Leicestershire County Council

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 2 September 2026.

PRESENT

Mrs D. Taylor CC (in the Chair)

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

17. Minutes.

The minutes of the meeting held on 10 June 2026 were taken as read, confirmed and signed.

18. Question Time.

It was reported that the Chief Executive had not received any questions under Standing Order 32 (4)/It was reported that the Chief Executive had received no questions under Standing Order 32 (4).

19. Questions asked by members under Standing Order 32 (1).

It was reported that the Chief Executive had not received any questions under Standing Order 32 (1). It was reported that the Chief Executive had received no questions under Standing Order 32 (1).

20. Urgent Items.

There were no urgent items for consideration.

21. 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.

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

There were no declarations of the party whip.

23. Presentation of Petitions under Standing Order 33.

It was reported that the Chief Executive had not received any petitions under Standing Order 33.

24. Leicestershire County Council's Strategic Plan 2026 - 2030

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to seek the views of the commission on the Councils draft Strategic Plan (2027-2031) as part of the consultation. A copy of the report marked ‘Agenda Item 8’ is filed with these notes.

In introduction the report the Mr Dan Harrison CC, the Leader of the Council, commented that the draft Strategic Plan for 2027–2031 set out the Council’s vision, outcomes and priorities for a Better Leicestershire. It aimed to build a strong and resilient county where people and communities thrived and public money delivered maximum value. Against a backdrop of rising demand, local government change and forthcoming reorganisation, the Plan provided a stable foundation for maintaining efficient, responsive and well-governed services while preparing for the future. The Leader welcomed the Commission’s views that would inform the consultation and help shape the final Plan before consideration by the Cabinet and Full Council.

Arising from discussion, the following points were made:

(i) Concern was raised about the relevance and deliverability of the Plan in the context of Local Government Reorganisation (LGR). The County Council would cease to exist on 1 April 2028 and its resources, estate and responsibilities transferred to two new unitary authorities that might have different priorities. It was suggested that the Council’s immediate focus should be on maintaining safe and operational services through the transition.

(ii) It was noted that as the County Council would continue to exist until 1 April 2028 it still required a robust strategic framework to guide its services and secure value for money. The Plan would provide this as well as support a safe transition to the new authority. The new unitary authorities would not be bound by the Plan and would inherit plans from several councils. However, maintaining strong services would place them in the best possible position for the future. The Leader commented that it was necessary to establish a vision despite uncertainty regarding LGR.

(iii) No decisions had been made about the allocation of assets or services between the new authorities, although both would collectively need to continue the local government services currently delivered across Leicestershire, Leicester and Rutland.

(iv) Members emphasised the need to protect business-as-usual services while resources were also directed to LGR. Officers advised that funding had been allocated to support transition, but this would not be sufficient to meet all costs. Resource requirements were therefore being discussed jointly across the ten local authorities.

(v) It was noted that the Chief Executive had been appointed Senior Responsible Officer for LGR across the Leicester, Leicestershire and Rutland area. It was acknowledged that continuing services, developing efficiencies and creating two new unitary authorities simultaneously would be a significant undertaking for all involved.

(vi) Members asked how success would be measured under the Plan given that no baselines, timescales and measurable targets had been included. Officers explained that the Plan had been mapped to the Local Government Outcomes Framework and that a strategic implementation plan containing KPIs would be developed. Existing departmental scrutiny performance reports would be aligned with the Strategic Plan outcomes, as would the Annual Delivery Plan considered by the Commission each November, enabling ongoing monitoring through scrutiny and internal management arrangements.

(vii) Members welcomed the document's presentation and clear statement of intent but suggested that this could be more accurately described as a strategic 'vision' rather than a complete 'plan'. The Director agreed to consider how the document was described.

(viii) A Member suggested that the Strategic Plan provided an opportunity for the current Council to set out by way of a brief statement of intent, its priorities for consideration by the successor authorities. The Chief Executive cautioned against prescribing a County Council model but agreed to consider how its vision for the delivery of those services it currently provided such as children's and adults' social care and highways and how this could be articulated without unduly constraining the future authorities.

(ix) Some Members expressed concern that the natural environment was not sufficiently prominent, noting the rural character of the county and the importance residents placed on farmland, parkland and the natural environment. Members were reassured that environmental measures would be included through the national outcome's framework and within the detailed delivery plan being developed. The Leader highlighted the Council's management of 62 farms, its tree-planting programme and its stewardship of parkland and confirmed that environmental work remained a priority.

(x) Members questioned whether the four headline themes would be sufficiently clear and meaningful to residents, who might see only the summary rather than read the whole document. In particular, the distinction between a "better Leicestershire for residents" and a "better Leicestershire for communities" was considered unclear. Suggestions included using simpler headings based on people, places, the economy and the Council, and explaining more directly how and why services would improve. The Director undertook to review the one-page summary and supporting descriptions so that the intended outcomes could be more clearly be understood immediately without the need to additional text.

(xi) It was questioned whether the Plan reflected the Government's stated ambitions to "rewire" local government and increase the provision of council and affordable housing. The Chief Executive explained that housing delivery was currently a district council function, although the Plan supported the conditions necessary for economic growth. It was noted that the Plan focused on the County Council's responsibilities to 2028, while housing and wider devolved functions would need to be addressed through district council local plans, LGR and the proposed mayoral strategic authority.

RESOLVED:

That the comments now made on the Council's draft Strategic Plan 2027 – 2031 be presented to the Cabinet for consideration at its meeting in November.

25. MTFS Monitoring and Strategy Update.

The Commission considered a report of the Director of Corporate Resources which set out the Council's short and medium term financial position in light of the current economic climate. The report detailed the changes to the previously agreed 2026-30 capital programme following the latest review and covered the latest revenue budget monitoring position for 2026/27. A copy of the report and the supplementary report marked 'Agenda Item 9' are filed with these minutes.

The Chairman advised the Committee that Mr Fowler, the Lead Member for Resources, had been invited to attend the meeting for this item and items 10 to 13 but disappointingly was not present.

(i) The Committee noted that the Medium Term Financial Strategy (MTFS) approved in February 2026 had forecasted that £15.5 million of reserves would likely be used to deliver a balanced budget come the year end. The current forecast, however, now showed a £4.8 million underspend against service and corporate budgets, which reduced the anticipated call on reserves to approximately £10.5 million.

(ii) A Member expressed concern that Council communications had referred to the delivery of savings but did not make clear that these reflected an underspend and that, despite this, the Council still forecasted a need to use its reserves. The Member suggested such communication was therefore factually incorrect and duplicitous. The Director robustly rejected this suggestion and emphasised that budget monitoring reports were prepared consistently against the approved budget and that the figures provided were factually correct. He further emphasised that the report followed the same format which had always been used and that there had been no change in approach by officers. The report simply provided commentary against the agreed budget in accordance with normal practice.

(iii) The Chair clarified that some Members were concerned this message put out on behalf of the County Council was misleading regarding the Council's current financial position. The Chair explained that such questions would have been put to the Lead Member had he attended. The Director again firmly rejected the suggestion that the language in the report and any communications arising from this put out by the Council, which would have been based on the report, was in any way 'misleading'. The Chair clarified that concerns did not relate to the Council's press release and were not intended to be directed to officers. The Director further stated that if the concerns related to social media posts, they were not relevant to the meeting and that the Commission's focus should be on the content of the report before them.

(iv) It was noted that although a need to use reserves had similarly been forecast when the 2024/25 and 2025/26 budgets had been set, ultimately this had not been necessary by the year end. The Director advised that it was not yet clear if this would again be the position come the end of the 2026/27 financial year. A significant proportion of the Council's expenditure was demand-led and volatile and the delivery of further underspends could not be predicted with confidence. A cautious approach at this stage was still therefore necessary.

(v) The forecasted high-needs deficit for 2026/27 was £62.2 million. This was an annual, rather than cumulative, forecast based on the first four months of the year. The Director confirmed that the position remained volatile. Members were pleased to note that demand growth had slowed and the placement mix was less costly, but it was recognised that there was no assurance that these trends would continue.

(vi) Government support covering 90% of the accumulated High Needs Dedicated Schools Grant (DSG) deficit had been confirmed only to 31 March 2026. The Director advised that support for deficits arising thereafter remained uncertain and might not be clarified until 2028. In the absence of further confirmation, he advised that the MTFS would need to continue to allow for a reserve estimate for new deficits. Members noted that under local government reorganisation, the DSG deficit, together with all other assets and liabilities of each authority, would need to be apportioned between successor authorities in accordance with principles yet to be agreed.

(vii) The Commission welcomed the early repayment of £36 million of external debt since April 2026. The Director explained that early repayment decisions were made by comparing any premium payable with the interest savings over the remaining life of the debt. The debt repaid had attracted interest of approximately 7–8%, making the long-term saving significant. Members were assured that early debt repayment decisions were only taken where a net saving had been demonstrated. Members requested that further details of the premiums, interest savings, and assumptions supporting the early repayment decisions be circulated to members for information outside the meeting.

(viii) Adult Social Care direct-payment "claw backs" were £0.5m under budget. This related to unused balances held by adult social care service users. Clawbacks were expected following annual reviews carried out. Whist there had been some delay in this process the Director assured Members that the Department was working to bring recovery activity back on track while following required processes to support service users through this process.

(ix) Members expressed concern about the funding required to meet the Council's statutory duty to provide sufficient school places following a Department for Education change to its grant allocation methodology, which had significantly reduced the Council's funding. The Director advised that officers were reviewing available and prospective section 106 contributions, other capital receipts, scheme prioritisation and delivery options to avoid or reduce the need for external borrowing. Members noted the potential cost of additional provision at ten schools was still being assessed, with further information expected to be included in the draft MTFS report to be presented to the Cabinet in December and the Commission in January 2027.

(x) Members questioned the potential effect of Local Government Reorganisation on the letting of areas of County Hall. The Director advised that no tenants at County Hall had been served notice to terminate their tenancy and that there was available space to accommodate some degree of reorganisation. Members noted that one tenant had given notice to the Council, creating additional space, however, this was not being actively marketed to new occupiers give the limited period before reorganisation.

(xi) Members questioned the impact of vacancies and the difficulty faced in recruiting staff and whether this gave rise to any significant service delivery risks. The Director advised that whilst recruitment remained challenging in some service areas, the overall position was not materially worse than in recent years. Permanent appointments continued to be made notwithstanding local government reorganisation, as frontline services would transfer to successor authorities. It was suggested that individual scrutiny committees should examine vacancy levels and their impact on service delivery where this was considered material. It was noted for individual service areas this would be considered by the service-related scrutiny committee.

(xii) A Member raised a question regarding the Administration’s prospective council tax policy and asked whether the higher increase was under active consideration. Officers undertook to obtain a response from the Lead Member on this point after the meeting. The Commission requested that the response be recorded in the minutes.

RESOLVED:

(a) That the report and comments now made be noted and presented to the Cabinet at its meeting on 8th September for consideration;

(b) That the Director of Corporate Resources be requested to provide further details of the premiums, interest savings, and assumptions supporting the early debt repayment decisions outlined in the report;

(c) That the Lead Member for Resources be asked to confirm the Administration’s prospective council tax policy and whether the higher increase was under active consideration; the response to be recorded in the minutes.

26. Investing in Leicestershire Programme Annual Performance Update 2025/26

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to set out the performance of the County Council’s Investing in Leicestershire Programme (IILP) in 2025/26. A copy of the report marked ‘Agenda Item 10’ is filed with these minutes.

Arising from discussion, the following points were noted:

(i) The reduction in the value of the Fund was not considered to be a cause for concern. It was explained that this reflected updated market valuations rather than a reduction in the income being generated by the Fund. In particular, the valuation of some office assets, including Embankment House in Nottingham, had reduced due to wider market conditions and lease expiry assumptions, but this did not affect the rental income currently being received from existing tenants.

(ii) Members noted that the valuation of the Council’s office assets took account of tenants coming to the end of their lease and who may therefore choose to vacate, and the relative merits of selling properties with sitting tenants or with vacant possession.

(iii) The sublet element of office accommodation at County Hall had remained relatively constant and, pending the establishment of shadow authority arrangements for Local Government Reorganisation, the Fund would continue to operate on a business-as-usual basis in respect of this property.

(iv) In response to questions concerning the valuation of farmland, Bosworth Battlefield and other heritage assets, it was explained that specialist valuation methods were used employing external valuers. It was also noted that different categories of heritage asset including parkland, were valued in different ways.

(v) The allocation of IILP assets between successor authorities following Local Government Reorganisation remained uncertain and would ultimately be a political decision to be negotiated and determined by the two shadow authorities once established. Different approaches, including allocation by geography, could be considered. The Director advised he would recommend that the rural estate remained intact as currently held by the County Council as dividing it could affect the overall sustainability and therefore benefit to the rural parts of Leicestershire. Regarding timing, it was noted that settlement of land assets and other comparable issues in Northamptonshire which had been reorganised some time ago had only recently reached a conclusion and therefore locally this could take a considerable period to resolve.

(vi) Members questioned the difference between the target and actual asset allocations. It was noted that the target had been established in early 2024 following advice from the Council's external advisors, Hymans Robertson. Subsequent increases in the directly held property portfolio, together with the recent return of £7 million from diversifiers, had moved the Fund further from the target. The next review of the Fund would be carried out imminently and this would inform the future direction of the Fund and targets set.

(vii) It was questioned if investments in pooled property assets could truly be considered 'diversifiers' given they were still invested in property. It was noted that a focus on property had been the original aim of the Fund but that for these types of investment, this was no longer considered appropriate. Therefore, monies recently returned from pooled property investments had not been reinvested in property and the plan remained to reduce the Fund's property exposure.

(viii) Whilst there had been a reduction in debt, £631,000 remained. It was noted that this was below target and spread across all asset classes. The Director undertook to provide a breakdown of the total debt across each asset class and to circulate this to members after the meeting.

(ix) Regarding the Lutterworth East Strategic Development scheme, it was explained that due to the scale and complex nature of the scheme, its viability is reviewed periodically against prevailing market conditions and changes made to the scheme as necessary. For example, land originally allocated for offices currently had lower value than historically owing to limited demand and alternative uses could therefore be considered. It was emphasised that this did not necessarily mean reducing the scope of the scheme. Discussions were ongoing with Homes England and the process of reassessment, replanning and taking action to improve delivery would continue throughout the development.

(x) Members requested that future reporting on key performance indicators set out in the appended IILP Performance Report make clearer whether targets were being achieved, for example through appropriate RAG rating.

RESOLVED:

(a) That the report be noted and comments now made be noted and presented to the Cabinet at it its meeting in Septmeber for consideration;

(b) That the Director be requested to provide a breakdown of the £631,000 debt across all asset classes and that this be circulated to members of the Commission;

(c) That future reports on key performance indicators be made clearer as to whether targets were being achieved, for example through appropriate RAG rating.

27. <u>Corporate Asset Management Plan Annual Performance Report 2026/25</u>

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to present the Commission's consideration the Corporate Complaints and Compliments Annual Report, covering the period from 1 April 2025 to 31 March 2026. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion the following points were made:

(i) Members expressed concern that performance had declined with 52% of indicators being achieved in 25/26 compared to 67% the previous year. It was acknowledged that performance had been mixed, but that the indicators covered a very broad portfolio, including normal property projects and improvements to energy performance projects and building schemes, some of which depended on factors outside the Council's control. Delivery was also sometimes dependent on services first defining their strategies before the property implications could be progressed resulting in the rephasing of projects which could also affect individual indicators being achieved. Members requested that future reports distinguish between indicators so that it could be more clearly identified where delivery had genuinely fallen short of targets expected.

(ii) The cost of identified maintenance liabilities had increased by approximately £3 million. It was questioned if this was fully funded within the MTFS and when it could be expected these works would be carried out. Members noted that £1.8m of this related to priority one works which would be carried out within 12 months and so were fully funded. The remainder would be reviewed and programmed as necessary. The Director explained that the estimate of maintenance liabilities represented a snapshot in time and was regularly reassessed before works commenced, as assets could remain serviceable for longer than anticipated or alternative interventions might become appropriate.

(iii) In response to a request for greater visibility of the underlying property maintenance programme, the Director explained that the Property Operations Team maintained a planned preventative maintenance programme. Items expected in years one and two were more certain than those in years three to five, and the programme was continually updated through inspections and liaison with the Strategic Property

Team, including consideration of proposed disposals where the cost of maintaining a property might exceed its value. Members asked that the schedule of planned maintenance works be shared with members of the Commission. The Director undertook to provide this after the meeting.

(iv) Members highlighted the relevance of maintenance liabilities to Local Government Reorganisation, as significant future expenditure could affect decisions by successor authorities about which assets to retain. The Director agreed that an asset’s maintenance burden would form part of the assessment of whether it represented a genuine asset or a liability and noted that anticipated consolidation of the property estate could justify deferring some works.

RESOLVED:

(a) That the report be noted;

(b) That future reports distinguish between key performance indicators so that Members could clearly identified where delivery had genuinely fallen short of targets expected;

(c) That the current schedule of planned maintenance works be shared with members of the Commission.

28. Corporate Complaints and Compliments 2025/26

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to present the Corporate Complaints and Compliments Annual Report, covering the period from 1 April 2025 to 31 March 2026. A copy of the report marked ‘Agenda Item 12’ is filed with these minutes.

Arising from discussion the following points were made:

(i) Of the 118 enquiries received by the Local Government and Social Care Ombudsman, 27 had proceeded to investigation and 25 of those had been upheld. The remaining enquiries had not warranted a full investigation because, for example, they were premature in their submission, outside the Ombudsman’s jurisdiction or the Ombudsman had decided simply an investigation was not warranted. An upheld complaint was one where fault had been found. A Member suggested that future reports should explain more clearly why cases had not been progressed and make clear that such complaints had nevertheless been considered and reached an outcome.

(ii) Members discussed the increasing use of artificial intelligence to prepare complaints and how this made dealing with them more time consuming and complex placing an additional burden on officer resources. Whilst caution was advised against using artificial intelligence to respond to complaints, particularly where legal issues were involved, options were being considered to assist with triage and streamline the complaints process.

(iii) It was recognised that artificial intelligence could help some residents articulate concerns which they might otherwise have difficulty expressing, and services would need to adapt to this.

(iv) Concern was expressed at the reduction in performance against the Stage 2 response-time target, from 61% to 31%. The Director explained that this reflected the volume and increasing complexity of complaints and the resources available within the team. Where a response could not be issued within 10 working days, Members were assured that complainants were still contacted during that period and given an expected response date to help manage expectations and provide reassurance.

(v) Members noted that 299 Stage 1 complaints related to Special Educational Needs and Disabilities services and expressed concern about the number of these complaints that escalated to Stage 2 and resulted in the payment of compensation, rather than being addressed early on. Members requested that further information be shared with the Commission to examine the learning arising from those complaints and the action being taken to improve the service.

(vi) Members welcomed the recording of compliments, including the positive feedback received. It was noted that compliments represented approximately 15% of the combined total of complaints and compliments. It was agreed that the use of a QR code to make it easier for service users to submit feedback was helpful.

(vii) Members requested that abbreviations be avoided or explained in future reports and that charts and graphs be fully labelled.

RESOLVED:

(a) That the Corporate Complaints and Compliments Annual Report, covering the period from 1 April 2025 to 31 March 2026 be noted;

(b) That future reports explain why complaints referred to the Ombudsman were not progressed to investigation, to make clear that those cases had reached an outcome, and that abbreviations be avoided or explained and tables and graphs fully labelled;

(c) That further information be provided on the learning arising from complaints relating to Special Educational Needs and Disabilities services being escalated to stage 2 and resulting in compensation payments being made and what improvements were being made in the services to address these earlier on in the complaints process.

29. <u>East Midlands Shared Services Annual Performance Update 2025/26</u>

The Commission considered a report of the Director of Corporate Resources, the purpose of which was to provide a summary of the performance reported to the Join Committee of the East Midlands Shared Services for 2025/26 and an update on progress against strategic priorities set in 2026. A copy of the report marked ‘Agenda Item 13’ is filed with these minutes.

Arising from discussion the following points were made:

(i) Members noted that the customer satisfaction response rate was 1.75% of approximately 151,000 service enquiries, equating to around 2,642 responses. It was explained that the low rate reflected the routine and frequent nature of transactions, which made repeated feedback requests onerous for service users; these requests were therefore supplemented by separate exercises to obtain more detailed views and identify areas for improvement.

(ii) It was noted that customer feedback covered services provided to Nottingham City Council, Leicestershire County Council, external suppliers, customers and service users, and satisfaction among respondents was reported to be between 85% and 89%. Members welcomed the high level of satisfaction but remained concerned about the response rate and suggested that further methods of encouraging participation should be explored. The Director advised that feedback had already been simplified to a one-click rating and that contact with other shared services would help identify good practice and comparative information for the future.

(iii) Members supported the development of a benchmarking framework against comparable shared-service arrangements and suggested that attaching the feedback request to payslips might improve engagement.

RESOLVED:

That the performance of East Midlands Shared Services during 2025/26 be noted and welcomed.

30. Dates of future meetings.

RESOLVED:

It was noted that future meeting of the Scrutiny Commission would be held on the following dates:

Wednesday, 11 November 2026 at 10am
Wednesday, 27 January 2027 at 10am
Wednesday, 10 March 2027 at 10am
Wednesday, 16 June 2027 at 10am
Wednesday, 15 September 2027 at 10am
Wednesday, 10 November 2027 at 10am

10.00 am - 1.30 pm
02 September 2026

CHAIRMAN