



**SCRUTINY COMMISSION: 27<sup>TH</sup> JANUARY 2025**

**MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2028/29**  
**CHIEF EXECUTIVE'S DEPARTMENT**

**JOINT REPORT OF THE CHIEF EXECUTIVE AND THE DIRECTOR**  
**OF CORPORATE RESOURCES**

**Purpose of Report**

1. The purpose of this report is to:
  - a) provide information on the proposed 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) as it relates to the Chief Executive's Department; and
  - b) ask the Commission to consider any issues as part of the consultation process and make any recommendations to the Cabinet accordingly.

**Policy Framework and Previous Decisions**

2. The County Council agreed the current MTFS in February 2024. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2025/26 to 2028/29 was considered by the Cabinet on 17<sup>th</sup> December 2024.

**Background**

3. The MTFS is set out in the report to Cabinet on 17<sup>th</sup> December 2024, a copy of which has been circulated to all members of the County Council. This report highlights the implications for the Chief Executive's Department.
4. Reports such as this one have been presented to the relevant Overview and Scrutiny Committees. The Cabinet will consider the results of the scrutiny process on 7<sup>th</sup> February 2025 before recommending an MTFS, including a budget and capital programme for 2024/25, to the County Council on 19<sup>th</sup> February 2025.

**Service Transformation**

5. The functions delivered by the Chief Executive's Department play critical roles in supporting transformation and lawful decision-making in accordance with

public sector legal and governance requirements. The Department takes the corporate lead on developing and delivering council wide strategies and plans including the Corporate Plan, EDI Strategy, and Communities Approach.

6. The work of the Chief Executive's Department includes: Legal Services, Democratic and Civic and Member Support, Strategy and Business Intelligence (including Resilience, Communities, Economic Growth and Planning and the Historic and Natural Environment) and Regulatory Services which includes Trading Standards, Registration and Coronial services. The Department coordinates and manages the councils and LRFs emergency planning, business continuity and resilience responsibilities.

### **Proposed Revenue Budget**

7. Table 1 below summarises the proposed 2025/26 revenue budget and provisional budgets for the three years thereafter. The proposed 2025/26 revenue budget is shown in detail in Appendix A.

**Table 1 – Revenue Budget 2025/26 to 2028/29**

	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>
Original prior year budget	16,283	16,004	15,959	15,949
Budget transfers and adjustments	-14	0	0	0
Add proposed growth (Appendix B)	0	0	0	0
Less proposed savings (Appendix B)	-265	-45	-10	0
<b>Proposed/Provisional budget</b>	<b>16,004</b>	<b>15,959</b>	<b>15,949</b>	<b>15,949</b>

8. Detailed service budgets have been compiled based on no pay or price inflation. A central contingency will be held which will be allocated to services as necessary.
9. The latest Leicestershire Local Government Pension Scheme (LGPS) triennial actuarial assessment indicates that there is not a requirement to increase the employer contribution rate in subsequent years. The position will be reviewed in future MTFS refresh exercises.
10. The total proposed expenditure budget for 2025/26 is £21.6 million with contributions from grants, fees and charges and other income sources totalling £5.6 million. The proposed net budget for 2025/26 of £16.0 million is distributed as shown in Table 2 below:

**Table 2 - Net Budget 2025/26**

	<b>£000</b>	<b>%</b>
Democratic Services and Civic and Member Support	1,541	9.6
Legal Services	4,814	30.1
Strategy and Business Intelligence (including Planning, Historic and Natural Environment)	5,812	36.3
Emergency Management and Resilience	369	2.3
Regulatory Services	3,605	22.5
Departmental Items	-137	-0.9
<b>Total</b>	<b>16,004</b>	<b>100.0</b>

### **Budget Transfers and Adjustments**

11. Budget transfers totalling a net increase of £0.01 million were made during the 2024/25 financial year.
12. Budget transfers to cover the additional costs associated with the 2024/25 pay award are still to be finalised but will be reflected in the final MTFS to be reported to Cabinet.
13. 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
14. This star rating is included in the descriptions set out for growth and savings below.
15. Savings have also been highlighted as 'Eff' or 'SR' dependent on whether the saving is seen as an efficiency or service reduction or a mixture of both. 'Inc' denotes those savings that are funding related and/or generate more income.

### **Growth**

16. There is a requirement to formalise the funding for two posts within the Business Intelligence and Legal Services sections, however, given the Council's financial position overall, it was not possible to provide growth for these and instead will need to be contained within the department's budget.

## Savings

17. Details of proposed savings are set out in Appendix B and total £0.320 million by 2028/29. These are detailed in the following paragraphs.

18. \*CE1: Inc Democratic Services Income; £5,000 in 2025/26

Democratic Services provides services to the following external bodies: ESPO, the Combined Fire Authority and the Pensions Board. As part of the MTFs the section has undertaken a review of its charges. That review also included an agreement to allow for an annual uprating to allow for pay and other inflationary increases.

19. \*CE2: Eff Trading Standards Review; £10,000 in 2025/26 rising to £30,000 in 2027/28

The Trading Standards service review, undertaken with support from the Transformation Unit, identified a number of additional income opportunities and efficiencies.

20. CE3: Inc Freeport Accountable Body Responsibilities; £50,000 in 2025/26

As the Accountable Body for the East Midlands Freeport, the Authority is responsible for ensuring the good functioning of the Freeport Governing Body and receives income for the officer time spent on this.

21. CE4: Inc Additional Registrars Fees and Income £50,000 in 2025/26 rising to £85,000 in 2026/27

There is projected buoyant demand for wedding ceremonies and those fees not controlled by statute will be increased by 5% per annum for the next 2 years. The creation of a new ceremony room in South Wigston is expected to generate further demand for wedding and citizenship ceremonies in that locality.

22. CE5: Eff Growth Service Staffing Review £95,000 in 2025/26

A review of the Growth Service structure, aligned to the growth programme, was undertaken and has resulted in the deletion of a vacant post.

23. CE6: Eff Democratic Service Efficiencies £30,000 in 2025/26

The section has identified a number of efficiencies which include reduced staffing, printing and postage. These savings were confirmed by the Transformation Unit when it carried out a review of the service in the autumn of 2023.

24. CE7: SR Hospitality Function Reductions £10,000 in 2025/26

A further reduction of Civic events.

25. CE8: Inc Hire of Committee Suite £15,000 in 2025/26

Democratic Services and Civic and Member Support charge for the use of the Committee Suite for those tenants who are based at County Hall.

**Savings Under Development**26. SUD 1: Biodiversity Net Gain

The Biodiversity Net Gain (BNG) legislation brings an opportunity for the authority to implement a chargeable BNG advisory service. The service will provide Ecological Planning advice to district, borough and Rutland partners and operate on a full cost recovery basis. Income projections are currently being finalised.

27. SUD 2: Additional Planning, Historic and Natural Environment Fee Income

There is the potential for additional income to be received following an increase to the national Planning Application fees. Income projections are currently being finalised and may require adjustment depending on the response to the recent consultation on changes to the National Planning Policy Framework.

28. SUD 3: Chief Executive Service Efficiency Programme

The Transformation Unit is undertaking a rolling review of each service within the department to identify opportunities for efficiencies. The reviews require significant time from service areas and support services so timing and prioritisation will be essential. Potential savings will be identified at the completion of each service review. The reviews of Trading Standards and Democratic and Civic and Member Support have been completed. The review of Archaeology in PHNE is in progress and will be followed by Registration Services, PHNE, Legal Schools Admissions, BI, Resilience, Communities and Policy, Growth Service and Legal Services.

**External Influences**

29. The White Paper on English Devolution published on 16<sup>th</sup> December 2024 will create additional significant and specialist demand on legal, democratic, member services and policy and BI teams.

30. All the services delivered by Legal, Trading Standards, Coroners and Registrars are demand led. The expected growth in the local population, coupled with the increase in the average age of residents, will increase the demand on certain services. Consumer fraud is on the increase, which will place more demand on Trading Standards to tackle scams and other forms of financial crime.

31. Planning fee income will be subject to any national guidance or regulations that may be issued in due course. Whilst all sections in the Department will be affected by the general economic position, there is the potential that this will impact the Planning, Historic and Natural Environment most significantly if there is a continuing downturn in development. The National Planning Policy

Framework was updated on 12<sup>th</sup> December 2024 which will create additional demand on the strategic planning function as further guidance is issued.

32. Increases in Legal Services fee income are limited to the rules that apply to an in-house local authority legal department to the effect that charges imposed are to recover costs and not make a profit. In-house Legal Services departments within local authorities are also prevented by statute from engaging in traded work on behalf of all but a limited number of public sector clients. Moreover, the bulk of Legal Services' existing capacity is dedicated towards serving the needs of Council Departments leaving limited residual capacity for traded work. The service continues to promote its expertise and availability through the 'buy-back' scheme it operates to provide legal advice and support to Leicestershire academy trusts and schools. The service also has explored, without success, other options around recruitment (for example specialist advocacy posts) to reduce external expenditure and this will continue to be an area of focus.

### **Other Funding Sources**

33. For 2025/26, the following Government grant is expected:  
The Local Reform and Community Voices Grant (£294,000 received in 2024/25) provides funding to support the local Healthwatch and Independent Complaints Advocacy services. Local Healthwatch is the consumer champion for patients and the public in health and social care. The Independent Complaints Advocacy Service (ICAS) provides support to people who wish to make a complaint about the service they have received from the NHS. The level of funding has yet to be confirmed for 2025/26. This is a statutory function and is managed by the department on behalf of both upper tier local authorities.

### **Capital Programme**

34. The Chief Executive's Department capital programme totals £0.1 million in 2025/26 and £0.2m across 2025/26 and 2026/27. The detail is provided at Appendix C and in the following paragraph.

35. **Legal Case Management System**

There have been ongoing concerns in relation to the functionality of the legal case management software currently in use, due to an inability to provide sufficient detail to support a data driven approach to improving work/case load planning, make efficiencies and streamline processes. However, a new upgrade is now available which will provide the necessary case management tools for Legal Services without the cost and disruption of introducing a new system. The upgrade is essential as the current version will cease being updated and supported in terms of maintenance. However, there are discussions ongoing with the CSU regarding the need, under new procurement legislation, to carry out a procurement exercise to review other available systems on the market.

In order to remain in a position of compliance with procurement legislation, it may become necessary for Legal Services to undertake a competitive procurement process which enables market operators an opportunity to tender

for the provision of a new or upgraded case management system and related maintenance cover. Should this position arise, it would be necessary for Legal Services to be able to access capital funding to meet the costs involved including consultancy fees and licensing costs.

### **Background Papers**

Cabinet 17<sup>th</sup> December 2024 - Medium Term Financial Strategy 2025/26 to 2028/29  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7512&Ver=4>

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

None.

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### **List of Appendices**

Appendix A – Revenue Budget 2025/26

Appendix B – Growth & Savings 2025/26– 2028/29

Appendix C – Capital Programme 2025/26– 2028/29

### **Equality implications**

36. Public authorities are required by law to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between people who share protected characteristics and those who do not; and

- Foster good relations between people who share protected characteristics and those who do not.
37. 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.
38. Proposals in relation to 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**

39. There are no human rights implications arising from the recommendations in this report.