-making, supported by:

- Standardised thresholds, clearer commissioning frameworks and improved use of data to identify residents and families who will benefit most from early intervention.
- Stronger performance management of outcomes such as successful step-downs, placement stability, and prevention of escalation.

Stronger relationships with providers and partners, demonstrated by:

- Earlier market engagement and more strategic commissioning approaches across adults' and children's services.
- Improved collaboration with health and voluntary-sector partners to support prevention, reablement and independence, contributing to sustainable service models and improved quality.

These benefits are critical to ensuring efficiencies are achieved without increasing future demand or undermining outcomes, and underpin the long-term sustainability of both services and the MTFS. A key part of the programme's governance will be to monitor improvements from the perspective of residents, partners and staff alongside financial achievements.

Revised Change and Improvement Programme

34. Part of Phase 1d – Programme planning and mobilisation has been to review the Council's existing Transformation Programme in order to:

- Review existing initiatives, including those at the investigation stage, to identify any that should be paused/stopped.
- Incorporate new ER opportunities.
- Prioritise resource allocation and align with benefit profile timescales.
- Identify further resource needs.
- Ensure appropriate governance is in place to monitor delivery.

35. As a result of this review, 12 initiatives have been deprioritised and removed from the Programme, 29 have been removed because they can be delivered by services as part of their day-to-day activities, and the new opportunities arising from the ER have been incorporated. This has given a programme of 58 prioritised initiatives with a total financial benefit of £58.8m, incorporating existing and new initiatives, with a further £12.2m being delivered by BAU outside of the prioritised programme, that do not require such extensive governance.
36. The 12 deprioritised initiatives were removed to focus capacity on higher-priority projects. The decision reflects a combination of factors, including initiatives that are poor alignment with wider policy, legal or operational decisions, overlap with other activity (including ER work), they all offered limited or uncertain financial benefit at this stage. Several may be reconsidered through future sequencing where circumstances change. The impact on the MTFS is minimal (£40,000).
37. The revised Change and Improvement Programme is shown within Appendix A showing the newly added and prioritised existing initiatives. The Programme has been streamlined to strengthen delivery - combining initiatives where the service impacted and solution design is likely to be similar. This will become embedded through the Strategic Plan refresh and become a strategic delivery priority for the Council, leading to optimised organisational design and productive ways of working. The design of service change through the Programme will be informed by the objectives of the Strategic Plan to ensure that changes are sustained and opportunities are taken to deliver benefits wider than purely financial.
38. The programme will be launched as the Better Leicestershire Programme, reflecting that delivery of the initiatives will lead to improved resident outcomes and experience, maximise efficiency and value for money and support the financial sustainability of the Council. The programme will strengthen outcomes for residents through a sustained focus on prevention, independence and service quality, reducing avoidable escalation of need and improving resident and customer experience over time. These benefits, both financial and non-financial, are illustrated in the key themes set out in Table 2 below.
39. This will be a rolling programme, with a range of initiatives at different stages of delivery from early scoping of new opportunities to full delivery and closedown. There will need to be investment in the scoping and delivery of current and future opportunities to ensure a continuous pipeline of initiatives and savings to underpin the MTFS.
40. Through the development of the ER benefit proposals, and subsequently the creation of a consolidated Programme, seven strategic change and improvement themes have been identified, as set out in the table below. These themes provide a unifying framework for how the Council organises, prioritises and delivers change.
41. They directly address the major strategic challenges faced over the MTFS period and beyond - including sustained increases in demand for key services, significant inflationary and contractual cost pressures, and the need to close the

Council's budget gap. Collectively, the themes highlight the cross-cutting opportunities where coordinated action can improve resident outcomes and experience, maximise efficiency and value for money and support the Authority's financial sustainability through the revised change and improvement plan.

42. Governing the Programme through these themes will ensure that all change and improvement activity is aligned to the Council's strategic priorities, and will enable directorates to work in a joined up way. This includes sharing best practice and reducing duplication to enable more consistent and efficient delivery across the Authority.
43. All opportunities within the revised Programme and plan are aligned to at least one of these themes. As the rolling Programme of change continues to identify new areas for improvement, it is expected that future opportunities will also be framed and governed through these themes, ensuring a coherent and disciplined approach to change and improvement.
44. The themes are outlined in the table below and Appendix A gives further detail on the individual opportunities sitting beneath each theme.

Table 2 – Programme benefits by theme

Theme	Description	Efficiency Review Opportunities £m by 2029/30	Total Programme Benefits (MTFS and ER) £m by 2029/30
Commissioning and Market Shaping	Innovative solutions to develop sustainable, resilient provider markets and commissioning models that deliver high-quality resident outcomes and experiences, address capacity challenges and deliver long-term value for money.	2.6	24.5
Demand Management and Maximising Independence	Supporting residents to live great independent, safe and resilient lives, ensuring the right intervention at the right time and reducing reliance on long-term support.	9.3	14.3
Maximising Income	Optimising all income streams to ensure financial sustainability while remaining fair and lawful.	0.4	1.5
Physical Assets	Optimising and future proofing the Council's physical assets to reduce cost and enable	0	0.6

	delivery of long-term strategic priorities.		
Prevention	Targeted, evidence based prevention to reduce avoidable escalation of need, delay or avoid entry into high-cost services and support residents to remain independent and in their communities for longer.	5.4	6.3
Procurement & Supply chain management	A systematic approach to procurement and supply chain management that maximises financial value, manages inflationary pressures and improves resident outcomes	1.5	2.3
Resident Focused Organisation	Building a modern, digitally-enabled organisation with empowered staff, streamlined processes and effective use of technology (including AI) to improve services and support productive working.	8	9.3
Total financial benefit		27.2	58.8

45. To ensure successful delivery of the Programme at optimal pace, a number of changes and operational enablers are required. Further details on these is included at Appendix A. Critical enablers include:

- Governance – develop the structure, discipline and oversight to drive the Programme.
- Change capability – ensure sufficient capacity and capabilities exist across the Programme to design and lead change.
- Digital, data and technology – ensure successful use of data, technology and systems.
- Specialist support – sufficient allocation of specialist capabilities to enable successful delivery, such as service subject matter experts and support functions e.g. HR and Legal.

46. A revised governance process has been co-designed by the Council and Newton, shown within Appendix A. This uses existing governance where possible and ensures clear member oversight to set direction and ensure democratic accountability. Below the strategic level will be an officer Programme Board to monitor delivery and ensure outcomes and savings are delivered on time, in full and within cost estimates. This will be supported by a delivery layer, to carry out the work and report progress to the Programme Board.

47. In order to deliver the Programme and realise the financial and service benefits, both, additional change and improvement resource will be needed. This is outlined further in paragraph 52 below.
48. Until the further design stage is completed for all initiatives, the financial benefits, implementation costs and delivery timescales of the Programme could be subject to change. Most design work will be completed within this financial year, which will build assurance ahead of the MTFS refresh being presented to the Cabinet in December. The more complex initiatives (such as Adult Social Care commissioning) are likely to require an extended design phase. External support is likely to be needed to support some of this design work to ensure the initiatives continue to be based on best practice approaches and provide specialist knowledge and experience.
49. Prior to design and implementation, the next stage in the Programme will be a mobilisation phase which will include:
- Communications and engagement.
 - Setting up the governance structure.
 - Resource allocation.
 - Training and skills transfer.
 - Development of work packages for external support.
 - Data management and creation.
50. Subject to Cabinet approval of the Programme, it is expected that this phase will start in June, with the full launch of the Programme from August. Mobilisation will ensure the right foundations for the programme are in place to ensure savings delivery can be maximised, although savings will not start to be realised until after mobilisation, when the design and implementation phase begins.

Implementation Support

51. To fully deliver the revised Programme and maximise the financial and service benefits, existing change and service resources will need to be strengthened to ensure the Council has the capacity to progress the programme at the required pace. This is especially important when considering the impact of Local Government Reorganisation (LGR), which will be another significant event at the same time. The optimum resource mix is likely to be a combination of internal and external support over the life of the Programme. Subject to approved parameters, the Programme Board will determine what can be managed within existing resources, where new additional internal resource is required, and where external resource would be best placed (likely to be where specific skills or experience are required). There are likely to be three categories of implementation costs:
- Permanent service investment (already netted off the financial benefits).
 - Medium to long term internal change and improvement resource.
 - Short to medium term external implementation capacity.

52. An initial profile of additional resource, across all phases of delivery, is outlined in the table below:

Table 3 – Resource cost

Resource area	2026/27	2027/28	2028/29	2029/30	Total	Comments
	£m	£m	£m	£m	£m	
Transformation Unit	-	-	-	-	0.0	Expected to be delivered within budgeted establishment with some realignment of priorities and roles.
Service change/leadership resource	0.56	1.14	0.65	0.17	2.5	
Support Service Resource	0.49	0.83	1.00	0.36	2.3	Includes HR, Finance, IT, Comms and BI resource
Mobilisation Phase	1.0				1.0	
Strategic Partner delivery costs	8.36	11.65	2.29		22.3	
Total implementation costs	10.4	13.6	3.6	0.5	28.2	
Financial benefits	(0.4)	(4.2)	(16.8)	(27.2)	(48.5)	Net benefits based on benefit proposals
Cumulative Cashflow	10	19.4	6.2	(20.5)	(20.5)	
Payback (years)				3.3		

53. Financial benefits will continue to accrue beyond 2029/30 at an annual recurring level of £32m, with implementation costs having already been fully recovered. The payback of 3.3 years is an acceptable return, although this has the potential to be significantly improved through either:

- i. Increased benefits - inclusion of 50% of the stretch increases the total 4-year financial benefit to £72m and reduces the payback period to 2.5 years
- ii. Reduced costs – External costs have been included at a “High” estimate if this is reduced to a “Medium” estimated implementation costs reduce to £21 million and the payback is shortened to within 3 years

54. Where possible, existing resources will be reprioritised to support the Programme and the costs above will be regularly reviewed with any changes incorporated into future MTFS refreshes.

55. The external costs above are based on the Council requiring comprehensive support for eleven opportunities from the Efficiency Review, starting with design and progressing to full implementation. Maximising Income and Independent Travel Training are not expected to require external support, and the above costs will be subject to change as the Council's Corporate Management Team considers the extent to which the remaining eleven require external support. There are a range of options for structuring any external support requirements. This could for instance, just be for specific stages of work or specific opportunities, or it could be in the form of a Strategic Partner arrangement, which would support the Council in full partnership delivery of the Efficiency Review opportunities (with some limited exceptions), and provide support across for existing MTFS initiatives and future challenges and opportunities. This is likely to be more cost effective as the Council will benefit from streamlined governance and economies of scale.
56. The current Efficiency Review contract includes an optional Phase 2 which can be triggered to provide the external implementation resource required. The mobilisation phase will determine the optimum mix of resources, which could be subject to change as the design and implementation progresses. Phase 2 of the contract has not been triggered and requires a formal decision to do so. There is also the potential to utilise different external partners to benefit from specialist knowledge where appropriate.
57. The mobilisation period will provide greater clarity on the implementation cost required, and there is the potential to release work packages in phases. As such Cabinet is asked to give delegated authority to the Chief Executive/Director of Corporate Resources, following consultation with the relevant Cabinet Lead Members, to make arrangements to implement the Efficiency Review. Resources will be secured in such a way that there is flexibility to reduce or stop implementation of specific initiatives if the benefit case no longer justifies the expenditure. The proposed Programme governance will naturally include milestone check to ensure that funding continues to be directed towards initiatives that will have the greatest impact. As can be seen in the table above the Efficiency Review does not become self-funding until after the third year although delivery of savings is expected to reduce the level of funding required from £28 million to £19 million. If the "peak cashflow" of £19 million is likely to be exceeded a further funding allocation will be sought from the Cabinet. Members will naturally receive progress updates as part of the MTFS process and a specific Scrutiny Commission review of the Programme later in the year.
58. Funding options to cover the implementation costs are included in the next section.

Impact on the MTFS

59. The financial pressures facing local government are well documented. Government has taken action to improve the stability of the sector through additional funding, in the Spending Review, and re-allocation, through Funding Reforms. However, it is still a sector under pressure as can be seen in the table

below, which shows a growing number of authorities requiring Exceptional Financial Support, due to their inability to set a balanced budget.

	2024-25	2025-26	2026-27
Number of councils	19	30	37
Support required	£1.5 billion	£1.5 billion	£1.9 billion

60. The vast majority of the councils receiving support are upper tier authorities (provide social care) and account for over one fifth of this type of council.
61. Whilst Government funding was welcome it is likely that future support will be limited due to competing demands, nationally, reinforcing the need to continue the focus on managing the financial position locally. The main leavers at the Council's disposal are efficiency savings, design of interventions to meet service demand and Council Tax, the ER and the rolling programme that succeeds it will be the Council's main means of maximising the impact of the first two factors.
62. Identifying further financial improvements is a challenging task given that savings of £290m have already been delivered over the last sixteen years and the Council is one of the lowest funded nationally. It is only natural that the proposals identified through the ER require a significant implementation resource and period.
63. The current MTFs, approved in February 2026, shows a budget gap of £85m by 2029/30, with £35m of that gap falling in 2027/28.
64. Shortly before the 2026/27 budget and MTFs were approved, the government announced significant financial support for councils which have deficits on their Dedicated Schools Block as a result of increased demand for SEND. The Council currently has a projected SEND deficit of £460m by the end of the MTFs period, and has a policy of making a partial provision for this deficit each year. The current government support is only for deficits accrued by the end of March 2026, which will be in the region of £110m for the Council (the outturn position for 2025/26 is currently being finalised at the time of writing the report). The exact mechanism for calculating the funding is still to be clarified by Government and is dependent on submission and approval of a SEND Reform plan. Although a headline support level of 90% has been used by Government the detailed guidance is contradictory and a lower level is possible. Support from 2026/27 onwards has also not been confirmed, although the government has said that it will be 'appropriate and proportionate' but it would not be unlimited.
65. The MTFs approved in February assumed that the support for SEND deficits (known as the High Needs Stability Grant) would enable the Council to release around £35m of the reserve currently set aside for the deficit. Council agreed to set aside £10m of this as part of the current MTFs to fund Efficiency Review

implementation. The Cabinet is asked to give delegated authority to the Director of Corporate Resources, following consultation with the Lead Member for Resources, to allocate this funding to support delivery of the Programme during 2026/27 and future years. A report on the 2025/26 provisional outturn will also be considered at this Cabinet meeting and will consider what additional resources are allocated to change and improvement, if the outturn position allows, which could support the Programme further.

66. The SEND deficit will continue to accrue from 1 April 2026 but longer-term support beyond 2025/26 has not been confirmed. The MTFS therefore still assumes a significant requirement to provide for a proportion of the deficit. It is reasonable to assume that some level of government support will continue and that this contribution can be reduced. If the support was continued at 90%, or a similar level, it would reduce the MTFS gap significantly, all other things being equal.
67. Taking both the ER outcome and the SEND funding together, the financial position of the Council has the potential to materially improve by 2029/30. However, it should be noted that some initiatives have a longer implementation profile and full benefits will not be received until the later years of the MTFS. This is shown in Appendix B, where £4.2m of savings are expected by 2027/28, rising to £16.8m by 2028/29 and £27.2m by the end of the current MTFS period although the reablement and priority fees and charges savings of £4.5m have already been included in the MTFS. In addition, there is the stretch opportunity of £26.3m which could give further scope to improve the MTFS position by 2029/30.
68. There are also downside risks to the MTFS, for example the war in Iran is increasing inflation and so some of the Council's cost base may increase by more than the current assumptions – particularly pay, social care uplifts, and other contractual costs. Whilst the multi-year settlement gives more funding certainty than in previous years it may not account for higher-than-expected inflationary impacts.
69. The latest MTFS position will be provided to the Scrutiny Commission and the Cabinet in September in line with the usual MTFS refresh process.
70. In finalising the revised Transformation Programme, officers are also mindful of the future impact of LGR and the huge change that may bring once a decision is announced. The outcome of the ER will help ensure that the Council is in the best possible position ahead of LGR – managing social care demand, improving financial sustainability and a refreshed organisational design will all facilitate a smoother implementation of any new unitary structures. It is important to progress with the change and improvement programme ahead of LGR to ensure the inevitable dip in non-LGR improvement activity is kept to a minimum giving the new unitary (s) the best chance of success. LGR will also help reduce costs, the impact of Fair Funding on the district councils will create some risks to manage and therefore LGR will not resolve the financial challenge across Leicestershire in isolation.

71. The MTFS will need to reflect the additional costs needed to implement the Programme as outlined in the table at paragraph 52 above, and some of these costs will be incurred before benefits start to be achieved. These will need to be included in the MTFS in line with the profile given at Appendix A.
72. The Cabinet is asked to give delegated authority to the Director of Corporate Resources following consultation with the Lead Member for Resources to use funding allocated towards the Efficiency Review to allow mobilisation of the resources required to deliver the Programme and realise the financial and service benefits. Costs and savings will be reviewed as part of the MTFS refresh in the summer, and then continually as the MTFS develops as part of the 2027/28 budget setting process.

Risks

73. The delivery of the revised Transformation Programme and associated Efficiency Review outcomes involves a number of inherent risks. These risks are actively managed through strong governance, phased delivery, clear ownership, and ongoing assurance, drawing on the Council's experience of delivering large-scale change and improvement.

Risk	Mitigation / Management Approach
Savings take longer to deliver than assumed	Phased implementation plans with realistic delivery profiles; benefits tracked through programme governance with early identification of slippage; MTFS refreshed regularly to reflect delivery confidence and reprofile savings where required. Stretch targets provide the potential for some initiatives to overachieve.
Further detailed design reduces the value of anticipated savings	Robust design phase to test feasibility, cost, and impact before implementation; proposals only progress where delivery confidence and outcome impact are acceptable; alternative options or mitigations identified where savings are reduced.
Implementation costs are higher than forecast	Costs profiled and monitored through programme governance; clear cost controls and approval thresholds; use of reserves agreed as part of MTFS; ongoing review to ensure return on investment remains positive.
Insufficient internal capacity or capability to deliver change alongside business as usual	Clear prioritisation of initiatives; targeted investment in change capacity; deployment of specialist internal and external support where required; programme phasing to avoid over-stretching services.
Difficulty recruiting or retaining specialist skills	Early workforce planning; use of temporary or specialist external resources where necessary; development of internal capability through skills transfer and knowledge sharing; flexible resourcing models.

External factors impact ability to deliver change (e.g. inflation, market pressures, legislative change)	Scenario planning and sensitivity analysis built into Programme and MTFs updates; strong links between policy, finance, and delivery teams; flexibility to adapt delivery plans as national or market conditions change.
Impact of future Local Government Reorganisation (LGR) affects focus, capacity, or delivery timescales	Transformation Programme designed to strengthen the Council's readiness for LGR; initiatives prioritised that reduce demand, improve financial resilience, and modernise operating models; LGR developments monitored and delivery plans adjusted where required to protect value.
Insufficient ownership or accountability for delivery of benefits	Clear Senior Responsible Owners (SROs) for each initiative; programme board oversight; regular performance and benefits reporting; escalation routes for risks, issues, or under-performance.
Change fatigue among staff impacts engagement or pace of delivery	Clear and consistent communications; visible leadership sponsorship; realistic pacing of change; alignment of change and improvement activity with service priorities and staff experience improvements.
Mitigation actions themselves fail to be implemented consistently	Embedded risk and issue management through programme governance; routine review of mitigations; clear action owners and timescales; transparent reporting to senior leadership and Members.

74. The primary risks relating to the delivery of the revised Transformation Programme are well understood and have been reflected within programme design, governance, and resourcing arrangements to ensure delivery confidence and protect outcomes for residents.

Conclusion

75. The Efficiency Review has identified 13 wide ranging opportunities for the Council to redefine the services it delivers to improve outcomes for residents and reduce the Council's cost base. The Council will have a single, cohesive change and improvement programme to deliver change at pace, and it is important to ensure that sufficient resources are in place to enable this. Whilst some of the opportunities need further design to test the actual solutions to be implemented, the work done so far has given sufficient evidence and confidence to invest further in the implementation.

76. The Cabinet will also consider if Phase 2 of the Efficiency Review contract and/or other external support should be triggered to provide additional capacity and capability to the programme. To give time for further consideration of the resource needed and associated commercial model, it will be recommended that Cabinet provide delegated authority to the Director of Corporate Resources following consultation with the Leader/Lead Member for Resources to put in place the required contractual provisions.

Equality Implications

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

Human Rights Implications

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

Legal Implications

79. The proposals in this report relate to the development of a revised Transformation Programme and do not, at this stage, constitute decisions to implement individual service changes. Any future decisions to implement specific proposals will be taken in accordance with the Council's Constitution, including compliance with procurement law, financial procedure rules, and delegated authority arrangements. The Council must continue to ensure that delivery of efficiencies is consistent with its statutory duties and that proposed fees and charges are set within the scope of relevant legislative powers. Legal advice will be provided as required during the detailed design, procurement and implementation stages, including in relation to contractual arrangements, Equality Impact Assessments and employment matters.

Background Papers

Minutes of the Cabinet meeting on 28 October 2025 (minute no. 59) - <https://democracy.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=7880>

Report to the Scrutiny Commission on 11 May 2026 "Efficiency Review - Outcomes and Revised Transformation Programme"- <https://democracy.leics.gov.uk/ieListDocuments.aspx?CIId=137&MIId=8542>

Appendices

Appendix A - Newton Review Report
Appendix B - Benefits Proposals

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Efficiency Review

Phase 1d executive summary - supporting content for Scrutiny

Appendix A

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30/04/2026

The Efficiency Review has identified an extra £32 - £60m of benefit

Newton



Directorate	Opportunity	Type of opportunity	Time to hit full run rate	Impact within the MTFS				Future MTFS impact
				FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Adults & Communities	Reablement	Fully investible	1 year	£1.00m	£2.18m	£4.07m	£4.38m	£4.51m
	Independence Outside of Residential Care	Design phase needed	4 years	-£0.12m	£0.24m	£0.38m	£0.55m	£0.80m
	Maximising Independence for Working Age Adults	Design phase needed	4 years	-£0.02m	-£0.44m	£0.14m	£1.04m	£1.37m
	Targeted Prevention	Significant design needed	4 years	-£0.12m	-£0.15m	£1.22m	£4.26m	£6.58m
	Commissioning for the Future	Significant design needed	2.75 years	-	-	£1.43m	£1.59m	£1.64m
Adults & Communities ER Savings				£0.7m	£1.8m	£7.2m	£11.8m	£14.9m
Children and Family Services	Family Based Placements	Design phase needed	2.9 years	-£0.31m	-£0.31m	£0.83m	£1.75m	£2.01m
	Reunification	Design phase needed	2.4 years	-	£0.24m	£0.78m	£1.01m	£1.17m
	Commissioning for the Future	Significant design needed	2.5 years	-£0.21m	-£0.31m	£0.74m	£1.03m	£1.06m
	Targeted Prevention	Significant design needed	1.5 years	-£0.50m	-£1.50m	-£0.57m	£1.12m	£2.79m
Children and Family Services ER savings				-£1.0m	-£1.9m	£1.7m	£4.9m	£7.0m
Environment & Transport	Independent Travel Training	Design phase needed	2 years	-£0.06m	£0.10m	£0.45m	£0.54m	£0.65m
Environment & Transport ER Savings				-£0.1m	£0.1m	£0.4m	£0.5m	£0.7m
Cross-Council	Procurement and Third Party spend	Fully investible – rolling programme	2.5 years	£0.09m	£0.77m	£1.47m	£1.48m	£1.48m
	Income Maximisation	Fully investible	2 years	£0.20m	£0.39m	£0.39m	£0.39m	£0.39m
	Resident Focussed Organisation	TBC	1.5 years	£0.50m	£3.00m	£5.50m	£8.00m	£8.00m
Cross-council and Corporate Resource ER Savings				£0.8m	£4.2m	£7.4m	£9.9m	£9.9m
Total ER Savings				£0.4m	£4.2m	£16.8m	£27.2m	£32.4m
Additional beyond the MTFS								£5.3m

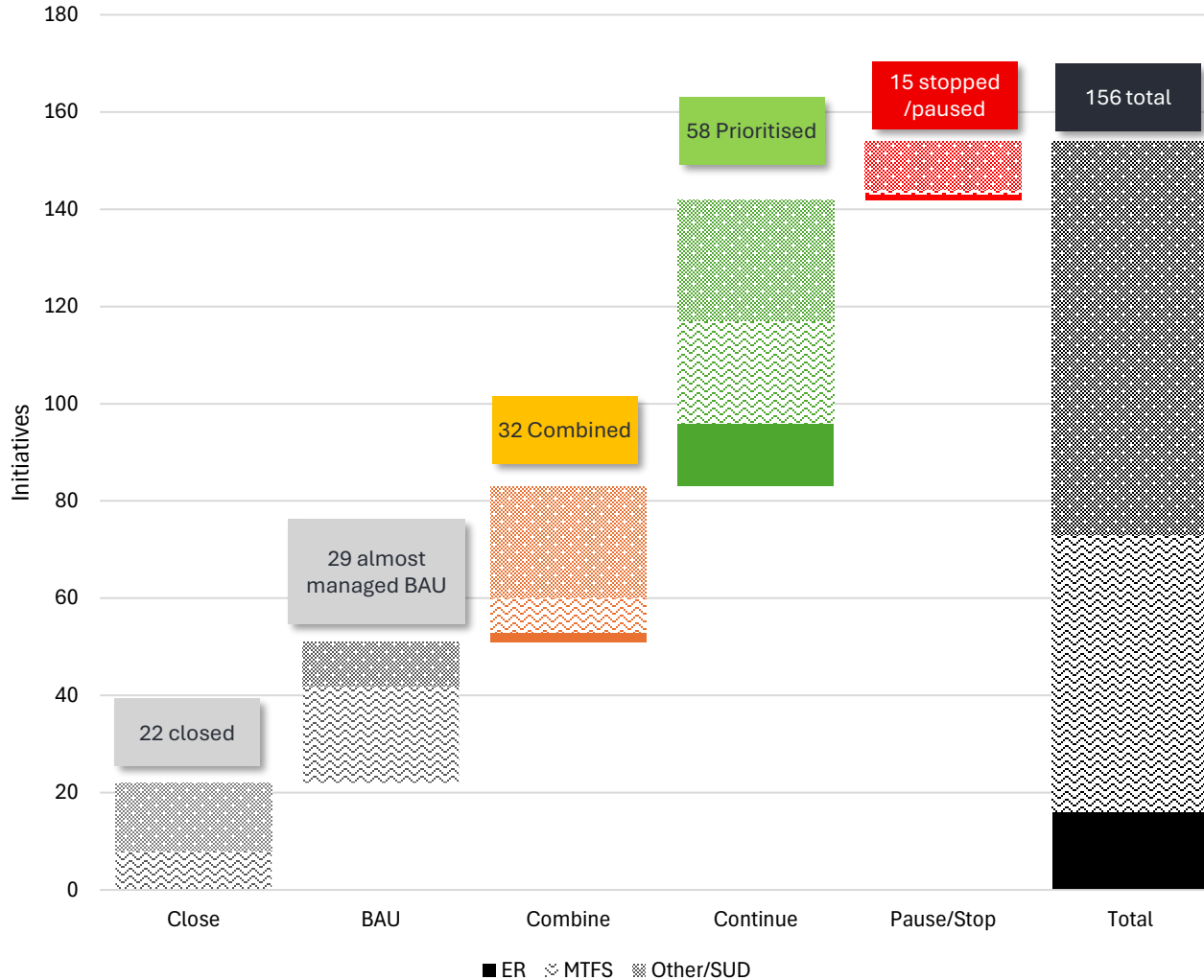
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PRIVATE AND CONFIDENTIAL

Now that an overall programme has been created we will be considering options to accelerate delivery of priority initiatives during the mobilisation phase to improve payback

The Efficiency Review opportunities have been reviewed alongside the wider change portfolio to develop a consolidated portfolio and plan

156 Initiatives Were Reviewed For Prioritisation and Delivery Method



Efficiency Review initiatives were loaded into Strategic Change Portfolio and through preparatory sessions with Change Leads, a series of workshops with directorates, and follow up conversations, 156 initiatives were reviewed to determine whether they should be:

- Marked as complete or no longer relevant and closed
- Stopped or paused
- Managed as BAU
- Prioritised
- Combined with another initiative to ensure effective and efficient delivery

These sessions also focussed on

- Delivery timelines, aligning with benefit Proposals for ER initiatives
- Anticipated delivery mechanism – BAU, LCC led or a joint team of LCC and external support
- Additional resource requirements (service, central and external) to deliver prioritised changes

32 initiatives were identified for combination with other initiatives (page 1 of 2)

TU Ref	Department	Workstream	Type	Benefit Impact (29/30) (£k)	Combine with
AC04	Adults and Cultural Services	Transforming Commissioning (Extra Care)	MTFS	-155	Independence outside of Residential Care
AC18	Adults and Cultural Services	Prevention Review - Supported Living	MTFS	-1700	Maximising Independence
AC21	Adults and Cultural Services	Efficiency Review – Increasing Reablement Capacity	MTFS	-1000	Hospital Discharge and Reablement
AC22	Adults and Cultural Services	Efficiency Review – Increasing Reablement Capacity through Recruitment of additional staff	MTFS	-3380	Hospital Discharge and Reablement
AC27	Adults and Cultural Services	Older Peoples Accommodation	SUD		Commissioning for the future
AC28	Adults and Cultural Services	WAA Accommodation (prev review of supported living packages)	SUD		Maximising Independence
AC29	Adults and Cultural Services	Extra Care New Build	SUD		Maximising Independence
CC01	Cross Cutting	Prevention Review	SUD		Targeted Prevention, FFPP
CC03	Cross Cutting	Third Party Spend Review (TPSR)	SUD		Procurement
CF03	Children and Family Services	Reduced Care Costs through growth of internal family based placements	MTFS	-850	Family Based Placements
CF06	Children and Family Services	Parental Health and Substance Misuse	SUD		FFPP
CF07	Children and Family Services	Residential Redesign 2	SUD		Commissioning for the future
CF09	Children and Family Services	Trading Services - Increase Commercial Activities	SUD		BEST / SEND reforms
CF16	Children and Family Services	IFA for Overnight Short Breaks	Other		Smarter Commissioning
CF17	Children and Family Services	Reunification	Other		ER Reunification
CF24	Children and Family Services	Family Based Placement	SUD		Family Based Placements

32 initiatives were identified for combination with other initiatives (page 2 of 2)

TU Ref	Department	Workstream	Type	Benefit Impact (29/30) (£k)	Combine with
CR03	Corporate Resources	Transformation Unit efficiencies	MTFS	-70	Resident Focussed Organisation
CR16	Corporate Resources	Technology Offer	SUD		Procurement
CR18	Corporate Resources	Targeted Automation- Digitising Casework Notes	SUD		Resident Focussed Organisation
CR20	Corporate Resources	IILP	SUD		Resident Focussed Organisation
CR21	Corporate Resources	Responsible Payments	SUD		Review of Direct Payments Processes
CR24	Corporate Resources	Management of Teams	SUD		Resident Focussed Organisation
CR28	Corporate Resources	Overheads on Grants and Charges	SUD		Maximising Income
CR34	Corporate Resources	Canteen Income	SUD		Maximising income
CR35	Corporate Resources	Procurement Opportunities	SUD		Procurement
CR36	Corporate Resources	Council Wide TOM	SUD		Resident Focussed Organisation
CR37	Corporate Resources	Fees and Charges Review	SUD		Maximising income
ER03A	Corporate Resources	Assets and estates - commercial estate	ER	TBC	Resident Focussed Organisation
ER03B	Corporate Resources	Assets and estates - Operational estate	ER	TBC	Resident Focussed Organisation
ER08	Adults and Cultural Services	Independence outside of residential care (ECH)	ER		Independence outside of Residential Care
GET20	Growth, Environment and Transport	Fees & Charges - programme of deep dives into branch areas that charge for external work to review charging structure & increase revenue	SUD		Maximising Income
GET23	Growth, Environment and Transport	Passenger Transport Programme (Links to GET05)	Other		Contract Procurement Efficiencies

19 out of 58 identified priority initiatives are in Adults and Cultural Services

TU Ref	Workstream	Type	Benefit Impact (29/30) (£k) [inc. combined]	Combined into	Start Date	End Date	Delivery Method
AC07	Review in-house supported living and short breaks provision	MTFS	-400		Mar-26	May-26	LCC (with support if required)
AC08	Review of 1:1 support in residential care	MTFS	-250		Apr-26	Apr-26	BAU
AC09	Increasing Health Income	MTFS	-200		Mar-26	Dec-26	BAU
AC11	Review of Lightbulb Service contribution and business case with partners to improve efficiency.	MTFS	-160		Apr-26	Jun-26	BAU
AC12	Review of Direct Payments processes to improve efficiency across teams and robustness of assessments/reviews.	MTFS	-50	CR21	Mar-26	Jul-26	LCC (with support if required)
AC13	Social Care Data Quality	MTFS	-250		Mar-26	Dec-26	LCC (with support if required)
AC17	Prevention Review - Reviews of cases	MTFS	-700		Mar-26	Mar-27	LCC (with support if required)
AC19	Prevention Review - Hospital Discharge and Reablement	MTFS (ER)	-1900 [-6280]	AC21, AC22	Mar-26	Apr-27	Join Team (LCC + External Partner)
AC20	Prevention Review - Improved Pathway to Adulthood	MTFS	-250		Mar-26	Mar-27	LCC (with support if required)
AC25	System C - AI Form Completion & Case noting	SUD			Apr-26	Jun-26	LCC (with support if required)
AC26	Care Tech - Scoping & Reprourement	SUD			Apr-26	Sep-27	LCC (with support if required)
AC30	Improved Efficiencies of financial assessment process to reduce debt	SUD			Apr-26	Dec-26	LCC (with support if required)
AC31	Charging Models (Charging on Actuals) Work	Other			Apr-26	Jun-26	BAU
AC37	CQC Improvement Plan	Other			Apr-26	Mar-27	BAU
CR19	Beaumanor Hall	SUD			Apr-26	Sep-27	LCC (with support if required)
ER06	Maximising Independence	ER	-1040 [-2740]	AC18, AC28, AC29	Aug-26	Jul-30	Join Team (LCC + External Partner)
ER07	Independence outside of residential care	ER	-552 [-707]	AC04, ER08	Aug-26	Oct-27	Join Team (LCC + External Partner)
ER14	Prevention - Adults	ER	-4260	CC01	Aug-26	Jul-29	Join Team (LCC + External Partner)
ER16	Commissioning for the future - Adults	ER	-1590	AC27	Aug-26	Jul-28	Join Team (LCC + External Partner)

15 out of 58 identified priority initiatives are in Children and Family Services

TU Ref	Workstream	Type	Benefit Impact (29/30) (£k) [inc combined]	Combined into	Start Date	End Date	Delivery Method
CF02	Defining CFS For the Future Programme - Phase 2 - Social Care Workforce Strategy (Recruitment and Retention)	MTFS	-650		Mar-26	Feb-27	BAU
CF04a	Strand 1 - Contain & Minimise impact of market cost pressures for children placements - external providers	MTFS	-5470	CF16			BAU
CF04b	Strand 2 - Review of care packages /cost (Pro-active and Reactive) ensuring value for money and effectiveness	MTFS	-955	CF16			BAU
CF04c	Strand 3 - Development of a wide range of other accommodation and support options	MTFS	-10250	CF16			BAU
CF08	Family First Partnerships Programme (FFPP)	Other			Apr-26	Mar-28	LCC (with support if required)
CF14	School Deficits/Maintained Schools	SUD			May-26	Feb-30	LCC (with support if required)
CF21	Therapeutic Review	Other			Apr-26	Jun-26	BAU
CF23	Support at Home	Other			Jun-26	May-27	LCC (with support if required)
CF25	Staying Close	Other			May-26	Apr-29	BAU
CF31	Oakfield Expansion	Other			Apr-26	Mar-27	LCC (with support if required)
CFXX	SEND Reform	Other		CF09	Jul-26	Jun-29	LCC (with support if required)
ER10	Reunification	ER	-1010		Apr-26	Mar-27	Join Team (LCC + External Partner)
ER11	Family based placement	ER	1750 [-2600]	CC01, CF03, CF24	Aug-26	Jan-28	Join Team (LCC + External Partner)
ER15	Prevention - Children	ER	-1120		Aug-26	May-28	Join Team (LCC + External Partner)
ER17	Commissioning for the future - Children	ER	-1030	CF07	Aug-26	Jul-28	Join Team (LCC + External Partner)

10 out of 58 identified priority initiatives are in Growth, Environment and Transport

TU Ref	Workstream	Type	Benefit Impact (29/30) (£k) [inc combined]	Combined into	Start Date	End Date	Delivery Method
GET01	Assisted Transport Programme	MTFS	-4845		Mar-26	Mar-28	LCC (with support if required)
GET02	Network Management incl. (TTRO)	MTFS	-200		Apr-25	Mar-27	BAU
GET05	Contract Procurement Efficiencies	MTFS	-800	GET23	Mar-26	Mar-28	LCC (with support if required)
GET07	Food Waste Implementation	MTFS	-670		Mar-26	Mar-28	LCC (with support if required)
GET12	Fleet Efficiencies & Improvements	SUD			Mar-26	Feb-28	LCC (with support if required)
GET17	RHWS Income & Service Efficiency	SUD			Jan-27	Jun-28	LCC (with support if required)
GET18	Network Management Improvement Project	SUD			Nov-25	Jan-28	LCC (with support if required)
GET22	Forestry Service Review	SUD			Mar-26	Jun-26	LCC (with support if required)
GET24	Post-16 SEN Transport Review	SUD			Sep-26	Aug-27	LCC (with support if required)
GET27	Oakfield / SEIPS Transport	Other			Apr-26	May-26	LCC (with support if required)

14 out of 58 identified priority initiatives are in Corporate Resources or are cross cutting

TU Ref	Workstream	Type	Benefit Impact (29/30) (£k) [inc combined]	Combined into	Start Date	End Date	Delivery Method
CC02	Sustainable Support Services Programme (SSSP)	SUD			May-26	Aug-26	LCC (with support if required)
CR01	Use of Office Space	MTFS	-595		Mar-26	Jan-28	BAU
CR02	Customer Programme (cross cutting)	MTFS	-400		Aug-25	Aug-26	LCC (with support if required)
CR08	Tax Opportunities - review of opportunities for payroll tax savings	MTFS	-30		Apr-26	May-26	BAU
CR17	Technology Architecture and Data Review	SUD			Apr-26	Mar-29	BAU
CR30	Post	SUD			Mar-26	Aug-26	LCC (with support if required)
CR32	Leading through Data Programme	Other			Apr-26	Apr-27	LCC (with support if required)
CRXX	(New) Habitat Banking	New			TBC	TBC	TBC
CRXX	(New) The role that the voluntary and third sectors play in supporting service delivery, and the grants and contributions that we pay to them	New			TBC	TBC	TBC
CRXX	(New) Asset operating costs and efficiency	New			TBC	TBC	TBC
ER01	Procurement and third party spend	ER	-1480	CR16, CR35	Jul-26	Jun-28	Join Team (LCC + External Partner)
ER02	Income Maximisation	ER	-251	CR28, CR34, CR37, GET20	Jul-26	Dec-26	LCC (with support if required)
ER05	Resident Focussed Organisation	ER	-8000 [8070]	CR03, CR18, CR20, CR24, CR36, ER03A, ER03B	Aug-26	Jan-28	Join Team (LCC + External Partner)
ER12	ITT	ER	-540		Aug-26	Nov-28	LCC (with support if required)

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Seven strategic change and improvement themes have been identified through the Efficiency Review

Through the development of the Efficiency Review benefit proposals, and subsequently the creation of a consolidated portfolio and plan, seven strategic change and improvement themes have been identified. These themes provide a unifying framework for how we organise, prioritise and deliver change across the Council.

They directly address the major strategic challenges we face over the MTFs period and beyond - including sustained increases in demand for key services, significant inflationary and contractual cost pressures, and the need to close our budget gap. Collectively, the themes highlight the cross cutting opportunities where coordinated action can improve resident outcomes and experience, maximise efficiency and value for money and support the financial sustainability of the Council through the revised change and improvement portfolio and plan.

Governing the portfolio through these themes will ensure that all change and improvement activity is aligned to LCC’s strategic priorities, and will enable directorates to work in a joined up way. This includes sharing best practice and reducing duplication to enable more consistent and efficient delivery across the Council.

All opportunities within the revised portfolio and plan are aligned to at least one of these themes. As the rolling programme of change continues to identify new areas for improvement, it is expected that future opportunities will also be framed and governed through these themes, ensuring a coherent and disciplined approach to transformation.

Prevention	<i>Targeted, evidence based prevention to reduce avoidable escalation of need, delay or avoid entry into high-cost services and support residents to remain independent and in their communities for longer.</i>
Demand Management and Maximising Independence	<i>Supporting residents to live great independent, safe and resilient lives, ensuring the right intervention at the right time and reducing reliance on long-term support.</i>
Commissioning and Market Shaping	<i>Innovative solutions to develop sustainable, resilient provider markets and commissioning models that deliver high-quality resident outcomes and experiences, address capacity challenges and deliver long-term value for money.</i>
Maximising Income	<i>Optimising all income streams to ensure financial sustainability while remaining fair and lawful.</i>
Procurement & Supply chain management	<i>A systematic approach to procurement and supply chain management that maximises financial value, manages inflationary pressures and improves resident outcomes.</i>
Resident Focussed Organisation	<i>Building a modern, digitally-enabled organisation with empowered staff, streamlined processes and effective use of technology (including AI) to improve services and support productive working.</i>
Physical Assets	<i>Optimising and future proofing the Council’s physical assets to reduce cost and enable delivery of long-term strategic priorities.</i>

Draft programme architecture: combined view of priority initiatives aligned to 7x strategic change and improvement themes

To be developed further through mobilisation

Theme and anticipated benefit impact by FY29/30							
Theme	Prevention	Demand Management and Maximising Independence	Commissioning and Market Shaping	Maximising Income	Procurement & Supply Chain Management	Resident Focussed Organisation	Physical Assets
FY29/30 benefit impact of initiatives	£6.3m	£14.3m	£24.5m	£1.5m	£2.3m	£9.3m	£0.6m
Targeted Prevention - Adults	Maximising Independence for Working Age Adults	Commissioning for the Future - Adults	Social Care Data Quality	Procurement and Third Party Spend	Resident Focussed Organisation Programme	Use of Office Space	
Prevention Review - Reviews of Cases	Independence Outside of Residential Care	Care Tech - Scoping & Reprourement	Increasing Health Income	Contract Procurement Efficiencies	System C - AI Form Completion & Case Noting	Post	
Prevention Review - Improved Pathway to Adulthood	Hospital Discharge and Reablement	Review In-house Supported Living and Short Breaks Provision	Improved Efficiencies of Financial Assessment Process		CQC Improvement Plan	Fleet Efficiencies & Improvements	
Targeted Prevention – Children’s	Review of Lightbulb Service Contribution	Commissioning for the Future - Children	Charging Models (Charging On Actuals) Work		Defining CFS for the Future Programme - Phase 2	Asset Operating Costs and Efficiency	
Family First Partnerships Programme (FFPP)	Review of 1:1 Support In Residential Care	Oakfield Expansion	Review of Direct Payments Processes		School Deficits/Maintained Schools		
Staying Close	Family Based Placements	Smarter Commissioning In CFS Strands 1-3	Tax Opportunities		SEND Reform		
	Reunification	Assisted Transport Programme	Income Maximisation (Fees, Charges and Traded Services)*		Technology Architecture and Data Review		
	Therapeutic Review	Oakfield / SEIPS Transport	Food Waste Implementation		Customer Programme		
	Support at Home	Forestry Service Review	RHWS Income & Service Efficiency		Network Management Improvement Project		Efficiency Review Supported
	Independent Travel Training*		Beaumanor Hall		Sustainable Support Services Programme (SSSP)		Existing Initiatives
	Post-16 SEN Transport Review						

*Identified through the Efficiency Review but not expected to require external support for delivery

Draft portfolio plan

To be developed further through mobilisation

	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029 Q1	2029 Q2	2029 Q3	2029 Q4	
Prevention	ACS Reviews of Cases and Improved Pathway to Adulthood															
	CFS – Families First Partnerships Programme, Staying Close															
	ACS - Targeted Prevention – Falls and Cognitive Decline Cohorts												Further Cohorts			
	CFS - Targeted Prevention – Reducing Escalations to CP and CIC															
Demand Management and Maximising Independence	ACS - Review 1:1 In Residential Care, Review of Lightbulbb Service															
	ACS - Hospital Discharge and Reablement, Maximising Independence for Working Age Adults, Independence Outside of Residential Care for Older Adults (Including Extra Care Housing)															
	CFS – Therapeutic Review, Support at Home															
	CFS – Family Reunification, Family Based Placements															
GET – Post-16 SEN Transport, Independent Travel Training*																
Commissioning and Market Shaping	A&C – In House Supported Living and Short Breaks, Care Tech															
	A&C – Commissioning for the Future (Residential and Nursing Capacity Build)												Further Prioritised Commissioning Focus			
	CFS – Smarter Commissioning Strands 1-3, Oakfield Expansion															
	CFS – Commissioning for the Future															
	GET – Assisted Transport Programme, Forestry Service Review, Oakfield / SEIPS Transport															
Maximising Income	A&C – Health Income, Direct Payments, Social Care Data Quality, Financial Assessments, Charging Models, Beaumanor Hall															
	CR & CC – Tax Opps, Income Maximisation*															
	GET – Food Waste, RHWS Income & Service Efficiency															
Procurement & Supply chain management	CC – Procurement & Third Party Spend															
	GET – Contract Procurement Efficiencies															
Resident Focused Organisation	CC – Resident Focused Organisation Programme (Inc Customer and SSSP)															
	ACS – System C, CQC Improvement Plan															
	CFS – CFS for the Future, School Deficits / Maintained Schools, SEND Reform															
	CR & CC – Technology Architecture Data Review															
	GET – Network Management Improvement Project												Efficiency Review supported			
Physical Assets	CR & CC – Office Space, Post, Asset Operating Costs and Efficiency								Existing initiatives							
	GET – Fleet Efficiencies and Improvements															

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Seven critical enablers have been identified that will be critical to support delivery of the programme

Suggested enablers	Detail
Programme vision	<p>Creates a compelling shared purpose for the programme</p> <ul style="list-style-type: none"> • Development of the programme vision and narrative • Development of programme branding and visual identity • Ensuring consistency across the programme
Leadership alignment	<p>Ensures leaders share the vision and actively champion change and improvement through their priorities, behaviours and decision making</p> <ul style="list-style-type: none"> • Establishes leadership behaviours and expectations • Provides structured forums for leaders to engage with the programme and engage on other strategic problems • Support for leaders to communicate the programme confidently • Ensures leadership alignment is sustained
Comms and engagement	<p>Builds awareness, understanding and trust across staff, members and residents</p> <ul style="list-style-type: none"> • Internal communications and staff engagement • Member engagement and political alignment • Resident and partner communications where relevant
Change capability	<p>Ensures sufficient capacity and capabilities exist across the programme to design, lead and land changes that deliver target outcomes, and sustain.</p> <ul style="list-style-type: none"> • Planning, allocation and mobilisation of change resource throughout the life of the programme • Development of key change capabilities alongside delivery through training and coaching

Suggested enablers	Detail
Governance	<p>Develops the structure, discipline and oversight needed to successfully drive the programme.</p> <ul style="list-style-type: none"> • Definition of clear of roles and accountabilities • Design, development and establishment of governance forums across strategic, programme and delivery layers; evolution of governance as the programme progresses • Enables effective risk and dependency management, decision making and problem solving • Provides clarity, ensures alignment and maintains trust with senior leaders and members • Embeds financial and service benefit realisation throughout the project lifecycle • Ensures a pipeline of improvement investigation and project development required for a financially sustainable resident focused organisation
Digital, data and technology	<p>Ensures successful use of data, technology and systems to programme outcomes, including:</p> <ul style="list-style-type: none"> • Access to data and systems • Development of performance visibility and management information • Use of technology to drive innovation in delivery • Allocation of Digital resource
Speciality support	<p>Ensures sufficient allocation of specialist capabilities to enable successful programme delivery including:</p> <ul style="list-style-type: none"> • Subject matter experts for services undergoing change • Support functions to enable the change, e.g. Finance, HR, Legal • Management resource to facilitate the increase in activity

A rolling review process will be essential to maximising MTFS benefit over the life of the programme

There is a continuous requirement to innovate, change and improve

For a number of structural reasons, the requirement to innovate, change and improve will be a constant throughout the life of the programme.

These include:

- demographic and societal pressures driving an increase in demand and cost
- policy and local government reform leading to significant changes in how local government needs to run
- a constrained financial envelope
- continually emerging technology which gives the opportunity to progressively improve how services are delivered

A balanced portfolio of projects is needed

This programme of change and improvement will be designed to respond to this requirement by having a portfolio of initiatives in different stages of delivery:

- early scoping of opportunities
- robust diagnosis and business case development
- delivery of approved projects
- formal close out and benefit confirmation

Resources will be appropriately balanced across these stages, ensuring an ambitious but manageable amount of work is being undertaken at any time.

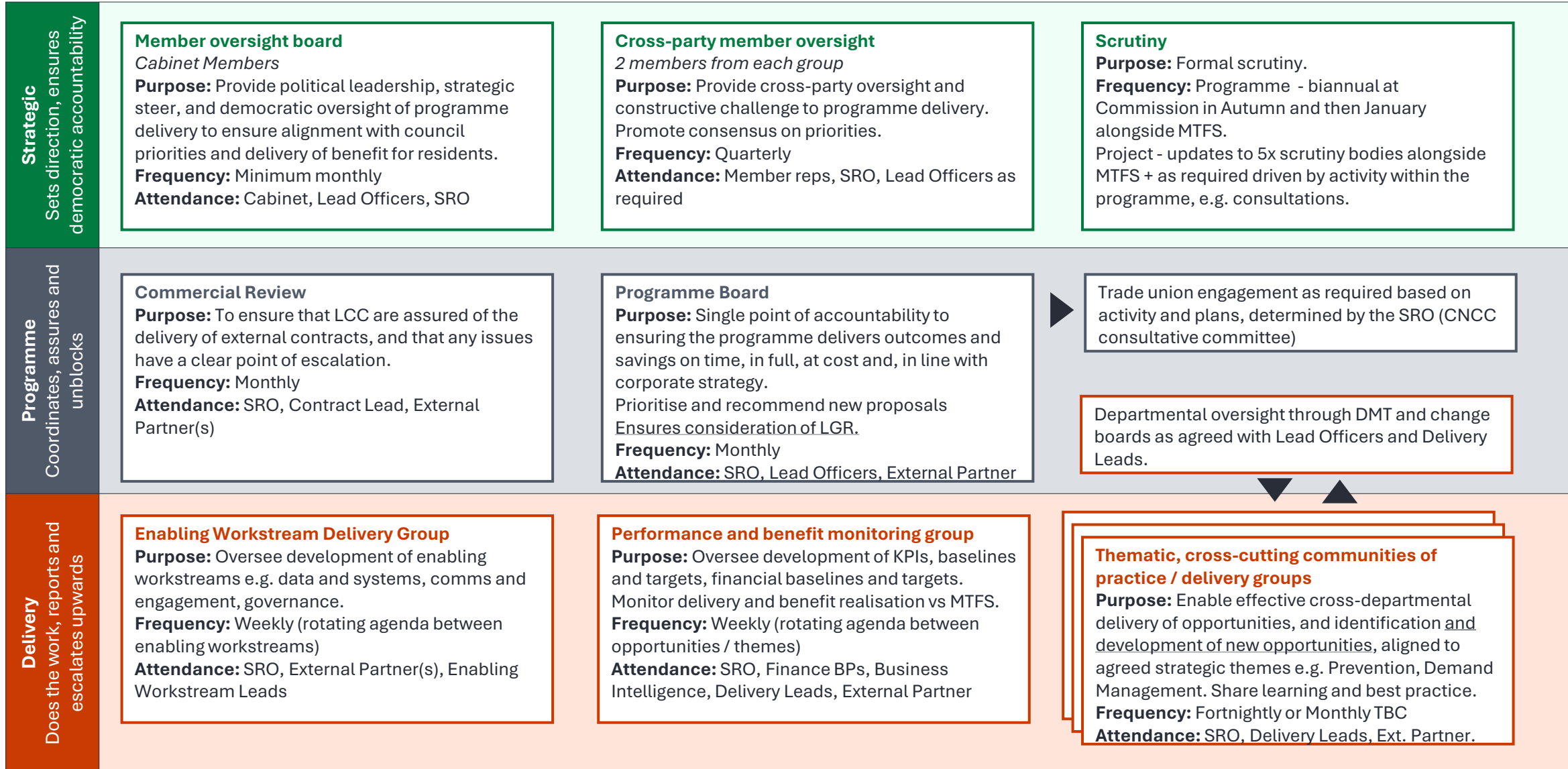
Enablers to support effective identification of new opportunities

The following enablers and activities will support the identification of new opportunities:

- **Governance:** a robust cycle to manage projects and programmes and track benefits.
- **Feedback loops:** close out reviews that capture undelivered potential and emergent value
- **Delivery approach:** design and testing of solutions challenge the quantum of improvement possible.
- **Insight-led identification:** ongoing trend analysis of cost, demand and performance to identify likely opportunities.
- **External intelligence:** ongoing engagement with sector and wider best practice to ensure unexplored potential is understood.

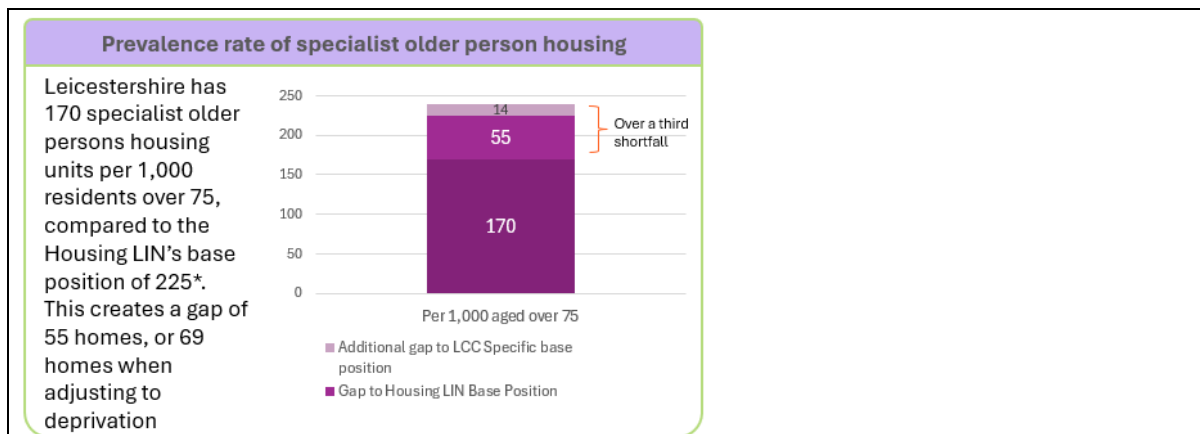
Draft governance approach

PRINCIPLES: USING EXISTING GOVERNANCE WHERE POSSIBLE, JOINTLY DESIGNED & WILL EVOLVE THROUGH THE PROGRAMME AS NEEDS CHANGE



Benefits Proposal

Opportunity Name:	Adults Commissioning for the Future		
Opportunity Description	<p>To set out the opportunity for the Council to directly intervene in areas of market failure, and bring forward the development of new, high quality residential care capacity – improving outcomes for residents, attracting inward investment, increasing market sustainability and delivering material financial savings and income for the Council.</p> <p>This paper summarises the opportunity and the proposed approach and seeks approval to proceed with a market engagement exercise to capture the data required to inform the detailed options appraisal and associated business case, including full financial implications.</p>		
Existing MTFS lines relating to opportunity	None		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	£1.59m	Confidence level of value	<i>High confidence in achieving £1.59m. Achieving upside through commissioning savings requires market engagement, options appraisal and a fuller business case to determine.</i>
Further benefit beyond the MTFS	Full run rate is achieved within the MTFS		
Evidence behind opportunity, local levers and proposed solutions:			
<p>The recent Adults and Communities Strategy, and most recent Market Position Statement for Residential and Nursing care both point to a need to increase the supply of quality, local, specialist accommodation for our older people.</p> <p>Leicestershire has 25% less specialist older person housing than the Housing LIN base position, at just 170 specialist older persons housing per 1,000 people over the age of 75 – vs a base position target of 225, and a health and deprivation adjusted figure of 239 – representing significant under provision.</p>			



This translates to a gap of around 1,800 units – and is expected to grow. 21% of residents are already over the age of 65, and it's estimated the number of people 65+ in Leicestershire will increase by 28% by 2035.

Just to maintain a sufficient and sustainable care market, there needs to be an increase in the rate of new residential supply by over 400% a year, otherwise there will be a 571-bed supply gap for LCC-funded places by 2032.

This would result in a forecasted cost pressure of £14.9m annually by 2032, a significant increase from the existing supply driven cost pressures of £8.56m today. Without change, this poses a risk to service delivery and outcomes for residents, and the council will face increased pressure on existing facilities, higher costs for both in and out-of-area placements, and potential safeguarding challenges.

The need for change was identified through:

- Demand modelling and the development of a 'care economics model'
- Market analysis revealing limited plans and appetite for new developments under traditional procurement models.
- Supply analysis of the utilisation of existing care assets and any expansion or reduction plans.

Leicestershire Older Peoples Accommodation Model	Market Indicators				
	% LCC Funded Resi (Vs Supply)	Current LCC Funded Resi Placements	Difference between actual cost and target cost	Resi % Increase required 2040	Resi Cost Variance to Average
District					
Blaby	23%	129	-£ 646,197.12	4%	112%
Charnwood	53%	329	-£ 1,974,230.30	57%	114%
Harborough	84%	277	-£ 1,980,178.82	83%	117%
Hinckley and Bosworth	78%	317	-£ 2,199,960.98	79%	116%
North West Leics	83%	247	-£ 3,015,899.64	129%	128%
Melton	59%	159	-£ 995,594.40	22%	115%
Oadby and Wigston	61%	204	-£ 638,683.20	10%	107%

The three districts where the Council funds the vast majority of available residential care beds, are also the three districts with the greatest supply gap, and the three districts with the highest average weekly care costs. These three districts alone account for over two thirds of the total opportunity, and would cost £7.2m less per annum if they could be delivered closer to the target affordable weekly rate.

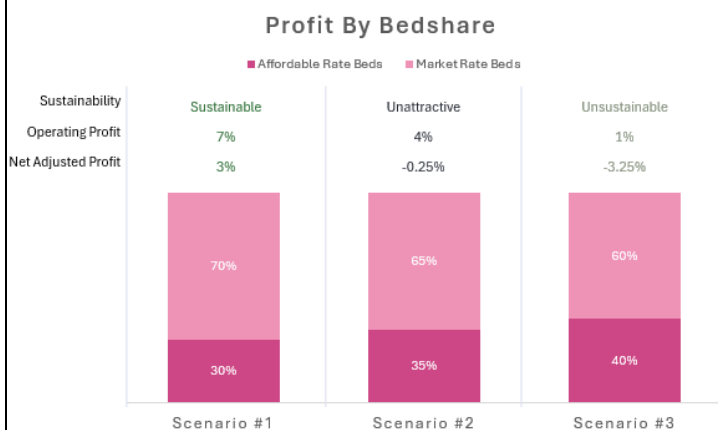
Although much smaller in scale, a similar scenario appears for nursing care:

Leicestershire Older Peoples Accommodation Model		Market Indicators				
District	% LCC Funded Nursing (Vs Supply)	Nursing Placements	Difference between actual cost and target cost	Nursing % Increase Required 2040	Nursing Cost Variance to Average	
Blaby	32%	19	-£ 120,953.24	998%	113%	
Charnwood	66%*	32	-£ 823,174.98	282%	152%	
Harborough	15%	42	-£ 273,945.00	137%	113%	
Hinckley and Bosworth	40%	51	-£ 657,311.46	552%	126%	
Melton	7%	11	-£ 30,420.94	148%	106%	
North West Leics	23%	44	-£ 580,867.76	298%	127%	
Oadby and Wigston	17%	30	-£ 244,202.40	132%	116%	

*manually adjusted, see comments

The correlation is equally strong in nursing, with four of the districts where LCC funded placements are the highest, also being the four districts with the greater supply shortfall and the four districts with the highest average weekly bed costs.

From a market sustainability perspective, it's important the Council seeks to ensure that no more than 30% of nursing beds are purchased at Council affordable care rates, and no more than 50% of residential beds. The illustration below shows how the wrong ratio of affordable to market beds will increase costs to the Council:



It is proposed that we focus on the area of most pressing demand and divide the programme into “Waves”. Wave 1 would focus on securing the development of 8-10 new dual-registered homes, with dementia specialism, where we already have supply issues today. This would create up to 400 Council funded beds by the end of 2029. Wave 2 would then meet the remaining demand pressures through creation of an additional 6-8 homes by 2032. For wave 1, these extra up to 400 beds would meet the current forecast demand increase, plus secure an additional c20 beds in each district, and over a period of 12-18 months, enable us to fill them by diverting beds from current, higher cost providers. Whilst this scale of impact may not seem significant, and does not represent many residents at a district-by-district level, overall it will be sufficient to have a cooling effect on the market and reduce some of the higher weekly rates we pay across the County, whilst also avoiding significant projected future cost increases. Whilst this is an economics-based assessment, and the fuller business case will delve into further detail, at a high level, it suggests a worst case scenario of several million in benefits, potentially worth in excess of £10m a year – justifying the investment required in building the business case.

This market intervention is expected to deliver two main savings:

Income – the delivery model would include securing a number of new care homes, then leasing these out to providers who would then operate services, with the Council therefore retaining control of the asset and quality of service provision, but also making a small surplus, with the lease income (estimated at 7.5%) exceeding the repayments (estimated at 6.25%). This could create an annual surplus of £1.5m - £2.0m

Commissioning – block buying beds at an affordable rate, or nomination rights, would deliver a saving against today's average weekly bed rate in several districts, and an even greater saving when compared to the projected cost in a do-nothing scenario, where demand materially outstrips supply.

There are several mechanisms by which the Council can seek to secure the additional beds it requires. Each will have different cashflow implications and wider considerations, and it's proposed they are explored through a comprehensive options appraisal as part of a business case development exercise, engaging closely with the market.

	1: Do nothing	2: Build, Own and Commission an Operator	3: Seek a commercial partner to Build and Operate	4: Build, Lease back and Commission an Operator	5: Build, Own and Operate	6: Full market-based approach	7: Joint Venture – build, own, operate
Summary	This approach involves relying exclusively on existing properties and purchasing individual placements from the independent care market.	The council would invest in constructing its own care home facilities, providing around 80 beds per site and commissioning an external operator to run services.	This option would see the council collaborating with an investment and delivery partner, who would build and operate care home facilities providing 80 beds per location.	In this model, a commercial partner builds the facility, the council leases it back, and services are commissioned to an operator.	Here, the council constructs care home facilities and manages operations directly through its own staff.	The council relies entirely on the independent care market for placements, with no direct involvement in facility ownership or operation.	This model involves forming a partnership with another organisation to share the building, ownership, and operation of care homes.
Advantages	Avoids any upfront capital investment. Continues current practice without disruptive changes.	Greater control over investments/design. Long-term value for money as properties appreciate. Stable bed capacity and service continuity, mitigating risks of market exits or provider breakdowns. Revenue generation possible through rent charged to the operating partner. Ability to design facilities for long-term efficiency and cost-effective maintenance.	Reduces the council's need for direct capital investment. Leverages commercial expertise in construction and operation.	Relieves the council of large upfront construction costs. Allows for commissioning of an operator to maintain service standards. Potentially faster development timelines due to commercial partner efficiency. Typically, lower cost per unit due to market efficiencies/competitive advantages over the Council directly delivering	Full control over service quality, staff training, and operational standards. Stable bed capacity and long-term value for money, with all revenue retained for reinvestment. Care provision can be aligned with council's strategy. Reduces risk of market disruption from provider breakdowns.	No capital investment or operational demands fall on the council. Competitive market pressures may drive innovation and cost-effectiveness.	Shared capital and operational risks and costs. Access to partner expertise in construction, care delivery, or operations. Opportunity for innovation and increased efficiency. Retains partial council ownership and influence over quality and strategic direction. Advantages increase as scale of delivery increases, most suitable at £100m+ PA delivery.
Disadvantages	High risk of bed shortages if market prices rise or supply contracts, especially for skilled or complex care beds. Potential need for out-of-county placements, which may inconvenience service users and families. Minimal council control over market stability, care quality, or costs. Exposure to risks such as provider breakdowns or market exits.	Requires significant upfront capital investment. Demands extensive planning, project management, and resource allocation. High risk in terms of delivery, especially in relation to cost and time overruns. Recently PWLB cost increases reduce attractiveness to occupiers/operators, increase risk for Council and have negative impact on prudential indicators/MRP	Higher construction and borrowing costs may be passed to the council. Limited council control over facility design and ongoing maintenance costs. Financial commitments tied to long mortgage terms may hinder flexibility. Risks remain around provider breakdowns and market exits.	Long-term lease agreements may become less cost-effective over time due to escalating costs. Reduced council influence over facility design, possibly failing to fully meet local needs. Complexity and cost in exiting or renegotiating lease terms if requirements change. Operational risks remain with quality and continuity if operators change.	Council assumes full responsibility for recruitment, retention, and workforce management—resource-intensive and demanding specialist expertise. Significant upfront capital and ongoing operational costs increase financial exposure. Subject to regulatory and demand fluctuations.	Minimal control over placement quality, availability, and affordability, making the system vulnerable to market fluctuations. Risk of higher costs or fewer placements if the market contracts or providers exit. Short-term financial savings may be outweighed by long-term risks.	Complex and time-consuming to establish and manage joint ventures, requiring robust agreements on governance and profit sharing. Potential for disagreements or misaligned objectives between partners, leading to delays or operational conflict. Council remains partly exposed to cost, operational, and market risks. Strong legal frameworks are needed to ensure alignment with council goals and delivery of high standards.

Business Case Development:

Recognising any investment in building new capacity would represent a major decision and commitment for the Council, it's proposed that this opportunity progresses to more detailed design. Following stakeholder and market engagement over the next few weeks, the project team will develop a business case aligned with the Green Book Principles/ to HM Treasury 5 case standards. The business case will be presented to CMT in May 2026. In addition to the standard business case areas, it's expected the business case will address the below key questions:

- **Strategic Case**
 - A robust case for change, how this programme supports Council priorities, is aligned with LGR, the outcomes we will achieve and how it will be delivered. It will also clearly articulate the forecast demand pressures at a local/district level and how this translates to home by home requirements.
- **Economic Case**
 - An options appraisal against no change, traditional model using PWLB, a Public Private Partnership model, and other key models. This will include specific questions on aspects like land availability, key priorities for the Council, and how the various options compare on a whole life cost basis. It will also set out the underlying care economics model and how the preferred options demonstrate the best value for money to the Council. This section will include risks and mitigations, optimism bias and approach to monitoring and evaluation. This section will also explore self-funder demand and ability to pay, and the impact of the two tier care model on the preferred option, risk and underlying financials.
- **Commercial Case**
 - How we will procure this and approach the market, including specific procurement advice on the route to transaction (Public works vs exempt lease transaction), how we will engage providers, approach to competitive dialogue, heads of terms for any future lease and how we will manage the contracts effectively throughout their life, including any commercial risks and mitigations.
- **Management Case**
 - How we will deliver the programme, a detailed delivery and project plan, resources, accountability, proposed governance and key milestones. How we will fill the homes, the demand, profile and risks. Subject to Economic and Commercial case, this will also set out how the Council would deal with any freehold or land implications and how we will manage assets from an estates and risk perspective.
- **Financial Case**
 - A detailed financial model, setting out all financial implications, at an in year, MTFP and whole life level, approach to time or cost overruns, and some technical decisions, including any specific tax or VAT implications, accounting implications and balance sheet impact, and key financial risks and mitigations.

Delivery approach and timelines

This is a major decision, and it's recommended that this opportunity moves to market engagement and detailed business case development, including a comprehensive options appraisal on delivery mechanisms, and a full assessment of the financial implications – however, initial viability modelling has proved positive.

This business case will also need to determine the scale of the intervention and how many homes to build and at what pace.

Governance and high-level milestones:

Governance and milestones for the overall programme will be set out in the business case. Key milestones in the run up to business case in June include:

- April 2026 – design engagement methodology, approach and collateral, agree “design standard” for new homes, commence market and stakeholder engagement.
- May 2026 – complete engagement phase and develop business case.
- June 2026 – present business case to CMT.
- July 2026 – assuming approved at CMT, move to delivery, initiate competitive dialogue to agree specific homes and impacts.
- September 2026 – bring back specific business cases for cabinet approval.
- November 2026 – appoint developer and commence delivery
- Mid-2028 – planning approvals and “breaking ground” – construction starts
- Late 2029 – opening of new homes and delivery of benefits.

Benefit Profile		Benefit profile assumptions
Lease Income		Project start date: 1 st August 2026
	In-year spend reduction	
FY 26/27	-	-
FY 27/28	-	-
FY 28/29	£1.43m	£1.43m
FY 29/30	£0.16m	£1.59m

Mobilisation, market engagement and build: 21 months

Time to fully utilise capacity: 12 months

Lease income realised once capacity has been created

Risks & Dependencies (Known today)

Risks will be fully assessed during the options appraisal and business case development, as they vary depending on the proposed mechanism, but key risks include:

Insufficient demand for beds	We are only addressing c30% of forecast gap and will further mitigate though the stakeholder engagement phase
No appetite in market/deal can't be done	Mitigated through the stakeholder engagement phase and structure of competitive procedure
LGR is disruptive	Ensuring delivery commences ahead of LGR and building "place based" so easy to divide by future council areas.
Delays to completion or cost overruns	PPP where Council does not incur any cost until asset is operational and sub-leased
Land availability and planning	Working with development partner rather than direct Council acquisition. Using CMT's relationships with districts to help accelerate

Council has limited capital/revenue to invest and some of the savings are avoided cost	Delivery model that sees the Council not incurring any cost until homes are up and running, and an operator is appointed - delivering small annual rent premium to Council, direct savings from nursing and residential care budget, and some significant avoided cost. Detail to be included in business case.
Expected impact	
Staffing impact	Limited
Service levels impact	Limited
How would LGR impact this opportunity?	This opportunity will become less attractive post-LGR, as a number of the delivery mechanisms are only attractive at scale, that future, smaller Council's may struggle to achieve.
Officer Recommendation for next steps	Approval to proceed with a market engagement exercise to capture the data required to inform the detailed options appraisal and associated business case, including full financial implications.
Newton Recommendation for next steps	Recognising the scale and complexity of this opportunity, and capex exceeding £100m, recommend proceeding to market engagement to capture missing data, undertake detailed options appraisal and develop Greenbook business case, returning early summer for a decision.

Benefits Proposal

Opportunity Name:	A&C Targeted Prevention		
Opportunity Description	How we can help residents achieve better outcomes and live more independently for longer through targeted early intervention.		
Existing MTFS lines relating to opportunity	N/A		
Quantified opportunity over MTFS Financial Value - net of ongoing costs and net of existing MTFS value (<i>inflation contingency</i>)	£3.90m (£0.36m)	Confidence level of value	Medium
Further benefit beyond the MTFS (<i>Inflation Contingency</i>)	Full run rate achieved in FY 31/32: £6.33m (£1.01m)		
Evidence behind opportunity and local levers			
<p><u>Leicestershire context</u></p> <p>Compared to its statistical neighbours, LCC benchmarks above average for the proportion of older adults receiving long term support, with 50 out of every 1000 residents aged 65 and over in receipt of long-term care in 2024/25. Matching the average rate across its statistical neighbours would equate to an 11% reduction in caseload LCC.</p> <p>This proposal outlines an opportunity to intervene with residents before a crisis or escalation in need occurs through earlier identification of residents most at risk, and proactive outreach to connect these residents with services and interventions that will reduce their risk and therefore reduce or delay their need for long-term formal care.</p> <p><u>Identifying the residents we could prevent requiring long-term support</u></p> <p>We reviewed the case notes for a sample of 200 residents to understand the primary reason why people escalated into long-term care. This exercise found that for older adults, the most common primary reasons why a resident entered long-term care were:</p> <ul style="list-style-type: none"> • A fall [23% of older adults] • A physical health crisis [18% of older adults] • A decline in physical health [15% of older adults] • Dementia or cognitive decline [11% of older adults] <p>These four causes combined accounted for two-thirds of older adults escalating into long-term care.</p> <p>Taking residents with the primary escalation reasons above, for a smaller sample of 61 residents we conducted deep dives to examine their journeys into care to understand all the causes for the resident entering care, whether the entry into care was preventable and what would have had to be different to prevent the entry. Of the 61 residents we reviewed during case reviews, for 27 cases (44%), practitioners agreed that we could have intervened earlier and as a result, prevented them from starting long-term formal care.</p> <p>When examining the case notes for the residents whose starts were preventable, we found the people could be broadly split into two cohorts:</p>			

a) *A 'falls cohort' [59% of preventable starts]*

We found commonality between residents whose primary cause was a fall, a physical health crisis, or a physical health decline. For these residents, we found that in most cases they had a history of falling (even though this was not always captured as the primary cause for a long-term care start), and the interventions they would require to be better supported were similar across these individuals where it was felt that an escalation into long term support could have been prevented, e.g. enablement, OT, home adaptations and equipment, assistive tech, etc. As such, we can group these residents into a 'falls cohort'.

b) *A 'cognitive decline cohort' [26% of preventable starts]*

The other residents were those experiencing dementia or cognitive decline. For these residents, we also found that their carers were often experiencing strain, with short breaks and respite cares identified as some of the routes to providing better support. We can group these residents into a 'cognitive decline cohort'.

Evidence that these care starts are preventable

To be able to prevent residents from entering care we need to be able to do two things: 1) identify them as being at risk and 2) engage them and connect them to the appropriate support. We have evidence that LCC has the foundation required to do both:

a) *We could identify residents at risk earlier using data*

Take the falls cohort described above as an example. From the data held by adult's services alone, we see that on average we have had 4 contacts with a resident before start their first ever long term package of care. This suggests that there is a window of opportunity where we have the chance to proactively engage residents before they reach crisis.

Case notes provide even richer data, containing the observation made by practitioners during their interactions with residents. Using a method called text analytics, we can analyse these case notes to see which risks were identified in the falls cohort prior to their start in long-term care. We can compare this to the risks identified across all residents who contacted us to see which risks are significantly more prevalent in the falls cohort. We can see that the following risks are flagged significantly more frequently:

- Health issues such as falls, hospital admissions, healthcare visits and general illness.
- Activities of daily living such as personal hygiene, mobility and toileting.
- Housing issues, especially bathroom-related issues, and financial issues.

Knowing that these risks correspond with a resident being more likely to enter long-term care, we can identify those residents we have engaged with who have also had these risks flagged in their case notes as being the people we should intervene with now, before they hit crisis point.

b) *The right support offers already exist in Leicestershire*

From the deep dives, we built an understanding of what types of support would be needed to prevent residents entering long-term care.

For the falls cohort, practitioners identified that residents could have been better supported had they accessed specific falls prevention support, assistive technology, OT or enablement and equipment or home adaptations. This reflects that these residents' escalations were driven by their physical needs.

For the cognitive decline cohort, the key potential support offers were short breaks for the carer or respite care, and community group support, reflecting the prevalence of carer strain.

For both these cohorts, these support offers do already exist across the County.

Delivery approach and timelines

We have the evidence to suggest that the foundations are in place for LCC to be able to prevent long-term care starts. What is needed is an operational approach to ensure we can bring data together to proactively identify residents at risk and then understand their needs holistically, so we are able to connect them to the right support to meet these needs.

a) Identifying residents at risk

Xantura's OneView platform is an example of a tool that would enable us to leverage our data to systematically identify residents at risk of entering long-term care. The platform allows us to combine and match data from different sources back to a single resident, for example social care and health data. This combined dataset can then be used to understand at scale what the risk factors associated with falling or experiencing cognitive decline are. We then apply these risk factors to the population of residents who have not entered care yet to identify individual to reach out to.

b) Holistically understanding residents' needs and connecting them to support

A potential solution is a hub-and-spoke neighbourhood model of care, similar to an approach currently being piloted with housebound residents experiencing COPD in North West Leicestershire. Under this approach, MDT meetings would be setup to bring together professionals from disciplines such as social care, OT, mental health, primary care etc. This group would be responsible for holistically understanding the needs of the residents identified as being at risk, enabled by the breadth of disciplines represented, and then identify the most impactful support offers to onwards refer residents to and monitor the impact of these referrals. Providers would then be responsible for delivering the preventative support to residents, and to feedback to the group the outcome of the initial referrals.

This is an outline approach, and detailed design work would need to be undertaken in the next phase.

These proposed changes to ways of working can be delivered as part of a joint endeavour with Health partners, as there will be significant benefits to Health as a result of these new ways of working, for example through reduced A&E admissions. As part of design and mobilisation phases, we would look to engage with health partners to share understanding of the potential impact of this proposal and collaborate on approach for joint delivery. Joint delivery of this proposal will also enable reduced cost of investment for LCC.

Outline delivery timelines

We propose a phased approach to design and implementation. The first 6 months would be used to conduct a detailed design phase. An initial operational pilot is launched for prevention in the falls cohort for 3 months, followed by a year-long implementation period. At the conclusion of this first implementation phase, the operational pilot for the cognitive decline cohort would be launched, again followed by a 12 month implementation period.

Design phase activities

There are key questions we would need to refine our answers to in the detailed design phase:

a) Identification of residents at risk

- What technology or tooling do we need to be able to identify residents at risk?
- Which subsets of the population do we want to identify, and which subsets do we not want to identify?

b) Operational delivery of prevention

- What team do we need to engage residents and deliver preventative support?
- How do we engage residents who aren't asking for or expecting support?

- What are the most impactful support offers available to support residents?
- Which of these offers will we use? How do we agree SLAs and capacity with the providers?

c) *Implementation and evaluation*

- How do we phase delivery?
- What lagging and leading metrics will we use to measure impact?
- How will we collect the data required to evaluate impact?

Impact timelines

Through this phased approach, we anticipate:

- Falls cohort residents start being engaged after 9 months; cognitive decline cohort residents engaged from 24 months.
- Data from health services becomes available to use after 15 months. Prior to this, only 45% of the benefit is accessible.
- There's a lag of 6 months between a resident being engaged and their start being prevented.
- Benefit from a prevented start is spread evenly over 108 weeks following the start being prevented.

Operational impact

We consider an achievable prevention target based on a range of evidence sources:

Triangulation Methodology	% change achievable	Long-term care starts prevented	Explanation
Baseline	0%	0	LCC had 1,571 first-time starts in long-term care in 2024/25
Case trawls and reviews in LCC	13%	200	In case trawls, 66% of older starts in long-term care were caused by falls, physical health crises or declines, or dementia / cognitive decline. Case reviews found that a weighted 19% of these starts were preventable – combined this means that 13% of all older adult long-term starts are preventable.
Best statistical neighbour	27%	424	Buckinghamshire has 27% fewer older adults receiving long-term care per capita.
Average of other Newton diagnostics	18%	283	In previous Newton diagnostics, we have found on average 18% of older adults starts in long-term care are preventable.
Median statistical neighbour	14%	220	Essex has 14% fewer older adults receiving long-term care per capita.
Average of statistical neighbours	11%	173	LCC's statistical neighbours have on average 11% fewer older adults receiving long-term care per capita.

The agreed target is an 11% reduction in the number of older starting in long-term care for the first time annually, equivalent to preventing 173 starts a year.

Benefits profile over the MTF5 (net of ongoing investment)

Benefit profile assumptions

	In-year spend reduction <i>(inflation contingency)</i>	Cumulative benefit <i>(inflation contingency)</i>	
FY 26/27	-£0.12m	-£0.12m	<ul style="list-style-type: none"> • There is on average 1.9% growth in OA service users within the MTFs, and there is 3% annual inflation due to NLW and running cost growth within the contingency. • Weekly package costs have overlap with Independence Outside of Residential Care and Reablement opportunities removed. • We assume the project starts on 1st August 2026. <p>NB: At full run rate, annual benefit net of ongoing investment would be £6.33m (£1.01m inflation) achieved in FY31/32 i.e. outside of the MTFs period.</p>
FY 27/28	-£0.03m <i>(£0.00m)</i>	-£0.15m <i>(£0.00m)</i>	
FY 28/29	£1.30m <i>(£0.07m)</i>	£1.15m <i>(£0.07m)</i>	
FY 29/30	£2.75m <i>(£0.29m)</i>	£3.90m <i>(£0.36m)</i>	

Initial view of one investment required to realise opportunity

- £175k annual licensing cost for platform to match data and identify residents to target. This has been taken as 50% of the annual OneView license cost, and assumes the cost is shared between A&C and CFS.
- Some LAs we work with consciously choose to move resource towards more preventative services to create a permanent changed way of working. Service have identified capacity within existing service FTE to embed new preventative ways of working, therefore no further investment required into FTE. This is to be reviewed post pilot phase.
- £425 one-off cost per resident engaged, with assumption that twice as many residents are engaged as are prevented. This cost covers intervention including home and group exercise programmes, and home assessments and modifications.

Risks & Dependencies (Known today)

- GDPR and privacy issues may mean organisations external to LCC don't share data they hold on residents.
- To enable the full value of the opportunity, we will need access to health data.
- Care providers are reluctant to pass information back up the chain to LCC.
- Residents aren't expecting to be contacted, so may not accept referrals to support to prevent their entry into long-term care.
- Support offers that residents are referred to may be ineffective.
- The support offers residents are referred to may have insufficient capacity or unsuitable SLAs.
- To effectively identify residents and deliver interventions, we will be reliant on working together with partners across the system, including health and the voluntary sector.
- There is potential further upside through collaboration with Health on delivery of this proposal, through shared cost of delivery. Incentivised through potential health savings through proposed changes.

Expected impact

Residents impact	Taking a proactive preventative approach will mean we intervene with residents before they reach crisis point, enabling them to live more independently for longer and leading to better outcomes for them.
Staffing impact	It is likely new ways of working will be required for staff to operationally deliver a preventative approach, e.g. the use of technology in the workflow, moving from referral-based to proactive engagement, group supervision working.
Service levels impact	Targeted prevention activity should reduce future service demand, leading to improvements in service levels.

How would LGR impact this opportunity?	LGR will bring more data on residents into LCC's scope, e.g. housing data, and so should improve the extent which we can identify residents at risk.
Officer Recommendation for next steps	Move to pilot delivery model and evaluate impact to consider moving to next steps. (falls cohort)
Newton Recommendation for next steps	<p>The next step is to prioritise the beginning of a detailed design phase lasting around 6+ months. This will allow for:</p> <ul style="list-style-type: none"> • Outline solutions to be developed into detailed operational plans / designs • Detailed timelines for solution implementation to be developed • Metrics and evaluation criteria to be designed and agreed • Key stakeholders such as health and the voluntary sector to be engaged and consulted on potential changes to ways of working • New teams, governance and processes to be stood up and piloted

Benefits Proposal

Opportunity Name:	CFS – Commissioning for the Future		
Opportunity Description	<p>a. Increasing sufficiency for high need regulated provision, reducing reliance or duration of use of unregulated provision (and as such evidencing LCC are meeting the <u>regulatory duty</u>:</p> <p>b. Reducing unit costs by commissioning a new provision/s able to support children and young people with complex needs, typically being placed in solo provision, have escalated support/care costs and/or in an alternative to activity/unregistered placement.</p> <p>c. If temporary accommodation is needed in the future, to reduce the duration needed.</p>		
Existing MTFS lines relating to opportunity	Existing savings within Smarter Commissioning (CF4) will have an overlapping impact of unit cost of residential placements and have been accounted for through usage of the mitigated growth assumption within the profile and a baseline value from the mitigated mix.		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	£1.03m	Confidence level of value	<i>Medium</i>
Further benefit beyond the MTFS	Full run rate achieved within the MTFS		
Evidence behind opportunity, local levers and proposed solutions:			
<u>National Context:</u>			
Across the UK, spend on children’s residential care is increasing:			
<ul style="list-style-type: none"> From 2020 to 2024, the number of children and young people looked after in residential placements increased 10% In the same period, the average spend on a child in a children’s home increased by nearly £80,000, to £318,400 			
<p>With worsening youth mental health and increasing child poverty, there is a more acute level of need present for children coming into care. However, this increased spend does not necessarily mean that the quality of care is improving and the provider market is predominantly set up for children with less complex needs. Children’s residential care has reached market failure nationwide – 1 in 10 children in residential care are in an unregistered placement which is known to often be of reduced quality and without proper oversight but is often the only option LAs have to meet a young person’s needs. Reliance on unregistered provision is unlawful and a risk to any local authority placing CYP there.</p>			
<u>Leicestershire Context:</u>			
The number of residential placements in LCC has increased by 57% between 2020 and 2025 (compared with a 50% average increase across all statistical neighbours over the same period) and the average residential weekly unit cost has increased from £3904 in 2020 to £6058 in 2025.			

The typical costs (based on providers used by LCC in 2025/6) for an activity placement (based on the core offer) is £10k a week per child, keeping in mind that these provisions are not regulated and do not offer the range of care underpinned by the children's care plan.

Over the period 2020 to 2025, the number of children in residential care rose from 11% to 15%. Similar increases can be seen in most regional local authorities (of 9, 5 responded to a request for information in October 2025) with % in residential care being 17-23% for all but one (11.6%).

We are also seeing growth particularly in high needs placements and social workers believe that need is increasing:

- On average over the last 12 months, we have had at least one CYP in a multi bed EBD placement being used as solo provision. In March 2025, this cohort has increased to 4 active cases, at an average cost of £16,700 per week.
- In 25/26, we have seen an increased average of 3.8 activity placement starts per month compared to a previous average of 1 per month throughout FY22/23 to FY24/25.
- The first quarter of 2025 has seen a reduction in starts and duration in activity placement in 2025/26. This is being closely monitored, and the use of activity placements has the Director's oversight.

Evidence from case review workshops

We reviewed 10 children/young people with social worker teams to understand the needs young people, and what their ideal placement and support would look like. All open cases were reviewed that were in either:

- An activity placement (2 children), which is typically solo provision
- An unregistered placement (3 children)
- A solo placement in a multi-bed EBD home (4 children)
- A dedicated solo provision (1 children)

Of the 10 children reviewed, it was identified that 80% of children and young people (8) could be in a placement that would better meet their needs if that provision was available, with the appropriate level of care and environment (these children often needing what is called 'sanitised' environments to reduce risk to self and others). The required minimum and core offer for this level of need is 2:1 care 24/7.

For these 8 CYP, the following themes were identified:

- Young people were often in crisis when placed in these placements. 63% were expected to be able to step down into a less intensive provision if their crisis could be stabilised.
- Young people had often previously been in an EBD and had had notice served requiring them to move. This happened in 6 of 8 children.
- Young people often were highlighted as having very challenging behaviours, making supporting them complex, causing the notice to be served. 7 in 8 were identified as benefiting from input from behaviour specialists.
- Young people often had one or more of a learning difficulty, a physical disability, and mental health needs. This was highlighted in all cases.

Existing strategy and plans

Existing MTFs savings as part of Strand 1 of Smarter Commissioning are relevant to the negotiation of a provider for this placement, and so are complimentary to this work, ensuring that value is achieved through the commissioning process.

Strand 2 of Smarter Commissioning will be focussed on ensuring appropriate additionality and targeted reviews - this would also be complimentary to a flexible provision where reviews can be actioned quickly and effectively while maintaining a complex need child in a placement they are stable in. In reviews, the children and young

people in this cohort were not suitable for step down in a standard way and would require support from specialists to be able to be effectively stepped down in care.

Strand 3 of Smarter Commissioning's market development work does not address this very high needs cohort, who are unlikely to be suitable for step downs outside of residential care or placement in a more standard residential provision (particularly living with other children), but this work will be complimentary to it, allowing a holistic redesign of the offerings available for children and young people.

Proposed Solutions

To be able to better support these children and young people, we need a provision that can match their level of need in a way that provides high quality care, meets regulatory requirements and at value for money for the council. There is currently difficulty in successfully placing these high needs young people, with providers not being able to support their care and so serving notice, driving a lack of stability in placements.

A view of existing provisions elsewhere in the market provides a view of what a more ideal model of care could look like, centred around principles that match well with the findings of the case reviews. These are provisions that are:

- Flexible – allowing the management of crises through a provision that can support people in solo provisions and high staffing (min core staffing of 2:1)
- Robust – having the physical space, activity-based model and staffing to allow workers to manage the highest needs children, preventing them from having notice served
- Specialist supported – having appropriate input from behaviour and mental health specialists early on in the placement, to help support with managing behaviours and building a route to step down or reduced staffing/care needs
- Activity based – flexibility to provide children with a wide range of activities with a 'youth' services approach.
- Education – flexible education delivered 'on-site'.
- Able to take in an emergency situation

There are several ways this change could be delivered, for which there is a preliminary options appraisal, below.

	In house delivery	Partnership Delivery	Commissioned provider
Description	LCC sources property, applies for planning, renovates properties to appropriate standards, and then recruits staff and registers as a provider. No long-term private provider involvement	LCC sources property in conjunction with an external delivery partner and then collaborate on renovations and licensing. Provider then delivers service from the properties	A service is commissioned and a third party is contracted for end-to-end delivery of the service, from set up to operation
Procurement Timelines	c. 21-24 months (Specialist property specification likely to impact on timeline)	c.21-24 months (Specialist property specification likely to impact on timeline)	c. 12-18months if repurposing existing property, recruitment and training of staff and Ofsted registration. (Specialist property specification likely to impact on timeline, however there are a small

			number of established local providers who may be interested in a contract with LCC).
Operating Costs	Theoretically lowest as not paying provider margin, but may be impacted by diseconomies of scale and set up costs	Middle - as minimising margin taken on property cost, but paying provider margin on operations; Margin can be reduced if awarded to a charity (non profit). However, a charity is not likely to have the established expertise to meet these children's needs.	Highest – lowest upfront investment likely to drive higher monthly costs/charge per child. Overall charge can be partially mitigated by LA carrying cost of 'natural' under utilisation.
Risk held by council	High - no third-party provider assuming any risks High – LCC do not have an established in-service residential team or services (low resilience for staffing issues).	Medium - risks associated with property but delivery risk held by provider High – risks associated with payment of staffing costs during mobilisation period.	Low – provider holds both property and delivery risks
Capital Cost	Option 1- LCC fully funded scheme: £ 2 - 3 million to procure and renovate properties. Option 2- Public-private partnership: No upfront capital investment for LCC.	Option 1- LCC fully funded scheme: £ 2 - 3 million in house delivery Option 2 - Public-private partnership: No upfront capital investment for LCC	None Risk: relies on provider having investor to cover significant capital costs over a long mobilisation period. Whist can be mitigated if tender attracts a provider which has an established high need offer. Can be mitigated by public-private partnership.

The lease-lease capital options, allow us to support development by a private provider, reducing capital demand to zero, and revenue costs due to reduced cost of capital borrowing.

Impact of proposed changes

To assess the potential savings available from an improved placement type, a should cost model has been developed. The costs are in the table below:

Type	Cost/week
2:1 waking/sleeping night (further modelling required).	£11,665
<p>Our should-cost model includes</p> <ol style="list-style-type: none"> A core offer of 2:1 residential staff rota (which includes 2 night staff – further modelling required to determine if both are sleep in or sleep-in/waking night combination) A 75% utilisation. Assumptions have mostly been taken from the care cubed costing for a single solo provision, meaning that this costing is conservative, and does not account for further economy of scale savings. <p>Utilisation could be higher if the property specification and model is centred on reducing managing matching risks (risk to self and others) e.g. through a hub and spoke model where:</p> <ul style="list-style-type: none"> The spokes are the solo activity provisions The hub is the children’s home that has an extended team *(e.g. activity officer, education offer/officer and clinical input). <p>*Further modelling required.</p>	
<p>Delivery approach and timelines</p>	
<p>A phased delivery approach is suggested, with an 8-week concept design phase involving engagement with the market and an options appraisal to determine which care model and delivery model are most appropriate. This is then followed by an 8-week detailed design phase, involving outlining the contracting with any partners, and detailed design of both care and delivery models.</p> <p>If a commissioned provider has a property with registration, timelines are shortened significantly, however without this there is then an approximately 19-24 month process to set up the provision.</p>	
<p>Design Phase</p>	
<p><i>Concept design</i></p>	
<p>Through a process of market engagement, develop an understanding of what providers are able and willing to provide, and what capital contributions from the council are necessary. Develop the should-cost model further to refine assumptions to give an expected operational cost for each of the delivery models possible. Use this understanding to develop a detailed options appraisal to determine which care models and delivery models are the most desirable. This will allow the construction of a clear case for investment and allow for refining of the benefit targets.</p>	
<p><i>Detailed Design</i></p>	
<p>Detailed design will involve the development of a clear operating model, and the determination of a desired partner organisation if needed. This will allow for a confident benefit number, allowing for a go-no go decision on investment and progressing into the set-up phase.</p>	
<p><u>Timeline will need to be extended to take into procurement timelines (estimated, additional year).</u></p>	
<p>Set up</p>	
<p>The exact structure of this phase is dependent on the operating model selected during design, but will consist of:</p> <ul style="list-style-type: none"> Procurement: Provider engagement, developing a specification, identifying and selecting providers or partners to work with 	

- **Partner organisation contracting:** Ensuring the right contractual framework for us to be confident that we can deliver high quality care cost-effectively, with either a partner organisation or a commissioned provider
- **Property selection and purchase:** Finding and purchasing suitable property to deliver this service from, or developing suitable guidance for a commissioned provider to do the same
- **Planning application:** Getting planning permission for this provision, to enable the conversion from a residential property to a care facility (if required)
- **Renovation to establish a safe environment for high needs children:** install of fixtures and fittings that are suitable for the complex needs of the children that will be placed in these provisions
- **Recruitment and training of staff and a registered manager:** Building the staffing base to successfully provide this care, and demonstrate to Ofsted that we can meet these staffing requirements for licensing
- **OFSTED Licensing:** Application and approval of licenses for this provision to operate
- **Adventures Activities Licensing:** required for outward bound based activity.

Rollout

After a successful setup phase, rollout is the movement of children and young people into this provision from their existing care provisions. This is predicted to run at a rate of 2 young people/quarter to allow for ramp up, settling of the children, and notice to be served on existing contracts.

Benefits profile over the MTFS (net of ongoing investment)			Benefit profile assumptions
	In-year spend reduction	Cumulative benefit	
FY 26/27	-£0.21m	-£0.21m	Based on MTFS assumptions growth in average unit cost is 4%. Impact is seen against a baseline of 8 CYP in Activity/Unregulated placements and 1 CYP in bed-blocking EBD placements, with no growth in # of CYP over the MTFS.
FY 27/28	-£0.07m	-£0.28m	Current net average unit cost for an EBD bed-blocking or unregulated/activity placement is £13,429 per week.
FY 28/29	£1.02m	£0.74m	Proposed cost of alternative provision is £11,665 per week based on should-cost model.
FY 29/30	£0.29m	£1.03m	Assumptions for timelines: Date of project start: 1 st August 2026 Alternative provision will become available from January 2028 2 CYP can be moved into alternative provision every 3 months.

Initial view of investment required to realise opportunity

<p>Highly dependent on delivery model chosen. If property is directly procured by the council, then an estimated £2.5 – £3.5 million to procure the required properties. This value assumes median cost for detached properties in Leicestershire, with procurement of provision for 8-9 young people forecast at a 75% average occupancy.</p> <p>Profile accounts for cost of 3 months of new provision with no CYP to account for registration period.</p>	
<p>Risks & Dependencies (Known today)</p> <p>Approvals from planning and OFSTED: to set up a new provision, we will require both planning and OFSTED approval. The council has some ability to fast track OFSTED approvals for the most needed provisions, which will help mitigate this</p> <p>Market engagement with this provision: If we require partners, we are relying on the market to be willing to partner with us in this venture without charging margins that eliminate the financial benefits of this proposal.</p> <p>Capacity in the commissioning team: Supporting a provider with their application or carrying out one internally within the council will require resource from the children’s commissioning team to successfully implement.</p> <p>Availability of provision staff: Sourcing staff within the proposed new provision</p> <p>Capacity from business partners: such as property services.</p>	
<p>Expected impact</p>	
CYP and family impact	CYP and families experience more stable placements, with better delivery of progression to enable building of skills and future independence
Staffing impact	Staff benefit from a dedicated pathway, reducing the need for last minute procurement of new placements.
Service levels impact	Service quality improves as we mitigate the need to place children and young people into activity or unregistered placements. Service sustainability improves due to reduced financial pressure from increasing unit costs.
How would LGR impact this opportunity?	Combining of team structures, processes and support services would need to be considered upper tier LAs
Officer Recommendation for next steps	This is a key area of development for LCC. The cost of residential care is ever increasing, and we need to increase sufficiency to meet need and demand. The aim must be to have no child in an unregulated/unregistered provision.
Newton Recommendation for next steps	We propose a phased approach with the first 4 months for concept and detailed design, then a period of set up to deliver this new placement type

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Benefits Proposal

Opportunity Name:	CFS Targeted Prevention		
Opportunity Description	Improving outcomes for children and young people (CYP) and their families by working with families and the wider family network earlier to prevent escalations through different pathways including the safeguarding pathway, so enabling more children to safely and successfully stay within their family network ,and in turn preventing, where it is safe to do so coming into the care of the LA. This will be delivered in line with the Families First Partnership Programme (FFPP) through earlier identification of risk, stronger engagement with families, and better connection to the right support at the earliest, lower level of intervention that is necessary to effect change.		
Existing MTFS lines relating to opportunity	CF4 – Strand 3 –Families Together (£900k) – Full overlap has been accounted for in profile. Further design work needed to identify extent of overlap in impacted cohorts.		
Quantified opportunity over MTFS Financial Value - net of ongoing costs and net of existing MTFS value	£1.12m	Confidence level of value	Low - confidence to be strengthened through detailed design and piloting
Further benefit beyond the MTFS	Full run rate achieved in FY 31/32: £3.30m		
Evidence behind opportunity and local levers			
<u>Context</u>			
<ul style="list-style-type: none"> Leicestershire benchmarks low when compared with statistical neighbours for the number of children in care per 10,000 children with 42.1 children per 10,000 compared with a median of statistical neighbours of 50.6 as of March 2025. Whilst our LAC caseload fell by 12% from 20/21 to 22/23, trends in recent years alongside national context estimate that our LAC caseload could increase by ~ 100 CYP in the next 5 years. This increase in caseload is driven by a recent increase in the number of CYP entering care rather than fewer children exiting. Two-thirds of children entering care in FY24/25 were known to Children’s Services and on a child protection, child in need, or early help plan in the year prior. 			
<u>Evidence behind opportunity</u>			
Case review workshops were held with practitioners and system partners to understand the needs of children and their families prior to entry into care and to identify where we could have done things differently to support the family outside of care.			
<ul style="list-style-type: none"> For over two thirds of CYP, parental neglect was identified as a reason for why a child entered our care. Where this was the case, 80% of parents were identified as suffering from domestic abuse, experiencing mental health difficulties or having issues with substance misuse. There is significant overlap in these parental needs with 60% of parents experiencing at least 2 out of the 3. 2/3 of families were supported by or interacted with Family Safeguarding and/or the Police in the 12 months prior to the CYP entering care with wider services being accessed also such as Turning point, health services, probation, target family help amongst others. 			

- Attendees identified additional services that could have been utilised to provide more effective support to the family. Specialist domestic abuse services such as the ADAM project or Multi-Agency Risk Assessment Conference and substance misuse services such as Turning Point were called out as being helpful, as well CAMHS to provide support to children who have witnessed domestic violence or substance abuse. Particularly, in over 40% of cases, case review participants reflected that specialist domestic abuse services would have been beneficial.
- 80% of the time that families didn't benefit from these services was due to a lack of parental engagement and trust in the support being offered or a lack of joined up working between services and other local authorities.
- With each group of practitioners, having considered what we could have done differently when intervening with the CYP and their family, we asked how confident we were that we could have prevented the CYP from entering our care: for 5 out of 26 CYP, or 19%, we had confidence that the start was preventable. These findings are similar to what the Transformation Unit's work on parental mental health and substance misuse found last year – their case reviews identified 3 starts as being preventable from a sample of 13, or 23%. Equally, in a review of 29 CYP entering residential care, it was found that for up to 16% of CYP, their entry into care could have been prevented.

Proposed solutions

This benefit proposal suggests building on Leicestershire's current plans in line with national reforms and the Families First Partnership Programme (FFPP) to strengthen our approach and deliver whole system change to design and implement a model that:

- Identifies children and families at risk sooner
- Focusses more resource into preventative work, working with families earlier to prevent escalations along safeguarding pathways
- Works with families and family networks to support them to make changes to safely care for CYP and enable them to support CYP to achieve their goals and feel a sense of belonging within their community and network

Based on evidence identified within the Efficiency Review, aligning design of FFPP with the following principles in mind will enable us to support more CYP to thrive within their existing family network, reduce the number of escalations to a child protection (CP) plan, and in the long term prevent children and young people from entering care where this can safely be avoided:

1. Identification of CYP not known to Children's Services: How do we bring data together to predict the CYP we should be proactively targeting through an integrated data platform and using predictive machine learning?
 - 17% of CYP who entered our care were not known to Children's Services in the year prior (excluding UASC) but engaged with partners in the Safeguarding Partnership.
 - As part of reforms to children's social care, each child will be able to be linked across agencies with a Single Unique Identifier. However, this reform will take a significant amount of time to implement, and we should explore how we can implement the spirit of the principle of matching data quicker, to enable the benefits to visibility of families and therefore prevention of escalation in need sooner.
 - A potential solution is Xantura's OneView platform, which can match data from different organisations back to a single child, and use this data to understand the risk factors associated with a child entering care. We would recommend further detailed design around how we could implement this, which questions that need to be answered including:
 - What is our and our partners' ethical positions on predictive analytics and data sharing for that purpose?
 - Which of our partners hold data that would be useful? e.g. education and school attendance data, or primary health and GP contact data
 - How do we set up the right information governance to enable our partners to share data with us?
 - How can we learn from examples such as the Violence Reduction Network or the HAF scheme, where we are already starting to use data to target interventions?

- How does the identification process interface with the Family Help model of delivering support?
2. Developing the Family Help Lead Practitioner: How do we develop these roles, have the right capability and capacity and have a clear progression in the roles?
- As part of the Families First Partnership Programme (FFPP), the role of the Family Help Lead Practitioner (FHLP) will be introduced, changing how we engage with children and families that we support. The purpose of the role is to ensure the multi-agency support is coordinated and tailored to the family and provide a trusted and consistent point of contact for the family.
 - FFPP enables flexibility in which a professional is designated the FHLP for each family, to allow the most appropriate individual to be placed in the role based on the family's needs. In Leicestershire, LCC-employed alternatively qualified key workers will act as FHLPs for families where there isn't a child protection risk. These key workers often have backgrounds in education or health. Social workers will have oversight in these cases and hold the role themselves where there are child protection issues. With FHLPs assigned, these workers will then set goal-based outcomes with the family and support them to achieve these.
 - However, for the implementation of FHLPs to result in better outcomes we need to ensure we are thinking about:
 - How do we ensure we have the right number of FHLPs, to ensure manageable caseloads and that the right FHLP for a family has the capacity to hold the case?
 - What does progression look like for a FHLP?
 - What skills do we want and expect alternatively qualified workers to have?
 - What metrics will we use to check whether the introduction of FHLPs is driving better outcomes?
3. Testing the Team Around the Family (TAF) model with the right services: How do we ensure TAF are working with the right CYP, have the right teams in TAF pulling on external support where needed and we can see measurable impact?
- FHLPs will coordinate a multidisciplinary TAF, to ensure the right agencies are involved to support the different needs of the child and their family. However, we need to ensure we are ensuring that this drives better outcomes:
 - What level of support do we expect FHLPs to be able to provide, and where do we expect them to pull in specialist support?
 - What is the threshold for requiring specialist support?
 - Where are there gaps in our commissioned services to provide the support needed by the families we work with? Where do we need to recruit?
 - What capacity do we need in our external services and agencies to meet the needs of our population? How do we create this capacity and enable it to flex and evolve over time?
 - What metrics will we use to measure the impact of TAFs?
 - The specification for commissioned services such as Turning Point, for supporting those experiencing substance misuse, and Living Without Abuse, for supporting those experiencing domestic violence, are being updated to reflect what will be needed for FFPP. Expectations are being set both in regard to participating as a member of a TAF providing specialist support, and providing consultancy, advice and multi-agency training to help them understand they can support families with lower-level needs.
 - However, there is potentially a gap in how we provide specialist adult mental health support to families, with there being no commissioned services currently available to be brought into TAFs. We have also seen from case reviews that education and policing services frequently interact with children and families at risk, and so should be brought into TAFs. Education services have expressed keenness to engage, but police services are less mature.
4. KPIs, feedback, follow-up and learning

- There are currently several teams working on prevention related services within Children and Family Services. An effective and holistic prevention approach will require co-ordination across these services, ensuring the right decisions and support are given to CYP at the right time, and having the intended impact. Alongside delivery of the above principles, creation of a full suite of reporting metrics and KPIs will ensure that we can make data-driven decisions on how best to utilise service resources to support CYP and understand which resources and ways of working are having the biggest and most positive impact.
- To ensure the reforms are linked to driving better outcomes, we need to ensure the right continuous improvement cycles are set up around the programme, to understand if it's working and what can be improved. Data that should be collected includes:
 - Proportion of incoming requests appropriately screened and triaged at the Integrated Front Door, and reasons where this was not the case
 - Proportion of cases where the best person possible was assigned as FHP for a family, and reasons why this was not possible
 - Proportion of cases where all the necessary agencies were involved in the TAF, and where this was not the case, which disciplines were not present and the reasons why they were not
 - How many handovers between FHPs are occurring for a family, and what is causing them to occur

Operational impact

We consider an achievable prevention target based on a range of evidence sources:

Triangulation Methodology	% change achievable	Annual avoided starts	Caseload by end of MTFS*	Explanation
<i>Baseline</i>	0%	0	734 CYP	<i>LCC had 260 children and young people enter care in the 12 months to October 2025. In the MTFS, we expect 734 CYP in our care in FY 29/30 (excluding UASC)</i>
Best statistical neighbour	26%	68	600 CYP	The best-performing of LCC's statistical neighbours is Wiltshire, LCC had 33% more care starts per capita in 2024/25 (excluding UASC). Wiltshire had 1.7% fewer CLA per 10,000 in 2024/25 than LCC (excluding UASC)
Starts in 2022/23 in LCC	25%	65	606 CYP	In 2024/25, 240 CYP excluding UASC entered care in Leicestershire, whereas in 2022/23 the number of starts was 176, the lowest in the last 5 years. Reducing starts to 2022/23 levels would be equivalent to a 25% reduction, when accounting for population growth.
TU review	23%	60	616 CYP	ATU piece of work found that 3 starts from a sample of 13 they reviewed were preventable.
Upper bound of other Newton diagnostics	18%	47	642 CYP	In previous Newton diagnostics, the upper bound of the proportion of CYP entries into we have found to be preventable was 18%.
Family-based placements case reviews	16%	42	652 CYP	In the family-based placements workstream, case reviews found that out of 49 CYP, 8 could have had their entry into care prevented entirely.
Prevention case reviews	15.7%	41	653 CYP	Case reviews found that a weighted 15.7% of CYP starts in care were preventable.
CCN case reviews	15%	39	657 CYP	CCN-sponsored case reviews conducted at other local authorities found on average a weighted 15% of care starts were preventable.
Age group benchmarking	9%	23	688 CYP	Achieving the median of statistical neighbours for under 1 year starts and 16 year and older starts would lead to a 13% and 20% reduction respectively in starts, equivalent to an overall 9% reduction in starts.
Lower bound of other Newton diagnostics	8%	21	693 CYP	In previous Newton diagnostics, the lower bound of the proportion of CYP entries into we have found to be preventable was 8%.
Average of statistical neighbours	-8%	-21	775 CYP**	LCC's statistical neighbours had on average 8% more CYP start care per capita in 2024/25, excluding UASC.

**based on estimated delivery timelines, average duration in care of 153.1 weeks, and no growth in starts
** increase in caseload compared to LCC*

The agreed target is an 8% reduction in the number of children entering care per year which assuming the average duration in care remains constant, will result in a mitigation in caseload growth and spend. It is anticipated that there would also be a reduction in starts and number of CYP on a CIN/CP plan. The scale of this would need to be further understood through further design.

Benefits profile over the MTFS (net of ongoing investment)			
	In-year spend reduction (with no FFP grant)	Cumulative benefit (with no FFP grant)	Benefit profile assumptions
FY 26/27	-£0.50m	-£0.50m	<ul style="list-style-type: none"> • 260 CYP enter care per year (Baseline starts based on 2025 exc. UASC) • Average unit cost of a care placement is £1,487 • Average duration of a care placement is 153.1 weeks (post removal of reunification overlap) Growth assumptions <ul style="list-style-type: none"> • Based on MTFS mitigated mix assumptions there is no growth in care starts and average unit cost inflation is 4%. • There is overlap with the family-based placements opportunity, which will result in a lower % of LAC in residential care. This has been accounted for by a reduction in the baseline average unit cost of £149/week. • There is also overlap with the reunification opportunity, which will result in a % of looked after children achieving permanence sooner. This has been accounted for by a reduction in the baseline duration of 4.4 weeks Timeline Assumptions: Project start date: 1 st August 2026 Programme aligns with FFPP timelines for design and mobilisation Pilot phase: 4 months of pilot (till November '26 as in FFPP plan) Rollout of changes: 6 months Lead time between intervention and placement avoided: 8.5 months (<i>Based on average duration of a CP plan</i>) NB: At full run rate, annual benefit net of ongoing investment would be £3.30m, achieved in FY31/32 i.e. outside of the MTFS period.
FY 27/28	-£1m	-£1.50m	
FY 28/29	£0.93m	-£0.57m	
FY 29/30	£1.69m	£1.12m	
Initial view of one investment required to realise opportunity <p>The level of investment required to deliver Families First Prevention Programme (FFPP) outcomes, alongside the additional outcomes aligned specifically to this opportunity, is still to be confirmed and will be determined through further detailed design.</p> <p>Early indications suggest that delivery will require a minimum of £1.5m of infrastructure investment above existing service spend, to support workforce capacity, enabling systems, and supporting commissioned activity. This figure should be treated as an initial minimum assumption rather than a capped or fully scoped cost.</p> <p>National policy intent recognises that reform of this nature is likely to incur additional cost, and this expectation is reflected at a high level within the Children and Families funding framework. However, given Leicestershire's comparatively strong existing family offer, and the fact that several current services and ways of working are already aligned to FFPP objectives, the precise scale of additional investment required locally remains uncertain.</p>			

For MTFS planning purposes, existing Children and Families grant funding is currently supporting the wider MTFS financial position, rather than being allocated to specific reform initiatives. Any additional investment required above existing levels to deliver FFPP outcomes and the outcomes associated with this opportunity will therefore need to be incorporated into the wider MTFS planning process, alongside consideration of funding sources and affordability.

Risks & Dependencies (Known today)

The expectations of the Dept of Education to be fully compliant with the FFPP model, which is based on a whole system change and not built on an efficiency model, and further will be linked to the impending Children's Wellbeing and Schools Act, means that there is low confidence on the savings being achieved.

Success of the model is linked to full engagement of partner agencies. Their lack of engagement will be a risk to the success of the FFPP model.

Ofsted will inspect the service against compliance with the expected model. Failure to implement will result in a risk to a positive outcome of the inspection.

Expected impact

Residents impact	More children remain safely with their families, reduced trauma from care entry, and improved long-term outcomes.
Staffing impact	Changes to ways of working will be required and there is anticipated increase in headcount required to deliver the FFPP.
Service levels impact	Targeted prevention activity should reduce future service demand, leading to improvements in service levels.
How would LGR impact this opportunity?	LGR increases the opportunity through broader data, shared services and more consistent family help models across the system
Officer Recommendation for next steps	The Families First Partnership programme is transformational in how we design and deliver services to children and their families. The proposal outlines what we need and hope to achieve but at this stage for reasons clearly outlined the confidence rating on the benefit proposals is low
Newton Recommendation for next steps	The next step is to prioritise the beginning of a detailed design phase lasting around 6+ months. This will allow for: <ul style="list-style-type: none"> • Outline solutions to be developed into detailed operational plans / designs • Detailed timelines for solution implementation to be developed • Metrics and evaluation criteria to be designed and agreed • Key stakeholders across the safeguarding partnership to be engaged with • New teams, governance and processes to be stood up and piloted

Benefits Proposal

Opportunity Name:	Family Based Placements		
Opportunity Description	Supporting as many CYP in our care in family-based placements (outside of residential care) through having the right support on offer for our carers.		
Existing MTFS lines relating to opportunity	CF1 – Innovation Partnership: Average unit cost of Residential from mitigated mix used in calculation to account for impact of CF1 CF4 –no overlap with this saving as target has been agreed as additional to existing savings		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	£1.75m	Confidence level of value	High
Further benefit beyond the MTFS	Full run rate is achieved within the MTFS		

Evidence behind opportunity, local levers and proposed solutions:

The case reviews and wider evidence show significant opportunities to keep more children and young people (CYP) in family-based placements rather than residential care.

1. Evidence for opportunity

- 64% of CYP entering residential care were reviewed, plus 10 CYP at high risk, totalling 48 cases.
- For 58% (28/48) of cases, social workers said *their needs could be met in a family-based placement* with the right support.
- Enablers Identified: Across the 48 cases, up to five enablers were identified per CYP, with the top enabling themes being:
 - Therapeutic input
 - Respite & edge-of-care support
 - Carer training & coaching
 - Specialist / solo foster placements
 - Practical & financial scaffolding

2. National & Best Practice Evidence

Systematic reviews and external evaluations reinforce:

- **Multi-disciplinary wraparound teams** improve stability and reduce care escalation. [Foundations](#)
- **Good matching, carer confidence, and therapeutic parenting** drive placement resilience. [Foundations](#)
- **Financial and practical scaffolding** improves permanency, particularly for kinship and foster care. [Foundations](#)

3. Local Levers (Current State & Strengths in LCC)

LCC already has several assets that can be built upon to unlock the opportunity:

a. Existing Workforce & Structures

- **Dedicated Placement Support Team (DPST)** with initial therapeutic life-story capability. However, the DPST team prioritise time with children likely to step down or at highest risk of residential care.

- **Children in Care team** with 2 workers trained in therapeutic life story work.

b. Recruitment Strength and carer support offer

A strong and proactive carer recruitment campaign, which provides a foundation for specialist or respite focused recruitment. Carers have 24/7 helpline and community peer groups.

c. Current Gaps Identified by Teams

- Market capacity for mainstream and specialist carers.
- Therapeutic offer insufficient including long waits for CAMHS and lack of "middle-tier" interventions for those children who do not meet CAMHS's threshold for assessment and intervention.
- Shortage of respite carers for CYP with complex needs.
- Practical support and financial scaffolding inconsistently accessed.

These gaps can be addressed by scaling and organising existing levers differently.

4. Proposed Solutions

a. Right capacity in the market for CYP with complex needs

- Explore what we could offer in the gap between a specialist carer and a residential placement to meet the complex needs of CYPs that currently can't be met in the market

b. Therapeutic Support & Trauma Informed Practice

- **Introduce a clinical lead role**
 - To coordinate interventions, supervise staff, and guide casework to improve care outcomes.
- **Expand the DPST team**
 - Consider plans to expand the Dedicated Placement Support Team by 1-3 FTE
- **Upskill staff to DDP Level 2**
 - 1-3 more staff skilled at DDP Level 2 with ongoing therapeutic coaching to improve skills. Specific and general training needs to be better understood.
- **Strengthen Supervising Social Worker support** and refine early-intervention criteria
 - Enhance Supervising Social Worker support to ensure carers receive timely and appropriate resources and guidance.

c. Respite, Edge of Care & Mockingbird Model

- Implement the Mockingbird model
 - Mockingbird is a licensed programme to build communities of 6-10 foster families called constellations. Each constellation is led by a hub home carer and liaison worker.
 - It has evidence backed research showing a reduced placement breakdowns, increased carer retention, improved child outcomes and quicker access to support
- Develop targeted respite offers, exploring potential partnerships for respite carers (e.g., Barnardo's)
- Increase use of wider family networks in practice

d. Practical & Financial Support for Carers

- Create clear funding pathways for activities, tutoring, and practical home support
- Enable carers to proactively request support

e. Training & Coaching for Carers

- Co-design training with carers, refresh training programme with new research
- Embed coaching, reflective practice, and skills-based development

5. Evidence of potential impact of a change programme

Combining multiple independent data sources to estimate a realistic future residential caseload for LCC.

Triangulation Methodology	% change achievable	# CYP impacted per month who could avoid residential care	Resultant caseload in 5 yrs through achieving % change	Explanation
Baseline	0%	0	152	LCC has had an average of 4.7 starts per month for the last 6m. 152 is the caseload size in 29/30 in the MTFS.
Case reviews in LCC – needs could be met in a family-based placement	-58%	3	64	In case reviews, for CYP in resi or at risk of resi, practitioners felt 58% could have their needs met in a family based placement.
Best performing statistical neighbour	-48%	2	79	South Gloucestershire had 48% fewer residential placements per 10k of the population than LCC in 2025.
Statistical neighbour best 3 average	-39%	2	93	On average, South Gloucestershire, Yorkshire and Wiltshire had 39% fewer residential placements per 10k of the population than LCC in 2025.
LCC historically in 2020-2023	-33%	1 – 2	102	LCC had 33% fewer resi placements per 10k of the population for 2020-2023 compared to 2025.
Range of agreed targets on previous Newton transformation diagnostics	-9% to -30%	0 – 1	106 – 138	Similar LAs newton has done a diagnostic assessment at have targeted 9-30% fewer residential starts. (Maidenhead and Windsor, Bristol, Surrey and Southampton)
Active fostering placements searches for CYP currently in residential placements	-14%	0 - 1	131	Children in residential looking to step down suggests their needs can be met in a family based placement and potentially could have avoided residential earlier with the right foster carer support earlier.
Active fostering placement searches limited by capacity of level 6 or mainstream foster	-6%	0-1	143	8 children in the current residential caseload are looking to step down, 6 requiring a specialist level 6 carer and 2 able to step down into mainstream carers.

Through conversations with the service, it was agreed that:

- 10 CYP each year could either step down from residential care or avoid residential care and remain in a family-based placement
- The service has successfully stepped down 3 children and young people this year and believe they can continue to step down 2 children and young people each year through their current solutions demonstrating the consistent positive impact on CYP the service is having
- The proposed solutions co-designed together and outlined in this document would help a further 8 children and young people a year be in a family-based environment rather than in residential care
- **This would set a target of 10 CYP each year either stepping down out of residential care or avoiding it**
- Some of this benefit will enable the service to deliver on the existing MTFS savings
- Some of this benefit will be additional to what is in the MTFS

It has also been agreed that the solutions discussed should positively impact and enable the existing MTFS opportunity around recruiting more mainstream foster carers as an enhanced and wrap around support model will better attract and retain mainstream foster carers.

These targets should be revisited during / following design & testing, through which we will iterate the solutions, test which have the greater impact and grow confidence in the deliverability and impact we can have.

Delivery approach and timelines

Our next phase should include ~3 months of detailed design and testing before wider rollout. This period will refine operating models, confirm investment requirements, test assumptions, and ensure solutions are deliverable at scale. Below outlines how this applies to each solution area.

a. Right capacity in the market for CYP with complex needs

- **Design phase (0-3 months)**

- Explore what we could offer in the gap between a specialist carer and a residential placement to meet the complex needs of CYPs that currently can't be met in the market
- This would be followed by a recruitment period, with clear understanding of required capacity and hiring target.

b. Therapeutic Support & Trauma-Informed Practice**Design Phase (0–3 months)**

- Define the introduction of a **Clinical Lead role** to strengthen oversight of therapeutic practice across reunification and edge of care.
 - Explore internal collaboration (e.g. Educational Psychology) or interim recruitment to pilot the function.
 - Consider commissioning from CAMHS where appropriate.
- Review and refine the **DPST and Fostering social worker roles and operating model**, including:
 - Clarifying DPST remit
 - Assessing the right skill mix in DPST (SWs vs lower qualified roles)
 - Potential to upskill more staff to DDP Level 2 – this is a 4-day course
 - Strengthen Supervising Social Worker oversight

Testing Phase (Months 3–9)

- Start recruitment/training/role changes as planned
- Pilot therapeutic enhancements with an initial cohort (approx. 6 months).
- Evaluate impact before expanding to further cohorts, depending on capacity and cohort design.

c. Respite, Edge-of-Care & Mockingbird Model**Mockingbird model:**

Arrange consultation with **The Fostering Network**, who license and support Mockingbird in the UK, to confirm detailed timelines, costs and readiness requirements for Leicestershire.

- Indicative timelines below:
 - Month 1-3: work with The Fostering Network, agree project leads, identify target foster carers, identify or recruit mockingbird liaison officer for a pilot
 - Month 3-6: recruit the hub carer, form constellation of 6-10 fostering households, introductory meetings, hub carer and liaison worker training and launch session
 - Months 6-12: Operation 1 constellation for 6 months, with regular meetings, oversight and support. Track placement moves, carer retention and child wellbeing.
 - 12m+: rollout plan with learnings, adding further constellations

Alongside Mockingbird, plan how to:

- Strengthen use of wider family networks within care planning processes
- Explore partnership models (e.g. with Barnardo's) to support respite carer recruitment

d. Practical & Financial Support for Carers**If agreed, design and roll out process changes (0–3 months):**

- Develop clear and consistent funding pathways for financial and practical home support
- Work with commissioning to define access routes and approval processes
- Improve communication and training so carers can proactively request support

e. Training & Coaching for Carers**If agreed, design and roll out training changes (0–3 months):**

- Co-design refreshed training with carers

- Develop structured coaching and reflective practice offer
- Embed skills-based development model

Impact Timelines

Through this phased approach, we anticipate:

- 3 months ramp up period to design detailed proposals.
- 6 months pilot and initial trials. E.g. hiring requirements, new WoW and processes
- 6 months for wider rollout. Embedded WoW, ramping up MDT team and one constellation.

Benefit profile

	In-year spend reduction	Cumulative benefit	Benefits profile assumptions
FY 26/27	-£0.31m	-£0.31m	<ul style="list-style-type: none"> • 48 CYP enter residential care per year (Baseline starts based on an average of 2025 in placement types impacted) • Average unit cost of residential placement avoided is £6k (based on average of residential starts in placement types impacted in 2025 and 2026 excluding placements above £9k/week) • Average unit cost of alternative provision is £1,932 per week based on a weighted average of Specialist Foster Carer, enhanced IFA and average IFA placement. • Average duration of a residential placement avoided is 107 weeks <p>Growth Assumptions:</p> <ul style="list-style-type: none"> • The MTFS currently has 4% of annualise growth in residential and IFA unit cost within the MTFS mitigated mix, which has been factored into the benefits profile accounting for growth and existing unit cost mitigations. • No growth in volume has been included as target is based on a fixed reduction in residential caseload of 10 CYP <p>Timeline assumptions:</p> <p>Date for project start: 1st August 2026</p> <p>Date for end of design phase: 17th October 2026</p> <p>Date for end of pilot and changes rolled out: 3rd April 2027</p> <p>Date for expected changes to be sustainable: 18th December 2027</p>
FY 27/28	-	-£0.31m	
FY 28/29	£1.14m	£0.83m	
FY 29/30	£0.92m	£1.75m	

Initial view of one investment required to realise opportunity

Biggest investments:

Therapeutic support investment costs:

- Clinical Psychologist (Band 8b) – indicative salary £58-68k, plus 30% additional costs = £80k.
- Expanding DPST – training 1-3 more FTE, backfill previous role (£60k per SW)
- Upskill 1-3 more FTE to DDP level 2 – (4-day course for each level, approx. £1k per person)

Annual costs: £140k – 240k (clinical lead + 1-3 new DPST workers)

Mockingbird model includes

- Mockingbird license ~£20k

- Hub carer enhanced fees ~£30k (hub carer has no children but provides respite, enhanced fees dependent on whether the hub carer can have a separate part-time job)
- Liaison worker (SW) capacity (Existing social workers we are reorganising roles for)
- Training, launch support, admin
- Activity/events budget

Annual costs: £20k licensing + £30K per constellation in enhanced hub carer fees and dedicate liaison SW capacity

With 10 hubs (covering 1/3 to 1/2 of all foster carers) this is £320k annually.

Financial support framework

Carers	Costs	Examples
~10 /yr	£1-5k	Major property repairs, carpets
~20 /yr	£0.5-1k	Washing machines, curtains
~50 /yr	<£0.5k	Practical items, food deliveries etc

Est annual cost: £50k

Total annual cost: £510k – £610k + cost of specialist carers embedded in benefits equation

Risks & Dependencies (Known today)

Commissioning Interdependencies:

- One of the dependencies of this workstream is having the right capacity and type of foster carers available to meet demand.
- **Further steps in a detailed design phase:** Explore what we could offer in the gap between a specialist carer and a residential placement to meet the complex needs of CYPs that currently can't be met in the market

Key Questions/next steps for proposed solutions:

Therapeutic Offer

- Can Educational Psychologists be deployed within a Clinical Lead function?
- What is the optimal staffing model for DPST (number of workers, and qualified social workers vs alternative skill mix) and roles and responsibilities? How are the roles of DPST shared between different workstreams?
- How will efforts be prioritised within a child's journey / timeline / risk level in care?
- Understand the therapeutic mapping work Chris Chorlton is currently completing

Mockingbird Model

- Initiate formal discussions with The Fostering Network regarding implementation requirements and costs for Leicestershire.
- Understand how we would reorganise existing social workers in fostering roles to fill the liaison social workers for each hu

Expected impact	
CYP and family impact	More children and young people are able to remain safely in family-based placements through earlier therapeutic support, better-matched respite, and more consistent wraparound help, and suitable carers to meet their needs.
Staffing impact	Social workers and carers receive clearer access to specialist input, reduced pressure through stabilisation support, and stronger MDT oversight, improving confidence and reducing placement-related workload spikes.
Service levels impact	A more coordinated, proactive support system improves placement stability, reduces residential starts, and strengthens LCC's ability to intervene earlier and more effectively.
How would LGR impact this opportunity?	Other upper tier LAs will have their own approaches and so will need to bring all plans together, fostering services together and consider the commissioned market across the new LGR footprint
Officer Recommendation for next steps	I support the approach outlined above.
Newton Recommendation for next steps	Proceed with a 3-month detailed design phase. This period will refine operating models, confirm investment requirements, test assumptions, and ensure solutions are deliverable at scale.

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Benefits Proposal

Opportunity Name:	Income Maximisation					
Opportunity Description	Opportunity to strengthen LCC's income by applying council-wide principles - making sure services cover their costs, increasing existing fees where it makes sense and adding new charges where possible – generally working in a more commercial way.					
Existing MTFS lines relating to opportunity	N/A					
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	£251k	Confidence level of value	Medium			
Further benefit beyond the MTFS	Full run rate achieved within the MTFS					
Evidence behind opportunity, local levers and proposed solutions:						
<p>There were 2 areas of focus within the Efficiency Review within maximising income:</p> <ul style="list-style-type: none"> - Fees and charges across the Council (of which there are over 1000) - Traded Services which are meant to be income generating for the council <p>Given the large volume of fees and charges and traded services that exist, the efficiency review focused on:</p> <ul style="list-style-type: none"> - Fees and charges that are projected to generate more than £50k of this financial year - As part of the prioritisation activity using the LCC fees and charges register, we also identified potential fees and charges that could be introduced based on benchmarking for what other LAs were charging - Traded Services that were projected to make a loss in this finance year <p>1. Fees and Charges</p> <p>The following fees and charges were prioritised for review and potential uplift. Section 93 of the Localism Act 2011 explicitly states that when charging for discretionary services, councils must ensure that the income from charges does not exceed the cost of providing the service, taking one year with another. Therefore, for all the fees and charges below we looked to establish if they had a cost model. Where a cost model did not exist, it was agreed to use benchmarking to determine the potential fee uplift. The table below summaries for each fee and charge what was used to determine the potential uplift and the current FY 26/27 fee and charge (as in the fees and charges register).</p>						
Department	Fee Type	Fee Specific	Fee for 26/27	Cost Model Exists	Number of CIPFA stat neighbour benchmarks	What was used as uplift
E&T	Waste	Whetstone WTS – General Waste	£190	N	2	Benchmarks
E&T	Highways	Highway Extent, Rights Of Way & Land	£55.95	Y	9	Cost Model

CR	Country Parks	Car Parking Season Ticket, New First Season	£85	Y	0	Cost Model
CR	Country Parks	Car Parking Season Ticket, New First Season – Blue Badge	£35	Y	0	Cost Model
CR	Country Parks	Country Parks Car Parking, Season Ticket Renewal for Second Year	£75	Y	0	Cost Model
CR	Country Parks	Country Parks Car Parking, Season Ticket Renewal for Second Year – Blue badge	£25	Y	0	Cost Model
CEX	Ceremonies	All office ceremony fees	-	N	-	Benchmarks
CEX	Ceremonies	Additional Simple Ceremony at Coalville	£155	N	-	Benchmarks
CEX	Ceremonies	Simple Ceremonies at Anstey Frith House	£155	N	-	Benchmarks

For each of the F&Cs charge above, the table below summarises the proposed fee and proposed start date of that fee:

Department	Fee Type	Fee for 26/27	New Fee	Volume forecast	Additional income	Go-live date
E&T	Waste	£190	£195	2432	£12,160	Apr 26
E&T	Highways	£55.95	£57.85	1298	£2,466	Apr 27
CR	Country Parks	£85	£95	450	£4,500	1 st September 2026
CR	Country Parks	£35	£45	450	£4,500	
CR	Country Parks	£75	£85	450	£4,500	
CR	Country Parks	£25	£35	450	£4,500	
CEX	Ceremonies	Multiple	£10 increase	1301	£13,010	1 st April 2027
CEX	Ceremonies	£155	£155	52 (<i>volume increase</i>)	£8,060	1 st April 2027
CEX	Ceremonies	£155	£155	78 (<i>volume increase</i>)	£12,090	1 st April 2027

*There is potential for further uplifts in FY 28/29 and FY 29/30 for Ceremonies charges based on comparisons to benchmarks.

The following fees and charges have also been agreed to be introduced within LCC:

Fee Area	Specific Fees	Proposed Fee	Volume Forecast	Additional income	Go Live date
Highways	Pre-app S38/S278 Technical Applications	£5,193	10	£51,930	Apr 26
Appointeeship	Appointeeship Fees	£624 per year	30 residents	£18,720	1st October 2026

The following fees and charges have no external benchmarks and require a full cost model being developed to know what the potential uplift could be. These will form part of the next phase of this work:

Fee Area	Specific Fees	26/27 Charge	25/26 Projected Volume
Network Data and Intelligence	Property searches	£28	4300
Commercial Waste	Weighbridge - Bardon - Cotesbach (NWLDC, NWLDC House clearance, CBC, HBBC)	£180	2910
Commercial Waste	Weighbridge -HBBC - Coventry	£141	778
Commercial Waste	Weighbridge -Whetstone to Cotesbach (BDC, HBBC, OWBC house clearance, NWLDC House Clearance)	£190	1771

2. Traded Services

The following services were prioritised for further review during the Efficiency Review based on them projected to make a loss in FY25/26, as at Period 9 (December 2025), although the position has improved ahead of year end.

Prioritised service	Projected deficit 25/26, £000's (At Period 9 December 2025)
Commercial Infrastructure	290
Country Parks	206
Food Court	104
Century Theatre	86
Health & Safety Trading	39
LEAMIS	16
HR Trading	-120 (Surplus)

Through working with the service the following options were developed for each traded service to increase income or reduce the current negative outturn position.

Traded Service	Options Proposed	Proposed By	Evidence
Country Parks	Increased season ticket tariff	Newton / Richard Hunt	Cost model for how season tickets are calculated using the hourly tariffs
	ANPR Parking	Gary Tapp / Newton	Draft business case and capital funding bid shared showing expected CapEx and income
	Habitat Banking	Newton	Plymouth used as an example, with income modelled based on their modelling as a similar area would be applicable in LCC
Food Court	Increase price	Declan Keegan	Modelled using previous experience and understanding of the different types of delivery models
Century Theatre	Grants	Newton	Research into potential grants that would be applicable, with additional ones recommended by Richard Hunt
LEAMIS	Managing Reduced Demand	Newton / Richard Hunt	Number of schools being supported and modelling this to closure
H&S Traded	Managing Reduced Demand	Newton / Andrew Stewart	Service agreed that it would no longer be financially viable in FY 27/28
HR Traded	Increase charge	Andrew Stewart	Uplift in charges to schools agreed by the service – a viable option to increase income, but potential to increase charge further to reduce deficit on school accounts

The final sets of options to be considered, the intended impact and the start date of these can be seen below:

Traded Service	Agreed Next Step	Potential Additional Annualised Income	Investment Required (Capex)	Cost of borrowing (end of the MTFs)	Delivery Date	Net additional income
Country Parks	Increased season ticket tariff	£18k	-	-	September 2026	<i>Accounted for in F&C uplift</i>
	ANPR Parking	£20k to Country Parks £20k to other budgets	£300k	£25.5k	April 2027	£14.5k
	Habitat Banking	£176k	£180k	£15.1k	April 2029	£160k
Food Court	Increase price	£80k	-	-	April 2027	£80k
Century Theatre	Grants	£20k-£30k	-	-	April 2027	£20k - £30k
LEAMIS	Managing Reduced Demand	-	-	-	April 2028	-
H&S Traded	Managing Reduced Demand	-	-	-	April 2027	-
HR Traded	Increase charge	-	-	-	April 2026	-
Total (excluding & Habitat banking)		£158k - £168k	£300k	£25.5k	-	£115k - £125k

ANPR parking entails replacement of existing systems at 3 parks to bring into line with Watermead. This will require a move to cashless payment to maximise the benefit. Figures are early-stage estimates and not based upon supplier quotes.

Food court price increase (e.g. main meal £5 to £6) and cost reductions to improve the financial position.

LEAMIS, H&S and HR – continue to be managed decline, with reducing surplus being targeted. Continued financial benefit due to shared management and system costs.

As part of this benefit proposal, we are putting forward changes to the above traded services, with the exception of Habitat Banking.

Habitat Banking is also at concept stage, with further work needed to understand feasibility of creation of units and market appetite for purchase.

Delivery approach and timelines

- See above with regards to delivery dates for all F&Cs and traded services (exc. Habitat Banking)

Benefits profile over the MTFS			Benefit profile assumptions
	In-year spend reduction	Cumulative benefit	
FY 26/27	£57.6k	£57.6k	
FY 27/28	£193k - £203k	£250.6k	
FY 28/29	£0.02k	£250.8k	
FY 29/30	£0.01k	£250.9k	
Initial view of one investment required to realise opportunity			
<ul style="list-style-type: none"> Cost of capital investment needed as part of traded services e.g. ANPR parking, has been accounted for within value of net additional income. 			
Risks & Dependencies (Known today)			
<p>The impact of the introduction of new fees and charges is unknown, and we do not fully understand the demand elasticity of the market however for the pre-app technical approval charge the level of uptake from the development sector will help demonstrate the appropriateness of the charge or otherwise.</p> <p>ANPR system and related support has not been quoted.</p>			
Expected impact			
Staffing impact	There will be implications on staffing levels aligned with revised F&C cost models and traded services.		
Service levels impact	Impact on service level as a result of cessation of H&S Traded and LEAMIS traded services.		
How would LGR impact this opportunity?	Further opportunity to consolidate fees and charges and combine traded services across different districts		
Officer Recommendation for next steps	<ol style="list-style-type: none"> 1. Implement fee uplifts as per agreed rate and dates 2. Progress work to implement traded services proposals (excluding habitat banking) 3. Develop cost models for charges that currently do not have one or no benchmarking available 		
Newton Recommendation for next steps	Fully investible and proceed to next stage of implementing uplifts and changes to increase income.		

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Benefits Proposal

Opportunity Name:	Independence Outside of Residential Care		
Opportunity Description	Enabling more residents to live in independent settings outside of Residential Care		
Existing MTFS lines relating to opportunity	AC014: £0.16m		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value) (inflation contingency)	£0.50m (£0.06m)	Confidence level of value	25% confidence weighting on total opportunity built into financial profiles
Further benefit beyond the MTFS (Inflation Contingency)	Full run rate achieved in FY 31/32: £0.93m (£0.16m)		
<p>Evidence behind opportunity, local levers and proposed solutions:</p> <p>The case reviews and wider evidence show opportunities to place a portion of older adults into a more ideal setting giving them more independence than residential care.</p> <p>1. Case Review Evidence</p> <ul style="list-style-type: none"> Through a review of 35 cases, it was identified that 29% of the cases sampled could have been placed in a more independent setting An additional 23% of older adults were identified as self-funders who had entered our care through a depletion of funds. From the case reviews it was identified that half of those who could have been placed in a more independent setting could have been supported in homecare, and half could have been supported in extra care housing Through discussion of the evidence with the Director of Adults and Communities, it was discussed that a more sensible planning assumption would be for two thirds of avoided residential cases to be supported in homecare, and one third in extra care housing. Enablers Identified: Across the 35 cases enablers were identified for OA, with the top enabling themes were: <ul style="list-style-type: none"> Internal Knowledge of Services Community Awareness of Alternatives Carer Support Model Time to Step-Up Care Self-Funder Management <p>2. Wider evidence of potential impact of a change programme</p> <p><i>Multiple independent data sources</i> to estimate a realistic future residential caseload for LCC.</p>			

Triangulation Methodology	% change achievable	OA who Could Avoid Residential Care Annually in Leicestershire	Explanation
Baseline	0%	0	LCC has had an average of 867.6 long stay residential starts annually as of 2025
Case reviews in LCC	29%	260	<u>In case reviews, for OA in residential, practitioners felt 29% could have been placed into a more independent setting at time of assessment</u>
Highest Newton Diagnostic Target	63%	546	The highest diagnostic target set in a previous piece of work by Newton is 63% of OA being able to be placed in a more independent setting
Highest Three Newton Diagnostic Targets Average	54%	468	The average of the highest three diagnostic target set in a previous piece of work by Newton is 54% of OA being able to be placed in a more independent setting
Phase 1b Estimate	45%	390	Phase 1b expected a reduction of up to 45% based on early analysis and previous Newton projects
Lowest three Newton Diagnostic Targets Average	38%	329	The average of the lowest three diagnostic target set in a previous piece of work by Newton is 38% of OA being able to be placed in a more independent setting
Matching the OA in Resi per 100k Population for Statistical Neighbour	27%	234	A close statistical neighbour of Leicestershire is West Northamptonshire, matching the population of OA in residential per 100k would mean a 27% reduction in residential placements (LG inform Mar 25 data)

Considering all the evidence developed through the diagnostic, a target range of 7.8% fewer residential starts is recommended. This is equivalent to the 29% opportunity identified through case reviews, multiplied by a 25% confidence weighting to account for the sample size of case reviews and uncertainty about scalability of the opportunity identified across the cohort.

In line with conversations with the Director of Adults and Communities, it is assumed that

- Two thirds of avoided starts could be supported in Homecare
- One third of avoided starts could be supported in Extra Care Housing

3. Local Levers (Current State & Strengths in LCC)

LCC already has several assets that can be built upon to unlock the opportunity:

- **ECH Capacity Plans:**
 - LCC have some existing capacity in ECH (Currently 6 schemes), LCC also has the potential to expand their nomination rights further over the 252 units in the county and are considering expanding their capacity with two new schemes.
- **Existing Provider Relations:**
 - There is currently existing work carried out with providers in the form of teleconferences being held within the county, these foundations can then be built upon.
- **Current Carer Options:**
 - LCC has already identified that improvements are needed for their carers strategy and have begun making changes such as increasing the numbers of carers assessments. These current investments can be rolled together as part of a larger end-to-end carer strategy/offering.

4. Proposed Further Solutions

The supporting evidence pack details a connected set of solutions that have been identified across three pillars.

a. Redefining our End-to-End Carers Offering

Objective: Creating a new offering to reach out to as many of the right carers in the community and provide a proactive support plan to support carers before they experience a crisis.

Includes:

- Designing an approach and tools that would enable LCC to outreach to carers that are currently not aware of the County who may benefit from LCC's offerings in the long term, to prevent breakdowns.

- Design an approach to be able to conduct further assessments for carers, enabling the county to support individuals who reach out for support.
- Redefine what the offerings LCC should provide to carers should look like based on analytical review on what would be most helpful to them with the aim of making it easier to be a carer and prevent a breakdown.
- Utilise a carer hub model to expand our reach and build a community that enables support when risks escalate, enabling us to understand or prompt for when someone requires help before a sudden breakdown.
- Hiring a Carer lead to own the department's council agenda and help define and drive the above offering.

b. Awareness, Knowledge and Prioritisation of ECH:

Objective: Building awareness of ECH and changing ways of working within the council, creating a better understanding of ECH in the community and ensuring ECH is prioritised where suitable.

Includes:

- A reset of ECH perception within LCC by improving the culture around it.
- Changing operational ways of workings, expectations and targets to enable workers to better assess for potential ECH cases.
- A phased introduction of ECH champions to start spreading awareness of options and encourage teams to use ECH instead of residential care.
- Introducing ECH navigators as part of the long-term investment in ECH to utilise the capacity and work through process challenges faster.
- Reviewing current marketing and making it targeted towards potential ECH candidates
- Creating more interactive advertising materials including videos of ECH offering, allowing an older adult and their family to visualise their care.

c. Building a Short-Term ECH Provision:

Objective: Creating a new provision of short-term extra care, allowing potential residents to use it as a trial and be given more time to assess their long-term needs.

Includes:

- A trial process for older adults who are unsure of their ability to cope in ECH rather than residential care.
- Enabling a better ability to assess the likelihood of success for older adults living in a more independent setting over a four-week period.
- Developing the early pilot programme into a larger scheme of up to 10 units alongside the planned development of further ECH capacity in the community.

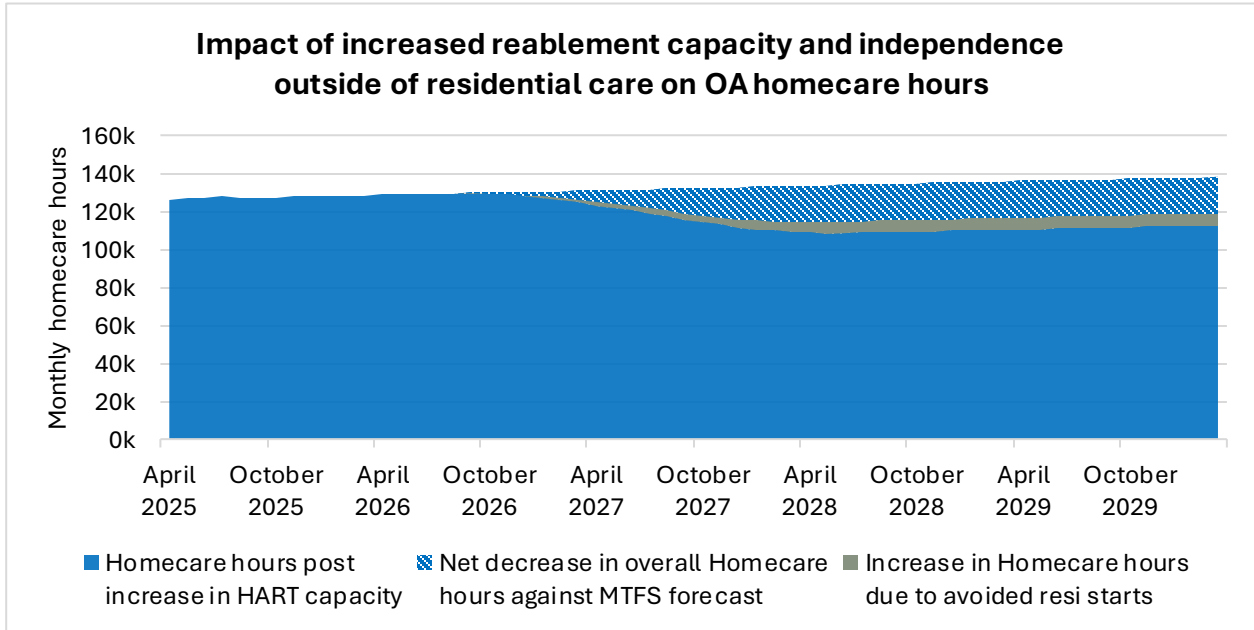
5. Summary of Dependencies:

a. Homecare Capacity

- Realisation of this opportunity is dependent on having sufficient capacity within domiciliary care; the upper end of the target, a 4.8% reduction in residential starts supported through domiciliary care, would require an additional 75.2k hours of domiciliary care capacity per year
 - $4.8\% * 868 \text{ residential starts per year} * 21.3 \text{ homecare hours per week} * 84.7 \text{ weeks duration} = 75.2k \text{ hours required}$
- Increasing capacity of the HART reablement service as identified in the Reablement efficiency review opportunity will create more than this required capacity.
 - *As referenced in the Reablement benefit proposal document, scaling up HART to support an additional 699 finishers per year will create 310k hours of homecare capacity per year*

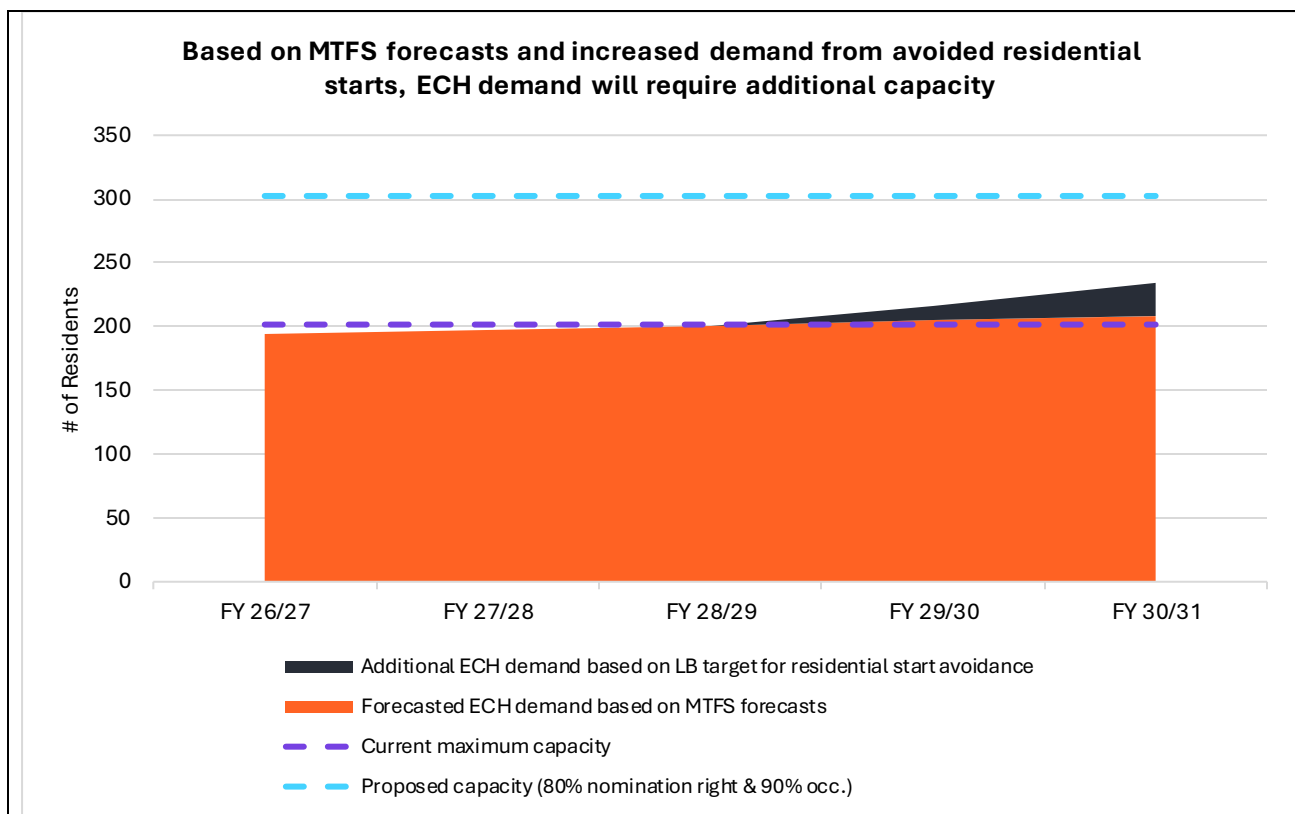
- A forecast of the monthly capacity and demand of homecare, following implementation of the Reablement initiative and this initiative, is demonstrated below.

MTFS forecasted homecare hours against reablement and independence outside of residential care opportunities



b. ECH Capacity

- Realisation of some of this opportunity is dependent on having sufficient capacity within ECH; a 2.4% reduction in residential starts supported through ECH will require an additional 32 units to be created by the end of the MTFS.
 - i. Existing capacity of 8 places = 8 spare capacity
 - ii. $2.4\% \times 868 \text{ residential starts per year} \times 87.6 \text{ weeks} = 26 \text{ additional residents from avoided residential starts}$
 - iii. Forecasted growth in existing demand = 14 additional residents from existing forecasted demand



The full impact of this initiative cannot be realised until sufficient ECH capacity in the community has been developed. More work is needed to fully explore how the required ECH capacity could be delivered in LCC.

One option to build and commission new ECH units (e.g. Holliers Walk and Snibston), could be a provider funded scheme, which could be implemented which will require no cost to the council. The scheme would work as follows:

- The county looks for a private investor (or their capital) to fund the programme (no upfront capital from the county needed)
- The county makes a land deal with investor, for example selling land to investor at market value.
- The investor takes on all planning, development risks and funds construction. (no risk to the county in development and build)
- The investor is leveraged into doing so as the county will lease the assets when completed.
- When the asset is built, the county would sub-lease the units to a specialist provider at either a slightly higher or equal rate to what the council is paying back to the investor.
- The county then also gets nomination rights over a proportion of the units as it would have facilitated the development, planning and commissioning
- **Risks associated with this model:** If the provider becomes insolvent for a reason, then the county will bear the asset and a cost with no income stream. This risk can be minimised through careful study of which provider/partner to work with (e.g a housing association).

c. Successful ECH delivery

Through research we have identified case studies that demonstrate that ECH schemes can demonstrably reduce residential care demand and reduce care costs, if nomination rights, eligibility and allocations are well managed to ensure that ECH is used for those who can benefit most. For example East Sussex County Council's evaluation (Housing LIN Case Study 78) provides robust evidence that ECH reduces or delays moves into residential care, indicating that 63% of people living in the schemes would be placed in residential care, EMI or nursing care if they were not living in extra care

housing and concluded that the cost of extra care housing was on average half the gross cost of the alternative placements (referenced [page 58](#), full paper [here](#))

d. New FTEs Required:

- 3 FTE in ECH as navigators
- 1 FTE as carers lead to own the department’s council agenda and define/ drive the above offering.
- 1 FTE in commissioning to foster strong provider relationships

6. Risks Overview:

Key risks identified are outlined in the table below:

Area	Opportunity Impacted	Risk	Impact	Current Mitigation
ECH - General	ECH	Availability of ECH on time	ECH opportunity is blocked	Further outline of detailed plan in design phase
ECH - General	ECH	Filling in the ECH capacity with the right mix of people	ECH Capacity is reduced , therefore opportunity reduced	Redesign of ways of working and processes around ECH allocation and review
ECH - General	ECH	Filling in the ECH capacity quickly otherwise the builder may have right to capacity	ECH Capacity is reduced , therefore opportunity reduced	Allocation of 3 FTE to manage this when ECH sites are open
ECH - General	ECH	The service user may not want ECH (due to lack of knowledge, location, lifestyle, inability to sell home, layout, safety concern)	Demand for ECH reduced, therefore opportunity reduced	Building better understanding of ECH to service users through short term ECH or content
ECH - General	ECH	The case workers may find the ECH route tedious and lengthy, minimising effort placed in to making it work	Demand for ECH reduced, therefore opportunity reduced	Redesign of ways of working around ECH processes and incentives/ KPI / expectations
ECH - Short Term	ECH	Workers allocate short term ECH for the inappropriate reasons, as part of a temporary solution they are working through.	Capacity for short term ECH is reduced , therefore opp reduced	Redesign of ways of working and processes around ECH allocation and review
ECH - Short Term	ECH	Temporary ECH capacity does not enable the throughput of demand to flow through, causing a backlog or resulting in people then abandoning the option.	Capacity is not enough for short term ECH , therefore opp reduced	Review post trial the demand and capacity requirements for temp ECH
Carers Offering	Homecare	We may not be able to identify the right carers that require our services and may need support in the future to prevent breakdowns	Number of carer breakdown reduced, opp reduced	Take forward learnings from out county council who successfully applied this (Hertfordshire)
Carers Offering	Homecare	When we engage with the community, the community may not engage back and reach out	Number of carer breakdown reduced, opp reduced	Mitigate as best as possible through effective approach strategy in outreaching
Carers Offering	Homecare	Carers may not flag escalating concerns and risks, and instead continue waiting until breakdown takes place	Number of carer breakdown reduced, opp reduced	Set the right community and structures to be able to learn more about the carers and encourage reaching out.
Carers Offering	Homecare	Capacity for assessment of carer may fill up resulting in a backlog and therefore waiting times and access to respite becomes high.	Number of carer breakdown reduced, opp reduced	Post design and trial, conduct a review on capacity vs demand of carer assessments
Carers Offering	Homecare	Following a hospital discharge, there is a risk of carer not being able to accommodate the return of the individual and therefore user can't stay home	Number of carer breakdown reduced, opp reduced	Design a carer offering that would enable better support for carers to care for users post hospital discharge – but risk remains through.

7. Supporting info – previous Newton projects associated with improving the carer’s offering:

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A Newton project in Hertfordshire named the “Connect and Prevent programme” was set up from 2023 to identify carers in the community who were at risk of breakdown.

It did this by placing a risk score on the carers within the community and having an automated process of a letter being sent to carers at risk, inviting them to meet with a trained volunteer about their role as a carer.

In order to access more individuals within the community a Carer’s Hub was stood up which improved wellbeing and resilience of carers by 20% -25%.

The programme as a whole:

- Enabled ~800 more people per year
- Helped ~4000 people per year achieving more independent outcomes
- Created a new carers hub, proactively contacting ~1000 carers at risk of breakdown per year.

It was underpinned by

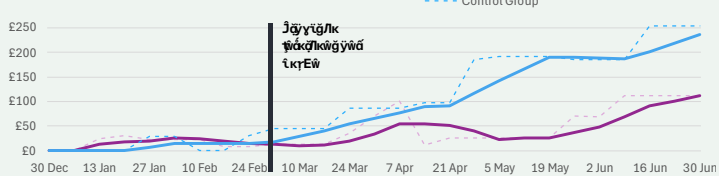
- Performance dashboards
- Goal progression visibility mobile app
- AI driven resident insight platform

Hertfordshire created a new Carers Hub, targeting at risk carers of older adult residents using ACS data

The Carers Hub pilot targeted older-adult carers supporting older adults known to ACS, showing early positive results:

- Carers who have completed the process report a **24%** improvement in resilience and **21%** increase wellbeing
- Weekly support costs are **£120 lower** for the intervention group compared to a natural control, reflecting improved independence and reduced demand.

Weekly Spend per Person (Control vs Trial Proactive Prevention Cohorts)



The hub is continuing to be established and onboarding a second practitioner, which will provide the capacity to achieve and exceed the **£1.2m** savings target, equivalent to **134 carer breakdowns**.

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Delivery approach and timelines

Our next phase should include ~3 months of detailed design and testing and impact measurement before wider rollout. This period will develop detailed operating models, confirm investment requirements, test assumptions, and ensure solutions are deliverable at scale.

Below outlines how this applies to each solution area.

a. Redefining our End-to-End Carers Strategy

- **Months 0-3:**
 - Shaping the role of the carer's lead and what a new offering should look like
 - Continuing current work going on to increase the number of carer's assessments conducted within Leicestershire.
 - Hiring a carer's lead who understands and wants to codevelop a new offering to engage carers effectively.
- **Months 3-9:**
 - Integration of all current work in LCC into a coherent end-to end strategy which captures:
 - Carer's assessments
 - Engagement of new carers
 - Earlier intervention with carer strain
 - Set up of a carer's hub
- **Months 9-15:**
 - Once full impact has been seen, continuing to monitor changes and ensuring that LCC stays proactive rather than reactive will be essential to realise the entire potential of this solution.

b. Awareness, Knowledge and Prioritisation of ECH:

- **Months 0-30:**
 - Build additional ECH Capacity
 - Begin design of overall culture change, including changes to ways of working, targets for LCC teams in Homefirst considering ECH, and understanding the overall culture shift that needs to occur to make ECH a priority
 - Development of new marketing materials and determine how to target the appropriate older adults
- **Months 30-36:**
 - Roll out trialled developments across all teams and ensure ECH is being prioritised across the entirety of LCC where it is possible and that ways of working are not counteracting this effort.
 - Begin spreading advertising about ECH through the community and further develop materials including video footage.
- **Months 36-48:**
 - Implement an improvement cycle to maintain culture changes within Homefirst teams and ensure culture change is remaining in place with a prioritised ECH to realise the full impact of the change

c. Building a Short-Term ECH Provision:

- **Months 0-30:**
 - Build additional ECH Capacity to enable the roll out of an effective short-term housing model.
 - Design Process for the New Model
 - Understand how the flow of the short-term model will fit into the demand and capacity of ECH.
- **Months 30-36:**

- Pilot scheme with one unit being utilised and block booked to understand issues with process and any changes which need to be made.
- Iterating the model and beginning a phased expansion (up to three units)
- **Months 36-48:**
 - Expand improved strategy to larger number of units (up to 10 depending on flow) to realise the full impact

Initial view of investments required to realise opportunity

	ECH Awareness and Knowledge	Short Term ECH Model	Reshaping our Carer Offering	Enabler – ECH Capacity
Summary	Cultural changes to prioritise ECH for decision makers as well as better community engagement with ECH	A short-term model of ECH allowing for longer assessments and trials for potential residents	Redesigning what we do for carers, including hiring a new carer's lead to head up the strategy	ECH available capacity is required on unlock half of the benefit. To have the capacity available, investment is needed in a new set of properties.
Requirements	- Cultural changes and changing ways of working to prioritise ECH - Development and distribution of new ECH information	- Trial of one unit and then expansion to 5-10 units	- New strategy development - Hiring a carer's lead	Plan, develop, Commissioning new properties Ensure properties are being filled in appropriately and quickly when commissioned
Investment needed	- Cost to develop new materials including videos and leaflets. - Cost of distribution of advertising materials.	- Each unit has a cost of £15k-£18k to run - Cost up to £180k	- Carer's lead hiring process and salary annually	Planning and building: Capital expenditure to develop ECH navigator FTEs required to enable filling the ECH units with the right people quickly.
Logic for investment	No cost for culture changes but costs for distribution to older adults and new marketing	Pilot programme will have one unit and then slowly expand up to 5-10 units	One FTE required as a carer's lead, initial cost of hiring them and salary	Planning/building: No cost for the county department, instead cost is covered through capital project fund and further potential reserves. Filling the units when commissioned: 3 FTEs year 1 then drop down to 2 then 1 FTE by year 3.
Total per area	Initial Cost – ~£20k Annual Cost – Negligible	Initial Cost – £18k Annual Cost – Up to £180k (Yr3+)	Initial Cost – £80k-£100k Annual Cost – ~£80k	Initial cost: ~£150k for FTEs in Year 3 Annual cost: ~£100k year 4, £50k year 5+

Benefits profile over the MTF5 (net of ongoing investment)

	In-year spend reduction	Cumulative Benefit
FY 26/27	-	-£0.12m
FY 27/28	£0.35m (£0.01m)	£0.23m (£0.01m)
FY 28/29	£0.12m (£0.02m)	£0.35m (£0.03m)
FY 29/30	£0.15m (£0.03m)	£0.50m (£0.06m)

Benefit profile assumptions

- 867.6 Residential Starts Annually (Baseline Starts based on average over a year from Oct 2024-Oct 2025)
- Net avg. residential package cost is £578.90 based on CLPI data and weighting of 58% contribution from LCC.
- Net avg. Homecare cost is £353.61 based the top 25% of care packages by hours (excluding packages above 31.5 hours for homecare) from CLPI Data
- Net avg. ECH cost is £333.81 based the top 25% of care packages by hours (excluding packages above 31.5 hours) from CLPI Data plus cost of waking night support
- Avg. duration of residential care avoided is calculated at 84.7 weeks as this is the midpoint of:

<ul style="list-style-type: none"> ○ 68.4 Weeks – The avg. duration of a maintenance package of care (residential delay) ○ 107 Weeks – The average duration of a residential package of care (residential avoidance) <p>There is additional potential upside not built into the benefit profiles, including e.g.:</p> <ul style="list-style-type: none"> • Any additional avoided starts we could support through better utilisation of existing ECH capacity in the short term (i.e. ensuring the right people are allocated when existing units become available) • Anything we could do to better manage self-funders to reduce capital drops 	
Expected impact:	
Older Adults Impact	More older adults will be considered for more independent settings, allowing them to delay their entry into long term residential care and stay as independent as possible while still having their care needs met.
Staffing impact	Staffing levels will increase to accommodate further ECH capacity being filled, allowing for a carer strategy to be developed.
Service levels impact	A significant number of older adults (up to 189 starts annually) will require care in an alternative setting, split between ECH and homecare.
Officer Recommendation for next steps	The proposed opportunity should be progressed at the lower confidence level due to uncertainty of delivery. Should delivery prove successful, further targets can be considered for future MTFS inclusion
Newton Recommendation for next steps	<p>The next step is to prioritise the beginning of a detailed design phase lasting around 3-6 months. This will allow for:</p> <ul style="list-style-type: none"> • Solutions to begin being developed into detailed plans/ designs • Assumptions to be tested and challenged while piloting new ideas • Detailed timelines for solution implementation to be developed • Key stakeholders for change can be engaged and consulted on potential changes

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Benefits Proposal

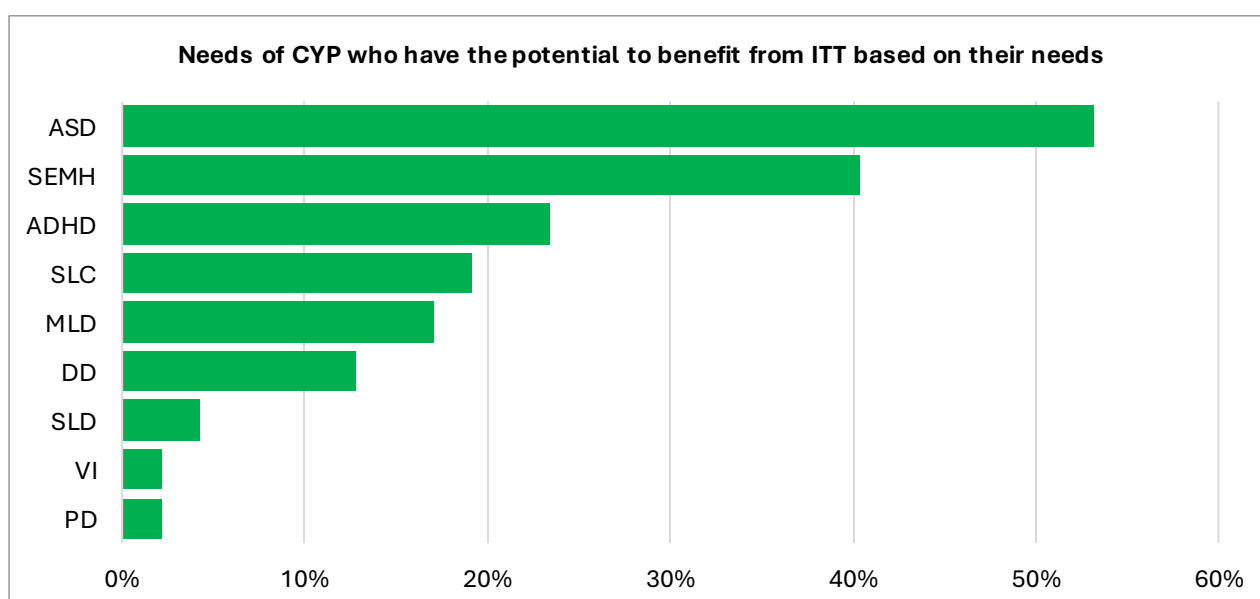
Opportunity Name:	Independent Travel Training		
Opportunity Description	Implementing an Independent travel training (ITT) programme to train 11+ children and young people with SEND to travel independently using public transport/ walking.		
Existing MTFS lines relating to opportunity	Assisted Transport Programme: Reduction in unit cost of external transport		
Quantified opportunity over MTFS		Confidence level of value	Medium - confidence to be improved through design and pilot
Financial Value (net of ongoing costs and net of existing MTFS value) (inflation contingency)	£0.54m		
Further benefit beyond the MTFS	Full run rate achieved within the MTFS		

Evidence behind opportunity, local levers and proposed solutions

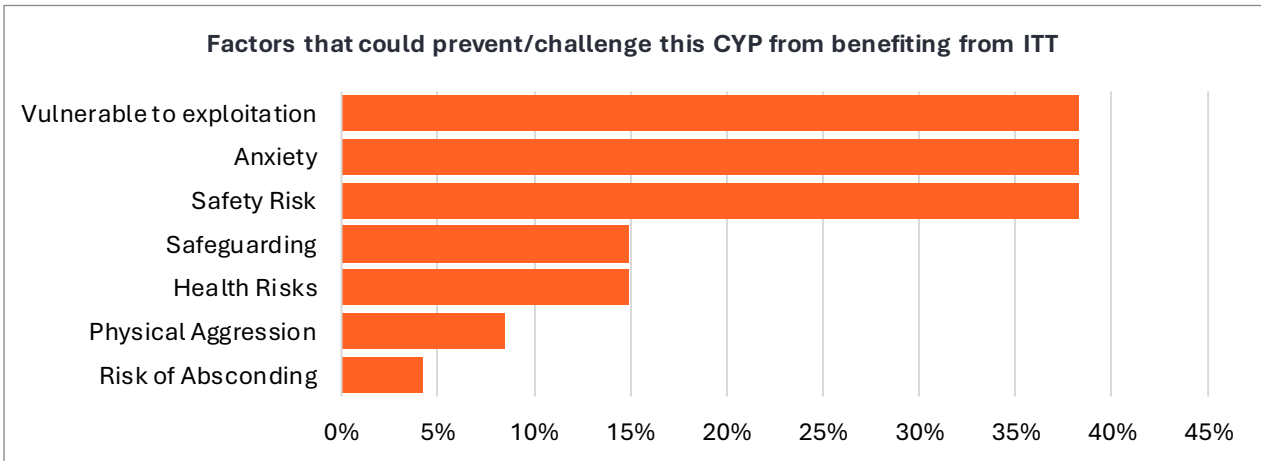
1a. Case Trawl 1 (SEN)

Aim: To understand the needs of CYP from an SEN perspective

- From the active cohort of 2350 11+ CYP with SEND, we created a sample cohort of 78 CYP and ensured that this sample was representative of the wider cohort based on age, location, eligibility reason, school type, distance from school, and CON type
- We asked SEN colleagues to answer the question: Based on their needs, does this CYP have the potential to benefit from ITT on how to travel more independently?
 - **SEN colleagues determined that 60% of cases have the potential to benefit from ITT based on needs**
- SEN colleagues also identified the needs and the factors which could challenge CYP who were identified as having the potential to benefit from independent travel training.



- **Autism Spectrum Disorder and SEMH needs were the most common needs of CYP identified as suitable for ITT.** When designing our ITT programme, we should consider how the needs of CYP may require additional or specialist support.



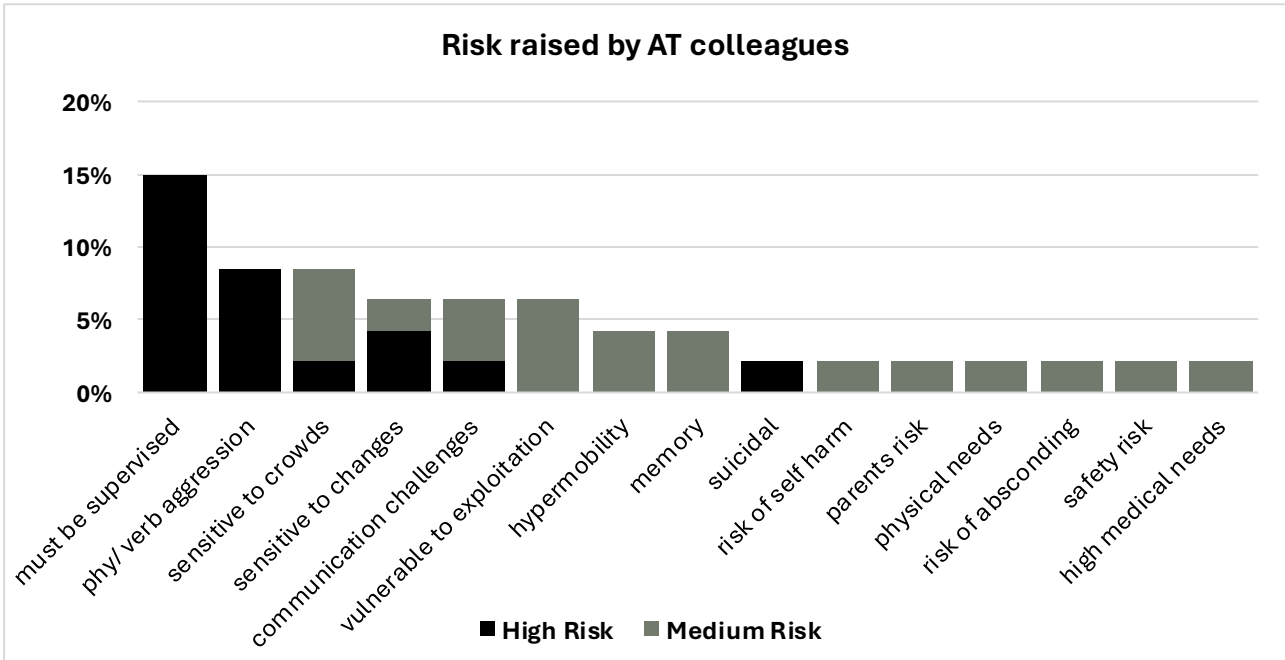
- 38% of CYP had at least one factor which could be challenging including **vulnerability to exploitation, anxiety** and/or **safety risks**. As part of the ITT programme, we would need to specialise the training provided to support CYP to travel independently considering these challenges.

1b. Case Trawl 1 (AT)

Aim: To understand transport risks from an AT perspective

- We then asked AT colleagues to review the 60% of CYP who were identified as having potential to benefit based on their needs
- AT colleagues determined that 31% of CYP have risks too high to consider the CYP for ITT
- AT colleagues only had confidence that 29% of CYP could benefit from ITT solely based on their needs

Risks raised by AT colleagues



We therefore conclude that 29% of CYP have the potential to benefit from ITT based on combining SEN and AT perspectives

Scaling Case Trawl 1 findings across the entire cohort

- The sample cohort reviewed as part of case trawls is representative of the entire cohort of SEN CYP on AT based on key characteristics, which allows us to scale case trawl 1's findings across the entire cohort

2. Case Trawl 2

Aim: To understand the suitability of the public transport infrastructure that exists on home to school journeys

- The 29% of cases from our sample identified as having potential to benefit from ITT based on their needs were then reviewed to understand the existing public transport infrastructure on their H2S journeys
- SEN officers used google maps to map out journeys from home to school based on their school start time and answer questions about the number of changes, total walking distance, waiting time and total journey time. Other risks such as missing transport connections, waiting locations and walking routes were also assessed.
- A multi-disciplinary team session took key information from their journeys, and combined AT and SEN perspectives. The MDT included:
 - An Assisted Transport Hub Manager
 - A SEN Case Manager
- This review concluded that of the 29% of CYP with potential based on their needs, 8.9% of CYP can benefit from ITT based on the infrastructure on their journeys

Scaling Case Trawl 2 findings across the entire cohort

- We used a Google API to map out the H2S journeys for all CYP in the SEND 11+ cohort. We asked 5 key questions and developed a framework of criteria to determine the suitability of each journey as either:
 - Not suitable
 - Challenging
 - Suitable

Framework of Criteria for Suitability Assessment

#	Question	Recommendations from statutory guidance and/or LCC policy	Suitable		Challenging		Not Suitable	
			LB	UB	LB	UB	LB	UB
1	How many changes are on their journey?	<p>"wherever possible, a child should not be expected to make several changes on public transport"</p> <p>Where a change is defined as having to switch to a different leg on the journey (including walking legs greater than 0.5 miles)</p> <p>Walk → Bus = 1 change</p> <p>Walk → Bus → Walk = 2 changes</p> <p>Walk → Bus → Bus → Walk = 3 changes</p>	0 changes	2 changes	3 changes	3 changes	Greater than 3 changes	
2	How far do they have to walk for?	<p>A child is eligible for free H2S travel to their nearest suitable school if it is more than 3 miles from their home</p> <p>For SEND CYP, journeys should be assessed on</p> <ul style="list-style-type: none"> Whether the routes are genuinely safe to walk Whether they cannot reasonably be expected to walk there because of their special education needs and/ or disabilities 	0 miles	1 mile	1 mile	3 miles	Greater than 3 miles	
3	How long could their waiting time be between changes?	<p>There is no statutory maximum waiting time or LCC policy on this</p> <p>Statutory guidance says LAs must ensure that travel (including any waiting) are suitable for children's individual needs and vulnerabilities</p> <p>We should ensure these waiting locations are safe for CYP with SEND</p>	0 mins	15 mins	16 mins	30 mins	Greater than 30 mins	
4	How long will they wait at school if their journey requires them to arrive early or leave late	<p>Arrival times are fixed to each school's opening time.</p> <p>Departure times are fixed to each school's closing time.</p>	0 mins	15 mins	16 mins	30 mins	Greater than 30 mins	
5	How long is their journey?	"child's journey to and from school should not exceed 75 minutes each way "	0 mins	45 mins	46 mins	75 mins	Greater than 75 mins	

- From our entire cohort of 11+ CYP with SEND, 6% had a home to school journey that was determined as suitable

- Of the sample of cases reviewed in case trawl 2, 8.9% of cases had suitable H2S transport journeys
- This allows us to scale case trawl 2's findings across the entire cohort

3. Combing evidence across case trawls and scaling across the entire cohort

- **Case Trawl 1:** 29% of CYP have potential to benefit from ITT based on their needs
- **Case Trawl 2:** Of this 29%, 8.9% have potential to benefit from ITT based on their needs and their specific H2S journeys
- **Combined:** Therefore, 2.6% of CYP from our sample have potential to benefit from ITT based on their needs and their specific H2S journeys
- **Scaling this across the entire cohort:** Applying this to all 2350 11+ CYP with SEND, we would expect 61 CYP to be fully enabled to benefit from ITT based on their needs and their specific H2S journeys

4. Proposed Further Solutions

The supporting evidence pack details 2 key solutions to delivery ITT in Leicestershire:

- **Core Model for ITT**

Objective: Create a core delivery model for CYP who are fully enabled to benefit from ITT

- **Once a week, 1:1 trainer to CYP sessions**
 - As well as weekly 1:1s, we could also consider offering...
 - Group sessions depending on the needs of the CYP and based on the logistics (do they travel via similar routes and attend the same school)
 - More frequent sessions for CYP with higher needs
- **30 CYP per independent travel trainer**
 - Assuming each trainer can support 2 CYP per day and hence 10 CYP per week
 - It takes on average 12 weeks (1 school term) for a CYP to complete ITT
 - In 1 term, 1 trainer can support 10 CYP to complete ITT
 - In 3 terms, 1 trainer can support 30 CYP to complete ITT
- **Support 61 CYP to complete ITT over 2 years**

- **Parent and Family Engagement**

Objective: Engaging with parents, families, schools and other key stakeholders to help them realise the benefits of ITT and maximise the uptake of the programme with it being a voluntary and not a mandatory service

- **An ITT coordinator to:**
 - Engage key stakeholders and support the ITT trainer
 - Set up a marketing scheme to target schools and parents and increase confidence in the programme
- **Create an incentive scheme** to encourage parents to uptake ITT
 - financial benefits through free bus passes upon completion of ITT
- **Policy changes to boost uptake of ITT**

- **Explore commissioning ITT training to private companies or schools**
 - E.g. Leicestershire college offer ITT at £250 per CYP per week over a 12-week period

5. Summary of Cost of Investment

- **£32.5k per year** for a part time ITT Trainer:
 - Support 61 CYP to benefit from ITT over 2 years
 - Continue to support CYP who enter our cohort after the first 2 years (roughly 15 CYP per year based on the current % of CYP aged 11-12)
- **£58.0k per year for the first and second year only** for a full time ITT coordinator:
 - Setup key engagement and a marketing scheme
- **£1k per CYP per year** for a bus pass as part of an incentive scheme

6. Risks Overview

- **ITT is voluntary, not mandatory**
 - This means that although LCC might identify a CYP who is fully enabled to benefit from ITT, convincing their parents to uptake the programme may significantly impact the number of CYP who are able to benefit
 - We have considered this risk by proposing an ITT coordinator whose role will lead engagement with key stakeholders and maximise uptake of the programme
- **Small sample size**
 - The 2.6% of CYP suitable for ITT is based on only 2 cases that were identified as being able to benefit from ITT out of 78 cases in our sample
 - To increase confidence in case trawl 1, we ensured our sample was representative of the wider cohort across its characteristics
 - To increase confidence in case trawl 2, we used Google API analysis to understand the journey infrastructure across the entire cohort

Delivery approach and timelines

Our next phase should include ~3 months of detailed design and testing and impact measurement before wider rollout. This period will develop detailed operating models, confirm investment requirements, test assumptions, and ensure solutions are deliverable at scale.

Below outlines how this applies to each solution area.

a. Core Model for ITT

- **Months 1-3: Design**
 - Review best practice and engage stakeholders
 - Recruitment of ITT trainers and design phase of training, process and resources
 - Pilot at target schools and areas to understand they key issues
- **Months 4-5: Expansion**
 - Iterating the model and beginning a phased expansion across all CYP in the cohort
- **Months 6+: Evaluate and Sustain**

- Once full impact has been seen, continuing to monitor changes and ensuring that LCC stays proactive rather than reactive will be essential to realise the entire potential of this solution

b. Parent and Family Engagement

- **Months 1-3: Design**

- Create LCC vision
- Develop marketing resources and uptake schemes
- Trial marketing resources

- **Months 4-5: Expansion**

- Launch marketing campaign and incentive scheme

- **Months 6+: Evaluate and Sustain**

- Once full impact has been seen, continuing to monitor changes and ensuring that LCC stays proactive rather than reactive will be essential to realise the entire potential of this solution

Benefits profile over the MTFS (net of ongoing investment)

	2.6% of our current cohort of 11+ CYP with SEND completing ITT	
	In-year spend reduction	Cumulative Benefit
FY 26/27	-£0.07m	-£0.07m
FY 27/28	£0.17m	£0.10m
FY 28/29	£0.35m	£0.45m
FY 29/30	£0.09m	£0.54m

Note: Final profile will be determined following phase 1d, through consideration of how this initiative fits with the rest of the ATP plan

Benefit profile assumptions

Active number of SEN 11+ CYP in Assisted Transport

- There are 2350 SEN 11+ CYP currently receiving Assisted Transport
- 7.89% growth per year in the number of active SEND 11+ CYP based on the average forecast growth over the next 5 years in the SEN Growth report

Daily unit cost reduction if a CYP completed ITT across different SEN Assisted Transport types

- The average daily unit cost reduction of a CYP in Assisted Transport is £47.17 based on a weighted average of the different transport types:
 - Personal Travel Budget (35.1%) - £16.11
 - Internal Transport (13.8%) - £64.01

<ul style="list-style-type: none"> ○ External (single occupancy) (12.8%) - £104.08 ○ External (multiple occupancy) (38.3%) - £50.65 • Subtracted the daily cost of a bus pass based on a bus pass costing £1000 per CYP per year • External transport unit costs include a 5.58% reduction due to existing savings in ATP from December 25 • The cost saving by supporting a CYP on internal transport to travel independently is just the average unit cost of an external transport user (who is brought into the internal fleet) 	
Realising savings over the MTFS	
<ul style="list-style-type: none"> • Benefit from supporting CYP on internal transport or multi occupancy external transport to travel independently won't be seen till July/August as existing transport route will continue to run • Modelled impact of ITT is only seen at the end of each term once 12 weeks of training have been completed 	
Expected impact:	
CYP with SEND Impact	More CYP with SEND will be prepared for independence as they transition into adulthood
Staffing impact	Staffing levels will increase to accommodate an ITT trainer and coordinator
Service levels impact	A new capability to deliver ITT for CYP in Leicestershire
Officer Recommendation for next steps	<ol style="list-style-type: none"> 1. Secure resource to scope out pilot 2. Develop up detailed plan for pilot 3. Work with service to programme as part of ATP MTFS programme
Newton Recommendation for next steps	<p>The next step is to prioritise the beginning of a detailed design phase lasting around 3 months. This will allow for:</p> <ul style="list-style-type: none"> • Solutions to begin being developed into detailed plans and designs • Obtain a higher confidence in the exact cost of investment of solutions • Obtain a higher confidence in expected operational and financial benefit • Review of best practice across ITT programmes in other LAs • Running a pilot to test assumptions and develop training resources • Develop detailed timelines for solution implementation

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Benefits Proposal

Opportunity Name:		Maximising Independence for Working Age Adults	
Opportunity Description		Enabling residents with a life-long disability to live more independently through progressive reviews	
Existing MTFS lines relating to opportunity		AC18 – Supported Living	
Quantified opportunity over MTFS		Confidence level of value	Medium
Financial Value -net of ongoing costs and net of existing MTFS value (inflation contingency)			
Further benefit beyond the MTFS (Inflation contingency)		Full run rate achieved in FY 31/32 £0.99m (£0.53m)	
<p>Adults and Communities Strategy:</p> <p>Our existing strategy outlines the following vision:</p> <p><i>“Adult Social Care wants every person in Leicestershire to live in the place they call home, with the people and things that they love, in communities where they look out for one another, doing the things that matter to them.</i></p> <p><i>We will take a strength-based approach to promote independence. When we work with someone, we are committed to putting the person at the centre and focussing on their strengths. We have a range of short-term care services (enablement and reablement) which can offer support at the point of a crisis, or sudden change in circumstance, to enable someone to gain, regain or maintain their independence.</i></p> <p>Our strategy already states that we will:</p> <ul style="list-style-type: none"> • Build upon the HART service and the strong outcomes it achieves for people by working with our health partners to grow the service offer • Refocus our mental health reablement teams to work with individuals, linking them into local communities and reducing the need for formal care services • Develop new pathways for people of a working age, focussing on short-term interventions • Create and commission new progression services for people with learning disabilities, autism and mental health challenges as part of their life journey towards maximising independence <p><i>Setting clear progression outcomes with the person, whilst using their strengths and support, will mean people can become as independent as possible, as quickly as possible. This supports a person’s wellbeing and allows Adult Social Care to ensure that any required support goes to the right person, at the right time. To deliver our strength-based approach, we put the person at the centre of what we do and work with others involved in the care and support of the person.”</i></p> <p>Current position and proposed opportunity</p> <p>In many ways LCC have been ahead of the curve with service design and how we support adults of working age with lifelong disabilities, for example:</p> <ul style="list-style-type: none"> • Rapidly modernising the service in shaping the care market from a traditional residential care model to a dynamic supported living model which has resulted in a significant number of residents stepping out of residential care • Having a dedicated mental health reablement service 			

As a result, LCC benchmarks below average for the number of working age adults receiving long term support per capita, the spend on care per individual receiving support, and the number of working age adults in supported living and residential care per capita.

The progressive reviews opportunity outlines multi-year strategic transformation which would take our offer to the next level and ensure LCC remains ahead of the curve in our ability to promote independence for working age adults. This opportunity is based off a reduction in the ongoing support that residents receive, through:

Progression focussed reviews:

Making the shift from providing the right support at the right time for residents, to proactively working with individuals, their communities and our providers to maximise independence and plan for the future. This means shifting our culture, practice, processes, and market to ensure long term planning horizons are consistently front of mind to support someone to plan for their future in a way that is meaningful for them. This would require cultural change across the entire workforce supported by changes to forms, processes, governance and how we commission and contract manage our providers.

Accommodation strategy:

Developing an accommodation strategy of tomorrow that enables all our residents to live in a place they call home. Whilst we've got an established supported living market, it's often the only choice and can be restrictive for some individuals. What would an extra care housing model look like residents with lifelong disabilities? What social housing options are available to our residents, particularly in the face of LGR? What should our supported living model look like to flexibly meet the needs of individuals? How do we ensure that there are accommodation options where being close to the community is part of the design?

Targeted re/enablement:

Further developing our reablement and enablement offers to provide short, focussed interventions to help people achieve new skills, such as travel training, cooking skills, or finding a job. Most councils don't have an enablement service designed for residents with lifelong disabilities. What could this look like in Leicestershire to lead the way in supporting residents to build new skills? How can we leverage assistive technology to further promote independence?

Evidence behind opportunity, local levers and proposed solutions:

Case Review Evidence

- 52 individuals with a primary support reason of LD or PS were reviewed.
- In 57% of all cases reviewed, it was identified that the resident could be supported to be more independent either now or in the future.
- In 49% of all cases reviewed, it was identified that an increase in independence for the resident would also result in a reduction in the level of formal support that the resident would need.
- Across all 52 cases reviewed, enablers to promoting independence were identified with the key themes targeted for solutions being:
 - Quality, goal setting and frequency of reviews
 - Staff knowledge and use of assistive technology, equipment and services
 - Commissioning of the right provision and care settings for WAA
 - Reablement as a part of WAA care journeys and wider MDT input into decisions

Local Levers (Current State & Strengths in LCC)

LCC already has several strengths that can be built upon to further unlock opportunity:

- **External Review Teams:** Review teams already exist and can be expanded upon to deliver both a higher number of reviews and reviews that further incorporate person-centred progression planning, moving from annual to goal-based reviews. This team would have the advantage of already being set up, therefore taking less time to implement a culture change.

- **Care Technology Awareness:** Work has already been ongoing to build awareness of care technology through advocates in team meetings as well as yearly roadshows. This has been increasing the number of referrals over time, which can be leveraged through further solutions suggested.
- **Visibility:** While visibility needs further improvement across LCC, it has been made clear through diagnostic activities that many of the trackers which are required to have visibility of WAA across the system already exist or can be easily modified for new purposes to enable a cultural change.

Proposed Further Solutions

A complete culture overhaul impacting our workforce, providers and partners will be necessary to maximise the independence of WAA. This will involve a programme of cultural change which will lay out a clear vision along with the following pillars of operational change.

1) Quality of Assessments and Reviews:

Objective: Improving the current process of reviews and assessments to ensure long-term, person-centred goals are set as standard with every individual. This may involve:

- Further creating a culture of outcome and goal driven assessments through practice development. This will promote a person centred and independence focussed approach by understanding the strengths, wants and goals for an individual, along with their needs and how these needs could be reduced in the future across different domains.
- Embedding practice and culture through process redesign and changing review forms that are currently used. We will need to design a process that enables experts from a wider MDT group to be involved in reviews where helpful and input towards expectation of support requirement, goal setting, and timelines.
- Training and development and upskilling workers within LCC and across partners and providers where appropriate in the new processes and expectations to ensure everyone understands the vision and is equipped to be able to set clear goals which are achievable and establish the support required to enable people to achieve these.
- Engaging providers from the beginning of the review process and building a more collaborative culture where we are supporting each other to deliver on progression plans and target outcomes for residents. Ensuring that clear expectations are established with providers and incentive structures are in place.

2) Frequency of Reviews:

Objective: Changing the current timelines for review from an annual review only to include other trigger points for review, tailored to the individual's goals and outcomes. This will enable goals and outcomes to be continuously progressed based on an individual's needs and support required to be re-evaluated more frequently. This may involve:

- Updating processes and systems to change the trigger points for when a review takes place to be based on an individual's needs, outcomes and current plan.
- Evaluating what capacity is required to ensure reviews are conducted on time without delay. Redefining processes, roles & responsibilities to ensure the process is joined up including defining a provider's role within the review process.
- Establishing tools to create visibility on how people are progressing against goals and expected timelines.

3) Adherence to a New Process

Objective: Embedded cultural change across LCC, providers and partners to sustain process change. This may involve:

- Defining a clear vision, processes and ways of working. A comms & engagement plan will need to be defined along with clear documentation of expectations and changes to process. Processes should be designed with simplicity and ease in mind.
- Grip and Visibility: For cultural change to stick, there needs to be the ability for managers to have clear visibility of outcomes that are being set, progression against these outcomes, and the reasons for progress being slower than expected if this is the case. This requires clear trackers which are kept up to date with

accurate information. This may require a change in how we capture information, and what and how we ask providers to report. Governance should be established to ensure managers are able to hold decision makers and providers to account when necessary.

- Upskilling of staff, training and development: To cover how to set high quality person-centred goals, how to work with individuals to achieve these goals and the steps required to do so, changes to new processes, working alongside individuals and providers.
- We will need to review how we work with and incentivise providers including:
 - Reviewing how we're set up contractually in what we're asking providers to do, and how this is incentivised financially & through contract management processes.
 - Reviewing how we're working with people within the provider workforce by articulating a vision, making it as easy as possible to work in the way we're asking them to (through ensuring visibility of plans, clear expectations, processes, communication), and establishing collaborative governance around reviews.

4) Enablement of Change

Objective: Ensure the services required to support residents to greater levels of independence are available, effective and used where appropriate. This may involve:

- Tech Referrals: Utilising AI tools to increase the number of care tech referrals which will enable WAA to be supported in more independent settings or with a significant reduction in 1:1 hours by using assistive technology.
- Preventative / Reablement MDT: Building new reablement teams to support residents with both LD and MH, operating in a centralised model and changing the process so reablement is the start of every resident's journey where beneficial and can be considered for those who have an opportunity to be more independent with reablement.
- Accommodation strategy: Conducting a review of the accommodation offer for WAA with support needs.
 - Access to general needs housing: Exploring how the people we support can be prioritised for social housing and how we can support residents to access the private rented sector. Exploring what we ask existing supported living providers to deliver to flexibly support residents requiring less intensive support than what a slot of our supported living providers offer currently.
 - Extra care housing: Trialling ECH as an option for under 55s and considering how this could look in the future with the potential to think about dedicated ECH for under 55s with LD.

Risks and Dependencies Overview:

There are associated risks and dependencies to delivering this workstream which is outlined in the table below:

Area	Risk	Impact	Current Mitigation
Quality of Reviews	Facing significant challenge in working with providers	Quality opportunity reduced	New process design to integrate provider collaboration into reviews in next phase
Frequency of Reviews	Rollover of goals and outcomes milestones from one review to another, making it difficult to manage and hold to account.	Extra capacity used with no further independence gain	Design a process which ensures issues cannot be "kicked down the road" and have to be dealt with at milestone completion reviews.
Enablement and Frequency of Reviews	High level of recruitment needed (19 FTE across all solutions)	Reduced pace of changes	Potential for a phased introduction of new capacity to build clear process before wider roll out
All	Capacity of management teams for all solutions at once	Cannot manage all work coterminously	Prioritisation of most impactful culture changes and spreading changes across different teams
Enablement - ECH	Introducing a WAA may introduce a risk to the OAs in the ECH community if that WAA was not fit for the environment.	ECH opportunity reduced	Defined criteria to be set out for WAA in ECH, and this to be seen as more of an exception that the rule while trials are set out.
Quality of Reviews	Direct payments packages harder to influence as WAA decided on provider	Reduced impact on DP	Consideration on how to design a process which encourages providers to be collaborative with LCC
Quality of Reviews	FOP can be a demanding activity in terms of capacity and may be asking too much of staff	Reduced focus on other priorities/limited scrutiny on goals	A clear process & timeline must be designed and agreed upon with FOP attendees to ensure the capacity/demands are realistic
All	The service may have a lot of initiatives taking place at the same time (e.g CQC), and may not be able to manage them all at once.	CQC rating may not improve or changes do not stick	Prioritisation of activities will be essential to avoid stretching the limited capacity of the service too far
Quality of Reviews	Complexity in reducing care packages, especially for shared support	Impact on WAA will be reduced	Shared hours reductions were not considered as part of the case reviews and changes from waking to sleeping nights shared was not valued in hours, mitigating the potential impact.
Enablement - Tech	Creating a new AI tool could be challenging for the service as it is not something previously done	Referral number are unlikely to increase without the tool	Additional time has been allocated to the development of the AI tool as part of timeline planning
Enablement - Tech	New care tech provider is currently being suggested after a 1 year extension with current one, a new provider may not meet changed needs	Reduced impact of granting access of WAA to care tech	Designing a clear plan for implementing a change before switching the supplier could avoid this
Frequency of Reviews	Large amount of coordination between different services required in new model	Could slow down current service and impact CQC rating	Ensuring a tight process is wrapped around cultural change to prevent slip of statutory reviews

Delivery approach and timelines

Our next phase should include a period of detailed design and testing and impact measurement before wider rollout. This period will develop detailed operating models, confirm investment requirements, test assumptions, and ensure solutions are deliverable at scale. It is assumed that a 6-month design and set up phase would be required to ensure solutions and processes have been tested and the impact is evidenced. It is expected that a further 15 months of implementation would be required to recognise the full impact and ensure wider cultural change has been embedded.

Immediate next steps:

- Define the future operating model, resource required and roles and responsibilities and begin the design of a new process for review, including how it would change team structures, how forms would have to adjust and what we can already build upon in LCC.
- Consider the provider engagement strategy we could employ and what learnings we can take from previous engagements.
- Understand the associated costs and benefits of both reablement teams and ECH decisions to inform long term service choices surrounding LCCs support offer for WAA.

Initial view of investments required to realise opportunity

We have included an annual recurring cost of £925k based on FTE and additional support requirements. The cost of investment is based on indicative estimates for:

- Quality of review: Based on culture change so limited to no investment needed
- Frequency of Reviews: Increasing capacity of case worker teams by hiring additional case work FTE and manager.
- Adherence to policy: Based on culture change so limited to no investment needed
- Enablement of independence: Increasing capacity in care tech teams for increase referrals, alongside building new reablement teams, by hiring additional case work and management FTEs.

Benefits profile over the MTFs (net of ongoing investment)			Benefit profile assumptions
	In-year spend reduction (inflation contingency)	Cumulative benefit (inflation contingency)	
FY 26/27	-£0.02m	-£0.02m	1876 active WAA with a primary support reason of Physical Support or Learning Disability and in either a Residential, Supported Living, Homecare or Direct Payments package of care (Baseline starts based on average over a year from Nov 2024-Oct 2025) 52 weeks average duration till next package review Cost of investment accounts for 3% inflation in pay award/NLW There is 1% growth in WAA service users based on WAA demographic growth.
FY 27/28	-£0.42m	-£0.44m	
FY 28/29	£0.53m (£0.13m)	£0.09m (£0.13m)	
FY 29/30	£0.69m (£0.13m)	£0.78m (£0.26m)	

Expected impact:	
Resident Impact	<p>The approach would be to set goals and outcomes alongside residents with which they will be given support to progress over time. A higher frequency of reviews where appropriate will ensure these goals and outcomes can be pushed towards, and providers will be able to be held to account on behalf of residents. This should result in improved levels of independence and outcomes for our residents.</p> <p>This opportunity is however based off a reduction in the ongoing support that residents receive. This could be perceived negatively by some residents.</p>
Staffing Impact	<p>Staffing levels will increase to accommodate new reablement teams for MH and LD, along with this more team members will be needed in care tech teams as well as an additional capacity in either external review teams or case work teams to complete additional reviews.</p>
Service levels Impact	<p>The changes suggested will result in a reduction in need and a reduction in formal ongoing support for many residents. Whilst this would be planned for, discussed with the resident and their family and the appropriate level of support to meet a resident's needs would still be maintained, this would be a service cut (removing existing support) and so public perception and ensuring affected residents are appropriately supported through any transitions are important considerations. A perception of cutting or removing services for residents could result in a negative response from service users, the wider public, and staff within LCC and our partners and providers, which would impact the deliverability of the opportunity and would have an impact on the outcome of our CQC assessment if not well managed.</p>
Officer Recommendation for next steps	<p>Move to a period of detailed design and testing and impact measurement before wider rollout. This period will develop detailed operating models, confirm investment requirements, test assumptions, and ensure solutions are deliverable at scale.</p>
Newton Recommendation for next steps	<p>The next step is to prioritise the beginning of a detailed design phase lasting around 3-6 months. This will allow for:</p> <ul style="list-style-type: none"> • Solutions to begin being developed into detailed plans/ designs • Assumptions to be tested and challenged while piloting new ideas • Detailed timelines for solution implementation to be developed • Key stakeholders for change can be engaged and consulted on potential changes

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Benefits Proposal

Opportunity Name:	Procurement and Third Party Spend		
Opportunity Description	Reducing our spend on procurement and third parties through looking at mitigating external provider cost pressures through negotiation, market strategies and contract management as well as better market management through a strategic approach to commissioning.		
Existing MTFS lines relating to opportunity	N/A		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	£1.48m	Confidence level of value	Medium Extrapolating findings into unrelated areas. Delivery of savings is heavily dependent upon local competition
Further benefit beyond the MTFS	Full run achieved within the MTFS		
Evidence behind opportunity, local levers and proposed solutions:			
<p>There is a total of £178.0m of Third Party Spend within LCC (based on 24/25 spend data). Within this we excluded the following categories:</p> <ul style="list-style-type: none"> - Transport (£41.17) <ul style="list-style-type: none"> o Descoped given current benchmarks of SEN transport (main driver of Transport spend) show LCC benchmark well - Staffing – Agency (£17.38m) <ul style="list-style-type: none"> o Covered in Target Operating Model Workstream of ER - Grants and Contributions Paid (£2.17m) <ul style="list-style-type: none"> o Determined out of scope given nature of levers here are very different to other Third Party Spend <p>This does not include contracts for commissioned expenditure (care contracts and SEND)</p> <p>There are 4 typical levers within Third Party Spend which are category management, contract management, supplier relationship management and reducing tail spend. Supplier Relationship Management - A proactive approach to managing key suppliers to drive performance and value was deemed out of scope within the timelines of the Efficiency Review given the need to engage large providers to realise this opportunity.</p> <p>Completion of three deep dives into differing areas of spend has identified an operational opportunity and some of the levers required to access it.</p> <p>3 areas were selected for deep dives:</p> <ul style="list-style-type: none"> - Repairs and Maintenance as there were a significant number of tail suppliers within this category (tail suppliers being suppliers we spend less than £75k on), This is similar to licenses as a category which was the third area selected - Consultants and Specialists as this is very different nature of spend to Repairs and Maintenance; different service we are procuring, different procurement mechanism and different way of managing contracts <p>1. Evidence for opportunity</p> <ul style="list-style-type: none"> • In the Repairs and Maintenance deep dive focusing on plumbing, a 6.0% - 12.55% operational opportunity through contract and category management. 			

- In the Consultants and Specialists deep dive focusing on Legal, a 0% - 0.36% operational opportunity through contract and category management was identified.
- In the Licences deep dive focusing on Licences and Subscriptions, a 2.9% - 3.19% operational increase through contract and category management was identified.

2. National & Best Practice Evidence

Systematic reviews of government publications reinforce:

- **Benchmarking and building internal capability** – Councils should benchmark themselves against best practice, build procurement and contract management capability within their teams, and increase pipeline transparency. [Foundations](#)
- **Partnership between councils and the wider public sector** – facilitated through shared frameworks, diagnostic reviews, and exemplar council connections. [Foundations](#)
- **Identifying strategic framework suppliers** by spend and risk dependency. [Foundations](#)

3. Local Levers (Current State & Strengths in LCC)

LCC already has a **Dedicated Procurement Team** with an acute awareness of specifics and nuances found within each category of procurement. Benchmarking shows the size of this team is smaller compared to other LAs and so there is an opportunity **to** increase the team size to ensure we are capturing all the available opportunities as well as internally restructuring staff such that there is clearer accountability and scope for improved procurement practices.

4. Proposed Solutions

a. Contract management

- Ensuring existing contracts are properly managed and complied with.
 - Restructuring of invoices – Changing our invoices with providers we have contracts with, that enables clear breakdown of each invoice to ensure we can scrutinise costs and compare to the contract
 - Automation of invoice checking vs contracts
 - Proactive contract adherence through a larger centralised procurement team

b. Category management

- A structured, strategic approach to managing spend by grouping goods/services into categories.
 - Contract Length – how do we ensure given the volatility or predictability of spend year on year we are setting contract lengths appropriately with suppliers
 - Splitting lots – ensuring we aren't tendering for too specific activities which result in over qualified staff or providers delivering activity that could be delivered for cheaper
 - Should Costing – using industry standards (e.g.BCIS) and should costing to determine the actual cost of delivery and using this when negotiating during re-procurement exercises
 - Active market management – some suppliers are not on frameworks but deliver a lower cost on average. How do we actively work with them to enable them to reply to procurement exercises?
 - Combining suppliers – consolidating spend with certain providers who are cheaper and considering how we structure a contract that “guarantees” demand

c. Tail spend management

- Control of low-value and low-frequency spending across many suppliers.
 - Consolidating small suppliers, moving purchases to main contracts, setting up using preferred lists of suppliers, eliminating off contract spend.
 - A review of spend to ensure it is essential and to check if we could eliminate spend

5. Evidence of potential impact of a change programme

Combining three category deep dives to estimate the opportunity to reduce third party spend.

These deep dives cover £7.5m out of the £66.8m expenditure being targeted.

a. Plumbing deep dive:

In plumbing (Repairs and Maintenance) in the sampled suppliers charging rate had increased faster than the contracted inflation rate. Some of this is accounted for through asking the supplier for additional accreditations which has led to savings elsewhere. There is a 6-12% opportunity identified through contract and category management through creating charging lots, assuming this can be done at sufficient scale to be attractive to the market, as the sampled supplier continues to provide competitive rates against the market. This opportunity includes using should costs when going to tender to ensure we are gaining the best value. There was no tail spend identified in this category.

b. Legal deep dive

In legal we found 0.36% savings through contract and category management. Given the number of factors that influence where we procure in legal and the potential risk of choosing cheaper suppliers, it is difficult to identify opportunity in swapping or rationalising providers. However, there is small opportunity in ensuring we are using the frameworks provided, being charged the correct rate and using should costs to help guide pricing in legal tests.

c. Licences deep dive

In software licences, we found a 2.9% - 3.2% opportunity through tail spend, contract and category management. This was found through managing categories and uncovering licences that overlapped in service provision. Additionally, there was opportunity in reducing provisions of software that was not needed for everyone in the council, and removing spend on legacy software

d. Averaging the deep dives

It was agreed during the Procurement working group that we would average the lower bound across 3 deep dives above and use this as the target for the opportunity. This reflects that the savings will be from a mixture of opportunity, but cannot be identified in advance of performing detailed analysis. Using this methodology our bounds are as follows:

Upper: 5.37%

Lower: 2.97%

e. Extrapolation

To understand which categories our methodology applies to, we need to dig more granularly than looking at categories of spend as a whole. Within each category, there are subjective descriptions that segregate suppliers and areas of spend. By looking at these subcategories, we can begin to analyse areas of spend in more detail.

We can identify how suppliers are distributed within each category, whether spend is skewed towards one dominant supplier, or whether there is a spread. In either case there could be a tail. This will help us identify which of the four methodologies are applicable to the subcategories of spend and whether we believe we can extrapolate the findings from our proof of concept.

To keep this entirely standardised we will be using the following logic across all categories

- Removing subcategories only if they have no relation to any others i.e. multiple waste categories could, in theory, be covered by one larger supplier and thus category management will apply even if there is one supplier in a particular subcategory.
- To define suppliers covered by SRM we are excluding large value suppliers >£1m with less than 52 invoices (weekly where contract management is more likely to apply). Alternatively, any supplier whose average invoice exceed £200,000 where we are already likely reviewing each invoice or procuring the supplier on independently formulated terms.

This resulted in £66.78m of spend we can extrapolate the findings to.

This allows creation of a savings target, that will be allocated to contracts following completion of the review methodology.

6. Areas preventing realisation of savings.

Even for the areas where the deep dive has been performed the savings are not guaranteed to be realised.

Reasons include:

- Level of competition or availability of suppliers at time required
- Smaller providers may not be able to charge different labour rates for different jobs
- Implementation costs negate savings, for example cost of system change or additional management overhead
- Availability requirements, such as business continuity or emergency call outs

Delivery approach and timelines

Agree the LCC procurement operating model, including respective roles and responsibilities with services. Identify and resulting transfer and recruitment requirements.

Agree recruitment approach versus delivery risk

Our next phase should include ~1 month detailed design and testing before wider rollout. This period will refine opportunities, prioritise categories and ensure we have all the correct data and requirements to begin and flowingly run a full-scale implementation. This would be followed by 8 months looking at contract management going category by category followed by two months looking at category and tail spend management.

a. Data requests, initial analysis and quick wins

- **Design phase (3 months)**
 - Identify our biggest opportunity categories to prioritise and ensure we have the correct data to begin analysis here. This will ensure we are ahead of data requests such that we can receive the data for each category before starting each month.
 - We would also look to target the areas of opportunity identified in our deep dives as quick opportunities to unlock.
 - Identification of hiring process. We would look to increase the size of the procurement team alongside the procurement programme. We would look at a phased approach to implementing the new operating model for the procurement team
 - During this phase we would start to also understand the opportunities relating to Supplier Relationship Management and engage our large suppliers and build should cost models

b. Contract management

Implementation (months 1-9)

- Define clear goals looking at contract management in each category.

- Beginning with the most valuable category, the aim is to analyse, identify and unlock the value in each category. This would be a top to bottom process of reviewing contracts and invoices to identify opportunity as well as going to suppliers to unlock this opportunity.
- During this process, the aim will be to capture learnings from each category and to understand where there will be opportunities in category and contract management: i.e. which suppliers are our cheapest and where we can reduce tail spend.
- During these 8 months, the expectation is work alongside the LCC team and upskill the procurement team to carry out this process. Therefore, the lesser-value categories not completed in the first 8 months can be handed over for an upskilled LCC team to complete.

c. Category and tail spend management

- At the end of the contract management process, the aim is to have our most valuable categories in order with each supplier adhering to contracts as well as ranked within each subcategory helping to identify opportunity.
- We can then identify where there is opportunity through strategic procurement. This might include re-tendering, finding new suppliers, reducing tail spend and implementing clearer controls around our spend.
- Given the information pulled together in the contract management phase, the expectation is that this phase can occur rather quickly again focusing on the biggest-value categories and where re-tendering etc. may be most appropriate e.g. where contracts are close to completion.
- During this process we will also ensure that all spend is essential (across tail spend but also larger spend areas)
- Similar to the contract management phase, the aim is to upskill the LCC team during this process such that regulations around tail spend for example, e.g. ensuring people only purchase cheaper standardised headsets, can be set up internally rather than during the project.

d. Supplier relationship management

- Following the design phase, we will have identified which suppliers and categories we should be targeting for opportunities relating to SRM and the potential financial benefits associated to this
- Alongside the implementation phase mentioned above we will work with these suppliers to identify opportunities to:
 - Renegotiate
 - Grow capacity
 - Resolve contract management issues
 - Consider efficiency opportunities
- Depending on the length of these contracts the realisation of these opportunities is not yet known but will be determined through the design phase

e. Training & coaching for procurement team

If agreed, design and roll out training changes (1-11 months):

- Upskill commercial team on methodologies applied during the project
- Develop structured coaching and reflective practice offer
- Embed skills-based development model

Impact Timelines

Through this phased approach, we anticipate:

- 3-month mobilisation and design phase to setup hiring process, data requests and identify priority contracts.
- 40% of the benefit is realised through contract management which will take **8 months** post mobilisation to realise by reviewing category by category

<ul style="list-style-type: none"> The remaining 55% of benefit from category and tail-spend management will take 20 months post mobilisation to identify and unlock benefit, subject to a re-tendering process 		
		Benefit profile assumptions
	In-year spend reduction	Cumulative benefit
FY 26/27	£0.09m	£0.09m
FY 27/28	£0.68m	£0.77m
FY 28/29	£0.70m	£1.47m
FY 29/30	£0.01m	£1.48m
<p>Date for project start: 1st August 2026</p> <p>Date for start of design phase and realising changes: 1st November 2026</p> <p>Date for all contract management changes to be rolled out: 1st July 2027</p> <p>Date for half of category management changes to be rolled out: 1st November 2027</p>		
<p>Initial view of one investment required to realise opportunity</p> <p>Biggest investments:</p> <p>Increased size of procurement team:</p> <ul style="list-style-type: none"> The estimate is for an additional 5 new FTE employees and utilisation of resources from across the organisation (pending agreement of the procurement operating model and consultation with DMTs) Review team for change in responsibilities We would expect these changes to occur gradually during the implementation rather than in one go. The total investment required to expand the central team is identified as £460,075 net to LCC. 		
<p>Risks & Dependencies (Known today)</p> <p>Hiring capability:</p> <ul style="list-style-type: none"> Whether we are able to secure the required new staff, either at the correct point in time or in general. Market capacity, stability and pricing Engagement with other services <p>Willingness of suppliers to reduce charges</p>		
Expected impact		
Staffing impact	Commercial team to grow in size and is upskilled working alongside the Newton team.	
Service levels impact	A more coordinated, proactive procurement strategy identifies and unlocks benefit across the third party spend.	
How would LGR impact this opportunity?	Further opportunity around category and contract management likely exists when combining all third party spend across all districts.	
Officer Recommendation for next steps	1. Agreement of corporate target with CMT	

	<ol style="list-style-type: none"> 2. Agreement of procurement operating model, including roles and responsibilities 3. Further data analysis to identify categories to address first and then a rolling programme 4. Engagement with DMTs 5. Implement the TOM (likely a staged approach)
Newton Recommendation for next steps	Fully investible and proceed to next stage. Likely further benefit through £50m of procurement spend not yet assessed through supplier relationship management.

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Benefits Proposal

Opportunity Name:	Reablement		
Opportunity Description	<p>Increasing the capacity of the HART service and therefore the number of residents accessing reablement. This will increase independence for residents and reduce their need for ongoing commissioned care. This proposal outlines the opportunity associated with creating capacity to support existing rejected referrals into the service.</p>		
Existing MTFS lines relating to opportunity	<ul style="list-style-type: none"> • (AC 19) Prevention Review – Hospital Discharge and Reablement • (AC 17) Prevention Review – Reviews of Cases • (AC 21) Increasing Reablement Capacity 		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	<p>A&C budget opportunity £2.65m</p> <p>Inflation contingency impact £0.72m</p>	Confidence level of value	High
Further benefit beyond the MTFS	Full run rate achieved within the MTFS		

Evidence behind opportunity, local levers and proposed solutions:

Demand:

- In the last year, there were 4,060 HART starts with 73% of referrals being accepted into the service. When benchmarking this number of starts (normalising for population) to other LAs Newton has worked with, LCC are performing well.
- There were a further 1,501 referrals to HART that were rejected (excluding individuals who were re-referred). Two thirds of these referrals were rejected due to no service capacity, with the remaining third being rejected due to being deemed inappropriate for reablement.
- Of the 1501 rejected referrals, 699 residents would be expected to successfully finish reablement should we have sufficient capacity

Capacity:

- 50% of support worker time is spent directly with service users. This benchmarks well compared to other services. There are in flight initiatives already in place and are expected to create some additional capacity through changing rotas and through a new scheduling & rostering system.
- The average length of stay (LOS) is 13 days, which benchmarks low compared to other services and so there is unlikely to be significant opportunity in reducing LOS further.
- There are currently 52 vacant posts within the service.
- To create sufficient capacity to support the additional 699 residents who are currently rejected and would be expected to benefit from and successfully finish reablement, an additional 28 FTE support workers would need to be recruited.
- On average 15 applications for support worker roles are received and 1.2 FTE start per month (based on the last 5 months of 2025)

Attraction:

- 33% of applications are immediately screened out, with “requires sponsorship” and “non-driver” being the biggest reasons behind this.
- LCC currently post their jobs on Indeed, findajob.dwp.gov.uk, and Rest Less, whilst other LAs within the East Midlands also utilise eastmidlandsjobs.org.uk.
- We already collect data to understand where applicants are seeing current job adverts and expand advertising to locations similar to those working well.
- LCC pay is between £25,995 - £26,409, whilst our neighbours pay:
 - North Northants: £29,064 - £30,024
 - West Northants: £26,403 - £28,142
 - Warks: £28,598-£31,022
 - Derbyshire: hourly rate enhanced by 33% for bank holidays, and hours between 19:00-07:00

Recruitment:

- It takes 4 months on average from application to start for successful candidates.
- It takes 7 weeks for a new joiner to start once an offer has been made.
- Currently, 8 candidates have accepted an offer but not yet started.
- 60% of shortlisted candidates attended an interview. For 73% of candidates who did not progress to interview, we didn't record why they dropped out, or they didn't attend their interview and we don't know why.

Proposed solutions:

- Attraction and increase in enquiries:
 - Implementing weekend and out of hour pay increases
 - Permanent job adverts for open positions
 - Data-driven job advertising based on where current candidates apply from
 - Offering full time contracts (37hrs/week)
- Improvements to recruitment process and conversions:
 - Relaxing hiring criteria in specific circumstances (e.g. non-drivers in specific regions with alternative mode of transport)
 - Collecting further data on where candidates drop out on the process, when and why, and take targeted action as a result
 - Hiring more administrative staff to aid recruitment process to improve communication and reduce timelines
 - Decreasing time taken to start by training before DBS

Delivery approach and timelines

- Recruitment to HART support worker roles is already underway with initiatives to increase the rate of recruitment in flight.
- Further changes to ways of working within recruitment are assumed to start in March 2026, with initiatives starting to take effect in July 2026.
- Improvements to ways of working are assumed to result in an average recruitment of 3.2 FTE per month (2FTE above current rate) from Jul 2026 to Apr 2027

Benefits profile over the MTFS (net of ongoing investment)		Benefit profile assumptions	
	In-year spend reduction <i>(Inflation impact)</i>	Cumulative benefit <i>(Inflation impact)</i>	<ul style="list-style-type: none"> • Increase in successful reablement finishers is proportional to increase in recruited FTE • Unit cost per hour of domiciliary care has an annual growth of 4%, applied at the start of each FY • Profile includes no growth in # of reablement finishers over the MTFS beyond current targets
FY 26/27	£0.00m <i>(£0m)</i>	£0.00m <i>(£0m)</i>	
FY 27/28	£1.01m <i>(£0.17m)</i>	£1.01m <i>(£0.17m)</i>	
FY 28/29	£1.59m <i>(£0.30m)</i>	£2.60m <i>(£0.47m)</i>	
FY 29/30	£0.05m <i>(£0.25m)</i>	£2.65m <i>(£0.72m)</i>	
FY 30/31	£0.00m <i>(£0.13m)</i>	£2.65m <i>(£0.85m)</i>	
Initial view of one investment required to realise opportunity		Staffing (to include potential investment through VCS & partner services)	£ N/A <i>(No additional investment required due to existing vacancies within Establishment already budgeted for)</i>
		Property	✗ £-
		Technology	✗ £-
		Transformation resource	✓ / ✗ £
Risks & Dependencies (Known today)		<ul style="list-style-type: none"> • Implementing recruitment levers at the right time to enable recruitment of all required FTEs and monitoring for change required. • Maintaining good control on level of candidates being offered a role, ensuring they are qualified with the right skillset. • Unforeseen demand changes for reablement. 	

Expected impact	
Resident impact	An additional 699 residents accessing the HART reablement service per year and as a result achieving improved independence and long-term outcomes
Staffing impact	Opportunity would be driven by an increase in headcount and would seek to improve staff experiences
Service levels impact	Service levels would be improved as a greater number of residents would be able to access the HART reablement service
How would LGR impact this opportunity?	A consideration would need to be made as to what reablement services exist in other upper tier LAs which LCC would merge with. A plan would need to be made to merge the services.
Officer Recommendation for next steps	To include in the MTFS and to scope further demand for reablement as a second phase
Newton Recommendation for next steps	To include in the MTFS and to scope further demand for reablement as a second phase

Benefits Proposal

Opportunity Name:	Resident Focused Organisation		
Opportunity Description	<p>This work underpins LCC's approach to delivering services as an organisation. It aims to ensure that the Council is organised to deliver and execute on its objectives efficiently and effectively. This is achieved through optimising organisational design, reducing agency spend, reviewing the operational delivery models, developing a performance culture and exploiting supporting technology.</p> <p>This work needs to be undertaken whilst delivering significant new ways of working to improve service quality and efficiency in all other areas of LCC, in the context of building towards LGR and other policy changes.</p>		
Existing MTFS lines relating to opportunity	CR2 Customer Programme £400,000 CR3 Transformation Unit Efficiencies £70,000		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	Once programme is established a £2.5m p.a. run rate is expected to be achievable. Accounting for partial savings in 2026/27 this equates to an £8m saving over the MTFS	Confidence level of value	Medium Significant further work on a service-by-service basis is required to fully define and enable the delivery of these savings and service improvements.
Evidence behind opportunity, local levers and proposed solutions:			
<p>There are four related parts to the opportunities across the operating model and a summary of how it is proposed to develop these over time are shown below:</p>			
Opportunity Line	Proposed sequential order	Key next activities	Specific dependencies on LGR announcement
Delivery Model	Understanding the delivery model will establish the starting point for the organisation to be designed	Overall operating model vision of the Authority, to guide other design activity. Prioritised service list for review Review the current arrangement for service delivery, covering internal versus external mix, delivery basis (e.g. geographic or resident type) and level of centralisation versus decentralisation. Resident access options for relevant services will also be reviewed	Can help preparedness for LGR by simplifying the organisational structure and understanding how it can scale or disaggregate

Organisational Design	The delivery model and to a lesser extent the LGR announcement will inform the organisational shape around which staffing structures are to be optimised.	An operating model vision of the Authority to be built making clear role of central services and directorates Detailed redrafting of organisational structure in light of: Opportunities identified during ER, LGR announcement and knowledge of other organisations	LGR will impact the shape of some roles which have the opportunity to be combined or need to be split
Agency	Can start as and when the resource is ready to instigate the work Areas of priority already identified	Detailed analysis and re-design of recruitment pathways Re-specifying roles to remove certain requirements to make them easier to recruit into	Low
Efficient & Effective	Prioritise order based upon potential benefit (financial and service standard), LGR impact and resource demand on service to deliver other improvements	Leadership and management development within services to enhance the performance culture The development and embedding of productivity and quality KPIs across all impacted teams Set financial and service improvement targets The embedding of a work allocation process where appropriate and not already in place Problem solving and improving the work process including the embedding of AI and other technology	LGR may result in significant changes in leadership teams and core data systems which may pose a risk to sustainability of changes that needs mitigating

Note: there is a general consideration as to whether the LGR decision impacts decision making powers ahead of the new unitaries.

Delivery Model:

The majority of services, including internal, are delivered by bringing together a range of resources and expertise from within LCC and externally. This activity looks at the potential to improve performance through varying the delivery model.

Alongside financial benefits assessment will include implications for residents where proposals have direct implications.

Organisational Design:

Staffing spend is the second highest area of spend in the Authority at £274m. The vast majority of this expenditure delivers services for residents, either directly on the front-line or by enabling provision e.g. service locations and IT. To impact the spend on staffing will require changes to how staff delivering front line services are operating.

By analysing Oracle data investigative work has been undertaken to analyse every role (including pay, reporting lines and hierarchy) in the organisation.

What this work has found:

- High level benchmarking shows that overall LCC performs well compared to other Local Authorities
- There is limited opportunity in “layers” of the organisation in their own right. Where initial analysis pointed to this opportunity this was due to overlapping staff structures within Oracle – e.g. Libraries within Adults and Communities.
- Within each Directorate there are opportunities that this work has highlighted around
 - o Spans of managerial control
 - o Ability to combine roles
 - o Ability to remove roles
- There are considerations around the timing and detail of when to realise these opportunities based upon:
 - o The impending LGR announcement and decisions that will need to be taken about planned shape of the organisation
 - o The potential to minimise the cost of redundancies by exploring a range of mitigating measures, including managing workforce reductions through natural turnover, e.g. retirements, leavers, where appropriate.
 - o How well the current arrangements are optimised given level of budgetary responsibility and strategic change required.

Agency:

Through this process every invoice for agency spend has been analysed and attributed back to the department, role and level of pay incurred.

What this work has found:

- Just under £15m of annual spend exists on agency and ~72% of this is on long term cover of >1 year.
- The cost differential between agency and LCC permanent staff varies widely from being slightly cheaper for some roles to 41% more expensive for other roles
- Areas of high agency spend highlighted were already known to Leadership, however there have been sustained challenges to the recruitment of staff in those roles with significant agency premium
- At both an organisational and departmental level, there are opportunities to improve the Council’s approach to recruiting and onboarding permanent and temporary staff. If permanent recruits can be sourced the opportunity would be approaching £2 million

Improvement to be targeted include:

Review and improve recruitment process:

- o Review the end-to-end recruitment process to remove delays and improve the candidate experience (approvals, adverts, shortlisting, interview scheduling, pre-employment checks).
- o Review TOM for recruitment.
- o Create ‘ready-to-go’ job packs for high-volume roles (job description, advert text, interview questions, scoring).
- o Design regular campaigns for hard-to-fill roles.

Make roles easier to fill:

- o Review person specs - focus on what’s genuinely essential and lessen ‘experience’ requirements.
- o Introduce/review ‘grow your own’ routes into the council: work experience, interns, trainee posts, apprenticeships, supported year-in-role, return-to-practice.

- Consider market supplements / retention payments where evidence supports it (and cheaper than agency).

Build an internal supply of staff:

- Consider creating a managed staff pool for key roles, especially where demand is predictable.
- Put in place a structured temp to perm route for long-term agency workers where appropriate.
- Improve redeployment and internal moves so vacancies are filled faster.

Improve onboarding and retention

- Standardise onboarding so staff are productive quickly (first-week plan, buddying, training plan).
- Focus on early attrition, undertake analysis of why people leave in the first 3–6 months and fix causes.
- Strengthen supervision, caseload/workload management, flexible working, and development pathways in the hardest to recruit to teams.

Efficient & Effective:

Delivering efficiency and effectiveness improvements is a significant undertaking, taking between 3 and 12 months per area, requiring work across the activities set out below. Changes are unlikely to be limited to internal activity and changing the approach by which residents interact with services will fall within the scope of this initiative.

Through this work a holistic set of measures and KPIs need to be established which not only drive performance improvement but also highlight and drive mitigation of any risks to customer satisfaction and service levels. This is likely to be a combination of cashable savings and non-financial service performance benefits

Enhancing the performance culture:

Clear expectations about what 'good' looks like across all services and teams / role of the line manager, for example:

- Service standards and priorities in place (what matters most, why and by when).
- Set productivity and quality KPIs and review them routinely.
- Performance rhythm, e.g. team huddles, regular one-to-ones, and quarterly reviews.
- Train managers to have confident performance conversations and to use data to coach and support staff.
- Make continuous improvement part of day-to-day work.
- Recognise and share what works across services, so improvements spread quickly.

Develop financial and service improvement baselines and goals to establish measurable target improvements.

Work allocation processes:

The embedding of a work allocation process, where they do not already exist, optimises the process of distributing tasks and responsibilities amongst team members. This requires identifying the skills, strengths, and current workloads to ensure that tasks are assigned effectively.

By ensuring that tasks are assigned appropriately, considering individual strengths and workload capacity, teams can perform more efficiently and with greater focus.

Improving the work process including the embedding of AI and other technology:

Data collected during the staff survey have highlighted from staff opportunities and the desire to improve the effectiveness of ways of working. Key points highlighted by staff during the survey are:

- More streamlined processes including reducing the fragmentation of systems and duplications of work. This highlighted the potential of AI to support staff
- Support to further embed performance management including training and the development of digital tools to support this
- Changed ways of working in line with other opportunities presented during the Efficiency Review, including working with residents in a more preventative and proactive manner which will reduce long term demand (and work)
- More integrated working across different teams, within and outside of LCC, to reduce duplication of work and achieve more timely outcomes for residents (once again reducing work content)
- Digital tools to support staff and residents to more effectively navigate services and communication

The ER team has also taken snapshots of the potential to improve productivity across 6 different services in LCC, spanning each of the Directorates. The snapshots suggested a range of potential benefits, the weighted average productivity improvement potential across these snapshots is 14%.

Areas that typically benefit from this approach account for approximately 30% of the organisation staffing spend, which will further influence a significant amount of external expenditure.

Reduction in spend would be realised through a combination of staffing efficiencies, further agency reduction better management of third-party contracts. An additional on-going investment in technology is expected to be required.

Officer Recommendation for next steps	Integrate existing change activity into this single programme Develop prioritised service list for review and targeted agency work Develop overall operating model vision of the Authority, to guide design activity
Newton Recommendation for next steps	Complete key activities as set out in the table Stand up of programme team with right skills mix

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Benefits Proposal

Opportunity Name:	Reunification		
Opportunity Description	Enabling more CYP to achieve permanence and exit care via reunification.		
Existing MTFS lines relating to opportunity	There are no existing savings that will directly overlap with this opportunity. Impacts of CF1 – CF5 will result in a lower average unit cost for a child in care, due to mitigated gross cost and changes in the placement mix. This will be factored in through use of appropriate baselines from the mitigated mix.		
Quantified opportunity over MTFS Financial Value (net of ongoing costs and net of existing MTFS value)	£1.01m	Confidence level of value	High
Further benefit beyond the MTFS	Full run rate achieved within the MTFS		
Evidence behind opportunity, local levers and proposed solutions:			
<p>1. Case reviews identified gaps in parental support</p> <p>We reviewed 22 cases with social worker teams to understand their journey into care and what their experience in care was like. For 7/22 cases, the team felt more could have been done to support the child's parents or wider network to care for the child in the long term.</p> <p>Across 22 cases, the key themes were:</p> <ul style="list-style-type: none"> • Limited engagement with parents. • Insufficient therapeutic/parenting support early enough. • Missed opportunities to explore extended family networks. • Gaps in multi-agency coordination and duplicated or inconsistent support. • Financial and practical barriers influencing parents' ability to sustain care. <p>The risk to the child and their home circumstances at the time the child entered care would need to be understood and there should be consideration that in many cases, the plan has been overseen by a court. Both are important factors to understand.</p>			
<p>2. Existing strategy already provides a strong framework</p> <p>We have within our new Reunification Strategy, a clear commitment and understanding of belonging for children in care. This includes, supporting birth families differently to enable them to safely care for their child in the future, where it is possible.</p> <p>LCC's 2026–2029 Reunification Strategy includes:</p> <ul style="list-style-type: none"> • Reunification review group oversight • Structured Parenting Support and Intervention assessment • Clear transition planning • Post-reunification support and monitoring <p>However, additional levers (capacity, specialist resource, therapy access, financial frameworks) could be explored further.</p>			
<p>3. Proposed Solutions (and how they link to the existing reunification strategy)</p>			

For many CYP there are risks to being at home. It is our responsibility to work to best mitigate these risks to make sure it is safe for children to return home. Sometimes this is achieved when the child is older and the reason for them coming into our care when very young can be mitigated by age. We can achieve this through a shift in culture and practice, ensuring that maintaining family connections and long-term permanence and reunification planning are consistently live considerations, as well as through a stronger support offer which seeks to remove barriers to reunification. The barriers to reunification will vary case to case. For some families affordability and financial pressures will be a key consideration, whereas for others e.g. with some older children who have recently entered section 20 because parents refuse to have them home, the need to build relationships is key.

Through thematic analysis of the case reviews, and two workshops with team managers and service managers, we prioritised the following solutions for maximum impact:

1. Early Reunification Planning

- a. Trajectory planning early – *Already in strategy*
 - i. Early identification of cases likely to reunify early after entry into care, reunification considered in first permanence plan and early identification of barriers (therapy, housing, substance misuse, parenting skills) with clear trajectory planning.
- b. Where suitable, funding therapies where parents are motivated to reunify - *Partly in strategy: opportunity to go further with commissioned framework of therapies and assessments bespoke for parents on the reunification pathway*
 - i. Clear eligibility criteria linked to reunification pathway to remove key barriers for reunification in cases where wait lists are too long/costs too high for the parents

2. Strengthening Reunification Support While a Child Is in Care – *Coordinated approach is in strategy, dedicated resource not included in strategy but aligns with plans to grow reunification pathway in the future.*

- a. A more coordinated and therapeutic support offer is required to prepare families effectively. This means aligning input from social workers, Support & Assessment Workers, family time workers, and the therapeutic expertise within DPST and the Families Together team. For the current agreed reunification target, this will be achieved with existing resource.
- b. Some councils have dedicated reunification teams or support. In the future, if LCC pursues increasing dedicated reunification resource (e.g. through expanding DPST's remit, introducing ring-fenced reunification workers, creating a dedicated reunification team) then a new investment profile and target should be agreed.

3. Removing Practical and Financial Barriers to returning home

- a. Clear and consistent financial support - *Already in strategy: opportunity to define framework, options and access route more clearly*
 - i. Practical pressures like child benefit, food costs, petrol, and general household affordability can be a barrier for some children returning home. Therefore, we need an agreed process for approving exceptional costs, within a clear financial support framework with defined eligibility criteria.
- b. Managing expectations around returning home - *Already in strategy: opportunity to define conversations and options further*
 - i. Transition should be planned carefully (e.g. gradual reduction of pocket money, shifting payments to parents, discretionary expenses continue short term). Realistic conversations with both child and parent should take place.

Children's social care reforms place greater emphasis on family help, belonging and maintaining family connections wherever it is safe to do so. Changes at every stage of the system should therefore be underpinned by a mindset of supporting children to return safely to their families where appropriate.

Achieving this will require a meaningful cultural shift. Often, when children move onto a long-term permanence plan such as foster care, reunification is no longer actively considered. In line with current reform priorities, services should ensure that reunification remains a live consideration, with practitioners routinely asking whether a child's needs could safely be met within their family with the right support.

Impact of proposed changes

We consider achievable reunification targets based on a range of evidence sources:

	Triangulation Methodology	Number of CYP (Scaled where a council has a different caseload)	Explanation
Revocations	Revocations in LCC last year	6	LCC has 6 revocations in the last year.
	Target revocations in LCC next year	10 (+4)	LCC is aiming for 10 revocations next year.
Reunifications	Reunifications in LCC average of last 4 years	6.5	9, 2, 8, 6 reunified each year who spent at least 12m in care, S20 or FCO, & marked as reunified in the data.
	Bristol	11.1* (+4.1)	Bristol have around 12 children each year reunify from a caseload of ~800. *Hard to directly compare between different caseload and reunification definitions
	Coventry reunification project	15.5* (+9.5)	Coventry had a dedicated reunification team (TM, SWs, children & family workers) and reunified 44 children in 3 years from a caseload of ~700. *Hard to directly compare between different caseload and reunification definitions
	Case reviews	34 (+28)	We identified at least 1/22 of the cases reviewed could potentially be reunified with the right identification and support. <i>This is an upper bound</i>

For added context on comparisons to other councils, Coventry, Bristol and Leicestershire have 82, 81 and 47 CLA per 10k of their population respectively. This suggests Leicestershire is doing a better job at keeping children at home before entering care.

The agreed reunification target is increasing from 6 reunifications per year on average to 10 reunifications (+66% increase, proportionally the same increase as in the strategy targeting revocations, and broadly in line with Bristol currently). This is the target without needing an increase in dedicated reunification resource.

After rollout of changes and detailed investigation into existing teams and roles within reunification, if agreed there is benefit in greater dedicated reunification resource, then a more ambitious target should be agreed.

Delivery approach and timelines

The majority of proposals do not require immediate structural redesign, but rather clarifying and standardising practice, strengthening coordination of existing resource and formalising financial and therapeutic frameworks.

We propose a phased approach with the first 3 months a detailed design phase, aligning with existing reunification strategy, then a further 3-6m implementation timeline for any outstanding process changes.

1. Early Reunification Planning

- a. Trajectory planning early – *process change, 0-3m*

- b. Considering funding therapies where parents are motivated to reunify and this might be necessary to support reunification – *process change and commissioning conversations* – 3-6m. *This happens in some instances but building a commissioned framework would support access and value for money.*

2. Strengthening Reunification Support While a Child Is in Care

0-3m: Plan detailed roles and remit of existing teams with regards to reunification pathway

3-12m: Trial new ways of working and rollout to all teams.

Evaluate over a longer 12m period whether increased dedicated reunification capacity would add value, in which case a new investment and target should be agreed.

3. Removing Practical and Financial Barriers to returning home

- a. Clear and consistent financial support – *enhancing existing process, 0-3. This process already exists but it's not consistently accessed or assessed.*

- b. Managing expectations around returning home – *ways of working change, 0-3m*

Design phase activities

• **Roles and effectiveness of existing teams:**

During the design phase, further work should be undertaken to understand the detailed roles and remit of existing teams involved in the reunification pathway. This should include evaluating ways of working and outcomes under the current reunification strategy over the next 12 months. This review would help determine whether introducing a more dedicated reunification function would add value, noting that this would likely require additional investment and the agreement of a new target.

• **Early reunification opportunities for short term S20:**

As part of the detailed design phase, further analysis should look at children who have been in care for less than 12 months and have either returned home or moved into a longer-term placement. This would help identify whether there is additional opportunity to increase reunifications at earlier stages. This cohort is likely to sit under Section 20 arrangements, with the key decision point being when a placement moves from short-term to long-term.

• **Caseload cohorting to support prioritisation:**

A target cohort of 10 children has already been identified for panel review. To strengthen understanding of the current Children in Care (CiC) caseload, the team should cohort all children based on the likelihood of reunification in the next 3–6 months, 12 months, or longer term. This would support clearer prioritisation of cases for future panel discussions.

Impact timelines

Through this phased approach, we anticipate:

- 3 months ramp up period to design detailed proposals, including team roles & responsibilities, and agreed process and ways of working changes.
- 3 – 6 months for rollout of changes.
- 3 – 6 months lag between changes and seeing benefit on average.

(This assumes there is no change to staffing or roles, and benefit comes from embedding reunification within daily practice.)

Benefits profile over the MTFs (net of ongoing investment)			Benefit profile assumptions
	In-year spend reduction	Cumulative benefit	Based on MTFs assumptions growth in placement caseload is 5.3% and average unit cost is 3.36%.
FY 26/27	-	-	Calculation assumes increase in reunification will be seen proportionally across current placement mix.
FY 27/28	£0.24m	£0.24m	Assumptions for timelines:
FY 28/29	£0.54m	£0.78m	Date of project start: 1 st April 2026 Date of the end of design phase: 24 th June 2026
FY 29/30	£0.23m	£1.01m	Date expected for changes to be sustainable: 9 th December 2026
Initial view of one investment required to realise opportunity			
No investment required for current proposals. If it's decided we need more dedicated resource in the future, then there will be associated costs.			
Risks & Dependencies (Known today)			
Capacity and workforce: approach relies on existing teams (social workers, DPST, Families Together team, family time workers). Any shortage of staffing could lead less focus on reunification which could delay impact.			
Resource and funding dependencies assumes existing budget for therapy, financial or practical support for parents continues.			
Culture and resistance to change: Embedding practice changes can be challenging, this proposed plan assumes new way of working can be adopted within a 3-6m period.			
Expected impact			
CYP and family impact	CYP and families experience clearer expectations, stronger emotional and practical support, and more stable, better-prepared reunifications.		
Staffing impact	Staff benefit from clearer pathways, improved coordination, and reduced pressure through dedicated or specialist support for complex reunification work.		
Service levels impact	Service levels improve through more predictable reunifications, reduced long-term care demand, and greater consistency and stability across the whole pathway.		
How would LGR impact this opportunity?	Combining of team structures, processes and support services would need to be considered upper tier LAs		
Officer Recommendation for next steps	We have with our new Reunification Strategy a clear commitment and understanding of belonging for children in care and this includes where it is possible to support birth families differently to enable them to safely care for their child in the future. I support the work outlined above		

Newton Recommendation for next steps	We propose a phased approach with the first 3 months a detailed design phase, aligning with proposed reunification strategy, then a further 3-6m implementation timeline.
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CABINET – 26 MAY 2026

RESPONSE TO BOROUGH OF OADBY AND WIGSTON REGULATION 19 LOCAL PLAN CONSULTATION AND DECLARATION OF UNMET HOUSING NEED

REPORT OF THE DIRECTOR OF GROWTH, ENVIRONMENT AND TRANSPORT

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the progress of Oadby and Wigston Borough Council's Local Plan and to set out the proposed response to its Regulation 19 consultation, as the views of the County Council. The report also sets out the County Council's position on the matter of Oadby and Wigston Borough Council's declared unmet housing need.
2. A supplementary report setting out the detail on these matters is currently being prepared and will be circulated to Members and published on the County Council's website as soon as it is available.

Recommendations

3. The Cabinet is asked to note this report and will be asked to consider recommendations set out in the supplementary report.

Reasons for Recommendation

4. The supplementary report will set out the County Council's proposed response to the Oadby and Wigston Borough Council's Local Plan consultation and position on the declared unmet housing need.

Timetable for Decisions (including Scrutiny)

5. Oadby and Wigston Borough Council has outlined a timetable for the submission of its Local Plan. It is anticipated that following the Regulation 19 Pre-Submission consultation and subject to approval of Oadby and Wigston Borough Council, the Local Plan would be submitted to the Secretary of State for examination by 12 June 2026.

Policy Framework and Previous Decisions

6. In 2018, the County Council, Leicester City Council, the seven district councils in Leicestershire, and the Leicester and Leicestershire Enterprise Partnership

(LLEP), approved the Leicester and Leicestershire Strategic Growth Plan (SGP) which provides the long-term vision for planned growth for the area up to 2050. The SGP identifies five key growth areas, most pertinent to the Borough of Oadby and Wigston are 'Leicester Our Central City' and the A46 Priority Growth Corridor.

7. The Leicester and Leicestershire Strategic Transport Priorities (LLTSTP) was approved by the Cabinet on 20 November 2020. This document has a plan period to 2050 and it was developed by the County Council and City Council alongside the SGP to ensure that the long-term development needs and associated transportation requirements are co-ordinated.
8. In 2021, the Council and its partners (Leicester City Council, the seven district councils and the LLEP), commissioned the Leicester and Leicestershire Housing and Economic Needs Assessment (HENA). The HENA, published in June 2022, provides evidence that across Leicester and Leicestershire, the projected housing need from 2020 to 2036 is 91,400 dwellings and employment land need from 2021 to 2036 is 344 hectares.
9. In October 2021, the Cabinet approved the response to Oadby and Wigston Borough Council's New Local Plan Issues and Options Consultation at Regulation 18 stage, which is the first formal stage of consultation for the Local Plan.
10. In December 2021, the County Council became a signatory to a Statement of Common Ground (SoCG) relating to South Leicestershire Local Plan Making (November 2021), aligning the gathering of evidence and activity in the development of new local plans for three districts in the south of the County.
11. In September 2022, the Cabinet approved the County Council becoming a signatory to a SoCG relating to Housing and Employment Land Needs (June 2022), setting out how the City Council's identified unmet needs would be accommodated in the County. Oadby and Wigston Borough Council approved the SoCG at its Council meeting in July 2022.
12. In November 2022, the Cabinet received a paper setting out the financial implications for the County Council of delivering sustainable and inclusive growth and the approach and principles that it is proposed the Council would adopt to address and manage these risks.
13. In May 2024, delegated authority was given to the Chief Executive for the submission of the County Council's comments to Oadby and Wigston Borough Council's Regulation 18B Preferred Options consultation.
14. In October 2024, the Cabinet received a paper on the Strategic Planning Issues associated with the emerging Charnwood Local Plan. This included principles for future engagement of the Local Highways Authority in other local plan processes in light of the County Council's experience of the Local Plan for Charnwood Borough.

15. In December 2024, the Cabinet report on the Provisional Medium Term Financial Strategy 2025/26 – 2028/29 referred to the importance of Local Plans being prepared with sufficient evidence to secure contributions and delivery for critical infrastructure and that it is necessary for the district councils to work with the County Council to ensure that their Local Plans include policies that balance the need to support delivery of growth with the financial risk to the County Council.
16. In February 2025, the Cabinet approved the response to Oadby and Wigston Borough Council's Regulation 19 Pre-Submission Consultation draft, noting the decision of Oadby and Wigston Borough Council to pause progress on its new Local Plan following the close of the Regulation 19 consultation, in order to consider the requirements of the new National Planning Policy Framework (NPPF).
17. In December 2025, the Cabinet received a report on Strategic Spatial and Transport Planning. This outlined proposals for the preparation of a Spatial Development Strategy and secured approval for the County Council to share initial evidence work, to undertake initial scheme feasibility and development work, outlined how this would be used by the Local Transport Authority (LTA) to input into strategic planning, including to assist the evolution of Local Plans to the submission stage and in bringing forward strategic sites allocated in those Local Plans.
18. In February 2026, the Cabinet approved the County Council becoming a signatory to a SoCG produced by the Leicester and Leicestershire local authorities relating to housing distribution following the NPPF and new Standard Method published in December 2024. Oadby and Wigston Borough Council also became signatories to this SoCG in February 2026.

Resource Implications

19. The County Council has committed significant resources to engaging in, and supporting, a collaborative approach to strategic planning in order to facilitate the delivery of growth within the County and to mitigate the negative impacts of development, to the extent that it is reasonably possible to do.
20. As set out in the report to the Cabinet in December 2025 on Strategic Spatial and Transport Planning, securing the delivery of infrastructure, transport or otherwise (such as education, waste and health), to support the needs of Leicester and Leicestershire's growing population is becoming ever more challenging. The County Council seeks to achieve a more coordinated approach to locations for growth and prioritisation of its delivery relative to the prioritisation of investment in the infrastructure and services necessary to support it.
21. The Director of Corporate Resources and the Chief Legal Officer and Monitoring Officer have been consulted on this report.

Circulation under the Local Issues Alert Procedure

This report will be circulated to all Members.

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