



*Meeting:* **Scrutiny Commission**

*Date/Time:* **Wednesday, 10 June 2026 at 10.00 am**

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

*Contact:* **Mrs J Twomey (Tel: 0116 305 2583)**

*Email:* **joanne.twomey@leics.gov.uk**

### **Membership**

Mrs D. Taylor CC (Chairman)

Mr. J. Boam CC	Mr M. T. Mullaney CC
Mr. M. Bools CC	Dr. D. North CC
Dr. S. Hill CC	Mr. B. Piper CC
Mr. A. Innes CC	Mr J. Poland CC
Mr. P. King CC	Mr. K. Robinson CC
Mrs. K. Knight CC	Mr. C. A. Smith CC

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### **AGENDA**

- | <u>Item</u>   | <u>Report by</u> |
|---|------------------|
| 1. Appointment of Chairman.<br><br>To note that Mrs D. Taylor CC has been appointed Chairman of the Scrutiny Commission in accordance with Article 6.05 of the County Council's Constitution.                     |                  |
| 2. Appointment of Deputy Chairman.<br><br>To note that Mr M. Mullaney CC has been appointed Deputy Chairman of the Scrutiny Commission in accordance with Standing Order 29 of the County Council's Constitution. |                  |
| 3. Minutes of the meeting held on 22 April 2026.  | (Pages 3 - 12)   |
| 4. Minutes of the Special Meeting of the Commission held on 11 May 2026.  | (Pages 13 - 20)  |

Democratic Services ◦ Department of Public Health, Communities, Law and Governance  
Leicestershire County Council ◦ County Hall

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5. Question Time.
6. Questions asked by members under Standing Order 7(3) and 7(5).
7. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.
8. Declarations of interest in respect of items on the agenda.
9. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.
10. Presentation of Petitions under Standing Order 36.
11. Provisional Revenue and Capital Outturn 2025/26. Director of Corporate Resources (Pages 21 - 72)
12. Annual update on the Traded Services Strategy, School Food Service and Beaumanor Hall Engagement. Director of Corporate Resources (Pages 73 - 86)
13. Leicestershire County Council's Customer Experience Strategy - Update on Delivery Progress. Director of Corporate Resources (Pages 87 - 94)
14. Overview and Scrutiny Annual Report 2025 - 2026. (Pages 95 - 118)
15. Date of next meeting.  
  
The next meeting of the Commission is scheduled to take place on 2 September 2026.
16. Any other items which the Chairman has decided to take as urgent.



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 22 April 2026.

PRESENT

Mrs D. Taylor CC (in the Chair)

Dr. J. Bloxham CC  
Mrs. L. Danks CC  
Dr. S. Hill CC  
Mr. A. Innes CC  
Mr. P. King CC  
Mrs K. Knight CC

Mr. M. T. Mullaney CC  
Mr. B. Piper CC  
Mr J. Poland CC  
Mr. K. Robinson CC  
Mr. C. A. Smith CC

In attendance

Mr D. Harrison CC – Leader of the Council

Mr K. Crook CC – Deputy Leader

Mike Denby, Director of Inward Investment and Place Marketing at Leicester City Council

79. Minutes.

The minutes of the meeting held on 11 March 2026 were taken as read, confirmed and signed.

80. Minutes of special meeting.

The minutes of the Special Meeting held on 18 March 2026 were taken as read, confirmed and signed.

81. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

82. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

83. Urgent Items.

There were no urgent items for consideration.

84. 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.

Mr P. King CC declared an Other Registerable Interest in agenda item 9 (The Leicester and Leicestershire Business Skills Partnership) and agenda item 10 (Place Marketing – Leicester and Leicestershire) as he was Deputy Leader at Harborough District Council with a portfolio for economic development and tourism.

85. Declarations of the Party Whip.

There were no declarations of the party whip.

86. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 35.

87. The Leicester and Leicestershire Business Skills Partnership

The Commission considered a report of the Director of Public Health Law and Governance regarding the governance and function of the Leicester and Leicestershire Business and Skills Partnership. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) The Partnership was currently fully funded to the end of the 2027/28 financial year from reserves previously held by the Leicester and Leicestershire Local Enterprise Partnership (LLEP) which had been disbanded last year. Members noted that no funding was being allocated by the County or City Council. Funding beyond 2028 and operating models and potential new joint arrangements would require review and this would likely be undertaken alongside local government reorganisation.
- (ii) Members questioned how the Partnerships work linked to existing countywide and place-based partnerships, and how intelligence and local knowledge would flow between those arrangements. It was noted that place-based partnerships were generally operational and focused on specific town centre/business priorities, whereas the arrangements covered by the Leicester and Leicestershire Business and Skills Partnership were more strategic and, in part, to provide a mechanism through which government responsibilities and funding could be devolved locally (often with conditions and reporting requirements attached).
- (iii) A review was underway to map relevant groups and governance arrangements across the area. This would be considered by the Business Board and appropriate executive/leadership forums for realignment.
- (iv) A Member challenged the current Business Board membership and suggested that this did not appropriately reflect small and medium-sized businesses as well as larger organisations. The Member commented that this had been a previous criticism of the LLEP and it was disappointing that such arrangements had been

continued.

- (v) Members sought clarification on the meaning of “enterprise zones”, including whether these were intended as deregulation/low-tax areas or primarily defined geographic locations. It was noted that there were four zones currently operating across Leicester, Leicestershire and Rutland; MIRA Technology Park, Loughborough University Science and Enterprise Park, Charnwood Campus, Space Park Leicester and Leicester Waterside. These were physical locations identified to support business growth and job creation. Reporting arrangements to government were in place to demonstrate outputs and outcomes for each zone.
- (vi) A Member questioned if further enterprise zones were planned across the county. It was noted that as regional governance developed, including combined authority/mayoral arrangements, decisions would likely be taken at a regional/sub-regional level regarding future arrangements. However, it was expected that the consolidation rather than the expansion of new or existing zones would be more likely.
- (vii) Members emphasised the need for clear evidence of what had been delivered to date, how funding had been spent and what difference had been made as a result of the Partnership’s work. It was suggested that a future report including more detailed measures and key performance indicators would be helpful, including benchmarking with comparable areas.
- (viii) In response to questions about the Employment Hub and support for young people, the Director outlined that the Hub was currently focused on City residents with aspirations to expand into the County subject to funding being made available. Employment and skills activity could support programmes aimed at young people, including targeted work to support those who were not in education, employment or training.

RESOLVED:

- (a) That the update on the work and functions of the Leicester and Leicestershire Business and Skills Partnership be noted;
- (b) That consideration be given to a further report being presented to a future meeting of the Commission, providing more detailed performance measures/KPIs and clearer evidence of outputs, outcomes achieved by the Partnership.

#### 88. Place Marketing - Leicester and Leicestershire

The Commission considered a report of the Director of Public Health, Law and Governance, the purpose of which was to provide an update on the work of the Place Marketing team for Leicester and Leicestershire. A copy of the report marked ‘Agenda Item 10’ is filed with these notes.

The Chairman welcomed Mike Denby, Director of Inward Investment & Place Marketing at Leicester City Council to the meeting and who had attended to present on this item.

Arising from discussion, the following points were made:

- (i) In response to questions from members about the extent to which it remained a challenge to encourage visitors who were drawn to Leicester City to also visit attractions in the wider county, and whether initiatives such as joint ticketing could assist in improving cross-promotion, Mr Denby advised that there had historically been an “invisible border” but that collaboration across the area had improved year-on-year. It was noted that the growth strategy included specific objectives to strengthen cross-area working, with events acting as a key driver of external visitors.
- (ii) Current work to align and link events (for example, coordinating itineraries around major events such as the county fair and local food markets) so that visitors were encouraged to extend their stay and attend multiple activities across the City and County was welcomed.
- (iii) Members asked for a breakdown of where visitors were travelling from, including the proportion coming from outside the area compared with local residents. The Director confirmed that this data was tracked and could be presented in more detail in future reporting. However, the current position was that approximately 67% were local visitors and 33% external visitors. External visitors had increased over recent years from around 27% three years previously.
- (iv) Members questioned the branding of the service as “Visit Leicester”, and why the title did not more explicitly reference the county. Members also expressed concerns that social media content appeared to be more city-focused than county-focused. Mr Denby explained that the name had been informed by a perception survey undertaken when the organisation was first established some years ago. This had indicated that “Leicester” was the most widely recognised destination “hook” for visitors from outside the area, and that once visitors were attracted, the offer promoted experiences across the whole region. Mr Denby provided assurance that the service sought to operate fairly and transparently across both areas. Members suggested that the branding might benefit from being reviewed given the time since it had last been considered.
- (v) A “Hidden Gems” campaign was being developed as part of the new strategy. Alongside promoting major “anchor” attractions, the campaign would focus on a “next tier” of lesser-known places, such as Charnwood Forest that had applied for UNESCO status. These were places/experiences that local residents might be familiar with but which visitors from outside the area had not yet discovered. This would include, within larger attractions, smaller individual venues or café facilities for example. Members noted that work with district partners was underway to compile a comprehensive list of ‘hidden gems’ and to use this to encourage visitors to undertake additional activities during evenings or on subsequent days, thereby supporting longer stays and wider dispersal of visitor spend. It was noted that the campaign was expected to roll out within the coming months and run over an extended period, supported by a dedicated budget.
- (vi) Members commented that, while the report contained strong performance figures, it would be helpful to include comparative information, for example, benchmarking tourism and inward investment outcomes against other comparable areas. Mr Denby confirmed that comparator analysis was undertaken but had not been included in the report on this occasion. He undertook to incorporate this in future reports.

- (vii) Members queried whether reported social media reach and influencer engagement represented good value, noting that view counts did not always appear significant in social media terms. It was acknowledged that viral reach could not be guaranteed. Influencer selection was intended to draw audiences from outside the area. However, local influencers were also used and their content shared as performance tended to be stronger where content aligned with the influencer's existing locality and therefore did not require significant travel.
- (viii) Members raised concerns regarding proposals for a visitor levy/tax, particularly the potential impact on small hospitality and tourism businesses given the administrative burden involved. It was noted that the service had engaged with businesses and fed back sector views through the government consultation process. Mr Denby advised that, as currently framed, the tax would be payable by the visitor and so could affect demand and disproportionately impact lower-cost stays.
- (ix) Members questioned what factors deterred visitors from coming to the area and what could be done to address "blockages", including issues such as congestion, car parking and public transport. It was noted that deterrents varied and whilst in rural areas challenges could include how to get to attractions, including bus routes and the availability of nearby overnight accommodation, in urban settings, perceptions of issues such as antisocial behaviour, cleanliness and parking would likely be a factor. The service sought to respond to these perceptions through campaign messaging.
- (x) Members asked what arrangements were being developed to maintain local intelligence and engagement currently provided through district councils, in the context of potential local government reorganisation and changes to district structures. Mr Denby advised that, while he could not comment on the future structure of local government, the Service would continue its core role of promoting the region for tourism and investment and would maintain close working relationships with people and partners across the area to demonstrate business-as-usual during this period of change.

#### RESOLVED:

That the update now provided on the work of the Place Marketing team for Leicester and Leicestershire be noted.

#### 89. Youth Justice Plan

The Commission, acting in its capacity as the designated Crime and Disorder Committee, considered a report of the Director of Children and Family Services which presented the draft Youth Justice Strategic Plan for 2026–2027 for comment. A copy of the report marked 'Agenda Item11' is filed with these minutes.

Arising from discussion the following points were made:

- (i) Members noted the statutory basis of the Plan and the longstanding partnership governance arrangements put in place to support this across Leicestershire and Rutland which included oversight through the Youth and Justice Partnership Board. The Board brought together senior leaders from all local authorities, the Police,

Probation Service, Health and Education.

- (ii) The principle underpinning the Plan continued to be a 'child first' approach, recognising that most who came into contact with the youth justice system were not fully grown adults making well-informed, well-thought through decisions, but often children with unmet needs, vulnerabilities and safeguarding concerns.
- (iii) The Plan continued to place emphasis on prevention, early intervention, diversion and safeguarding alongside strengthening work to improve outcomes for victims, reducing unnecessary escalation and criminalization and ensuring a coordinated partnership response to support children at the highest risk of harm, exploitation and serious violence.
- (iv) Members were advised of national reform uncertainty affecting youth justice structures and reporting requirements. For this reason a single year plan had been prepared. This would allow for a further review to be undertaken in a years' time to respond to further changes on the horizon, for example, regarding SEND and Social Care reforms which impact on Youth Justice. The Director confirmed that, at present funding for the service remained stable and that this would not be affected by the one year plan approach.
- (v) Members raised concerns about the lack of clear performance data and benchmarking information within the report. Members suggested that the inclusion of baseline information and targets relating to matters such reoffending rates, the number of first-time entrants, remands and custody and how these compared to neighbouring authorities would be helpful to understand how effective the previous Plan had been and to help identify areas for future improvement. The Director advised that Leicestershire experienced very low numbers of first-time entrants and remands, and explained challenges regarding national data definitions, police reporting systems and recent reporting changes introduced by the Government, all of which had resulted in mixed data being available that was not entirely helpful. The Director assured members that local cohort tracking work was being developed to improve insight and this would feature in the next report to the Commission in a years' time.
- (vi) Members asked what actions were being taken to address the racial disproportionality of those caught in the youth justice system. It was acknowledged that this was a national issue that required a multi-agency approach. The Director advised that work was underway to develop a partnership plan on this issue, with planned focus sessions to be held by the Board to strengthen accountability and response. Members highlighted the role of local leisure/community facilities in diversion and asked whether the Council could support protection of such provisions which due to lack of funding were now being threatened. Officers advised that preventative provision was important in keeping children out of the system as they provided useful points for children to meet and engage with adults they trusted who could provide additional means of support outside the family.
- (vii) It was noted that the deferred prosecution approach was used in limited circumstances around low-level motoring offences to enable assessment and targeted intervention without the need to face disproportionate long-term consequences in adult motoring court. It was noted that, for example, a child seeking to harm themselves, if found in possession of a knife would have to be arrested is now an opportunity under knife crime legislation. However, the deferred

prosecution approach provided an opportunity to support that children, for example, by providing mental health support, rather than pushing them automatically through the criminal justice system.

- (viii) Members asked what work was underway to reduce the risk of children with SEND entering the youth justice system. The Director described strengthened links with SEND leadership and wider early help and inclusion services, highlighting specific work such as commissioning speech and language therapy support that was now being undertaken.
- (ix) Members emphasised the importance of earlier support particularly for primary-aged children and their families who might also be struggling. The Director advised that the Youth Justice Service was required to target children aged 10 (the age of criminal responsibility) up to the age of 19. However, it was closely linked with the Council's youth work offer which was based out in localities and worked closely with local action and support groups and district councils. The Service also worked closely with the Council's family support/early help team which targeted younger children and their families but helped to identify those coming of age that might get caught in the system and so required additional preventative support. Members noted, however that the Youth Justice Service primarily dealt with those aged around 14 years.

#### RESOLVED:

That the Commission's comments on the draft Youth Justice Plan be submitted for consideration by Cabinet and Full Council, and that the plan be noted.

#### 90. Community Safety Annual Update and revised Domestic Abuse Reduction Strategy

The Commission considered a report of the Director of Children and Family Services, the purpose of which was to provide an annual update on the work of the Safer Communities Team and to seek its views on the draft Domestic Abuse Reduction Strategy 2026 – 2029. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Members noted with disappointment that the East Midlands Elected Member Prevent Network Meeting had folded and emphasised the value of regional discussions and Home Office briefings to support elected members' understanding of Prevent and related community safety issues. It was suggested that the Lead Member should seek to re-establish this group to strengthen cross-boundary working, recognising that risks did not align to local authority borders.
- (ii) In response to questions about Prevent activity and trends, the Director advised that during quarter 3 (October 2025 to the end of December 2025) referrals had been particularly busy but had since settled, with higher volumes in Charnwood and Hinckley. It was noted that the District Prevent representative sat within Hinckley and Bosworth Borough Council and undertook significant work with schools and local agencies on referral pathways.
- (iii) Over half of the persons referred to the local Police Prevent Team were recorded as having no identified ideology, followed by right-wing extremism, with Islamic extremism the lowest category. Around 10% of referrals were female which was

higher than in previous years and, whilst the average referral age cited was 35, the largest age group referred were between 11 and 15 years, suggesting schools played a key role in making referrals.

- (iv) Members asked for further detail on Prevent training in schools. The Director reported that work was undertaken with Designated Safeguarding Leads. Whilst academies might source training from private providers this had to be accredited. The Council also shared information to governors, safeguarding leads and through headteachers' briefings. Training had also been delivered to parents.
- (v) Members highlighted online vulnerability and the influence of high-profile online figures on young people. The Director confirmed that training and awareness regarding online risks and early intervention work in this area continued to be a priority.
- (vi) Members questioned how the Council communicated its Prevent work and whether the annual update sufficiently reflected issues such as antisemitism, far-left extremism and other forms of radicalisation. The Director clarified that the Council did not actively promote its Prevent activity but did deliver training across schools, and for members and staff. Unfortunately, public-facing messaging had been misconstrued and had previously generated significant negative feedback for the service. As a result, communications were managed carefully to protect the Council's reputation and community cohesion while continuing operational work.
- (vii) Members welcomed the joint work taking place with partners to address all forms of hate crime and hate incidents across Leicester, Leicestershire and Rutland. It was noted that further direction was anticipated nationally following the Southport review, including consideration of the 'front door' to Prevent and whether this would be through a single agency or a partnership approach.
- (viii) Members emphasised the importance of being clear that the Council would not tolerate any form of extremism and that residents needed reassurance and practical information on how this would be addressed. It was suggested that improved feedback mechanisms for members would support consistent messaging to communities.
- (ix) In relation to domestic abuse, members questioned the availability of 'safe accommodation' of which there was currently a shortfall. The Director advised that the primary constraint was the wider lack of housing supply across the region. However, work was underway with district and borough partners to explore opportunities with developers, the use of refuge accommodation, and providing support for victims to remain safely in their own homes where appropriate with perpetrators removed where lawful and practicable.
- (x) Members stressed practical barriers for victims finding accommodation including distance, particularly when children were in local schools, as well as the accommodation of family pets. It was suggested that such issues could be a factor preventing victims reporting abuse and engaging with support.
- (xi) It was acknowledged that domestic abuse was wider than physical violence including coercive control and financial abuse. Under-reporting remained a challenge, including for male victims, and the Strategy sought to deliver a significant programme of awareness-raising and increased communications to build

confidence and encourage people to report.

- (xii) Members raised concerns about Anti-Social Behaviour (ASB) Case Reviews (Community Trigger), including whether revised thresholds would increase demand and whether there was sufficient district capacity to deal with this. It was acknowledged that additional capacity was likely to be challenging and that previous discussions about jointly funding an officer to support such work had not been agreed. This would continue to be considered through the ASB Strategy and Delivery Groups.

RESOLVED:

- (a) That the Community Safety Annual Update be noted and that the comments now made on the revised Domestic Abuse Reduction Strategy be presented to the Cabinet for consideration.
- (b) That the Lead Member for Children and Family Services be encouraged to reignite discussions with colleagues across the East Midlands and to re-establish the East Midlands Prevent Group.

91. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on Monday, 11<sup>th</sup> May at 10.00am.

10.00 am - 12.56 pm  
22 April 2026

CHAIRMAN

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Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Monday, 11 May 2026.

PRESENT

Mrs D. Taylor CC (in the Chair)

Dr. J. Bloxham CC  
Mr. M. Bools CC  
Mrs. L. Danks CC  
Dr. S. Hill CC  
Mr. A. Innes CC  
Mr. P. King CC

Mrs K. Knight CC  
Mr. M. T. Mullaney CC  
Mr. B. Piper CC  
Mr J. Poland CC  
Mr. K. Robinson CC  
Mr. C. A. Smith CC

In attendance

Mr D. Harrison – Leader of the Council  
Mr K. Crook – Deputy Leader of the Council  
Mr H. Fowler – Lead Member for Resources  
Mrs N. Bottomley CC  
Mr M. H. Charlesworth CC

External attendees

Dominic Ansbro - Newton Consulting Ltd  
Stephen Knight – Newton Consulting Ltd  
Mandeep Mohan – Newton Consulting Ltd

92. 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.

93. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

94. Efficiency Review - Outcomes and Revised Transformation Programme

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

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

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

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

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

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

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

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

- (i) In response to questions as to whether the appointment of external consultants had been necessary the Leader highlighted that their involvement had brought a fresh perspective, drawing on experience from a range of organisations and sectors. He suggested that their wider organisational view had enabled additional opportunities to be identified beyond those visible within individual

service departments.

- (ii) Regarding concerns about the interaction between the efficiency programme and the timing of local government reorganisation (LGR) the Leader commented that the proposals were intended to continue as a rolling programme irrespective of LGR. The Chief Executive added services currently provided to vulnerable children and adults would still need to be delivered whatever model was adopted. The proposals had therefore been designed to remain relevant and resilient under any future arrangements.
- (iii) Members expressed concern about the level of risk involved, the timetable for delivery, the payback period, and the extent to which the proposals relied on assumptions about future local government arrangements and savings that had yet to be achieved. The Leader argued that the programme should not be characterised as placing public money at risk, emphasising that the proposals reflected a clear vision for achieving efficiencies and demonstrated how the public would benefit.
- (iv) A Member commented that the Commission had previously been unable to obtain clear answers to questions about the programme and suggested that this had contributed to ongoing concerns being raised about the course of the review. The Leader strongly disputed that the approach was new in terms of seeking savings, noting cost reductions and service cuts made over the last decade. The Leader advised that more detailed answers had not previously been possible because the work had still been in development.
- (v) Some Members highlighted that significant savings had already been delivered by the previous administration and cautioned against characterising the Council's inherited position simply 'as a mess'.
- (vi) A Member commented that public criticism of the proposals risked undermining the Council and the work of officers.

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

- (vii) Efficiencies identified prior to Newton's involvement had already been included within the MTFS to the value of £44m. The additional savings of £59m had been developed with Newton's support. Whilst there was overlap between officer knowledge and external support, it was emphasised that Newton had added analytical capacity, challenge, pace, and external learning to help shape and accelerate the programme to this level.
- (viii) Members questioned the realism and deliverability of the projected savings, commenting that some proposals remained at design or pilot stage. It was suggested that the programme depended on speculative and unproven assumptions. The Director advised that the "confident" savings estimate had already been moderated to reflect delivery risk and the need for further design work. All proposals had been reviewed through departmental and finance processes before being brought forward.
- (ix) Some members raised concerns that implementation costs were front-loaded whilst a significant proportion of savings would not be delivered until later in the

MTFS period.

- (x) Members expressed concern about the level of risk involved, particularly in the context of staff morale, organisational change, and LGR. The Chief Executive advised that the programme was based on investing in new ways of working, prevention, and service redesign rather than simple service cuts. Staff had played a significant role in contributing towards the development of the proposals and there was therefore significant buy in given these were also expected to deliver service improvements.
- (xi) It was noted that the proposals had been developed with LGR in mind and while some elements might need to be rephased once the future structure of LGR had been confirmed, the work already undertaken would still strengthen the Council's evidence base, delivery model, and preparedness for successor arrangements.

### Children and Family Services

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

- (xii) Members questioned whether ambitious targets could create pressure to prioritise financial savings over children's welfare. The Director of Children and Family Services stressed that children's safety and the delivery of outcomes remained paramount. The proposals had been built on existing strong practice rather than seeking to replace it, and targets had been developed from evidence of what could be safely achieved rather than from seeking to meet an identified savings requirement.
- (xiii) A Member questioned whether increased reliance on family-based placements was realistic given long-standing recruitment challenges in fostering, and whether higher payments to carers had been factored into the savings assumptions. The Director acknowledged the national difficulty in recruiting foster carers and advised that the proposal was not based on simply paying more, but on redesigning the support offer for carers, including therapeutic support, simpler fee arrangements and work linked to regional fostering arrangements. It was emphasised that this would be a longer-term programme of change and not therefore a quick solution. The projected benefits were therefore phased over time.
- (xiv) The department had already identified the relevant areas for improvement. However, Newton had provided additional challenge, change-management expertise, analytical capacity and support to accelerate delivery and manage the interdependency between the various proposals.
- (xv) Members expressed concern that the proposals on reunification and prevention might imply a lowering of thresholds or standards in order to achieve savings. It was noted that reunification had always been part of existing practice, but that the service was now seeking to strengthen this work through improved family time, earlier planning for reunification, and stronger support to families both before and after a child returned home, utilising family hubs, the best start in life approach and wider Family First reforms. The Director assured members that no child would be returned home unless it was safe to do so, and that the intention

would be to work differently, not to lower standards.

- (xvi) Concerns were raised about the setting of numerical targets for children stepping down from care, and whether these could create pressure to prioritise savings over individual need. The Director again assured members that the proposals had been developed from evidence about what would improve outcomes for children and families. The numerical assumptions had been determined afterwards to reflect what was considered achievable. The Director gave assurance that targets would not be pursued at the expense of child safety or wellbeing, and that the service's statutory duties and established practices remained paramount.
- (xvii) Regarding the use of data and artificial intelligence the Director clarified that automated decision-making would not be used to identify children or determine interventions. Rather, the service would continue to rely on professional judgment, partnership working and existing intelligence from agencies such as health, the police and family hubs. Instead, improved data analysis would be used only to help join information together more effectively and ensure that needs were not overlooked. The Director emphasised that decisions about children and families would remain human-led and centred on the child's best interests.

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

### Adults Social Care

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

- (xviii) The suggested approach to developing care homes would not follow a Private Finance Initiative model. It could, however, involve a range of funding options, including traditional borrowing by the Council, external investment from organisations such as pension funds, or other partnership arrangements. Market testing to determine the most suitable approach would be undertaken.
- (xix) Concerns about the deliverability and timing of new care home provision was acknowledged. It was noted that a full business case would be required followed by the need to obtain planning permission and undertake partner engagement. This would take time and significant savings would not therefore be realised before the end of the current MTFS period.
- (xx) Concerns were expressed regarding the implications of LGR and the potential risks to any future authorities which might inherit long-term commitments to build residential care homes. The Director of Adults and Cultural Services advised that the position on reorganisation would be clearer before any final decision was brought forward regarding this proposal.
- (xxi) Members raised concerns about proposals to maximise independence for working-age adults and questioned whether this implied reductions in care. It was suggested that there would likely be a negative impact if more frequent reviews

on people with lifelong disabilities had to be undertaken. The Director of Adults and Cultural Services emphasised that no existing care package would be reduced without an individual review involving the person concerned, carers and relevant professionals, and that any changes would only be made where appropriate and agreed through that review process. It was noted that the proposal was to provide a more structured, goal-focused approach for those for whom it was suitable, while recognising that this would not apply to all individuals, particularly those with long term complex needs.

### Environment and Transport

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

### Procurement and Third Party Spend

- (xxvii) In considering the proposal to expand the procurement team in order to reduce third-party spend, members sought clarification on the financial assumptions set out in the report. The Director of Corporate Resources confirmed that the staffing cost of approximately £460,000 for five additional full-time posts was an annual figure and had already been taken into account within the cumulative benefits shown.

- (xxviii) Whilst it was noted that the cost of staffing could rise over time as a result of national pay awards, or changes to employer national insurance contributions, the Director advised, that such risks would likely be offset to some degree by corresponding increases in the value of procurement savings, given that supply-side costs had historically risen faster than local government salary costs.
- (xxix) A Member expressed support for the proposal, noting from business experience that improved procurement practices and closer contract management represented a significant opportunity to secure greater efficiencies and value for money with the potential to deliver substantial longer-term benefits.

### County Council as a Resident Focused Organisation

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

### Implementation, MTFS Impact and Risks

- (xxxv) Members questioned the delivery risks associated with savings that were forecast to increase significantly after 2028/29 and asked what contingencies were in place should implementation be delayed or under-deliver. The Director of Corporate Resources confirmed that any slippage would require the Council to identify alternative means of narrowing the budget gap.
- (xxxvi) Members further queried the extent to which the programme would continue to rely on external strategic partners. As part of the next phase of work, it was noted

that the balance between external support and internal capacity would be considered.

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

RESOLVED:

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

95. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on 10 June 2026 at 10.00am.

10.00 am - 2.11 pm  
11 May 2026

CHAIRMAN



## SCRUTINY COMMISSION – 10 JUNE 2026

### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

### PROVISIONAL REVENUE AND CAPITAL OUTTURN 2025/26

#### Purpose of the Report

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

#### Policy Framework and Previous Decisions

2. 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.
3. 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.
4. The Cabinet on 26 May 2026 received a report setting out the provisional revenue and capital outturn for 2025/26. The Cabinet noted the outturn positions and prudential indicators and approved the use of the net revenue underspend to fund additional commitments as set out in paragraph 82 of this report. The Cabinet also approved an addendum to the EMSS Partnership Agreement as set out on Appendix G to this report.

#### Overall Position

##### Revenue Outturn

5. 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

6. 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.
7. 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

8. 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

9. 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.
10. Details of the variances and key projects delivered in 2025/26 are included in the report, and in Appendix D.

### REVENUE BUDGET

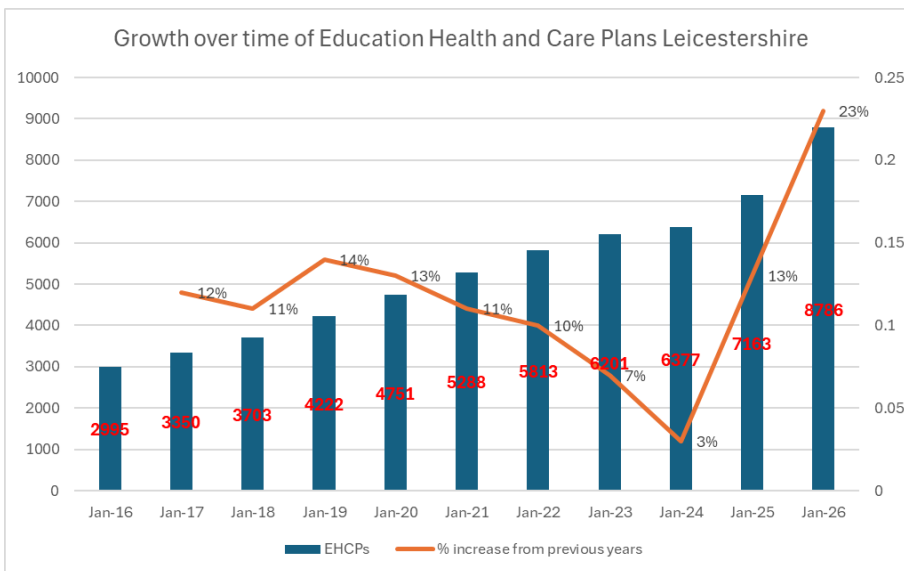
11. Appendix A shows the provisional outturn position for 2025/26. This compares the actual net expenditure incurred with the updated budget. The original budget has been updated for transfers between services and from central contingencies.
12. Appendix B gives details of significant variances by departmental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

### Children and Family Services – Schools Budget

13. 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.

14. 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.
15. 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**



16. 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 31<sup>st</sup> 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.
17. 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.

18. 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.
19. The rising demand for EHCP 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.
20. 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.
21. 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.
22. 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.
23. 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

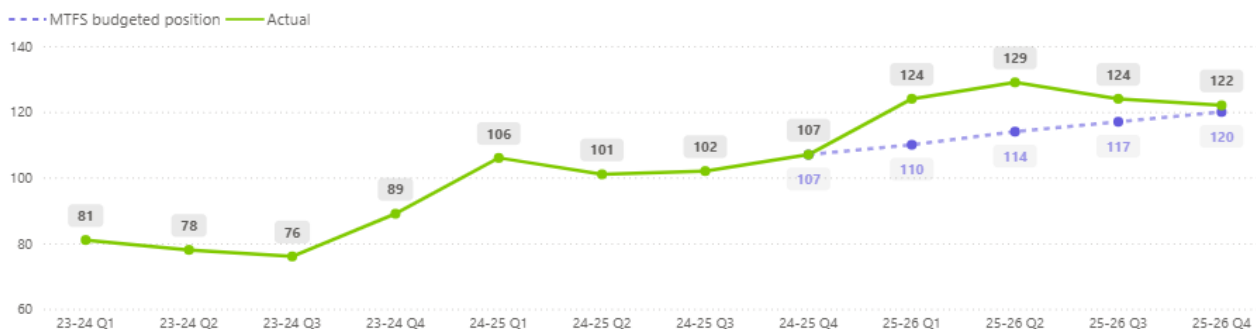
forecasts for pupil growth and the timing of planned school expansions resulting in lower revenue costs being incurred in year than originally assumed.

24. 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.
25. 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.
26. 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.
27. 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.
28. 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)

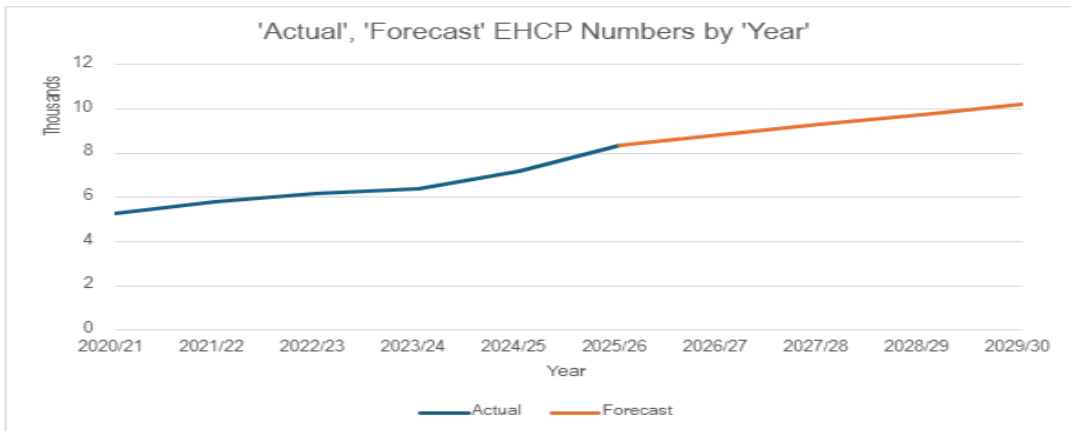
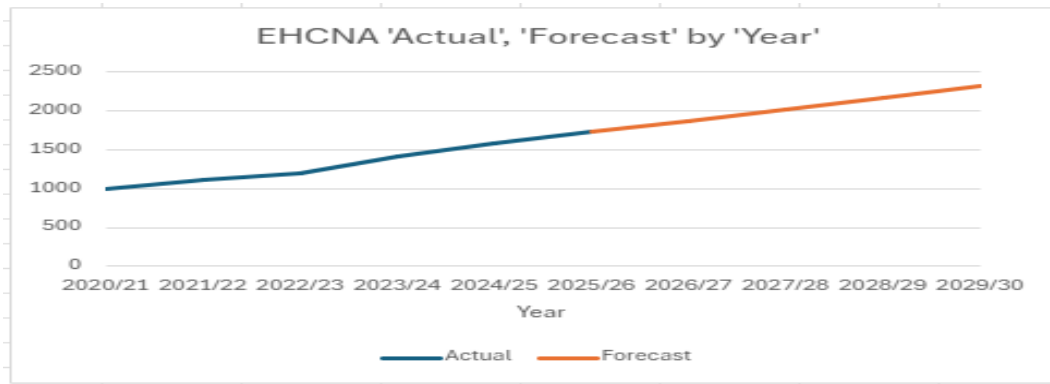
29. The Local Authority budget is overspent by a net £2.6m (1.8%), mainly relating to financial pressures on the Children’s Social Care Placements budget, Disabled Children’s Service and Education Psychology / Special Education Needs Assessment Service.
30. The net overspend on the Children’s Social 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.
31. 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



32. 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.

33. 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.
34. 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.
35. 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.
36. 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.
37. 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.
38. 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.



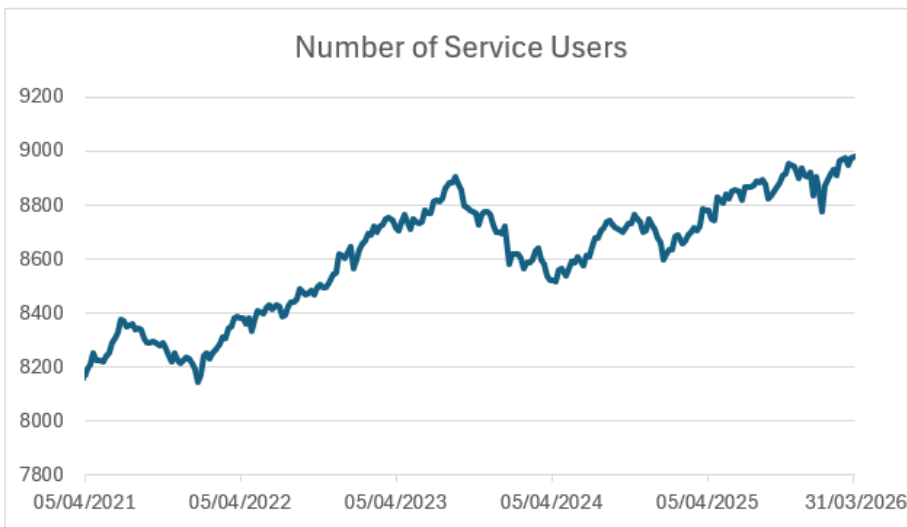
39. There was a £0.8m overspend across Children's Social Care Family Safeguarding and First Response services driven by increased overall demand and case complexity. This has resulted in a higher reliance on agency staffing further increasing pressure on these budgets. The position has been mitigated 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.
40. 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

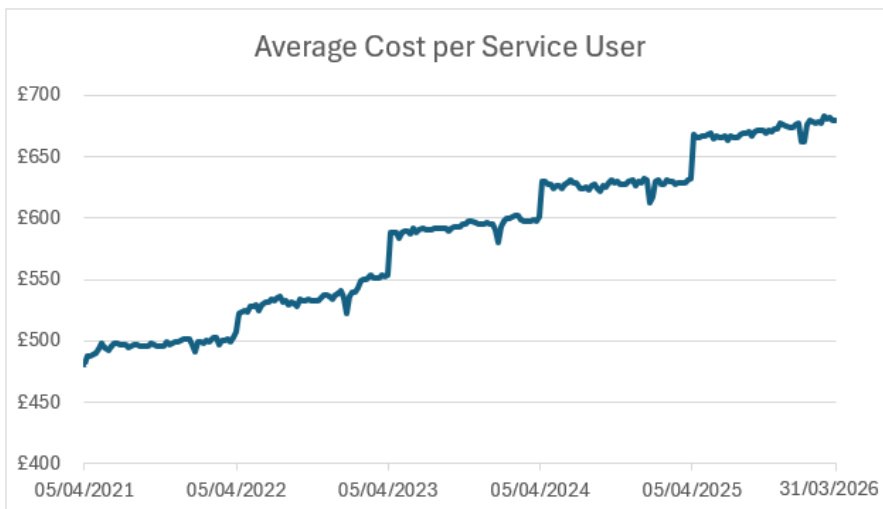
41. There is a net underspend for the departmental for 2025/26 of £3.9m (1.5%).

### Overall Demand Trends

42. 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.



43. 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.



44. 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.

45. The main areas of budget variance forecast in 2025/26 are:

Supported Living - £1.7m overspend

46. 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

47. 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

48. 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

49. 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

50. 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%).
51. 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

52. 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

53. 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

54. 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

55. 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.
56. The net underspends above are increased by a net £0.8m underspend mainly from staffing vacancies and other minor variations.

## Public Health

57. 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.
58. In year underspends related to sexual health services due to reduced contract activity, and a small underspend on health protection.

## Environment and Transport

59. 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.
60. 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).
61. 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).
62. 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).

63. 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

64. 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

65. The outturn shows a net underspend of £0.9m (2.1%) for the year.
66. 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
67. 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.
68. 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.
69. 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

70. 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. The Cabinet approved 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.

71. 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

72. 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.
73. 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.
74. 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.
75. 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).
76. 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.
77. 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

78. 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

79. 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.
80. 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. In May 2026 the Cabinet approved £2m from the 2025/26 underspend (plus the allocation of the £8m risks contingency) to create a £20m total allocation which will fund the net costs of the programme in the early years.
81. The full outcome of the review, including a breakdown of the savings and cost forecast, was reported to the Cabinet on 26 May 2026 and to the Scrutiny Commission on 11 May 2026.

### Overall Revenue Summary

82. Overall, there is a net underspend of £7.0m. The Cabinet approved the use of the underspend for additional commitments 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.

83. 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.
84. 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.
85. 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**

86. 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.
87. 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
<b>Total</b>	<b>£257m</b>

88. 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.
89. 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.

90. The main earmarked reserves are set out below.

### **Renewals of Vehicles and Equipment (£2.1m)**

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

### **Trading (£5.8m)**

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

### **Insurance (£17.2m)**

93. 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.

94. 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**

95. 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**

96. 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**

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

## Environment and Transport

98. 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.
99. 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

100. 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, from the 2025/26 provisional outturn.
101. 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

102. 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)

103. 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:

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

104. 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

105. 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**

106. 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.

107. 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%
<b>Total</b>	<b>205,364</b>	<b>140,213</b>	<b>(65,151)</b>	<b>68%</b>

108. 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)
<b>Total</b>	<b>(497)</b>	<b>364</b>	<b>(66,349)</b>	<b>1,331</b>	<b>(65,151)</b>
	<b>(133)</b>		<b>(65,018)</b>		

109. 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.

110. 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.

111. 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.

112. 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

113. During 2025/26, 1,625 additional school places have been created within the County across all phases of Education. A total of 420 new primary school places at Greenstone Primary School, the first Forest School in the County, and 1,145 secondary places at 5 secondary schools were delivered. 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.
114. Work also started in year on 450 new secondary school places across two schools. This involves expansions at existing schools which will conclude early in the 2026/27 and 2027/28 financial years.

### Main Variances

115. 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**

116. 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**

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

## **Environment and Transport**

### **Key Projects Delivered**

118. 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.

119. 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.

120. 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**

121. The outturn for the department is net reprofiling of £36.5m (29%). The main variances are described below.
122. 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.
123. Advanced Design, £6m, investment in new major infrastructure programmes, reprofiled to ensure effective use of the funding available.
124. 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.
125. A511 Major Road Network, £0.9m reprofiling resulting from delays in early contractor involvement and deferral of land acquisition to 2026/27.
126. Vehicle Replacement Programme, £3.2m reprofiling due to procurement delays with delivery now expected in quarter 1 of 2026/27.
127. 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.

128. 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**

129. 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**

130. 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**

131. 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**

132. 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**

133. 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**

134. 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.

135. 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)**

136. 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.
137. 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.
138. 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.
139. 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 2.9% 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.
140. 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.
141. 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.

142. 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.
143. 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**

144. 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.
145. 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 considers 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.
146. The addendum attached as Appendix G, is the result of the review, and the Joint Committee has approved the wording. The Cabinet approved the addendum at its meeting in May 2026.
147. 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**

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

### **Human Rights Implications**

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

### **Circulation under the Local Issues Alert Procedure**

150. None.

## **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>

Report to Cabinet on 26 May 2025 – Provisional Revenue and Capital Outturn 2025/26

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=8307&Ver=4>

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## **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

**REVENUE BUDGET 2025/26 - PROVISIONAL OUTTURN STATEMENT**

	Updated Budget	Actual Expenditure	Difference from Updated Budget	
	£000	£000	£000	%
<b>Schools Budget</b>				
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	
<b>LA Budget</b>				
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
<b>Central Items</b>				
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
<b>Total Spending</b>	<b>615,335</b>	<b>608,013</b>	<b>-7,322</b>	<b>-1.2</b>
<b>Funding</b>				
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
<b>Total Funding</b>	<b>-615,335</b>	<b>-615,036</b>	<b>299</b>	<b>0.0</b>
<b>Net Total</b>	<b>0</b>	<b>-7,023</b>	<b>-7,023</b>	
<b>Use of Underspend</b>				
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
<b>DSG High Needs Block (HNB) earmarked reserve drawdown</b>	<b>15,255</b>	<b>n/a</b>
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.		
<b>Special Educational Needs</b>	<b>18,962</b>	<b>16%</b>
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.		
<b>Specialist Teaching Service (STS)</b>	<b>490</b>	<b>20%</b>
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.		
<b>Early Years / Nursery Education Funding</b>	<b>-2,877</b>	<b>-3%</b>
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.		
<b>Schools Growth / Central Schools Services Block</b>	<b>-928</b>	<b>n/a</b>
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.		
<b>Other variances</b>	<b>-8</b>	<b>n/a</b>
<b>TOTAL</b>	<b>30,894</b>	<b>n/a</b>

## Local Authority Budget

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

	£000	% of Budget
<b>Children's Social Care Placements</b>	<b>5,107</b>	<b>7%</b>
<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&amp;FS Smarter Commissioning programme, including a marked reduction in activity within high cost and unregulated placement types.</p>		
<b>Disabled Children Service</b>	<b>953</b>	<b>25%</b>
<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>		
<b>Children Social Care - Family Safeguarding (Child Protection) &amp; First Response Services</b>	<b>808</b>	<b>8%</b>
<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>		
<b>Educational Psychology Service and SENA Service</b>	<b>774</b>	<b>18%</b>
<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>		
<b>Departmental Financial Controls / Vacancy Control Management</b>	<b>-3,521</b>	<b>n/a</b>
<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>		
<b>Children Social Care - Vulnerability Hub, Safeguarding &amp; Children in Care Services</b>	<b>-927</b>	<b>-10%</b>

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		
<b>Education Quality &amp; Inclusion</b>	<b>-321</b>	<b>-7%</b>
Staff turnover and in year vacancies which have been unfilled for large parts of the year.		
<b>CFS Operational Delivery Support Services</b>	<b>-248</b>	<b>-4%</b>
Higher-than-anticipated staff turnover against budget assumptions, with financial controls further limiting recruitment to these vacancies, resulting in short-term savings.		
<b>TOTAL</b>	<b>2,625</b>	<b>2%</b>

### **Adults & Communities**

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

	<b>£000</b>	<b>% of Budget</b>
<b>Supported Living</b>	<b>1,725</b>	<b>4%</b>
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.		
<b>Direct Cash Payments</b>	<b>1,262</b>	<b>3%</b>
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.		
<b>Mental Health &amp; Safeguarding (MH&amp;S)</b>	<b>427</b>	<b>5%</b>
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.		
<b>Adult Learning</b>	<b>120</b>	<b>n/a</b>
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.		
<b>Home First</b>	<b>-1,510</b>	<b>-14%</b>
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.		
<b>Non Residential Income</b>	<b>-1,423</b>	<b>4%</b>
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.		
<b>Residential and Nursing Care</b>	<b>-885</b>	<b>-1%</b>

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.

<b>Cognitive and Physical Disability</b>	<b>-843</b>	<b>-10%</b>
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.		
<b>Better Care Fund (Balance)</b>	<b>-692</b>	<b>3%</b>
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.		
<b>Homecare</b>	<b>-510</b>	<b>-1%</b>
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.		
<b>Shared Lives Residential</b>	<b>-481</b>	<b>-31%</b>
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.		
<b>Social Care Investment</b>	<b>-275</b>	<b>-39%</b>
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.		
<b>Learning Disability and Autism</b>	<b>-176</b>	<b>-4%</b>
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.		
<b>Other variances (under £100k)</b>	<b>-642</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-3,903</b>	<b>-2%</b>

### Public Health

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

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

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).		
<b>Sexual Health</b>	<b>-514</b>	<b>-13%</b>
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).		
<b>Health Protection</b>	<b>-93</b>	<b>-15%</b>
Underspend on Community Infection Prevention and Control (CIP&C) due to impact of Action Plan.		
<b>NHS Health Check programme</b>	<b>-59</b>	<b>-11%</b>
Fewer Health Checks have been undertaken than originally forecast.		
<b>Other variances (under £50k)</b>	<b>-112</b>	<b>n/a</b>
<b>TOTAL</b>	<b>0</b>	<b>0%</b>

### Environment and Transport

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

	<b>£000</b>	<b>% of Budget</b>
<b>Social Care Transport</b>	<b>937</b>	<b>15%</b>
Overspend due to additional taxi costs that are partly met by an underspend on Passenger Fleet.		
<b>Environmental Maintenance</b>	<b>463</b>	<b>10%</b>
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.		
<b>Recycling &amp; Household Waste</b>	<b>286</b>	<b>5%</b>
Overspend mainly due to increased Recycling and Household Waste Sites (RHWS) property repairs and maintenance.		
<b>H &amp; T Staffing &amp; Admin</b>	<b>271</b>	<b>7%</b>
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.		
<b>Reactive Maintenance</b>	<b>140</b>	<b>10%</b>
Policy led safety and network resilience works following inspections and the May 2025 coroner inquiry have driven the overspend.		
<b>SEN Transport</b>	<b>-1,195</b>	<b>-4%</b>
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.		
<b>H &amp; T Network Staffing &amp; Admin</b>	<b>-1,141</b>	<b>-42%</b>
Underspend largely due to increased Section 38 and Section 278 infrastructure developer income.		
<b>Staffing, Admin &amp; Depot Overheads</b>	<b>-854</b>	<b>-18%</b>
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.		
<b>Dry Recycling</b>	<b>-666</b>	<b>-27%</b>
Underspend mainly due to better material prices.		
<b>Passenger Fleet</b>	<b>-491</b>	<b>n/a</b>
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).		
<b>Street Lighting Maintenance</b>	<b>-486</b>	<b>-18%</b>
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.		
<b>Landfill</b>	<b>-453</b>	<b>-17%</b>
Underspend due to waste being diverted out of Landfill into Treatment.		
<b>Composting Contracts</b>	<b>-386</b>	<b>-18%</b>

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

### Chief Executive's

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

	<b>£000</b>	<b>% of Budget</b>
<b>Departmental Items</b>	<b>212</b>	<b>n/a</b>
Department-wide saving for staffing vacancy held in this budget. Overspend here is offset by underspends elsewhere in the department.		
<b>Legal Services</b>	<b>117</b>	<b>2%</b>
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.		
<b>Coroners</b>	<b>101</b>	<b>6%</b>
Overspend due to increased costs from Leicester City Coroner's Service and University Hospitals Leicester.		
<b>Trading Standards</b>	<b>74</b>	<b>3%</b>
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.		
<b>Business Intelligence</b>	<b>54</b>	<b>3%</b>
Variance largely due to an overspend on staffing (+£20k) and reduced income (+£20k).		
<b>Growth Service</b>	<b>-359</b>	<b>-31%</b>
Vacancies held throughout the duration of the financial year whilst the review of the Growth Service was undertaken.		
<b>Registrars</b>	<b>-201</b>	<b>n/a</b>
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.		
<b>Management and Administration</b>	<b>-153</b>	<b>-19%</b>
Underspend primarily due to early delivery of a MTFs saving relating to the deletion of a post.		
<b>Democratic Services and Administration</b>	<b>-134</b>	<b>-9%</b>
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).		
<b>Policy and Communities</b>	<b>-88</b>	<b>-6%</b>
Staffing vacancies throughout the year (-£28k) and reduced running costs (-£61k) through the implementation of spending controls.		

<b>Planning and Historic and Natural Environment (PHNE)</b>	<b>-83</b>	<b>-9%</b>
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.		
<b>Civic Affairs</b>	<b>-54</b>	<b>-47%</b>
The variance is largely due to the reduced cost of many hospitality events.		
<b>Other variances (under £50k)</b>	<b>7</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-507</b>	<b>-3%</b>

### Corporate Resources

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

	<b>£000</b>	<b>% of Budget</b>
<b>Commercial Services</b>	<b>858</b>	<b>-214%</b>
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.		
<b>Corporate Human Resources</b>	<b>176</b>	<b>6%</b>
Additional posts to support management of staff absences and recruitment (LCC wide).		
<b>Household Support Fund</b>	<b>87</b>	<b>n/a</b>
Over allocation of funding above grant allocation due to increased demand from vulnerable service users for support through, for example, food vouchers.		
<b>Commissioning Support</b>	<b>69</b>	<b>5%</b>
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.		
<b>Strategic Property</b>	<b>63</b>	<b>2%</b>
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).		
<b>ICT</b>	<b>-889</b>	<b>-7%</b>
Underspend arising from in-year staffing churn (£0.4m) across multiple teams as well as early delivery of future MTFs Savings (£0.5m).		
<b>Building Running Costs</b>	<b>-437</b>	<b>-9%</b>
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).		
<b>East Midlands Shared Services</b>	<b>-319</b>	<b>-9%</b>
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.		
<b>Learning and Development</b>	<b>-170</b>	<b>-11%</b>
Underspend due to in-year staffing churn, additional income for student placements and a lower than anticipated training requirement (£0.1m).		
<b>Strategic Finance</b>	<b>-103</b>	<b>-2%</b>
Underspend due to recruitment challenges.		
<b>Audit &amp; Insurance</b>	<b>-92</b>	<b>-4%</b>
Underspend in Audit due to managed vacancies.		
<b>Communications &amp; Digital</b>	<b>-80</b>	<b>-6%</b>
Early delivery of MTFs Savings through Communication team staff efficiency (£55k) and increased income.		
<b>Customer Services</b>	<b>-55</b>	<b>-4%</b>
Underspend arising from in-year staffing churn and lower use of casuals needed to support school transport.		
<b>Other variances</b>	<b>21</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-871</b>	<b>-2%</b>

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**EARMARKED RESERVES BALANCES**

	<b>Revised Balance 01/04/25 £000</b>	<b>Actual Balance 31/03/26 £000</b>
<b>Renewal of Systems, Equipment and Vehicles</b>	2,039	2,082
<b>Trading Accounts</b>		
Investing in Leicestershire Programme (IILP)	5,763	5,773
<b>Insurance</b>		
General	11,719	12,190
Schools schemes and risk management	34	34
Uninsured loss fund	4,929	4,929
<b>Committed Balances</b>		
Central Maintenance Fund	1,360	385
<b>Other</b>		
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
<b>Sub Total</b>	<b>294,390</b>	<b>324,621</b>
<b>Schools and Partnerships</b>		
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
<b>Total</b>	<b>-35,993</b>	<b>-67,268</b>
<b>TOTAL</b>	<b>258,397</b>	<b>257,353</b>

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### Capital Programme 2025/26 – main variances

#### Children and Family Services

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

	<b>£000</b>
<b>Additional school places - net Reprofiting</b>	<b>-15,419</b>
<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>	
<b>SEND Reprofiting</b>	<b>-3,132</b>
<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 &amp; 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>	
<b>Strategic Capital Maintenance</b>	<b>-1,328</b>
<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>	
<b>Schools Access &amp; Safeguarding - Fewer requests from schools during 2025/26</b>	<b>-575</b>
<b>Childcare expansion programme - assessment of bids to ensure effective of the grant funding to meet emerging needs, balance carried forward to 2026/27.</b>	<b>-266</b>
<b>Other</b>	<b>-115</b>
<b>TOTAL</b>	<b>-20,835</b>

#### Adults & Communities

The provisional outturn is in line with the budget.

#### Environment and Transport

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

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

<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>	
<b>Vehicle Replacement</b>	<b>-3,208</b>
<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>	
<b>Zouch Bridge</b>	<b>-2,834</b>
<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>	
<b>Bus Grant</b>	<b>-2,799</b>
<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>	
<b>Externally funded schemes</b>	<b>-1,758</b>
<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>	
<b>Recycling Household Waste Sites - Reprofiling</b>	<b>-944</b>
<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>	
<b>Safety Schemes Reprofiling</b>	<b>-872</b>
<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>	
<b>A511/A50 Major Road Network</b>	<b>-860</b>
<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>	
<b>The Parade, Oadby Cyclops</b>	<b>-809</b>
<p>Reprofiling following the exploration to rescope the scheme towards targeted corridor interventions (cycling and walkway improved at strategic locations)</p>	
<b>Property Flood Risk Alleviation</b>	<b>-732</b>

Reprofiling of Environment Agency and Local Levy schemes into next year driven by survey/design and delivery window delays.	
<b>Zero Emission Buses</b>	<b>-639</b>
£8m programme. Delays with a small number of claims from bus operators.	
<b>Restorative Maintenance</b>	<b>-420</b>
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.	
<b>Bridge Maintenance Reprofiling</b>	<b>-367</b>
Broughton Astley, Cosby Rd (0581): Investigatory works and pre-cast procurement required to be completed prior to works to be undertaken.	
<b>Area Office Accommodation</b>	<b>-370</b>
Due to ongoing work regarding the Melton Depot Site and design the programme has slipped.	
<b>Active Travel Improvements (ATF5)</b>	<b>-302</b>
Delays pending approval of schemes from ATE, with delivery now planned for 2026/27.	
<b>Other variances</b>	<b>-1,035</b>
<b>TOTAL</b>	<b>-36,514</b>

### Corporate Resources

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

	<b>£000</b>
<b>Ways of Working</b>	<b>-551</b>
Reprofiling due to awaiting new lease approval and leases on hold whilst working arrangements for LCC staff are finalised.	
<b>Climate change - Environmental Improvements</b>	<b>-637</b>
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).	
<b>Property Services net Reprofiling</b>	<b>-1,257</b>
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).	
<b>Other variances</b>	<b>10</b>
<b>TOTAL</b>	<b>-2,435</b>

### Corporate Programme

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

	<b>£000</b>
<b>Airfield Business Park - Phase 3-4</b>	<b>-3,179</b>
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.	
<b>Lutterworth Leaders Farm - Drive Thru Restaurants</b>	<b>-467</b>
Reprofiling of spend due to inclement weather in February delaying building progress. Practical completion due on 22 May 2026.	
<b>Lichfield South, Refurbishment</b>	<b>-315</b>
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.	

<b>Lutterworth East - SDA (Planning and Preparatory works)</b>	<b>-299</b>
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.	
<b>Quorn Solar Farm</b>	<b>-250</b>
Project completed in year, no further expenditure is anticipated. The underspend has been reallocated to the balance held for New IiLP investments and carried forward to 2026/27.	
<b>M69 Junction 2 - SDA</b>	<b>-219</b>
Delays with the emerging Blaby Local Plan and the need to reschedule the project programme to avoid the need to repeat technical surveys.	
<b>Industrial Properties Estate Reprofiling</b>	<b>-161</b>
<b>Other variances</b>	<b>-399</b>
<b>TOTAL</b>	<b>-5,289</b>

**PRUDENTIAL INDICATORS 2025/26**

	<b>Original Indicator</b>	<b>Provisional Actual as at 31/03/2026</b>
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 <sup>1</sup>	Capital Incurred (returned) 2025/26	Change in valuation	Q4 25/26 Capital valuation <sup>2</sup>	Net income YTD	Budget Net Income FY	Variance to Budget	Actual net income return % <sup>3</sup>	Since Inception IRR <sup>4</sup>
	£000	£000	£000	£000	£000	£000	£000	%	%
<b>Direct Commercial Holdings</b>									
Development	42,133	12,687	0	54,820	-165	-178	14	-0.3%	
Rural	95,888	-607	0	95,281	-5	201	-206	0.0%	
Offices inc County Hall <sup>5</sup>	63,073	380	0	63,453	3,281	4,126	-844	5.2%	
Industrial	26,002	0	0	26,002	1,670	1,819	-149	6.4%	
Other	4,727	-625	0	4,102	246	245	1	5.6%	
Direct Holdings	231,823	11,835	0	243,658	5,028	6,213	-1,184	2.1%	
<b>Diversifier Holdings</b>									
Private Debt MAC 4 2017	2,269	-1,668	-601	0	166			14.6%	4.7%
Private Debt MAC 6 2021	13,281	-3,016	-146	10,119	548			4.6%	6.2%
Private Debt MAC 7 2023	7,479	809	266	8,554	346			n/a	8.3%
<b>Private Debt - TOTAL</b>	<b>23,029</b>	<b>-3,875</b>	<b>-481</b>	<b>18,673</b>	<b>1,060</b>	<b>816</b>	<b>244</b>	<b>5.1%</b>	<b>5.5%</b>
Pooled Property	16,091	-8,201	-91	7,799	448	422	26	3.7%	2.4%
Pooled Infra Fund	8,742	0	480	9,222	464	293	171	5.1%	7.2%
Pooled Bank Risk Share	12,651	5,016	66	17,733	1,863	895	968	12.2%	12.6%
<b>Central adjustments</b>					-224		-224		
<b>TOTAL (All liLP)</b>	<b>292,335</b>	<b>4,775</b>	<b>-26</b>	<b>297,085</b>	<b>8,639</b>	<b>8,639</b>	<b>0</b>	<b>2.9%</b>	
TOTAL exc development and rural	154,314	-7,305	-26	146,983	8,808	8,616	192	5.8%	

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

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**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.



**SCRUTINY COMMISSION – 10 JUNE 2026**

**ANNUAL UPDATE ON THE TRADED SERVICES STRATEGY,  
SCHOOL FOOD SERVICE AND BEAUMANOR HALL ENGAGEMENT**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**Purpose of the Report**

1. The purpose of this report is to update the Scrutiny Commission on the performance of Leicestershire Traded Services (LTS) during 2025/26 and the progress towards exiting the School Food service in 2026.
2. This report also updates the Scrutiny Commission on the public engagement activity around the future of Beaumanor Hall.

**Policy Framework and Previous Decisions**

3. With the continued financial pressure on the County Council the requirement to raise additional revenue has become a key element of the Council's Transformation Programme and has been specifically included in the County Council's Medium Term Financial Strategy (MTFS) since 2016.
4. Traded Services performance was initially reported to the Cabinet and the Scrutiny Commission under the Commercial Strategy and Workplan 2018-2022 and then under the Traded Services Strategy 2023-2028 (approved by the Cabinet in June 2023) which superseded the Commercial Strategy.
5. The Scrutiny Commission continues to receive regular reports on Traded Services performance. In September 2024 it sought to look more closely at the operation of Beaumanor Hall and the School Food Service. It held a private workshop on these service areas and received a further update in November 2025. Whilst recognising the importance of food quality for school children the Commission recognised the long-term financial reasons for closure of the school food service and the need to review the future direction of Beaumanor Hall.
6. The Cabinet (a new Administration, following local elections in May 2025) on 15 July 2025 authorised the Director of Corporate Resources to take the necessary action to cease the Traded Services' school catering offer with effect from the end of the 2025/2026 academic year.

7. In May 2026, a large number of the Traded Services previously held within the Corporate Resources directorate were moved to the Adults and Culture Services directorate. These included Beaumanor Hall, Century Theatre, Cafes and Country Parks. The Adults and Cultural Services Overview and Scrutiny Committee will consider these items henceforth. As a result of this, this report focusses on those services which remain in Corporate Resources.

### **Overall performance of LTS**

8. Overall, the performance of LTS as shown below, was a budget overspend of £638,000 with a contribution of £119,000. Although there is a notable improvement in the performance of School Food from recent years, 2025/26 proved a challenging year for LTS overall. Financial pressures on schools, the largest client group for LTS, meant that trading conditions were difficult. Increased costs related to national living wage increases, the national insurance changes and inflation have had an impact on performance as they could not easily be passed on. In addition, the closure of Beaumanor due to emergency engineering work on the chimneys has had an impact on the Hall's performance.

<u>Service</u>	<u>Budget Target</u>	<u>Outturn</u>	<u>Over/ (Under) Spend</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>LTS Education Catering</u></b>	<b><u>(298)</u></b>	<b><u>(101)</u></b>	<b><u>197</u></b>
<b><u>LTS Beaumanor</u></b>	<b><u>398</u></b>	<b><u>627</u></b>	<b><u>229</u></b>
<b><u>LTS Professional Services (LEAMIS (School IT and Financial Support), HR, Health and Safety)</u></b>	<b><u>(196)</u></b>	<b><u>(137)</u></b>	<b><u>59</u></b>
<b><u>Cafés</u></b>	<b><u>0</u></b>	<b><u>(24)</u></b>	<b><u>(24)</u></b>
<b><u>Century Theatre</u></b>	<b><u>80</u></b>	<b><u>120</u></b>	<b><u>40</u></b>
<b><u>Hard Facilities Management</u></b>	<b><u>(324)</u></b>	<b><u>(179)</u></b>	<b><u>145</u></b>
<b><u>Soft Facilities Management</u></b>	<b><u>(347)</u></b>	<b><u>(368)</u></b>	<b><u>(21)</u></b>
<b><u>Print</u></b>	<b><u>(71)</u></b>	<b><u>(58)</u></b>	<b><u>13</u></b>
<b><u>TOTAL</u></b>	<b><u>(758)</u></b>	<b><u>(120)</u></b>	<b><u>638</u></b>

### **School Food Performance and MTFs Position 2026/27**

9. Overall, the performance of LTS School Food was a profit of £101,000. Whilst this was an underperformance on the budgeted profit of £298,000, it is still a substantial improvement on previous performances and an overperformance on the budgeted figure reported to Scrutiny Commission at their meeting in November 2025.
10. This year was the first year since the pandemic that the service has made a profit and shows the culmination of the turnaround plan that had been put in place.

11. This improved position was achieved mainly through the full-year impact of the new financial deals with all customers to deliver the required margin being realised.
12. The variance to budget in 2025/26 can be explained by falling school numbers after the decision to close the service, leading to a loss of contribution compared to budget. In part, this reduced income was offset by reduced provisions and running costs, although staff costs remained high with increased sickness levels in schools.
13. Regular operational audits are undertaken by the Council's Food Standards auditor and 86 out of 102 sites achieved the highest - five star - rating. Local environmental health teams also inspect the sites and of 14 inspections, 12 were rated four or five star.
14. LTS ran a highly successful Junior Chef competition which saw a record amount of over 200 children submit an entry form. Following 10 heats, with over 60 pupils, a winner from each went forward to the final at Loughborough College. The winning dish was cooked at the winning school for all staff and pupils, and the winner served the dish to all of her school.
15. The service continued the marketing calendar of special themed meals to run alongside the new menu with one special menu each month, designed to increase uptake and add variety to the regular menu.
16. Following feedback from the Scrutiny Commission arising from its meeting in March 2025, a report on the School Food Service was considered by the Cabinet on 15 July 2025. At this meeting the Cabinet resolved to exit the School Food Service at the end of the academic year 2025/26.
17. Since the Cabinet decision, staff and customers have been informed and have been supported throughout the transition process.
18. Schools have been supported to find new catering providers and a number have moved to new caterers throughout the academic year. Of the 117 schools that remain with LTS School Food, all of them have now been supported to find a new caterer for the start of the academic year.
19. The Council and ESPO directly supported 26 customers (primarily maintained primary schools) with the tender process to find a new supplier and this concluded last month.
20. The vast majority of frontline staff will transfer to their new catering provider under TUPE protections with three mobile staff being at risk of redundancy.
21. The management and administration team have been instrumental in ensuring that this process has proceeded as well as possible and that customers and staff are supported throughout. This is despite a number of team members having their redundancies confirmed.

22. In all instances of redundancy or risk of redundancy, the Council has aimed to redeploy as many staff as possible.
23. The financial risk is being controlled through the school food closure project. The costs associated with the closure are continually scrutinised to ensure the spend risk is minimised. The financial control risks were successfully managed during the 2025/26 financial year resulting in the school food service achieving a contribution of £101,000.
24. The 2026/27 Budget is set with an expectation that closing the school food service would come with a one-off transition cost of £344,000. This would be met from a contribution of £42,000 through the last term of trading and £302,000 of ear marked reserves. The latest forecast is that the call on reserves has fallen by £15,000 to £287,000.
25. In addition, there are staff exit costs related to redundancy for staff who could not TUPE to new providers. The July 2025 Cabinet paper, recommending closure, estimated these costs at £650,000. The latest forecast is that these costs have fallen to £360,000 through staff being redeployed or finding opportunities in other organisations ahead of closure.

### **Engagement on the future of Beaumanor Hall**

26. The Cabinet agreed at its meeting in July 2025 an engagement process to allow the Council to work with the market, local community and schools to determine the right approach to remove the cost to the County Council and improve its financial performance to better support the Council's Medium Term Financial Strategy. There was engagement with the wider public, businesses, schools and staff.

### **Responses from the Public**

#### Questionnaire background

27. An online questionnaire was run through the 'Have Your Say' pages of the Council's website. It was promoted via press release and on social media, as well as in local parish publications in the Charnwood area.
28. In total, 889 responses were received. Results have been reported based on those who provided a valid response, i.e. excluding the 'don't know' responses and no replies from the calculation of the percentages, where applicable.

#### Demographics of the respondents

29. 75% were female and 25% were male, with 1% indicating that they use another term. The highest proportion were aged 25 to 44 years (42%) and 45 to 64 years (43%). 11% indicated that they had a disability. The majority identified as white (95%) and 5% identified with a Black and Minority Ethnic group. 54% said they lived in Charnwood, 34% said they lived in other parts of Leicestershire

and 9% outside of Leicestershire. 12% indicated that they were an employee of Leicestershire County Council.

#### Frequency and nature of previous visits to Beaumanor

30. Overall, 39% of respondents indicated that they had visited Beaumanor in the last 12 months, 21% indicated that they visited between one and two years ago and 33% indicated they visited more than two years ago.
31. Those who said they visited Beaumanor in the past were asked why they had done so. The most frequent reason selected was for a public event or gift fair (57%), followed by school trip (44%), conference or meeting (31%) and wedding/civil partnership or private event (30%). 'Other' reasons for visiting Beaumanor were selected by 17% of respondents and when asked to specify the reasons, comments contained references to specific events, including leisure activities and food related events, children's activities, historical events and activities, being a former or current employee and registration services.

#### Which events were important to respondents

32. Respondents were asked how important different types of events would be in terms of visiting Beaumanor Hall in the future.
33. Most people said 'other' events were important (71% very important, 24% fairly important) followed by public event or gift fair (54% very important, 36% fairly important). Over a quarter (30%) of respondents indicated a conference or meeting as not important (11% not at all important, 19% not very important).
34. Those who indicated the importance of 'other' events were asked to specify these events. The comments closely resembled the suggestions detailed in the section asking how Beaumanor could generate further income. The suggestions fell into the following broad themes:
  - Accommodation and Hospitality
  - Heritage and History
  - Community and Inclusion
  - Events and Entertainment
  - Outdoor Activities and Adventure
  - Education and Learning
  - Weddings and Private Hire

#### Ideas for generating further income or visitors

35. Respondents who indicated that they were responding as a resident or 'other' were asked if they had any suggestions for how Beaumanor Hall could generate more income or attract more visitors.
36. There were 704 responses to this question. 144 unique ideas were identified although with such a high volume of responses, there was some overlap between the ideas. Common themes included:

- Concerns regarding marketing and promotion of events. People often said they didn't know Beaumanor Hall was there, didn't know if it was open to the public, and unaware that events were taking place. This included the website and social media.
- Pie Nights were frequently mentioned as a really popular event that people wanted to bring back.
- Outdoor pursuits and sports were frequently suggested. This included as a base for parkruns, 'tough mudder' style events, as well as zip wire and family oriented outdoor activities and camping/glamping (with various other sports also mentioned).
- Murder Mystery events were often mentioned, including options for staying overnight and premium dining.
- Afternoon tea was mentioned several times.
- Corporate events including conferences, meals, bar and accommodation to cater for larger budgets.
- Education was another theme with several suggestions, including:
  - SEND provision, including becoming a dedicated SEND school
  - Forest school
  - Pre-school / nursery
  - College and university collaborations. This included becoming a satellite campus or a base for skills training (e.g. horticulture).
- Several suggestions of outdoor entertainment including outdoor cinema, concerts, music festivals, comedy, theatre.
- Many references to World War Two history, especially potential links with Bletchley Park.
- There were suggestions of a Friends of Beaumanor or similar membership or subscription scheme where people could make regular donations. A 'buy a brick' scheme was also mentioned a couple of times.
- Several people suggested using the site as a location for TV and film production.
- Selling or gifting the property to National Trust or English Heritage.
- A greater use of volunteers to run and support events and ongoing activities.
- Lots of references to weddings including:
  - Overnight accommodation, including a bridal suite for before and after
  - Increase prices (seen as relatively inexpensive by some)
  - Add premium options
  - Create budget options including 'fast track' registry
  - Cater more for large Indian weddings
  - Cater for receptions
- Various suggestions about accommodation, including hotel and spa facilities, Airbnb and rooms to cater for conferences, weddings etc.
- Several people suggested looking at similar facilities for inspiration and provided many examples.
- Various themed events included including Downton Abbey and Bridgerton, Victorian balls, Medieval banquets.
- Lots of suggestions regarding a restaurant, including one that is permanently open, themed nights, fine dining and Sunday carvery.

### Public engagement event

37. A public engagement event was held at Beaumanor on 25 September 2025 at the Hall. 23 people were booked to attend the event. 22 people attended – mostly residents of Woodhouse, plus a very small number of current and former staff.
38. Many of the themes from the main public engagement questionnaire were echoed in this session, but there were some significant additions, including:
- Management and leadership challenges
  - Funding and investment strategies
  - Physical infrastructure issues (lift, signage, décor)
  - Marketing and visibility gaps (social media, tours)
  - Opportunities for business collaboration, heritage funding, and commercial partnerships
  - Innovative ideas beyond events (e.g., serviced offices, workshops, charitable trust)
  - There was an enthusiasm for forming a friends group for the site, as an informal advisory body of interested local people.

### **Reponses from Businesses**

#### Demographics of the respondents

39. 4% of the 889 responses to the engagement survey were representative of a business or organisation. Respondents who indicated that they were a representative of a business or organisation were asked what type of business or organisation they represent. The largest proportion (28%) represented an education/training organisation, while over 16% represented an event/entertainment business. 22% of respondents said that they represented other types of business/organisations (this included manufacturing, social media and the public sector).

#### Frequency and nature of previous visits to or collaboration with Beaumanor

40. Representatives of a businesses or organisation were asked whether they had ever visited Beaumanor in a professional or business capacity. Around two thirds (63%) indicated they had visited within the last 12 months, while 9% said they have never visited. The remaining respondents visited between one and two years ago (13%) or more than 2 years ago (16%).
41. Representatives of businesses/organisations were also asked whether they had ever worked with Beaumanor for events, services or promotions. A similar proportion of representatives indicated they had not worked with Beaumanor (44%) and had worked with it (41%), while 16% expressed interest in working with Beaumanor.

### Perceived strengths of Beaumanor

42. Businesses/organisations were asked if there were any particular strengths that they thought Beaumanor offered for different types of businesses.
43. There were 27 responses to this question. Key themes from the responses are summarised below:
- Location and Setting:
    - Outdoor space and environment
    - Free and easy parking
    - Ease of access
    - Central location
    - Unique in the area/region
    - The building
    - Variety of spaces (hall, outbuildings)
    - Disabled access and facilities
  - Great facility for education:
    - Teaching facilities
    - Links to education curriculum (WW2, Victorian)
    - School residentials
    - Reputation for excellence (education)
  - Heritage:
    - Historical links
    - Iconic establishment
    - Cultural landmark

### Perceived barriers of Beaumanor

44. Businesses and organisations were asked if there were any barriers to making the most of Beaumanor that they thought the site should consider.
45. There were 25 responses to this question. Key themes from the responses are summarised below:
- Building/infrastructure not being fit for purpose
  - Costs of activities onsite
  - Miscellaneous:
    - Lack of public identity, needs branding
    - 'Council run' seen as negative
    - Lack of events and marketing
    - Too many staff
    - Don't take on ideas – including from staff

### Ideas for generating further income or visitors

46. Finally, businesses/organisations were asked if they had any suggestions for how Beaumanor could generate more income or attract more visitors.
47. There were 30 responses to this question. Suggestions from businesses were broadly similar in themes and content to suggestions from individuals.

### Business engagement event

48. A business engagement event was held at Beaumanor on 16th September 2025. Nineteen people attended from various business backgrounds including wedding venues, campsite, marketers, theatre company, MOD and chamber of commerce.
49. Suggestions made at this event were broadly similar to those made in the engagement questionnaires, but with greater focus on:
  - External collaborations (organisations, universities, railways, National Forest)
  - Funding and strategic alignment (Arts Council, heritage grants)
  - Infrastructure expansion (MOD car park, accommodation for weddings)
  - Continuous event programming and marketing strategy
  - New event types (kid's festival, makers fairs, antiques fair, car show, pop-up pubs, segways)
  - Community engagement through children and neighbourhood dinners
  - Focus on testing ideas with low-cost events

### Further meetings with local businesses

50. Further to the questionnaire and the engagement sessions, the council was approached by a number of businesses directly and met with all that wished to meet onsite.
51. Proactive contact was also made with all the businesses who responded to the engagement questionnaire and asked for a follow up meeting. Fifteen businesses were contacted in this way.

### **School engagement**

52. A questionnaire for schools was devised by the staff from the outdoor education centre. The aim was to establish what schools felt about the current offer at Beaumanor and how they felt their usage of Beaumanor might change in the future.
53. The online questionnaire was live between October and December and was publicised through direct contact with schools and through the headteacher bulletin. Disappointingly, only 12 responses were received. It might be worthwhile considering incentivising participation in the questionnaire in future, to gain a better response rate.

54. Of those teachers who did respond, all were from Leicestershire schools with the vast majority representing primary schools. 11 had visited Beaumanor for residential and 9 for day visits.
55. When asked why they chose Beaumanor, most noted the location, range of activities, quality of experience and tradition as being reasons for attending.
56. When asked what challenges they faced when attending Beaumanor, the main response was around cost, transport logistics, and staffing constraints. Respondents also highlighted that the food and accommodation was not as good as other venues and the cost was not comparable. They also noted that the variety of activities was not as good as in other venues and had not adapted over the years. Free text comments bore this out with a number commenting on the poor quality of teacher accommodation, in particular the need to share rooms. A number of comments also highlighted that most comparator venues offer free staff places, whereas Beaumanor charges for these.
57. Respondents who no longer used Beaumanor noted that this was because it was too expensive or that they did not know what was available. Some noted that they no longer had budget for trips and residential.
58. Teachers were asked what would encourage them to attend Beaumanor more regularly and the main responses were around the visits being more budget friendly, better curriculum links, and improved facilities and accommodation.
59. Teachers were asked what they thought would happen to the frequency of their school visits. 75% felt that the number of residential visits would remain the same. 64% felt that day visits would remain about the same. All felt that the duration of visits would remain the same. Cost was cited as the main factor governing how often schools would attend. No school expected to go on more frequent trips.
60. When it came to cost, all respondents felt that £20 was the maximum acceptable cost for a day visit, per child. For residentials, the figure was £50-100 per overnight stay.
61. Schools expressed moderate interest in having a joint learning visit, combined with another local provider, suggestions included another local museum, farm park, or country park. Almost all respondents said they would be interested in a Beaumanor offer that could come to their schools as an outreach event.

### **Staff engagement**

62. An in-person event was held with staff at Beaumanor on 7th October. Staff worked in small groups to consider the strengths, barriers and opportunities of the site. The broad themes are set out below.

## 63. Strengths

- Spacious site with development opportunities (dining hall renovation, basement use, sports hall hire).
- Unique blend of historic venue and activity centre featuring facilities like a high ropes course.
- Good vehicle access and parking; additional parking needed for major events.
- Five-star food rating; capacity to host larger events.
- Skilled, adaptable staff dedicated to customer service.
- Experience with public offerings and partnerships (e.g. Bletchley Park).
- Strong relationship with MOD and supported workers scheme.
- Key assets: beautiful gardens, central location, Grade II\* listed status.
- Multi-purpose venue with growth potential and international links.
- Accessible, safe, secure, and well-connected to the motorway.
- History of successful public events and positive feedback.
- Access to art collections and craft fair possibilities.

## 64. Barriers

- Recognition that lack of a clear strategy has hampered activity onsite.
- Venue usage is split between schools and weddings, with insufficient facilities for corporate events and parking.
- Lack of budget for continued investment in maintenance, cleaning, and accessibility
- Safeguarding limits public access during children's activities.
- Marketing, staff training, and website quality require upgrades.

## 65. Opportunities &amp; Ideas

- Initiatives include 'Friends of Beaumanor', volunteering, upgraded staff uniforms, and increased staff recognition.
- Investments in CRM, supplier management, grant-seeking roles, and improved engagement across management levels.
- Greater community collaboration (e.g., care homes), enhanced public access (walking, cycling, parking), expanded site facilities (play areas, catering, toilets, showers), and ongoing maintenance.
- New amenities: paid parking, overnight stays, stair lifts, refurbished cabins, swimming pool/lido, and conference equipment.
- Creative additions such as an underground maze, fireworks, rifle/axe activities, a new website, and themed events.
- Expanded marketing, external funding, pay-and-play activities, and partnerships with local businesses.
- Events like outdoor cinema, light trails, archery, car boot sales, public camping, heritage education focus, and regular management meetings.

**Research into the state of the market**

66. Officers identified and analysed comparator venues within a 30-minute radius, including wedding venues with accommodation, outdoor education centres, and

sites combining heritage, weddings, education, and events. This work also also sought examples of courtyards used for commercial activities, potential revenue opportunities, relevant businesses for partnerships, and gaps in the local or regional market that Beaumanor Hall could fill to inform strategic decision-making and income generation strategies.

### **The state of the local wedding market**

67. The research considered nineteen local wedding venues within a reasonable drive time of Beaumanor. It focused on exclusive hire venues, rather than venues that were primarily hotels.
68. It found that, of those venues:
- Just over half had accommodation available for wedding guests. This ranged from six to 185 bedrooms.
  - Eight allowed use of a variety of caterers. Some were on an approved list, others allowed complete flexibility over caterer, this suggests that catering flexibility is desired within the market.
  - All of them also offered conferencing.
  - Pricing for dry hire weddings was normally more expensive than Beaumanor, suggesting there might be scope to raise our prices.

### **The state of the local outdoor education market**

69. The research also looked at outdoor education centres in the region to see how their offer compared with Beaumanor. It is clear that there are a substantial number of alternative venues within the east and west midlands, with a mixture of sites that could offer residential visits and those that only catered to a day visit audience.
70. As well as the offer to schools, there were venues catering to Corporate, Stag and Hen, Birthday Parties, Holiday Club, Thrillseeker Days. A number of venues are beginning to focus more on wellbeing, resilience building and mental health.
71. Activities being offered that are different to those currently offered at Beaumanor include:
- Robin Hood and Medieval Life
  - Comparing Habitats
  - Woodland Wonders
  - Soft Archery
  - Aero Ball
  - Axe Throwing
  - Air Rifle Shooting
  - Grass Sledging
  - Fencing
  - Volleyball

72. A number of venues are offering discounted rates in off-peak periods.
73. Whilst a number of venues could offer space for meetings, there was only one venue that offered outdoor education, as well as weddings and conferencing. This was Lea Green, run by Derbyshire County Council.

#### **Beaumanor Hall and Park - Next steps**

74. Following from the engagement activity, officers have been working on a future plan for Beaumanor that will reduce the financial cost of the site to the Council. Further due diligence work and costings are being established around the following areas, some of which may feature in the final plans:

- Refreshment of the interior of the main hall
- Improvements in outdoor education accommodation to improve facilities for teachers and small groups
- Accommodation within the wider site
- Redevelopment of the courtyard area
- Redevelopment of the sports hall to create an improved space and facilities for education catering and dining
- Greater provision of events onsite
- Improved marketing

#### **Recommendation**

75. The Commission is asked to note the performance of LTS during 2025/26 and progress regarding closure of the School Food service.
76. The Commission is asked to note the feedback from the public, businesses, schools and staff on the future of Beaumanor Hall.

#### **Circulation under the Local Issues Alert Procedure**

77. None.

#### **Equality Implications**

78. There are no equality implications arising directly from this report.

#### **Human Rights Implications**

79. There are no human rights implications arising directly from this report.

#### **Officers to Contact**

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### **Background Papers**

Scrutiny Commission – 12 June 2023 – Annual Commercial Strategy Report  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7101&Ver=4>

Cabinet – 23 June 2023 – Annual Report of the Commercial Strategy  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7077&Ver=4>

Scrutiny Commission – 29 January 2024 – Interim Report on the Traded Services Strategy  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7441&Ver=4>

Scrutiny Commission – 4 September 2024 – Annual Report on the Traded Services Strategy  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7445&Ver=4>

Scrutiny Commission – 10 November 2025 – Annual Report on the Traded Services Strategy  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7836&Ver=4>



## SCRUTINY COMMISSION - 10<sup>th</sup> JUNE 2026

### LEICESTERSHIRE COUNTY COUNCIL'S CUSTOMER EXPERIENCE STRATEGY – UPDATE ON DELIVERY PROGRESS

#### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

##### Purpose of report

1. The purpose of this report is to update the Scrutiny Commission on progress in delivering the Customer Experience Strategy and on overall customer experience performance across the Council.

##### Policy Framework and Previous Decisions

2. Cabinet approved Leicestershire County Council's Customer Experience Strategy 2024–28 in December 2024, and it was agreed that periodic updates on implementation progress would be provided.
3. Prior to implementation, in November 2024 the Scrutiny Commission considered and commented on the new draft Strategy, welcoming its aim to bring greater consistency across the customer service system to improve the overall customer experience.

##### Background

4. The Customer Experience Strategy is rooted in transforming council services to be customer-centred, digitally enabled, and consistently delivered across the whole organisation, whilst improving accessibility, efficiency and overall user experience.
5. A small corporate cross-cutting team has supported overall delivery of the Strategy to date. Activity aligns with the Council's emerging "Better Leicestershire" Programme and sits within the "Resident Focused Organisation" theme. The Customer Experience Strategy is a key enabler for delivering the Medium Term Financial Strategy (MTFS) "Customer" line of £400k to be delivered over the next four years; savings are predominantly delivered through reducing the overall cost per contact and therefore associated officer effort (i.e. time saving and capacity release).
6. As reported to Cabinet and Scrutiny in late 2024, the local and national context for having the strategy remains unchanged:
  - a. Demand for public services continues to increase. Where possible, customers who are able to do so, should be encouraged to self-serve, helping to manage service growth and protect capacity for those who require direct support;

- b. We could do more to improve the overall experience of our customers when they interact with Council Services;
  - c. The Council’s financial position remains under strain, and we therefore need to continue to modernise, streamline and improve customer efficiency; and
  - d. Customer behaviour and preferences overall point to an expectation for digital services for a large proportion of customer groups
7. The Strategy provides a framework to ensure that significant changes to customer experience across Council services are evidence-led, controlled and deliver value for money. It is based on an understanding of current performance, customer need and demand, informed by customer feedback, data analysis and service pilots. It sets out clear design principles, including a customer-first approach, organisational accountability, efficient use of public funds and appropriate use of digital channels, to ensure that changes are consistent, inclusive and financially responsible. The Strategy also requires changes to be tested and monitored before wider implementation, with ongoing performance review and customer feedback used to inform continuous improvement.

### **Progress**

8. Over the past year, focus has mainly been within the Council’s Customer Service Centre (CSC) as well as in several Children and Families Department services, using the Customer Experience Strategy principles to advance and improve its service to customers. Both areas make up a considerable volume of customer contact across the Council.
9. The Strategy points to being able to see a demonstrable improvement in the following performance areas, and this section aims to support how we are achieving this:
- a. Increased customer satisfaction
  - b. Improved responsiveness within achievable timescales
  - c. Reduced repeat contact
  - d. Fewer people needing to call us
  - e. More people using our online services
  - f. Reduced cost per contact
10. The tables below show how customers across the council are choosing to make contact and how this has shifted between 2024 and 2025::

**a. Total contact volumes into the council:**

Year	Channel					Total (excl. web)
	Web visits	Phone	Email	CH visits	Online*	
<b>2024</b>	7,042,865	763,087	1,147,018	6,883	230,582	2,168,826
<b>2025</b>	7,284,186	727,313	1,370,956	3,414	220,000	2,340,454
<b>% change</b>	+3%	-5%	+20%	-50%	-5%	+8%

*\*only the Council’s main forms platform “Granicus” included.*

**b. Contact Channel usage:**

Year	Channel			
	Phone	Email	CH visits	Online
2024	35%	53%	0.3%	11%
2025	31%	59%	0.1%	9%
% change	-4%	6%	-0.2%	-1%

**c. Telephony performance:**

Year	Total. No of open lines	Accepted	Missed
2024	259	75%	25%
2025	253	76%	24%

11. Looking across the whole council, total contact volume is considerable, and the increasing net volume supports the overall picture of increasing demand and pressure on Council services, demonstrating the size of the ambition outstanding. Telephony performance remains below the corporate target of 80% of calls handled, the high volume call centres (these lines account for 30% of all calls) have an average call handling of 84% likely because these have dedicated staff assigned to answering calls, the overall handling performance is brought down by the phone lines that have lower call volumes and less dedicated capacity. Further into this report you can see the difference that targeted work is having in service areas so far.
12. Complaints performance is a key indicator within the Customer Experience Strategy as timeliness, communication, response quality and ease of access to service are all drivers for complaints. However, it should be noted that dissatisfaction with the outcome of a service or policy decision will not always be within the Council's control, even where the complaint handling experience is positive. The volume of Corporate Complaints (excluding social care related complaints which follow a different route) received (based on stage 1/the initial complaint received about an issue only) since the strategy was introduced has decreased:

Year	Volume	% change since previous year
24/25	1213	13% reduction
23/24	1390	57% increase
22/23	885	65% increase

13. In 2024/25 75 complaints were escalated to Stage 2 (i.e. where a customer is dissatisfied with the outcome of their initial Stage 1 complaint), this was a slight reduction on 2023/24 (80) and 2022/23 (82).
14. The Environment and Transport, and Children and Families Departments consistently receive the highest number of complaints, with Special Educational Needs Assessment and planning (SENA), as well as SEN and School Transport being key factors.
15. Work is ongoing corporately to further enhance the insights that derive from customer complaints, to ensure that this valuable information is proactively used to address common trends in service areas that may be driving up complaints, particularly those that are influenced by a positive customer service experience. Improvements in SENA Complaints recording, analysis and reporting point to the highest proportion of

complaints being driven by issues with timeliness (meeting statutory timescales), placements (where a child has been placed) and provision not being delivered. Customer Service and Experience such as issues with communication does feature in small proportion of complaints.

### Customer Service Centre

16. Since implementation of the Strategy the following key activities have been undertaken across the Customer Service Centre:
- a. Embedding previously implemented improvements across Highways, Blue Badge, School Transport, Waste Services and School Admissions (there is outstanding work within Concessionary Travel and an ongoing pipeline of continuous improvement particularly within Highways Services).
  - b. Implementation of a customer-focused service model improving first-time resolution.
  - c. Automation of routine processes, reducing manual handling.
  - d. Consistent customer handling approaches across services.
  - e. Expansion of digital and self-service channels with supported access retained.
  - f. Establishment of a repeatable transformation model across services.
  - g. Improved performance reporting and transparency.
17. Arising from this work, so far the impacts/outcomes that have been achieved over the past 12 months include reduced demand, improved satisfaction, and measurable efficiency gains as follows:
- a. Total CSC calls reduced from 119,186 to 96,479 (19% reduction).
  - b. Calls requiring advisor input reduced by 31%.
  - c. Queue times reduced from 8minute 13seconds to 4minute 14seconds.
  - d. £228,000 savings and £295,000 cost avoidance delivered through reducing the overall cost per contact and net contact volumes received in the CSC; the level of staff time and effort required to handle customer contact has been tangibly reduced to arrive at these values.
  - e. Self-service usage increased from 42% to over 50%.
  - f. Assisted digital; short telephone appointment slots to support customers who require some help in completing their Blue Badge applications; 64% of Blue Badge required some human assistance, and 36% zero touch.
  - g. Numerous customer compliments and testimonials across different areas of the service, see below some examples of what the service regularly receives:
    - “patient and reassuring when handling my renewal”*
    - “great communication and very patient”*
    - “They went above and beyond to help me with my mid-term school transfer”*
    - “The speed of processing my (Blue Badge) application was astonishing”*

### Children and Families Department Customer Activity and Performance

18. Dedicated Customer Experience Improvement work within the education section of the department is ongoing as follows:

- i. Child Performance and Employment Licensing – this will see licensing fully automated this year, improving the overall end to end processing time to receive a license and freeing up officer time and effort.
- ii. Inclusion Service – work to improve the front door to inclusion, through streamlining and automating some pathways, improving the website and self service digital offering aims to support schools and parents with the right information up front, manage their expectations, ultimately freeing up officer capacity to address work backlogs and improve timeliness in overall work processing that ultimately supports children and young people to remain in education. A WhatsApp trial to support families with limited access to council services will also take place.
- iii. Special Educational Needs Assessment (SENA) team - considerable work to introduce clear and responsive pathways into the service through introducing an online contact form, an appointment booking option, remove unstructured emails and streamline the telephone routes, has enabled the service to have improved visibility and management oversight over contact coming in and how the service is responding. These improvements are fully live and in post implementation review (with dedicated performance reviews happening weekly and customer feedback loops in place to support refinement).

19. As a result of changes now live, the performance of the SENA team has improved significantly as outlined below:

- i. Telephone Call Answer Rate: 92% (above the target of 80%)
- ii. Average Call queue time: 5 m 37 s (above the target of 10 mins)
- iii. Online Contact First time response rate – 13.5 hours (above target of within 24 hours target)
- iv. Online Contact to close/fully resolve: 99% within 4 days (above target of within 14 days)
- v. Other metrics being tracked and analysed closely include Complaints, Microsoft Bookings (approximately 100 booked per month)
- vi. Ratio of contact by channel in April 2026:

Channel*	Monthly Vol.	Proportion
Calls	196	12%
Appointments	107	6%
Online	1380	82%
<b>Total</b>	<b>1683</b>	

\*some contact continues to come via secure email or file transfer in addition to the above listed, but continuous improvement with the online offer aims to reduce this further and also address avoidable contact coming in irrespective of the route.

20. Progress towards a single Customer Experience Performance Framework is ongoing, and although this is not in place across all services, these indicators and approaches are being trialled in pockets of high customer demand areas as mentioned above:

Indicator	Metrics	Strategy Alignment
1. Customer Experience Outcomes	<ul style="list-style-type: none"> <li>• Customer Satisfaction</li> <li>• Customer effort (ease to complete a task)</li> <li>• First contact resolution</li> </ul>	Evidence that customers are finding our services: “easier” “quicker”

Indicator	Metrics	Strategy Alignment
		"better overall"
2. Access and Channel shift	<ul style="list-style-type: none"> <li>• Channel usage split</li> <li>• Digital take up rates</li> <li>• Self-service completion</li> <li>• Website success rate</li> </ul>	Customers are moving to digital channels Services are designed well enough for self service
3. Speed and Responsiveness	<ul style="list-style-type: none"> <li>• Average response times by channel</li> <li>• Call wait/queue times</li> <li>• End to end transaction time</li> <li>• Backlog volumes and ageing</li> </ul>	Faster More efficient
4. Efficiency and value for money	<ul style="list-style-type: none"> <li>• Cost per contact by channel</li> <li>• Avoidable contact rate</li> <li>• Contact volumes by service</li> <li>• Reduction in failure demand</li> </ul>	Processes are simplified and being optimised  Wasteful and non-value activity is being reduced/eradicated
5. Accessibility and inclusion	<ul style="list-style-type: none"> <li>• Assisted digital usage</li> <li>• Complaints related to access barriers</li> </ul>	Digital shift does not exclude vulnerable people
6. Quality and Consistency	<ul style="list-style-type: none"> <li>• Quality assurance monitoring (e.g. responses across all channels)</li> <li>• Training completion and capability measures</li> </ul>	Consistency across services and the organisation
7. Customer insight and continuous improvement	<ul style="list-style-type: none"> <li>• Volume and themes of complaints</li> <li>• Compliments/feedback trends</li> <li>• Number of improvements driven by insights</li> <li>• User Testing</li> </ul>	We listen to customers and act on insight  Continuously improving

### Looking Forward

21. Progressing with Artificial Intelligence (AI) to improve overall Customer Experience across several different concepts is underway. Leicestershire County Council's new AI chatbot is intended to make information on the website easier and quicker for residents to access. Unlike a standard website search, which depends on users choosing the right search terms and then working through a list of results, the chatbot allows people to ask questions in plain English and receive a direct, conversational response. This can help residents find the information they need more efficiently, particularly where council services or processes may be unfamiliar or spread across several pages. For end users, this should mean a more straightforward and intuitive

route to information, available at the point of need and designed to reduce frustration, save time, and improve the overall digital experience. This in turn can reduce contact with more expensive channels such as contact centres and enable people to get the help they need earlier.

22. The chatbot also has the potential to improve accessibility by supporting users who may find traditional website navigation more difficult, including people with lower digital confidence, those using assistive technologies, or residents who benefit from asking questions in a more natural way. To support confidence in the service, the chatbot has been through extensive internal testing and has also been tested with the Adults and Communities Citizen Engagement Panel, helping to ensure that feedback from service users has informed its development. Subject to successful completion of final testing, the current plan is for the chatbot to go live at the end of June or in early July this year.
23. Other AI opportunities identified within the Education Work, which is likely to improve Customer Experience across the council, will be explored further this year, for example to help create efficient, quality, and personalised customer interaction, e.g.:
  - Proactively standardise quality responses across teams and services
  - Turn customer feedback into actionable insight quicker
  - Anticipate customer needs
  - Tailor interactions to individual customers (linked with case management tasks)
24. Over the next 12 months the focus will be to:
  - a. continue progressing the work already underway
  - b. increase digital uptake and automation
  - c. flex our approach to take account of any changes in direction or priority arising from the Better Leicestershire Programme and Local Government Reorganisation
  - d. Strengthen performance reporting and governance.

### **Ongoing Key delivery risks**

25. Key risks impacting the overall strategy implementation pace, scope, benefits impact and timing are associated with the upcoming Local Government Reorganisation and Better Leicestershire Programme priorities primarily, which may impact overall change and resource capacity. The main mitigations will be to maintain a tight focus on work already underway and on activity that will remain valid under any future council structure, avoiding an overcommitment, and to ensure the Customer Experience Strategy aligns tightly to Better Leicestershire, recognising the strategy is an enabler of better resident experience, efficiency savings, service simplification and demand management.

### **Equality Implications**

26. There are no equality implications as a result of this report.

### **Human Rights Implications**

27. There are no human rights implications arising from the information contained in this report.

### **Other Relevant Impact Assessments**

28. The Customer Programme will contribute positively to the overall environment and carbon agendas, due to reduction in paper processes and postage.

### **Background papers**

Approved strategy link:

[https://democracy.leics.gov.uk/documents/s187224/Appendix%20A\\_Customer%20Experience%20Strategy%20for%20approval%20Dec%202024.pdf](https://democracy.leics.gov.uk/documents/s187224/Appendix%20A_Customer%20Experience%20Strategy%20for%20approval%20Dec%202024.pdf)

Scrutiny Commission Report – November 2024:

[https://democracy.leics.gov.uk/documents/s186226/scrutiny%20Nov%202024\\_Customer%20Strategy%20final.pdf](https://democracy.leics.gov.uk/documents/s186226/scrutiny%20Nov%202024_Customer%20Strategy%20final.pdf)

Cabinet Approval – December 2024:

<https://democracy.leics.gov.uk/documents/s187223/Customer%20Experience%20Strategy%20FINAL.pdf>

### **Circulation under the Local Issues Alert Procedure**

29. None.

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# Overview and Scrutiny

Annual Report 2025/26



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# Foreword

Welcome to Leicestershire County Council's annual report summarising some of the work undertaken by overview and scrutiny during 2025/26. This report highlights the broad range of work carried over the course of the year and reflects the important role scrutiny continues to play in supporting transparent, accountable and effective decision-making.

This has been a particularly significant year for scrutiny. With many new Members becoming involved in Scrutiny following the May 2025 elections, this has brought a new perspective and sense of challenge to all our scrutiny meetings. Members have considered issues of major strategic importance, including local government reorganisation, the Council's medium-term financial position and the outcomes of the far-reaching organisational efficiency review, necessary due to the continued pressure on key services and the Council's low funded position. Throughout this work, scrutiny has provided challenge, tested assumptions, sought assurance on delivery and highlighted the need to protect services for residents whilst responding to an increasingly difficult financial and policy environment.

We have been impressed by the volume and quality of scrutiny undertaken across all committees. During the year, members examined a wide range of issues including SEND and children's social care pressures, adult social care improvement and safeguarding, highways maintenance and drainage, local nature recovery and climate resilience, and access to health services. In addition to formal committee meetings, the Scrutiny Commission has called three additional special meetings to examine time-critical and complex matters in greater depth such as the Council's local government reorganisation proposals and the outcome of the Council's efficiency Review.

As Scrutiny Commissioners, we would like to thank all members involved in the overview and scrutiny process for their contribution throughout the year. We also extend our thanks to officers, Cabinet members, partner organisations and external witnesses who have supported and contributed to our work.



**Deborah Taylor CC**  
Chairman of the  
Scrutiny Commission



**Michael Mullaney CC**  
Vice Chairman of the  
Scrutiny Commission



**Dr John Bloxham CC**  
Scrutiny Commissioner



**Andrew Innes CC**  
Scrutiny Commissioner

**The four Scrutiny Commissioners are responsible for leading the Overview and Scrutiny process, deciding on priority issues for Scrutiny and areas that merit more detailed review.**

## Overview and Scrutiny at a glance

Overview and Scrutiny is a central part of local democratic accountability, enabling non-Cabinet councillors to examine matters of public importance, test proposals and support robust decision-making in the interests of Leicestershire residents.

## What scrutiny can do

Scrutiny does not make decisions, but it can make recommendations to decision makers, including the Cabinet. It can also examine services delivered by partner organisations, such as health bodies, and recommend improvements where appropriate.

## How scrutiny is organised

Leicestershire County Council has 55 elected councillors. Of these, 34 non-Cabinet members sit on the Scrutiny Commission and five politically balanced Overview and Scrutiny Committees. Each Scrutiny Committee looks at a particular service area of the Council and these are outlined in the chart below.



You can also find out more about how Overview and Scrutiny works in Leicestershire by accessing our [Overview and Scrutiny Guide](#) on the Council's website.

## What does good scrutiny look like?

The Centre for Governance and Scrutiny identifies four principles of effective scrutiny. Together, these principles provide the foundation for constructive challenge, public accountability and continuous improvement.

### Principles of Effective Scrutiny



Scrutiny committees hold the Cabinet to account for the decisions it has taken, sometimes by way of call-in, or by advanced scrutiny of decisions it intends to take. It provides challenge and acts as a critical friend, testing developing proposals and examining how services are being delivered, identifying areas for improvement to ensure the Council provides high quality services that meet the needs of Leicestershire residents. In practice, they do this by:

Reviewing and commenting on the County Council's budget and strategic policies.

Undertaking pre-decision scrutiny of key matters, making recommendations for improvement wherever possible.

Monitoring and challenging the performance of services and the outcomes delivered for those living and working in Leicestershire.

Providing transparency by holding meetings in public, taking questions from residents and receiving petitions.

## The different types of Scrutiny

Scrutiny balances policy development with ongoing performance and assurance activity across the Council and its partnerships through a continuous process that combines review, challenge, assurance and accountability as outlined below.

## Evidence, plans and proposals

Budget proposals, strategic policies, service plans, performance information and emerging issues are brought forward for review.



## Scrutiny challenge and review

Committees test proposals before decisions are taken, reviews performance and seeks assurance where necessary. It examines whether services are being delivered effectively, efficiently and transparently.



## Outputs and influence

Scrutiny helps shape policy development, supports budget and policy review, submits comments and recommendations to the Cabinet, and seeks further information and assurance where needed.



## Public accountability

Meetings are held in public and questions can be received from residents, supporting openness, transparency and public accountability.

Over half of the reports considered by the Council's Scrutiny Committees have resulted in comments and recommendations being presented to the Cabinet for consideration as part of its decision making process.

Scrutiny Committees have sought to keep abreast of issues, receiving information and updates on a range of topics. They also monitor the Council's performance and seek assurance around service and project delivery.

## Public involvement

Scrutiny committees draw on a wide range of evidence to assess whether Council services and partner activity are meeting the needs of residents and service users.

Scrutiny draws on several complementary sources to provide insight and to strengthen challenge and support informed decision-making.

### External evidence

Partners, stakeholder representatives and external experts contribute evidence to broaden members' understanding.

### Co-opted expertise

The ability to co-opt members on the Children and Family Services Committee adds expertise, allowing for representation from parent governors and Church of England maintained schools.

### Local insight

Members also draw on their knowledge of local communities when questioning Cabinet Lead Members and officers.

Public participation is an important part of the scrutiny process, with a number of routes available for residents and stakeholders to contribute as outlined below:

- Attending a meeting – Members of the public are welcome to attend any public meeting of a Scrutiny Committee, details of which are listed on the [online meeting calendar](#).
- Asking a question – all Scrutiny Committees allow for public questions at the beginning of each meeting. If you wish to ask a question, please see our [online guidance on how to submit a question](#).
- Submitting a petition – all Scrutiny Committees can receive petitions relating to an area that the council has authority over. It can be submitted by anyone who lives, works, or studies in Leicestershire. For further details, see our [online guidance on how to submit a petition](#).
- Identifying issues which a Scrutiny Committee might look at (particularly through a specific review).
- Providing evidence to inform Scrutiny (either in writing or in person).
- Contributing to consultations, surveys, workshops and/or focus groups.

## Public involvement in 2025/26

Below is a summary of the scale of scrutiny activity and public engagement during 2025/26, including meeting volume, reports considered, public questions, webcast views and comments submitted to the Cabinet. These figures provide a concise snapshot of the reach and visibility of the scrutiny process during the year.

Compared with 2024/25, scrutiny activity and public visibility increased significantly in 2025/26. The number of committee meetings rose from 34 to 40, reports considered from 124 to 176, and hours of public debate from 55 to 72. Webcast views saw the most substantial growth, increasing from 2,261 to 8,538, while comments submitted to the Cabinet also rose from 25 to 36.

## Overview and Scrutiny: Public Involvement 2025-26

# 40

Committee meetings held



# 72 hrs

of public debate

# 8,538

Webcast views



# 27

Questions submitted by members of the public

# 36

Comments submitted to cabinet



# 176

Reports considered



# 47

Recommendations made and additional information and assurance sought

# Scrutiny Activity during 2025/26

## Scrutiny Commission

The Scrutiny Commission has continued to provide strategic overview and challenge across the Council's corporate priorities, with a particular focus on financial sustainability, major policy development, and cross-cutting issues affecting residents and services. Full details of the Commission's work can be found on the Council's [website](#).

### Call-in of a Cabinet Decision regarding the Protocol for Flying Flags at County Hall

A special meeting of the Commission was called to consider a Call-in of a Cabinet decision taken regarding the Protocol for Flying Flags at County Hall. The Commission, as part of this item, heard from representatives of the Council's staff networks. The Commission:

- Criticised the absence of prior scrutiny/consultation and emphasised the importance of following democratic processes and transparency. The Commission sought assurances that scrutiny would not be bypassed for future decisions, highlighting the value of scrutiny in improving policy decisions.
- Supported the Call-in reasons, particularly concerns about lack of staff consultation and the need to take proper account of the Public Sector Equality Duty.
- Recommended clearer drafting in the policy, criticising parts of the Cabinet's decision as being too vague, suggesting that the policy should specify which flags would be flown to ensure clarity and consistency. The Commission also recommended that the Union Flag be flown in the quadrant whilst no other flags were flown, a recommendation subsequently taken up by the Cabinet.
- Requested the Cabinet reconsider its decision taking account of the comments and recommendations of the Commission and requesting the Cabinet speak with staff working groups and consider any additional comments.



## Local Government Reorganisation

The Commission held special meetings and received three separate reports regarding the Council's proposals for local government reorganisation. It commented on the draft business case, prior to submission to the Cabinet, and provided feedback as part of the Council's response to the Government consultation. Independent councillors and a representative of those political groups that do not have a member on the Commission were invited for this discussion to ensure the views of the whole council could be heard and captured as part of the scrutiny response.

The Commission initially expressed disappointment that only limited details regarding the Council's proposals had been provided when first looking at LGR and so requested further opportunities to scrutinise this given the significance of the issue. The Council held two further special meetings to look at LGR one of which was held in private. To help shape the Council's proposals the Commission:

- Commented that the business case contained too many options, making the appraisal less focused and potentially weakening the preferred case. Some scoring and narrative in the options appraisal were also considered unbalanced, particularly around democratic governance and neighbourhood empowerment which it was suggested should be corrected. The draft was also seen as lacking enough evidence on long-term sustainability, particularly in relation to population growth.
- Requested that the Case for Change be made stronger, especially in showing how proposals would improve services without requiring boundary changes.
- Expressed concern that the draft wording could imply a "takeover" of Rutland and district functions, rather than the creation of a new independent authority. The Commission highlighted the need to maintain local identity, representation, and access to services. There were concerns about the impact of a single unitary council on the local variation of district services, and on maintaining local responsiveness.
- Commented that there was insufficient clarity on how community grants, area committees, planning committees, and community involvement would work in practice.
- Raised concerns about the capacity of parish and town councils to take on devolved services, particularly where councils are small, under-resourced, or non-existent.

## Efficiency Review Outcomes and Proposals

A special meeting was scheduled on 11 May 2026. A published report states it was intended to invite scrutiny feedback ahead of Cabinet consideration and sets out the review's purpose, phases and scope. Again, Independent councillors and a representative of those political groups that do not have a member on the Commission were invited to contribute to this discussion. The Commission:

- Questioned whether the scale, timing and phasing of the proposed savings were realistic, particularly as some proposals remained at an early stage, relied on assumptions about future delivery and were still subject to detailed business case approval.
- Raised concerns about how far the programme depended on future reorganisation arrangements and whether proposals, particularly longer-term investments, would remain viable under any new authority structure.
- Highlighted that implementation costs would be incurred early, while a significant proportion of savings would not be realised until later in the MTFS period, increasing financial risk if delivery slipped.

- In both children's and adults' services, Members sought reassurance that proposals would not lower thresholds, reduce care inappropriately, or place financial considerations above the safety, wellbeing and individual needs of vulnerable people.
- Raised concerns about staff morale during organisational change, the challenge of reducing agency reliance while recruiting and retaining permanent staff, and the capacity needed to deliver transformation successfully.
- Emphasised the importance of ongoing scrutiny, clearer answers on assumptions and risks as proposals progressed, and careful communication with residents and families so proposals were understood as service improvements rather than service reductions.

## The Budget and financial monitoring

The Commission looked at corporate and central elements of the Council's proposed four year Medium Term Financial Strategy. The Commission also considered a number of reports monitoring delivery of the Council's budget and scrutinising the Council's short and medium term financial position, including proposed changes to the capital programme. The Commission:

- Reiterated concerns about the sharp rise in the High Needs Block deficit and the associated risk to the Council. The Commission sort assurances around the approach to resourcing within the MTFS and the need for clarity on Government arrangements, noting this area would be heavily monitored by the Children and Families Overview and Scrutiny Committee.
- Queried capital programme slippage and requested assurance and lessons would be learnt from projects, noting plans to undertake an internal review.
- Raised concern about costs of secure accommodation placements for children, requesting clarity on numbers affected and costs being incurred.

## Property management, estates, and investments

The Commission received several reports regarding the Council's operation and investment property portfolio and monitored how this was performing during the current year. The Commission:

- Considered the performance of the Corporate Asset Management Plan and the Investing in Leicestershire Programme (IILP). The Commission challenged how comparisons were being presented for investment properties and expressed some disappointment in the level of income generated. The Commission supported the need to explore other diversifiers and sought more information on pooled property fund liquidity risks. The Commission shared mixed views (including concerns) around the risk profile of equities as a potential form of investment in the future.
- Commented on the draft revised IILP Portfolio Management Strategy 2026–2030 and questioned the projected level of income return. The Commission also sought more information on the legal restrictions on investment types.
- Commented on the Council's new Rural Estate Strategy (IILP) 2026–2036 supporting its vision and the aim to support new entrants. The Commission, however, emphasised the need for longterm viability without subsidy and the need to balance retention and development/disposal opportunities. Members also raised concerns about rent increases linked to historic review cycles and welcomed assurance that rent reviews were now up to date and would be maintained on a defined cycle to avoid future spikes.

## Performance, assurance, and customer experience

The Commission received several reports detailing the Council's overall performance across all service areas, including the level of complaints and compliments received from residents and service users. The Commission:

- Welcomed the Annual Performance Report which showed the Council continued to be high performing despite its low funding position. The Commission questioned specific indicators including park and ride performance and adult social care satisfaction survey results and sought additional information on these service areas.
- Considered the Corporate Complaints and Compliments Annual Report 2024/25 noting the use of root cause analysis to identify themes and drive improvements across departments and the corporate complaints function. The Commission challenged the variability in response times and the importance of routing enquiries correctly to avoid unnecessary delay. The Commission emphasised that good communication could prevent escalation
- Received the East Midlands Shared Services annual performance update 2024/25. Members welcomed the positive performance shown and discussed process controls including supplier payment approaches, purchase order compliance, and automation/AI benefits.
- Commented on the performance of Leicestershire Traded Services and submitted proposals to the Cabinet on the future of Beaumanor Hall and Park recognising the sustainability, subsidy and heritage balance that needed to be struck in respect of such a specialist building.

## Governance and standards

The Commission looked at the Council's ethical governance arrangements relating to Member Conduct and reviewed the framework, processes and governance measures currently in place. The Commission:

- Supported the need for greater transparency in complaint outcomes and recommended that a summary of complaints accompany the publication of any public apology made by a member so that the action was meaningful and transparent.
- Submitted recommendations to the Corporate Governance Committee to make training on the Members' Code of Conduct mandatory, with compliance to be monitored and reported annually, recognising the need for target support to address repeat issues and reduce future complaints
- Expressed concern about the effectiveness of current sanctions, noting that these were current limited and not fit for purpose. The Commission supported the need for stronger national reform.

### Next Year...

Over the next 12 months the Commission will continue to monitor regularly delivery of the Council's Medium Term Financial Strategy and will be particularly focused on the outcome of the Efficiency Review and the proposals brought forward to deliver savings that will address the current financial gap faced by the Council alongside demand pressures and rising costs.



# Adults and Communities

This Committee exercised the Scrutiny function in relation to services provided by the former Adults and Communities Department. Full details of the Committee's work can be found on the Council's [website](#).

## Preparation for Adulthood (PfA)

The Committee considered updates on the Council's ongoing work to improve the pathway to adulthood, including progress arising from previous peer review activity. The Committee:

- Received assurance that actions identified through the review were being progressed across both Adults and Children's Services.
- Welcomed joint working between departments to improve outcomes for young people transitioning into adult services.
- Emphasised the importance of a coordinated approach to ensure continuity of care and support.
- Commended the quality of parent carer engagement and emphasised the importance of incorporating feedback.

## Adult Social Care Complaints and Customer Experience

The Committee reviewed the Adult Social Care Statutory Complaints and Compliments Annual Report. The Committee:

- Raised concerns regarding accessibility of services, including difficulties contacting adult social care and reliance on digital channels.
- Emphasised the need for clear communication and timely responses to reduce repeat contact and dissatisfaction.
- Sought assurance that complaints were analysed effectively to identify root causes and drive service improvements.

The Committee also received updates on the Adult Social Care Customer Service Centre and ongoing efforts to improve responsiveness and user experience.

## Care Quality Commission (CQC) Assessment and Improvement Planning

The Committee considered reports relating to the CQC's assessment of the Council's delivery of its Care Act 2014 duties and subsequent improvement planning. The Committee:

- Received an overview of the findings of the CQC assessment and the Department's response.
- Sought assurance that improvement actions were being implemented effectively and monitored.
- Emphasised the importance of demonstrating positive outcomes for service users alongside regulatory compliance.

## Carers and Safeguarding

The Committee considered strategic reports relating to carers and safeguarding arrangements. The Committee:

- Reviewed the draft Leicestershire Carers Strategy 2026–2030, highlighting the importance of recognising and supporting unpaid carers.
- Considered the Safeguarding Adults Board Annual Report, including priorities around equality, diversity, and improving partnership engagement.
- Raised concerns regarding attendance and engagement across safeguarding partners and the long-term financial sustainability of arrangements.

## Cultural Services, Heritage and Community Provision

The Committee considered reports relating to wider community services delivered by the Department. The Committee:

- Reviewed proposals relating to museum policy, accreditation, and collections management.
- Considered the role of community-based services, including day services, in supporting wellbeing and independence.
- Highlighted the importance of maintaining accessible and inclusive community provision.

### Next Year...

In the coming year, the Committee (renamed the Adults and Cultural Services Overview and Scrutiny Committee) will continue to monitor delivery of the CQC improvement plan and ongoing regulatory assurance activity. It will also review the impact of financial pressures and service transformation on adult social care provision and oversee developments in commissioning, including dementia services and community-based support. The Committee will also consider progress against the Carers Strategy and safeguarding priorities and continue to monitor performance, demand, and customer experience across all service areas.



# Children and Families

This Committee scrutinised services provided by the Children and Family Services Department to children, young people and families as well as education, special needs and safeguarding matters. Full details of the Committee's work can be found on the Council's [website](#).

## SEND and Inclusion

The Committee has continued to scrutinise the provision of services which support the education health and care needs of children and young people with special educational needs and disabilities (SEND) through the provision of Educational, Health and Care Plans (EHCPs). The Committee:

- Raised concern about the impact of forthcoming national reforms on the rising demand for EHCPs and SEND services.
- Received assurances that mainstream inclusion was being strengthened and welcomed improved EHCP timeliness through process changes and backlog reduction.
- Welcomed the reduction in SENA complaints and ongoing expansion of specialist provision, while noting continued pressure from rising demand.
- Highlighted concerns about proposed SEND nursery changes, which were not taken forward, and questioned the aims of the Building Education Services Together programme.

## Children in Care and Care Leavers

The Committee received reports on progress achieved against the Department's duties and responsibilities to children in care and care leavers. The Committee:

- Raised concern about rising numbers of children entering care, increased use of residential placements and escalating costs. The Committee received assurance that work was underway to expand fostering, strengthen kinship care and progress Family First reforms to help more children remain safely within their families.
- Welcomed development of in-house residential provision through the Children's Innovation Programme with Barnardo's, aimed at improving care quality, providing more local homes and achieving better value than private provision.
- Raised concern about the number of children in care receiving dental checks and annual health assessments. The Committee received assurance that performance was being addressed and requested a further report on progress.
- Questioned the level of re-referrals to Children's Social Care within 12 months. The Committee was advised that these were monitored closely and could reflect an appropriate response to changing or ongoing safeguarding risks.

## Education

The Committee received reports relating to the Departments work regarding education sufficiency, school place planning, and admissions. The Committee:

- Raised concern about increased phase transfer allocations, linked to rising demand for secondary places, changes in the independent sector and inward migration from neighbouring authorities.
- Received assurance that the sustainability of rural schools, including risks of closure and community impact, would be reviewed through a three-year School Reorganisation Project.
- Raised concern about a projected shortfall of around 2,000 secondary places within two years. The Committee was advised that this would be addressed through capital investment, school expansions and, where necessary, new school provision.
- Welcomed development of a new planning obligations policy to better reflect school building costs, including inflation, and provide greater flexibility to support SEND provision, including in mainstream settings.
- Raised concern about growing demand for support for children facing barriers to attendance, including those with medical needs, children missing education, exclusions and elective home education. The Committee noted the rising cost pressures and anticipated national policy changes in this area.
- Received assurance that, although the Council had limited powers to monitor elective home education, its internal policy had been reviewed to strengthen support for families as numbers continued to rise.

## Families First Reforms

The Committee received a report regarding national reforms for children's services, Keeping Children Safe, Helping Families Thrive, and details of the proposed programme of work to design and deliver the reforms across Children and Family Services in Leicestershire. The Committee:

- Received assurance that the Department was taking proactive steps to prepare for the reforms, including work on workforce data and partnership arrangements, with a continued focus on early support and better long-term outcomes for children and families.
- Questioned how the Children's Social Care Prevention Grant would support additional preventative activity. The Committee welcomed the new funding, while noting uncertainty over whether it would be sufficient to deliver the reforms in full.

### Next year...

The Committee will continue to monitor performance against the Department's safeguarding duties and its responsibilities relating to Education, SEND and inclusion, Children in Care and Care Leavers. It will also receive reports on rural schools, child exploitation, Integrated Care Boards (ICBs), children and young people Not in Education or Training (NEET), and the Oakfield Short Stay School.



# Highways, Transport and Waste

This Committee scrutinised the Council's highways, transport and waste services. Full details of the Committee's work can be found on the Council's [website](#).

## Highways safety, maintenance and asset investment

The Committee considered several reports, reviewing data and interventions aimed at improving road safety outcomes. The Committee:

- Reviewed Road Casualty Reduction activity taking place in Leicestershire report and examined trends in collisions and how resources were targeted to support casualty reduction.
- Commented on the Highways and Transportation Capital Programme and Works Programme 2026/27, which set out planned investment and delivery priorities for the coming year. The Committee considered how the programme aligned with strategic priorities and local need, including highway condition and maintenance requirements.
- Scrutinised the Council's processes for pedestrian crossing assessments and supported improvements to ensure decisions were transparent, evidencebased and aligned with national guidance.
- Considered the outcome of the street lighting dimming trial, providing comments to Cabinet on the future approach to street lighting.

## Drainage and environmental resilience

Drainage and its impact on flooding remained a significant area of scrutiny for the Committee which looked at the Council's Highways Drainage Programme and Works. The Committee:

- Noted the scale and complexity of the Council's drainage responsibilities, including asset management such as gully cleansing.
- Looked at programme updates to scrutinise how drainage works were prioritised and delivered across the County.
- Sought further information on maintenance regimes to provide assurance to residents affected by flooding thought to be linked to drainage issues.

## Strategic transport planning and network development

The Committee has continued to play a key role in shaping the Council's long-term transport strategy. A significant report considered during the period was Delivering the Local Transport Plan (LTP4) 2025–2040 – Next Steps, including development of the Enabling Travel Choice Strategy (ETCS) and MultiModal Area Investment Plans (MMAIPs). The Committee:

- Commented on the long-term delivery and phasing of LTP4, noting the importance of flexibility and alignment with available funding.
- Highlighted the importance of understanding differing transport needs across urban and rural communities and the need to improve engagement with residents on local areas of concern.
- Considered the Council's new Healthy Streets approach, focusing on how transport planning can support healthier and more connected communities.
- Looked at the Council's Home to School Transport annual performance and raising concerns about operational pressures and supporting future priorities.

## Major infrastructure and service delivery projects

The Committee received updates on major infrastructure delivery, including the Melton Mowbray Distributor Road (MMDR), to which members undertook a site visit. This was a significant long-term project which is now completed. The Committee:

- Noted progress, recognising the scheme's long development period and importance to the local area but raising concerns about rising costs that are typically faced in respect of such long-term schemes.
- Requested a future evaluation report to capture lessons learned from the scheme, recognising that some factors, such as the weather and global inflation and cost rises were outside the Council's control.

## Waste and resource management reforms

Following the expansion of the Committee's remit, Members considered national policy changes affecting waste services. The Committee received a report on Collection and Packaging Reforms, outlining forthcoming Government changes, including deposit return and producer responsibility schemes. The Committee:

- Considered the implications of reforms for local service delivery and residents.
- Emphasised the importance of effective communication and public awareness as new arrangements are introduced.
- Requested further reporting on the introduction of food waste collections and associated service changes.

### Next year...

The Committee (which will be renamed the Growth, Highways, Transport and Waste Overview and Scrutiny Committee) will continue to monitoring highways performance, safety and asset condition, including delivery of the capital programme and casualty reduction activity. It will be scrutinising the delivery of LTP4 and associated strategies to improve connectivity and access across the County and will take a close look at the financial sustainability of services through the MTFS and its impact on delivery. The Committee will also monitor the implementation of waste reforms and new service models, including food waste collection.



# Environment, Flooding and Climate Change

This Committee scrutinised the Council's green agenda focussing on local nature recovery and biodiversity, flood risk and climate resilience. The Committee acts and serves as the Council's Flood Risk Management Committee, monitoring relevant activity and partnerships in this area. Full details of the Committee's work can be found on the Council's [website](#).

## Local Nature Recovery, Biodiversity and the Natural Environment

The Committee considered strategic reports relating to local nature recovery, biodiversity and the natural environment. The Committee:

- Welcomed the final Local Nature Recovery Strategy (LNRS), noting that it set out meaningful priorities capable of delivering tangible benefits for the local environment, highlighting the importance of meaningful engagement and deliverable funded projects through a future delivery plan.
- Considered a refreshed draft 'Action for Nature' strategic approach and supporting action plan, noting the challenges of biodiversity measurement, the role of community participation, and practical delivery questions such as land management approached and chemical weed control regimes.
- Received a dedicated Biodiversity report, supporting continued oversight of biodiversity delivery and evidence gathering through corporate reporting.
- Reviewed the refreshed draft Tree Management Strategy, discussing the Council's developing nursery capacity (including tree stock to support ash dieback replacement and highway schemes), how value and condition are assessed, and wider practical matters such as inspection regimes on specific assets.

## Climate Change, Flooding and Resilience

The Committee considered reports relating to climate resilience and local flood risk management. The Committee:

- Scrutinised the Climate Resilience Delivery Plan, including practical proposals linked to flood risk and adaptation.
- Supported stronger clarity and record-keeping around Sustainable Drainage Systems (SuDS), recognising the operational benefits of improved asset information, whilst noting the challenges around SuDS ownership/management (including private management companies) and the importance of using the planning process to strengthen future information and accountability.
- Took public questions, specifically on the reallocation of £2m to flood mitigation initiatives, noting that proposals (including intended outcomes) were to be shaped and reported to the Cabinet later in the year.
- Considered a substantive Local Flood Risk Management Strategy Update, including an accompanying strategy action plan, and used the update to scrutinise progress and ensure strategic actions remained aligned to emerging flood risk pressures and delivery capacity.

## Waste and Emissions / Regulatory Change

The Committee received an update on the Government's plans to incorporate Energy from Waste and waste incineration facilities into the UK Emissions Trading Scheme from 2028 and the possible implications for the Council as waste disposal authority. The Committee:

- Noted the need for ongoing work with district councils (waste collection authorities) to support planning for emerging legislative change.
- Discussed the risk of additional future costs if waste is not correctly managed and directed into more expensive disposal routes.
- Recognised the reforms could represent some of the biggest sector changes in decades, with greater clarity expected as national policy develops.

## Environmental Performance

The Committee received regular Environment and Climate Change Performance Reports. The Committee:

- Explored issues including the assumptions and limitations of environmental measurement and sought assurance around evidence quality and monitoring approaches.
- Considered operational implications of decarbonisation activity (including fleet transition considerations and fuel choices), and requested follow-up where risks were identified.

### Next year...

The Committee will continue to monitor performance and maintain a focus on flood risk management and climate resilience delivery, develop further scrutiny around biodiversity and delivery measurement, and keep under review the medium-term financial sustainability of environment, flooding and climate change services within the MTFS framework.



# Health

This Committee reviewed and scrutinised matters relating to the planning, provision, and operation of health services in the County of Leicestershire. Full details of the Committee's work can be found on the Council's [website](#).

## Leicestershire Partnership NHS Trust

The Committee has spent a significant amount of time scrutinising the work of Leicestershire Partnership NHS Trust (LPT) who provide mental health, learning disability and community health services. The Committee:

- Reviewed LPT's new strategy 'Together we Thrive' and raised concerns some patients might have about the move towards greater use of online and digital forms of communication.
- Questioned LPT about the provision of mental health and early intervention services available locally, welcomed that the number of people waiting for Talking Therapy was falling and that the therapy appeared to be having a positive effect, but expressed concerns about the wait times for the more specialist therapy.
- Reviewed the results of Care Quality Commission inspections into LPT and gained assurances from LPT as to how they intended to address shortcomings identified in the inspection reports particularly around waiting times.

## Access to Primary Care

The Committee has reviewed the provision of primary care services in Leicestershire and in particular the ability of patients to gain an appointment with a local GP or other primary care professional in a timely manner. The Committee:

- Examined the ratio of GPs to patients and raised concerns that there was no national guidance on this.
- Raised concerns that the lack of access to primary care was displacing demand elsewhere and putting pressure on other services such as the Emergency Department, but gained assurances that capacity for same day primary care appointments was being increased;
- Examined data for the number of patients that did not attend (DNA) primary care appointments that they had booked and sought assurances about the processes in place for managing DNAs.
- Brought representatives of the Integrated Care Board and local members from the Melton area together to discuss why there is only one GP Practice for the whole of the Melton area and what can be done to alleviate this problem.

## Public Health

The Committee has learnt about the work of the Public Health Department within Leicestershire County Council and how it complements the other Council departments and prevents service demand arising elsewhere. The Committee:

- Examined the proposed Public Health Medium Term Financial Strategy for 2026/27 to 2029/30 and welcomed that the Department of Health and Social Care (DHSC) had given provisional Public Health Grant allocations for the next three years rather than the usual one-year settlement.
- Noted that the Department of Health and Social Care (DHSC) took into account census data and population figures when allocating funding to Public Health departments but raised concerns that funding would not keep up with population and housing growth.
- Requested a more detailed report on the metric 'HIV late diagnosis in people first diagnosed with HIV in the UK' which was rag rated red for the period 2021-23 and received assurances regarding the actions underway to improve HIV diagnosis across Leicestershire.

## Elective Care, Diagnostics and Cancer treatment

The Committee receives regular performance reports in relation to NHS metrics, and members noted that the targets for elective care, diagnostics and cancer operations at University Hospitals of Leicester NHS Trust were not being met. Therefore, the Committee requested a more detailed report on the reasons behind the failure to meet the targets. The Committee:

- Noted the context around the performance including the negative impact of the Covid-19 pandemic in Leicestershire, the industrial action being taken by NHS Staff and the fact that other NHS Trusts were also performing poorly against these metrics.
- Raised strong concerns about the length of the waiting lists and a lack of overall progress and asked for the improvement plan to be shared with the committee.
- Received assurances that whilst on a waiting list cancer patients were assessed and prioritised based on a mixture of need and risk but also the length of time they had been waiting.

### Next year ....

The Committee (renamed the Health and Communities Overview and Scrutiny Committee) intends to look into the patient experience of discharge from hospital, vaccines and immunisations, and how the recent restructure of NHS bodies such as the Integrated Care Board is bedding in.

# Joint Health Scrutiny

Health Overview and Scrutiny members have also taken part in meetings of the Leicestershire, Leicester and Rutland Joint Health Scrutiny Committee and considered agenda items relating to the proposed closure of St Mary's Birth Centre in Melton, access to dental services, and how the NHS is bringing patient data together into one Shared Care Record.

# Contacts

## The Overview and Scrutiny Team

If you would like to feed into the scrutiny process or suggest a topic for scrutiny's attention, you can get in touch with the Scrutiny Team at [democracy@leics.gov.uk](mailto:democracy@leics.gov.uk).

Alternatively, you can contact the officer that supports a specific Committee as detailed below.

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## **Leicestershire County Council Overview and Scrutiny Annual Report 2025/26**

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Democratic Services

Chief Executive's Department

Leicestershire County Council

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