



**HIGHWAYS AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE - 18 JANUARY 2024**

MEDIUM TERM FINANCIAL STRATEGY 2024/25 – 2027/28

**JOINT REPORT OF THE DIRECTOR OF ENVIRONMENT AND
TRANSPORT AND THE DIRECTOR OF CORPORATE RESOURCES**

Purpose of Report

1. The purpose of this report is to:
 - a) Provide information on the proposed 2024/25 to 2027/28 Medium Term Financial Strategy (MTFS) as it relates to the Highways and Transport Services of the Environment and Transport Department; and,
 - b) Ask the Highways and Transport Overview and Scrutiny Committee to consider any relevant issues as part of the consultation process and make any recommendations to the Scrutiny Commission and the Cabinet accordingly.

Policy Framework and Previous Decisions

2. The County Council agreed the current MTFS in February 2023. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2024/25 – 2027/28 was considered by the Cabinet on 19 December 2023.

Background

3. The MTFS is set out in the report to the Cabinet on 19 December 2023, a copy of which has been circulated to all members of the County Council. This report highlights the implications for the Highways and Transport Services within the Council's Environment and Transport Department.
4. Reports such as this are being presented to the relevant Overview and Scrutiny Committees. The views of this Committee will be reported to the Scrutiny Commission on 29 January 2024. The Cabinet will consider the results of the scrutiny process on 9 February 2024 before recommending an MTFS, including a budget and the Capital Programme for 2024/25, to the County Council on 21 February 2024.

Proposed Revenue Budget

5. Table 1 below summarises the proposed 2024/25 revenue budget and provisional budgets for the next three years thereafter for the Council's Highways and Transport Services. The proposed 2024/25 revenue budget is shown in detail in Appendix A.

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Original prior year budget	60,144	67,954	69,004	69,629
Budget transfers and adjustments	4,161	500	0	0
Add proposed growth (Appendix B – Growth and Savings 2024/25 – 2027/28)	4,515	2,010	1,175	1,780
Less proposed savings (Appendix B)	-865	-1,460	-550	0
Proposed/Provisional budget	67,954	69,004	69,629	71,409

Table 1 – Revenue Budget 2024/25 to 2027/28

6. Detailed service budgets have been compiled on the basis of no pay or price inflation. A central contingency will be held which will be allocated to services as necessary.
7. The total proposed expenditure budget for Highways and Transport Services in 2024/25 is £118.69m with contributions from grants, service user income, recharges to the Capital Programme and various other income totalling £50.73m. The proposed net budget for 2024/25 of £67.95m is distributed as shown in Table 2 below:

	£000
Development & Growth	
Development & Growth	1,146
H&T Commissioning	3,018
H&T Network Management	10,215
Highways & Transport Operations	
Highways Operations Services	12,817
Assisted Transport Service	36,146
H&T Technical Support Services	4,612
Total	67,954

Table 2 - Net Budget 2024/25

Budget Transfers and Adjustments

8. A number of budget transfers (totalling a net increase of £4.16m) were made during the 2023/24 financial year. These transfers include:
- a) £0.26m for increase in employer's contribution to the Local Government Pension Scheme.

- b) £0.12m transfer for Forestry Services to the Corporate Resources Department.
- c) £2.96m for running cost/contract inflation for highways maintenance, street lighting and transport budgets from the central inflation contingency.
- d) £1.18m capital substitution to revenue following a review of the accounting practice for recharging overhead costs to the Capital Programme.
9. Budget transfers to cover the additional costs associated with the 2023/24 pay award are still to be finalised but will be reflected in the final MTFS to be reported to the Cabinet.
10. Adjustments were made across the Environment and Transport Department to manage the budget within the overall funding envelope. This has resulted in an overall decrease of £0.12m for Highways and Transport Services.
11. Growth and savings have been categorised in the appendices under the following classification:
- * item unchanged from previous MTFS
 - ** item included in the previous MTFS, but amendments have been made
 - No stars - new item
12. This star rating is included in the descriptions set out for growth and savings below.
13. Savings have also been classified as 'Eff' or 'SR' dependent on whether the saving is seen as efficiency, service reduction, or a mixture of both. 'Inc' denotes those savings that are funding related and/or generate more income.

Growth

14. The overall growth picture for Highways and Transport Services is presented below.

References		2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
	<u>GROWTH</u>				
	<u>Demand & cost increases</u>				
** G17	Special Educational Needs transport - increased client numbers/costs	1,925	3,695	5,115	6,780
G18	Social Care Transport - increased journeys and demand	2,055	2,280	2,550	2,865
G19	Highways Maintenance	555	555	0	0
G20	Demand management - E&T Transport	-210	-230	-190	-390
** G26	HGV Driver Market Premia (H&T element only)	190	225	225	225
	TOTAL	4,515	6,525	7,700	9,480
References used in the tables					
* items unchanged from previous Medium Term Financial Strategy					
** items included in the previous Medium Term Financial Strategy which have been amended					
no stars = new item					

15. For 2024/25 growth represents an increase of £4.52m (or 7.5%) compared to the original prior year budget. Special Educational Needs (SEN) and Social Care transport are the main drivers of growth, rising to £9.48m by 2027/28. More detail is provided in the following section.

Demand and Cost Increases

G17() SEN Transport – Increased client numbers/costs: £1.93m in 2024/25 rising to £6.78m by 2027/28**

The cost of SEN transport continues to increase significantly. The number of pupils needing transportation is projected to increase annually: 7.4% in 2024/25, 3.6% in 2025/26, 5.4% in 2026/27 and 5.7% in 2027/28. This aligns with the expected growth of pupils with Educational Health Care Plans (EHCP) as forecasted by the Council's Children and Family Services Department. An analysis of the past four years' transportation data indicates an average 6% increase per annum in the percentage of all SEN pupils with EHCP's who now require Council organised transport, making up 50% of all EHCP students. In addition, the daily cost of transport is rising at a rate of 2% annually due to the need to provide transport for those with more complex needs as identified by risk assessments. Growth figures are based on projected increases in service user numbers and complexity of needs only.

The £0.70m forecast budget overspend in 2023/24 is due to an 8% increase in user demand compared to the initial budget forecast, with a potential to continue to grow by the end of the financial year. Other contributing factors include market conditions, and contract hand backs. Since the beginning of the 2023/24 academic year, 108 SEN taxi contracts have been handed back by providers on the basis they are unable to deliver for the contracted cost. Retendered contracts on average result in a 20% rise in service cost (currently amounting to £465,000) and does not form part of this growth request. Work continues to be undertaken in collaboration with the Children and Family Services to review future growth projections.

G18 Social Care Transport – increased journeys and demand: £2.06m in 2024/25 rising to £2.86m by 2027/28

Over the last three years, the number of Adult Social Care journeys has risen by 10% despite a 4% decrease in service users requiring transport. Children's social care journeys have also risen by 7%. Forward projections suggest a combined average increase of 4% per annum. No growth has previously been provided for this area with the service absorbing prior year overspends (£1.8m in 2022/23) within the overall departmental budget. Growth represents the cumulative effect of prior years' increases.

G19 Highways Maintenance: £0.56m in 2024/25 and 2025/26

Increased cost to deliver minimum and high priority environmental maintenance works, safety inspections and asset cleaning to keep the network safe. Time limited growth subject to announcement of further Network North funding.

G20 Demand Management – E&T Transport: growth reduction of £0.21m in 2024/25 rising to £0.39m by 2027/28

A growth reduction target to dampen demand-led growth. Represents 10% of the increase in growth required compared to 2023-27 MTFS for SEN Transport (G17) and Social Care Transport (G18).

G26() HGV Driver Market Premium: £0.19m in 2024/25 increasing to £0.23m in 2025/26**

Removal of time limited growth and increased funding to cover costs associated with awarding Market Premia and retention payments to specialist HGV drivers, seasonal treatment operatives and critical highways roles on a permanent basis.

Savings

16. The overall savings picture for Highways and Transport Services is presented below.

References			<u>SAVINGS</u>	2024/25	2025/26	2026/27	2027/28
				£000	£000	£000	£000
			<u>Highways & Transport</u>				
*	ET1	Eff/Inc	Street Lighting - design services to developers and installation of street lighting on their behalf	-10	-10	-10	-10
**	ET2	Eff	Assisted Transport Programme	0	-860	-1,210	-1,210
**	ET3	SR	Review application of subsidised bus policy, post Covid	0	-400	-400	-400
**	ET4	Inc/SR	Review approach to Park and Ride	0	-200	-400	-400
**	ET5	Eff/SR	Street Lighting - review energy reduction options, including reduced operation times	-280	-280	-280	-280
	ET6	SR	Ending of HS2 Programme	-280	-280	-280	-280
	ET7	Inc	Network Management incl. TTRO	-295	-295	-295	-295
			Total	-865	-2,325	-2,875	-2,875
			<u>References used in the following tables</u>				
			* items unchanged from previous Medium Term Financial Strategy				
			** items included in the previous Medium Term Financial Strategy which have been amended				
			Eff - Efficiency saving				
			SR - Service reduction				
			Inc - Income				

17. Highways and Transport Services are expecting to deliver £0.87m savings in 2024/25, which are projected to rise to £2.33m in 2025/26 and £2.88m from 2026/27 subject to the delivery of a number of reviews and initiatives.

***ET1 (Eff/Inc) Street Lighting – Design services to developers and installation of street lighting on their behalf: savings of £0.01m in 2024/25**

Increase income generation by taking an active approach to the sale of design services to developers and the installation of street lighting on their behalf.

Quotes for the provision of design services will be offered as part of the existing section 278 process when designs and/or design checks are complete.

****ET2 (Eff) Assisted Transport Programme: £0.86m in 2025/26 rising to £1.21m by 2026/27**

As a result of changing market conditions, this saving has been deferred by two years to allow the transport market to recover post-Covid-19 pandemic and will be delivered through a number of measures including: route optimisation; improved demand management; more efficient procurement; and initiatives to expand the taxi market and optimise in-house fleet services.

****ET3 (SR) Review application of subsidised bus policy, post-Covid-19: savings of £0.40m in 2025/26**

Reduction in the level of subsidised bus services. Options under consideration range from restricting subsidised services to those that provide 'lifeline services', with or without a review of community transport provision and Demand Responsive Transport. Conditions attached to Bus Service Improvement Plan (BSIP+) grant allocations have mandated a slip in savings delivery by two years. The fact that such additional funding has only been confirmed for two years, means considerations will still need to be given to core budget spend on Local Bus Services for when the grant allocation ceases at the end of 2024/25.

****ET4 (SR) Review approach to Park and Ride: savings of £0.20m in 2025/26 rising to £0.40m in 2026/27**

Reduced subsidy through a review of the frequency of direct bus services from Park and Ride sites at Enderby, Birstall and Meynells Gorse to Leicester City Centre. Options under consideration range from ceasing service provision entirely to reducing the number of Park and Ride sites with price fare initiatives, including removing concessions and introducing bus priority schemes. Conditions attached to BSIP+ grant allocations have mandated a slip in savings delivery by two years and have allowed for an extension to the existing contract whilst Leicester City Council complete the longer-term retender. As with Local Bus Services, BSIP+ funding has only been confirmed for two years, therefore, considerations will still need to be given to core budget spend post 2024/25.

****ET10 (Eff/SR) Street Lighting – review energy reduction options, including reduced operation times: savings of £0.28m in 2024/25**

Proposal to reduce lighting levels to 30% intensity from 50% intensity from 20:00 hours (currently 22:00 hours) to achieve both financial and carbon savings and reduced energy consumption. Revised savings target accommodates exemptions arising from the consultation feedback and subsequent risk assessments including:

- a) Zebra crossings;
- b) Vertical traffic calming features;
- c) Currently illuminated steps; and

- d) Town centres (the extent of the town centre area will be determined in due course).

ET6 (SR) Ending of HS2 Programme: saving of £0.28m in 2024/25.

Withdrawal of project support to the HS2 programme following the Government's announcement to cease any further progress.

ET7 (Inc) Network Management incl. TTRO: saving of £0.30m in 2024/25

Review of structure and processes within the Network Management Team to ensure consistent application of current Network Management legislation.

Savings under Development

18. There are a number of potential savings under development (SUD) which are not yet currently developed enough to be able to quantify and build into the detailed savings schedules.
19. Fees and Charges: A review is being conducted of all fees and charges across 50 services (such as disabled bays, H-bars, road works permitting and penalties and other licences the Council charges for) to ensure that fees and charges are reflective of the full costs incurred by the Council.
20. Lane Rental: Lane rental scheme is a concept where a local authority can charge those carrying out roadworks on 'major' parts of the highways network. The aim of this scheme is to minimise the amount of time part of the major network is unavailable due to roadworks and ensure that the network is available as soon as possible. The experience of other local authorities suggests that this scheme could generate income although it needs to be considered in the context of the permitting charging currently in place.
21. Digitalising Time Sheets: Phasing out of using paper-based timesheets for the Environment and Transport Department staff and moving to digital timesheets on electronic devices that can be input directly into Oracle, financial and human resource management system, for processing.
22. Fleet Efficiencies and Improvements: Amalgamation of previous smaller SUD's involving the management and maintenance of the Council fleet, these can be managed as a single initiative to provide greater clarity on benefits tracking. This SUD includes:
 - a) Small Fleet Servicing and Inspection (previous SUD that wasn't progressed);
 - b) In source maintenance on Hire Fleet;
 - c) Operational improvements;
 - d) Review and Optimise data from the Fleet Asset Management System (new initiative).

23. Commercialisation of Highways Operations: Amalgamation of various smaller income generation SUDs that can be managed as a single initiative to provide greater clarity on benefits tracking. This SUD includes:
 - a) Highways Shop;
 - b) Outsourcing vehicle access construction;
 - c) Asset sponsorship;
 - d) Sign shop income.
24. Focus will be on establishing and promoting a more commercial approach to operational services that have income generating opportunities. This will be a more longer-term approach and will require further analysis and planning.
25. Driven Inspections: Utilisation of Artificial Intelligence to identify and categorise defects whilst driving down the carriageway to reduce the input required from Highway Inspectors. Presently technological developments are not sufficiently advanced to compete works to standard required in order to deliver savings. Focus remains on implementation at the earliest available opportunity.
26. Considering the scale of the challenge faced by the Council to balance the MTFS, existing financial control measures are being reinforced and new ones being applied to ensure a tight focus on eliminating non-essential spend. Inevitably, further savings beyond those identified in this report will be needed, and where possible, included in the final MTFS.

Other Factors influencing MTFS delivery

27. After a decade of austerity and on-going necessity to manage down cost pressures, the ability to identify savings opportunities across Highways and Transport Services is proving significantly challenging. Quick wins have all been exhausted leaving the service with no other alternative than to focus on reductions to discretionary services and alternative delivery of statutory services. Implementation will also be a challenge, with resources already stretched with simply delivering existing services. Identification and delivery of savings beyond those already identified in the MTFS will be a struggle given resource constraints and escalating financial controls. Inevitably strong financial control, plans and discipline is fundamental to the proactive approach being taken to the delivery of the MTFS.
28. The Government's Network North announcement in October 2023 brings welcome funding for buses and highway maintenance. Small allocations have been made for 2023/24 and 2024/25 with indications this funding will continue for a number of years from 2025/26 onwards. However, with no confirmation of funding in later years and a general election likely in 2024, it is difficult to say if this additional funding will continue. While the bus and maintenance funding is badly needed, it comes with the caveat that existing budgets should not be reduced. This means that significant areas of discretionary spend across Highways and Transport Services are unlikely to be within the scope of consideration for further savings, again making it more difficult for the Department to make its savings targets.

29. Ongoing growth in EHCP allocations in the County is a significant factor in endeavouring to contain costs of SEN transport to budget. In addition, shrinkage of the bus/taxi operator market has resulted in higher costs and provides further challenge to securing adequate transport provision. Consequently, transport reviews of mainstream school transport, social care and SEN transport services remain imperative to bring expenditure in line with available budgets. Contract hand-backs, due to providers being unable to deliver services for contract cost remains high, on average accounting for a 20% rise in overall service cost.
30. The increasing frequency of volatile weather events caused by climate change has resulted in significant deterioration of highway network assets creating a need for increased repair and inspection, as well as increased pressure and cost on our services to react to incidents of flood, heat and wind damage. Continued deterioration of assets provide a safety risk potentially resulting in the need to close assets to service users. To take advantage of better commercial contracts and allow for a risk-based programme of works around seasonal pressures a rolling two-year programme is to be implemented. The recent Network North announcement may, however, help in this regard with additional funding and subject to being confirmed over a longer time period, would allow longer programming and contract periods, driving greater efficiency across Council operations.
31. The single year spending review together with short notice significant policy change and substantial one-off funding arrangements continues to provide added uncertainty over what and how services are delivered. This, in itself, requires significant staffing resource to redesign services and commission new work at a time when there are significant resourcing and skills shortages in the Department. In reality, this involves changes in plans and programmes already started or communicated to the public; and potential for suboptimal spend due to limited timescales and prescriptive funding conditions that compound the challenges already being faced by services operating in a financially volatile local government environment. A prime example of this is the three separate announcements of BSIP+ funding over a 6-month period causing a completely new approach for bus service support in the County to have to be designed, agreed and communicated to the public all within very short timescales.

Other Funding Sources

32. For 2024/25, a number of additional funding sources are expected and allowed for within the budget outlined in Appendix A. These funding sources include external grants and other contributions from external agencies towards the cost of schemes delivered by the Department. The key ones include:
- a) Section 38, 184 and 278 agreements – £3.49m income from developers relating to fees for staff time, mostly around design checks for these agreements.
 - b) Capital fee income - £6.22m for staff time charged in delivering the Capital Programme. Should elements of the Capital Programme not be delivered as planned, this could have an impact on the amount of staff time

recovered. However, the use of agency and temporary staff resource does give some scope for varying staff levels in order to minimise the risk of this resulting in overspending in staffing cost centres.

- c) Fees and charges/external works charges to other bodies (works for other authorities, enforcement of road space booking, permit scheme and network management and fleet services) - £6.38m.
- d) Driver Education workshop - £2.74m of fee income collected for the Road Safety Partnership from drivers taking speed awareness and similar courses. This income is returned to the partnership net of the cost of operating the courses.
- e) Joint arrangement income - £0.30m from Leicester City Council primarily to cover the costs of the City Council's share of the Park and Ride scheme that is jointly operated with the County Council.
- f) Civil parking enforcement income - £1.28m which covers penalty charge notices (PCNs) for on-street parking, income from the district authorities to cover the cost of processing off-street PCNs on their behalf and parking permit income.
- g) Vehicle workshop internal recharge - £2.04m, to ensure vehicle use is recharged back to the Capital Programme where appropriate.
- h) Other specific grants (such as Bus Service Operators Grant, Extended Rights to Free Home to School Travel and Rural Mobility Fund) - £2.63m.
- i) Bus Service Improvement Plans (BSIP+ and Network North funding) - £5.84m to deliver bus service improvements.
- j) Leicester, Leicestershire, Rutland Road Safety Partnership - £0.28m returns and a drawdown from reserve to fund safety schemes.
- k) Leicester and Leicestershire integrated transport model - £2.68m funding provided for the transport model development work.

Capital Programme

33. The draft Capital Programme is summarised in Table 3 and the detailed programme is set out in Appendix C. The Capital Programme is funded by a combination of the Local Transport Plan (LTP) grant, discretionary funding and other external and internal sources.

	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000
Major Schemes	55,098	27,584	3,060	2,321	88,063
Minor Improvements	6,325	6,358	11,122	3,742	27,547
Transport Asset Management	18,823	19,484	24,476	29,024	91,806
Total	80,246	53,426	38,658	35,087	207,416

Table 3 – Summary Draft Capital Programme 2024/25 to 2027/28

34. The programme includes £95.17m to deliver major infrastructure schemes consisting of:
- a) Melton Mowbray Distributor Road (MMDR) for North and East sections: £57.06m (total scheme costs £116.11m);

- b) Zouch Bridge: £16.53m towards the cost of bridge replacement (total scheme costs £19.93m);
 c) County Council Vehicle Replacement programme: £13.60m;
 d) Advanced design programmes: £7.98m.

	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000
Grant - Local Transport Plan (LTP) - Integrated transport element	2,750	2,750	2,750	2,750	11,000
Grant – Local Transport Plan (LTP) - Total needs/formula allocation	7,891	7,891	7,891	7,891	31,564
Grant – Local Transport Plan (LTP) - Total Incentive funding	1,973	1,973	1,973	1,973	7,892
Transport Infrastructure Investment Fund (TIIF) - Grants - DfT Pothole Funding	7,891	7,891	7,891	7,891	31,564
Grants – Network North	2,258	5,000	10,000	14,158	31,416
Grants - MMDR DfT Funding	5,553	0	0	0	5,553
Grants – A511 DfT funding	1,630	0	0	0	1,630
Section 106 Contributions	1,170	360	93	0	1,623
Revenue and Earmarked Funds	424	127	127	127	805
Capital Substitution	-3,170	-3,336	-2,431	-2,042	-10,979
Environment agency Grant	561	318	151	0	1,030
Corporate Funding (capital receipts and revenue)	51,314	30,452	10,213	2,339	94,318
Total Highways & Transportation	80,245	53,426	38,658	35,087	207,416

Table 4 – Highways and Transportation Capital Funding

35. The main Department for Transport (DfT) grants have been announced for 2024/25. Estimates for later years have been included based on previous years allocations. These include:
- a) Integrated Transport Schemes - funding of £2.75m has been assumed for each year from 2024/25 to 2027/28 (£11.00m overall). This funding will be used as match funding for grant bids into external funding streams. This resource will also be used to fund advanced design and feasibility studies to ensure outline business cases are available to support any such bids.

- b) Maintenance - funding of £9.86m is assumed each year for the basic needs-based allocation (£39.46m overall).
- c) Transport Infrastructure Investment Fund - funding of £7.89m is assumed for each year (£31.56m overall) and includes funding for potholes.

36. Other significant capital grants included are:

- a) MMDR for North and East sections - £5.55m (balance of £49m overall grant awarded and secured in earlier years).
- b) DfT Network North Funding – £31.42m estimated in the MTFS. Allocation for 2024/25 has been confirmed at £2.26m with allocations for later years yet to be announced but expected to increase over time. This is new additional highways maintenance funding, announced in October 2023, for local road resurfacing and wider maintenance activity on the local highway network. From 2024/25 onwards this could be c.£133m over 10 years in total.

37. As DfT grant allocations are expected to continue and increase year on year, it may be possible to accelerate funding to earlier years. This will be subject to approval by the Director of Corporate Resources that funding is available.

38. It has been assumed that the Governmental incentive level funding for capital maintenance activity on highways assets is to remain at the 2024/25 grant allocation rate. The incentive level funding is dependent on the County Council being able to demonstrate Level 3 in its Asset Management assessment.

39. Funding for improvement schemes is limited to that which can be secured from the various Government funding streams available for infrastructure. Some provision (around £7.98m over the MTFS) exists for advance design/match funding. However, increased levels of capital funding are being channelled through bidding processes. This has an impact in two ways. Significant amounts of staff time are required in submitting bids (including options modelling, developing business cases, liaising with the Government, Midlands Connect) which may be wasted if bids are unsuccessful. The costs of compiling and submitting a bid are significant and may not result in funding being awarded. The Network North announcement is included as part of the Local Integrated Transport Settlements which the County Council will receive. This money will be for small scale safety and improvement schemes on the network. Funding will be available from 2025/26 and guidance is expected on the details of this funding stream in 2024.

40. The largest risk to the Capital Programme is rising inflationary costs. This risk is putting pressure on the affordability of completing major works and delivering within budget.

41. There is continued risk stemming from labour shortages slowing progress and whilst this can be addressed through outsourcing, it is more costly. The Government funding often dictates delivery within a prescribed timeframe. This can be difficult to achieve, causing knock-on pressures across other schemes

in sourcing resources for scheme design, programme planning and delivery as resources cannot always be secured externally.

42. Often this can be compounded by other pressures. Adverse weather conditions can play a part, especially for certain maintenance activities (such as surface dressing and flood alleviation works). Also, for some of the larger schemes, legal issues may need resolving around for example, compulsory purchase orders.

Capital Programme – Future Developments

43. Where capital projects are not yet fully developed, or plans agreed, these have been included as ‘Future Developments’ under the Department’s programme in Appendix C. It is intended that as these schemes are developed during the year, they will be assessed against the balance of available resources and included in the Capital Programme as appropriate. These include:
- a) Additional bid development/match funding;
 - b) Green vehicle fleet;
 - c) Highways Depot Maintenance programme.

Background Papers

Report to the Cabinet 19 December 2023 – Medium Term Financial Strategy 2024/25 to 2027/28

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7081&Ver=4>
(item 302)

Circulation under Local Issues Alert Procedure

None.

Equality Implications

44. Under the Equality Act 2010 local authorities are required to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation;
 - b) Advance equality of opportunity between people who share protected characteristics and those who do not; and,
 - c) Foster good relations between people who share protected characteristics and those who do not.
45. Given the nature of services provided, many aspects of the County Council’s MTFS may affect service users who have a protected characteristic under equalities legislation. An assessment of the impact of the proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made. Such assessments will be undertaken in light of the potential impact of proposals and the timing of any proposed changes. Those assessments will be revised as the proposals are developed to ensure decision

makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.

46. There are several areas of the budget where there are opportunities for positive benefits for people with protected characteristics both from the additional investment the Council is making into specialist services and to changes to existing services which offer improved outcomes for users whilst also delivering financial savings.
47. If, as a result of undertaking an assessment, potential negative impacts are identified, these will be subject to further assessment.
48. Any savings arising out of a reduction in posts will be subject to the County Council Organisational Change Policy which requires an Equality Impact Assessment to be undertaken as part of the action plan.

Human Rights Implications

49. Where there are potential Human Rights implications arising from the changes proposed, these will be subject to further assessment including consultation with the Council's Legal Services.

List of Appendices

Appendix A – Revenue Budget 2024/25

Appendix B – Growth and Savings 2024/25 – 2027/28

Appendix C – Capital Programme 2024/25 – 2027/28

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