

Minutes of a meeting of the Corporate Governance Committee held at County Hall,
Glenfield on Friday, 27 March 2026.

PRESENT

Mr. S. L. Bray CC (in the Chair)

Mr. M. Bools CC	Mr. P. Morris CC
Mrs. N. Bottomley CC	Mr. J. T. Orson CC
Mrs. L. Danks CC	Mrs. R. Page CC
Mr. G. Grimes	Mr. J. Pilgrim
Mrs. K. Knight CC	Mr. B. Piper CC
Mr. J. McDonald CC	Mrs D. Taylor CC
Mr. J. Miah CC	

63. Minutes.

The minutes of the meeting held on 23 January 2026 were taken as read, confirmed and signed.

64. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

65. 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).

66. Urgent Items.

There were no urgent items for consideration.

67. 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.

68. Presentation of Petitions under Standing Order 33.

There were no petitions.

69. External Audit Plan 2025/26.

The Committee considered a report of the Director of Corporate Resources which presented the external audit plans for the Council and the Pension Fund for the 2025/26 financial year. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

The Chairman welcomed Ms Helen Lillington and Mr Grant Patterson from Grant Thornton LLP, the Council's external auditors, to the meeting.

Arising from the discussion, the following points were raised:

- i) The backstop legislation was still in place, although the deadline for future years was being brought forward. As a result, for 2025/26, it was the aim to work towards an initial deadline of 30 November 2026. Assurance was given that the Council was well placed to meet this deadline, although Grant Thornton would work with officers to ensure it was achieved. This would involve undertaking more significant early testing during the interim audit visit.
- ii) A member questioned whether there was a risk of not meeting the backstop deadline and the implications for this. In response, it was stated that if the deadline was not met, a disclaimed audit opinion would be issued, which would make it more difficult for the Council to get back on track and as no assurance could be given by the Auditor, lots of additional work would need to be carried out in future years. The Council would also be under the spotlight of MHCLG as to why it was in this position. It was acknowledged that the deadline being brought forward presented more risks than previously, although work was taking place to ensure that the Council met the deadline and officers were being encouraged to consider whether pieces of work could be carried out earlier than planned.
- iii) In response to a query around how Local Government Reorganisation would impact on audits being completed, it was noted that the work around bringing services together could create blind spots. However, the majority of local authorities in Leicestershire had previously met the deadlines so the main issue would be the workload to merge everything together.
- iv) It was stated that the tri-annual testing framework was undertaken every three years to revalue the Pension Fund. Following information requested from the Fund, the Actuary produced a valuation report which underpinned a roll forward approach. This was not part of the annual audit fee; instead, there was a one off cost every three years, with the amount being dependent on the number of members in the Pension Fund at that time.
- v) The audit plan set out the Auditor's approach to completing the assessment of the Value for Money (VfM) arrangements at the Council for the 2025/26 financial year. The risk assessment regarding arrangements to secure value for money had identified two risks of significant weakness in relation to financial sustainability, in particular the arrangements for funding the deficit on the Dedicated Schools Grant and the arrangements in place to close the Council's budget gap in the medium term. The VfM audit would review the Council's arrangements to address these risks.

RESOLVED:

That the attached reports be noted.

70. Internal Audit Service - Progress Against the 2025/26 Internal Audit Plan and High Importance Recommendations.

The Committee considered a report of the Director of Corporate Resources which provided a summary of work undertaken by the Council's Internal Audit Service during the period 1 October 2025 – 28 February 2026, an update on progress with implementing high importance recommendations and performance against the 2025-26 Internal Audit Plan. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

The Committee had previously been informed of two major audits being completed around Adults and Children's direct payments systems. However, implementation of the recommendations arising from the audits had been delayed due to resources having to be diverted towards a nationwide issue with the prepaid card provider. The Director of Corporate Resources reported that the issues had now largely been resolved and good progress was being made with the recommendations.

In response to a member question around whether there had been any refund by the card provider, it was stated that although a refund had been received, it was difficult to get any additional payment from providers above what had initially been paid. Assurance was given that more robust measures had now been put in place by the provider to ensure that this did not happen again.

RESOLVED:

That the updates on progress on work undertaken, the implementation of high importance recommendations and the performance against the plan (all at 28 February 2026) be noted.

71. Internal Audit Service - Annual Plan 2026-27.

The Committee considered a report of the Director of Corporate Resources which presented the Internal Audit Plan for 2026-27. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from the discussion, the following points were raised:

- i) In response to a query around what was being considered in relation to the Members Code of Conduct, the Director of Corporate Resources stated that this would primarily be to ensure compliance, and work would take place with the Monitoring Officer to consider areas that may need to be improved.
- ii) The number of days in the 2026/27 plan allocated to servicing the Committee and advising officers had reduced. Officers kept a record of time spent on specific areas of work and gauged where resources would be best allocated, based on the previous years' allocation. During 2025/26, an additional meeting of the Committee had been included in the work programme and extra time had been built in for this.
- iii) A member questioned who and how it was agreed which areas to include in the annual audit plan. The Director of Corporate Resources stated that this was largely based on discussions with chief officers to develop a three year rolling

cycle of audits. However, consideration was given to the inclusion of new and emerging risks annually.

- iv) It was stated that if a department was not performing well, it would not be the preference to audit this. As audits were planned in advance, guidance would be sought from the relevant chief officer if there was an area with a specific area of concern. The Internal Audit Service monitored any emerging issues and would raise this if it was felt that this was something which needed to be considered.
- v) The Committee was informed that audits containing 'Operation' in their titles were investigations. The County Council was regularly involved in investigations and would only report on outcomes when they had been resolved.
- vi) A member raised concern around the fact that the Internal Audit Service team currently had three vacancies and whether there was a risk that planned audits could not be carried out. It was also queried whether the increase in vacancies was connected to Local Government Reorganisation. The Director of Corporate Resources acknowledged that there could be a risk to staff due to current uncertainties regarding this, but it was unusual to have a high turnover of audit staff. To resolve the immediate issue, agency staff would be employed.

RESOLVED:

That the provisional Internal Audit Annual Plan 2026-27 be approved.

72. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources which provided an update on risks in the Corporate Risk Register, emerging risks and the internal audit of the Council's risk management process. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

As part of this item, the Committee also received a presentation from the Director of Environment and Transport on the emerging risk of the significant increase in demand for reactive highway maintenance repair work to address the highest ever levels of road defects the department had seen over a winter period. A copy of the presentation is filed with these minutes.

Arising from the discussion, the following points were made:

Presentation

- i) The Director of Environment and Transport explained that the level of repair work had significantly exceeded previous years, although this was an issue being experienced across the country. It was anticipated that the pressure on the service was likely to continue and as a result, the department had changed the way it worked to deal with this peak in workload. The normal operation was for first time permanent repairs to be made to the vast majority of defects. The majority of repairs carried out over the winter period however had been

temporary to ensure the road network remained safe, with more permanent repairs being undertaken over the summer.

- ii) Some local authorities were trialling new technology on refuse lorries which would identify defects on roads. The Highways Service had trialled this type of technology, but to date had found some of the visual inspection systems were less than 50% accurate. New technology would continue to be trialled.
- iii) It was noted that the UK was now experiencing more extreme weather which was affecting the condition of the roads. Other countries with wetter and colder climates used specific materials to protect the road surface. Whilst it was not possible to retrofit the whole road network in the UK, local authorities were working with various research projects to understand alternative materials that would be more resilient to the changing climate conditions. However, there was a reluctance to invest in something new in the event that it did not perform, for instance, it failed after only a few years and required further investment to remedy. It was noted that Leicestershire had used recycled rubber to repair some roads five years ago, and its effectiveness was being monitored.
- iv) There was concern that many roads in newly built housing estates would not be adopted and therefore would not be up to the required standard. The Director gave assurance that there was a highway design guide and if developers wanted a road to be adopted, they had to meet a required standard, which included the local highway authority monitoring the condition of a road for at least twelve months.
- v) It was stated that new housing estates were often built as low classification roads which were not designed to withstand heavy traffic, and it was queried whether it was possible to change how planning applications were assessed. The Director of Environment and Transport reported that any planning application had to accord with the national planning policy framework, which set the bar high for refusing an application. The authority had to consider whether the application was safe and had to be able to defend a recommendation for refusal.
- vi) A member also commented that utility companies often left roads in a poor condition and requiring some repair work. The Director stated that it was a process that required the utility companies to return to make the road back to the required standard.
- vii) In response to a member query around whether it was possible for the County Council to use some of its contingency to pay for road repairs, it was stated that contingency funding was often confused with reserves. Reserves were used for already identified projects, whereas contingency was reviewed throughout the year. It was noted that potholes were prioritised from a safety critical level, which meant that some were not filled initially. The Director acknowledged how this appeared to the public, but it was not possible to fill every pothole and priority was given to those posing the greatest safety risk.
- viii) In terms of capacity within the team, a number of agency staff were due to commence after Easter to assist with the increased workload. The demand for highway inspectors was currently very high so it was difficult to recruit to permanent positions. Due to changes in funding allocations, the department

was developing a plan for delivery over four years which may assist with the ability to recruit staff.

- ix) A member commented that vehicles were now getting heavier, traffic on the roads was increasing and the cost of materials to repair the roads had increased. The Director stated that work was taking place to review the current strategy to ensure that there was a more innovative approach to try and deal with these challenges. It was also noted that Leicestershire engaged with the Department of Transport's Live Labs 2 £30m research initiative looking at innovation for the highway sector.
- x) Compared to many other local authorities, Leicestershire paid out less in insurance claims, primarily due to the authority being in a position through how it carried out its work to be able to defend claims well and provide a better service overall. However, the general opinion of the public around potholes was not underestimated. The authority would rather direct money to repairing potholes than vehicle repairs.
- xi) A member raised concern that a number of rural roads had become 'rat runs' which had resulted in large holes in the side of the roadside due to traffic having to pull in to let oncoming traffic pass. The Director stated that all traffic was entitled to use any road, unless there was a weight restriction. However, it was acknowledged that this was an ongoing challenge – a regular programme of work to repair the edge of the carriageway had ceased some time ago due to affordability but the impact of this was now being seen. Roads had to be prioritised and as such, 'A' roads would be repaired before rural roads.
- xii) It was queried whether it was possible to have pothole wardens in local areas, or have a focus on repairing specific areas. This would not be possible due to potential health and safety issues of having laypeople working on the highway and it would be difficult to deal with one area and still meet safety requirements across the network. Consideration would be given to how to communicate better with local residents.
- xiii) It was requested that information around highways issues be circulated to residents so that they were more aware of the difficulties faced by local authorities. The Director stated that it was an ongoing challenge to ensure that residents were well enough informed of issues. However, although communication with the public already took place, a more specific note would be produced in conjunction with the Council's Comms Team. This could then be shared with members, the public and parish councils.

Main Report

- xiv) Two new risks had been added to the Corporate Risk Register around Children and Family Services, one of which related to if maintained primary schools submitted significant licensed deficit budgets over time, creating a financial burden for the Council, then individual schools could fail. The Director of Corporate Resources stated that this was an area of spend which had been prioritised with district councils. However, even where an agreement was in place, there was not always sufficient funding. A presentation would be provided to a future meeting to highlight the work being undertaken.

- xv) It was also felt that the new risk around if there was insufficient DfE capital funding, the Council could fail to meet its place planning requirements including SEND could increase the burden on academies. Further consideration would be given as to whether this should be expanded to cover more schools in Leicestershire and whether there was a risk on available places in schools.
- xvi) A member commented that the MTFs gap had escalated to £85m and sought assurance that current mitigation plans were more than just descriptive. The Director of Corporate Resources stated that a plan was developed at the beginning of the MTFs which was monitored throughout the year and reset annually. Assurance was given that even where budget gaps had been approved, it had been possible to close these gaps.

RESOLVED:

- a) That the status of the corporate and strategic risks facing the County Council be approved;
- b) That recommendations be made on any areas which might benefit from further examination;
- c) That the emerging risks on the Iran war and the update on Local Government Reorganisation be noted;
- d) That the outcome of the internal audit of the Council's risk management processes be noted.

73. Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016.

The Committee considered a report of the Director of Public Health, Law and Governance which advised on the Authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA) for the period from 1 January to 31 December 2025. The Committee was also asked to review the Covert Surveillance and the Acquisition of Communications Data Policy Statement relating to RIPA. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Assurance was given that staff within the Trading Standards Service had been trained on RIPA and the Council had a webpage which provided advice to all employees. In terms of seek authorisation, this was not required if it was an immediate response to an event.

RESOLVED:

- a) That the use of the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA) for the period from 1 January to 31 December 2025 be noted;
- b) That the Council's Covert Surveillance and the Acquisition of Communications Data Policy Statement (which is unchanged since approval by the Cabinet in March 2021) be confirmed as remaining fit for purpose;
- c) That it be agreed to continue to receive an annual report on the use of RIPA and IPA powers.

74. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on Friday 26 June 2026 at 10.00am.

10.00 am - 12.10 pm
27 March 2026

CHAIRMAN