



HEALTH OVERVIEW AND SCRUTINY COMMITTEE
15 JANUARY 2025

MEDIUM TERM FINANCIAL STRATEGY 2025/26-2028/29

MINUTE EXTRACT

Public Health Medium Term Financial Strategy 2025/26-2028/29.

The Committee considered a joint report of the Director of Public Health and the Director of Corporate Resources which provided information on the proposed 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) as it related to Public Health. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

The Chairman welcomed Mrs. L. Richardson CC, Cabinet Lead Member for Health, and Mr. B. Champion CC Cabinet Support Member, to the meeting for this item.

Arising from discussions the following points were noted:

- (i) Funding for Public Health came solely from the Department of Health and Social Care, not Council tax. The Public Health Grant for 2025/26 had not yet been announced but was expected soon. As the funding details had not yet been received an assumption had been made by the department that there would be a 2% increase in the Grant for 2025/26.
- (ii) The Public Health Grant could only be spent on public health functions. The department had specific statutory duties, as well as an overall statutory duty to take steps to improve the overall health of the population. The Public Health Grant was also used by other departments within the County Council for discretionary services that could be described as fulfilling the Public Health department's overall duty to improve the health of the population. Should further savings have to be made by Public Health, that funding to other departments could have to be withdrawn.
- (iii) Leicestershire County Council spent less on lifestyle services, such as stop smoking, weight management etc, than other authorities. It was not mandatory for Public Health departments to fund lifestyle services so in theory they could be cut. However, this would be difficult in practice as those services contributed to the department's overall duty to improve the health of the population and had a positive impact.
- (iv) The MTFS covered a 4 year period but the benefits of health interventions often took longer than that to become apparent.

- (v) In response to concerns raised by a member about the impact of cuts on services, some reassurance was given that services commissioned and delivered by Public Health were given an efficiency score and those services which had the biggest impact for the largest number of people were prioritised. The department's approach was to redesign commissioned services so that as good a service could be provided at a reduced cost. The Homelessness Service was one example of this.
- (vi) With regards to measuring the impact of services, regular modelling took place. There was a Public Health Outcomes Framework which contained 36 indicators related to public health priorities and delivery.
- (vii) The NHS was no longer funding any pay increases for providers commissioned by the local authority therefore Public Health was facing a cost pressure resulting from the NHS Agenda for Change pay rises. However, subsequent to the report for the meeting being published the department had received £868,000 additional funding to cover those costs.
- (viii) In response to concerns raised by a member regarding people feeling isolated and lonely, particularly the elderly, it was explained that the First Contact Plus and Local Area Co-ordinator services helped with this issue. A report on this topic would be considered at the next meeting of the Committee.
- (ix) Public Health funded the Health Check programme which was delivered by General Practice. There had been an increase in demand for the service which was a positive because it meant that more people were getting checked but this did add cost pressures to the department.
- (x) The council held a contract with Soldiers', Sailors' and Airmen's Families Association (SSAFA) to provide support to ex-service personnel. The contract was due to end in March 2025 and the service was being reviewed. A large amount of data relating to the service, particularly referral outcomes, was being analysed. No decision had been made yet on whether the service would be recommissioned or cut. Members emphasised that it was important to provide some support to armed forces veterans. In response it was clarified that work with veterans would still take place even if the SSAFA contract was not renewed but consideration would have to be given to whether it should be carried out by organisations other than SSAFA. An alternative could be for the support to be provided by Local Area Co-ordinators and First Contact Plus. There were also other charities that worked with military veterans. A member emphasised that working age veterans and older veterans had different needs.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2025.

**HIGHWAYS AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE - 16 JANUARY 2025**

MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2028/29

MINUTE EXTRACT

Highways and Transport Medium Term Financial Strategy 2025/26 – 2028/29

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) as it related to the Highways and Transport side of the Environment and Transport department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr. O. O'Shea CC, Cabinet Lead Member for Highways and Transport, to the meeting for this item.

Arising from discussion, the following points were noted:

Growth

- (i) Street lighting reactive maintenance jobs had increased by 257% since 2022/23 due to aged assets. Aged Assets referred to columns and cables that had a life expectancy and needed maintaining. Members queried whether any scoping exercises had been carried out to see if alternative sources of power could be utilised which were more sustainable. In response, Officers explained that the current approach was to switch to LED lighting and that replacement programme was underway on what was a large scale. Assets needed to be reliable and alternative sources were taken on board as the technology improved over time.

SEN Transport

- (ii) Assisted Transport was a significant part of the department's budget and the spend on it was continuing to increase. A member acknowledged that the money needed to be spent and forecasts and provision for the future needed to be made. However, Members suggested that as this was an issue affecting local authorities across the country it should be addressed nationally by government.
- (iii) The Council had a statutory duty to deliver the SEN Transport service and the department's growth would continue to be dominated by increased demand for SEN Transport. Members noted that the Council was able to increase the Adult Social Care precept by 2% without requiring a referendum and submitted that until the government addressed the SEN Transport issue nationally the County

Council would have to keep increasing the precept by the maximum amount each year.

Savings

- (iv) A Member raised concerns about a lighting in urban areas and questioned whether increasing the amount of lighting was a cost worth paying. In response it was explained that a substantial saving had been made as a result of dimming street lighting and the saving would have to be made elsewhere were it not made from street lighting, but The department was aware that dimmed street lighting might not be suitable for all areas and would take feedback from the ongoing pilot scheme and address the concerns where necessary.
- (v) As many electric vehicles were heavier than other vehicles due to the weight of the battery, Members queried whether this resulted in more deterioration of the roads. In response it was acknowledged that there had been an acceleration in deterioration on the network in recent years and that there were many factors that impacted this such as weather. The fact that EV's were heavier and heavier vehicles had an impact on the road network was an area that would need addressing nationally.
- (vi) Members raised concerns regarding high volumes of traffic around Junction 21 of the M1. It was suggested that the government's requirements of local authorities to increase housing growth should come with additional investment in the transport infrastructure as the existing road networks would not be able to cope with additional growth.

Capital Programme

- (vii) In response to a Member query about Zouch Bridge highlighted in the report it was noted that the bridge had been identified as an asset that needed replacing as it was a key link on the strategic network. Works would continue towards completion in 2027 which members welcomed.
- (viii) A member raised concerns regarding maintenance of the existing highways network. Some maintenance had originally been planned to be funded through the Network North funding but this is no longer available under the new Government and monies that had already been accelerated to carry out some of maintenance would now be accounted for in expected multi-year settlements from DfT over the period of the MTFS. It was noted that this highlighted the need for ongoing planned maintenance so the department could make the best use of available funding while managing the risks attached to this as a result of current uncertainty in funding.
- (ix) The amount of future contributions to be received by the department from developers under Section 106 of the Town and Country Planning Act 1990 were hard to predict so could not yet be allocated in the budget until confirmation was received. However, upcoming Section 106 funding was closely monitored to maximise the use of this funding.

RESOLVED:

- a) That the report on the Medium-Term Financial Strategy 2025/26 -2028/29 be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2025.

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
20 JANUARY 2025

MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2028/29

MINUTE EXTRACT

Adults and Communities Medium Term Financial Strategy 2025/26 – 2028/29

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mrs. C. M. Radford, Cabinet Lead Member to the meeting for the item.

Arising from Discussion, the following points were made:

Proposed Revenue Budget, Other Changes and Transfers

Growth

- i. The current negative growth position of -£1.8million for 2025/26 was an unusual position to be in. However, this had been due to the substantial increase in the number of people approaching the Department for services in 2023/24, and the increase in size, scale and cost of care packages, which had resulted in the Council having to put in substantial additional growth for 2024/25. Over the past 12 months, the Department had contained that growth to manage costs, and had successfully negated the requirement for further growth for the current financial year. The Director highlighted, however, that whilst the Department would continue to work towards containing costs, the position was dynamic and could change over the next year.
- ii. Members noted that with an increase in the number of people using services, it was expected that there would be an increase in income as people contributed to their cost of care, and income from the NHS to support people in receipt of services, which could be balanced against the overall growth figures.
- iii. Members queried the older people demand budget and how modelling had resulted in a projected budget of £2million for the 2025/26 rising to £15million for 2028/29. The Director explained that modelling was based on information held at a point in time, and by using national models (Office of National Statistics (ONS),

Poppi and Pansi) data, which provided an estimated figure over the four-year period. The growth averaged out at 2-3% each year which was in line with the demographic growth in the elderly population in Leicestershire. The budget for 2024/25 had not been over-modelled, but the Department had worked hard to mitigate demand and contain costs over the year.

- iv. Members queried if the demand management target of -£4million was a control of costs by limiting services. Members were reassured that whilst the Department would seek to limit expenditure and contain growth through a series of initiatives, it had not been at the expense of services provided. For example, additional resources had been targeted into reviewing people's care needs to ensure the support being offered was meeting need in an equitable way, to ensure people had a fair outcome from the assessment process, and that people were as independent as they could be. In terms of eligibility of services, this was set nationally and had been laid out under the Care Act.
- v. Members heard there would be growth in the numbers of people requiring services as they moved from Children's into Adult Social Care placements, but numbers would potentially peak around the year 2030 following which they were expected to fall due to a decline in birth rates.
- vi. Members questioned whether the impact of the Fair Outcomes policy had levelled off. The Director commented that the policy had been in place for around 10 years, and that a panel had been set up to provide added assurance to the Department that assessments and provision of services were being made in accordance with the policy. As the panel had been in place for just over 12 months, the requirement to attend the panel was being stepped down as teams were showing evidence that they were commissioning at the right level in terms of support packages for individuals. Performance would continue to be monitored over the course of the next few months to ensure progress was maintained.
- vii. It was noted with concern that the previous year's growth was over 3.5% and this had been a level of growth not seen before by the Council. The Director highlighted that this outstripped the growth that was being seen by other councils at the time. The growth figure was now around 1.5% and this was consistent with other councils in the country.
- viii. The Director reported the numbers of placements of older adults in residential care had seen a small increase from 868 for 2023/24 to approximately 880 for 2024/25. This was not considered an alarming figure. It was noted that the majority of people in residential care required 24-hour care, otherwise they would be supported to remain independent at home. In terms of people with higher support needs being able to move into Extra Care as an alternative was something being looked into over the next MTFs period. The majority of people in Extra Care, however, would not require a higher level of care.
- ix. A Member queried if, with recent Government financial announcements of increased National Insurance contributions, future changes to taxation, and impending changes to inheritance tax, consideration had been given to people in isolated rural areas. The Director reported that the budget did not include uplifts

in terms of the cost of care through inflation, and rising National Insurance, as the Council had a corporate reserve that was applied to the budget after this was set. This accounted for all inflationary increases across all departments. In terms of income, the status quo was assumed at the point of modelling the budget.

- x. It was acknowledged that the National Insurance increase would be a big change for the next financial year, and all councils were tasked with modelling what might be an appropriate increase going forward based on intelligence of the local workforce.

Adult Social Care – Savings

- xi. A Member questioned what support was in place to support Personal Assistants employed directly by a service user. It was noted that services were in place and if required would ensure cover, for example, for leave or sickness. The service was monitored on a regular basis to ensure people had the right support and were not put at risk. It was believed that having a personal assistant to a more traditional form of service could be beneficial in terms of well-being and gave people more control of their services.
- xii. A representative from Healthwatch requested service users be involved so far as possible when any review of services was undertaken. It was noted that the Department engaged with more people to support the co-production of future services and an engagement panel had been established which included people with lived experience which provided useful additional feedback.
- xiii. It was noted that whilst some of the savings outlined in Appendix C might appear as being the same each year this was likely due to it being the last year of delivery, and so there would not be an increase each year going forward but had to be shown over the four years on the MTFS. The budget was assessed each year with the savings the Department needed to make, having regard to inflationary rises.

Communities and Wellbeing

- xiv. A Member questioned under **AC16 (Eff) – Implementation of revised service for Communities and Wellbeing, if there was an end point whereby the Record Office in Wigston could no longer take any more records. The Director reported that the end point had already been reached, and there were many records being stored in other locations outside of the Record Office, in a non-compliant manner. The National Archive had given the County Council until May 2026 to show it had a compliant method of storage.

Health and Social Care Integration

- xv. Given the Government's plan to speed up the throughput of people being treated in the NHS, members queried what impact this would have on adult social care services, for example, in undertaking assessments for people requiring onward care, or supporting people in their own homes. It was noted that regular conversations were being had with the NHS at a strategic level, particularly

around the flow of people through the urgent and emergency care system, and how to improve outcomes for people to ensure they were receiving the right service on discharge. It was further noted that the city and county had the highest number of people in receipt of social care services across the East Midlands where the route of access was hospital which was managed as a system.

RESOLVED:

- a) That the report regarding the Medium Term Financial Strategy for 2025/26 to 2028/29 and the information now provided be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2025.



CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY
COMMITTEE – 21 JANUARY 2025

MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2028/29

MINUTE EXTRACT

Children and Families Medium Term Financial Strategy 2025/26 – 2028/29

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources which provided information on the proposed 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) as it related to the Children and Family Services department. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mrs. D. Taylor CC, Lead Member for Children and Family Services, to the meeting for this item.

Children's Social Care Reform

- (i) A question was raised in relation to measures which the Government had outlined in order to improve competition and commissioning within children's social care. The Director outlined that competition was often limited because the market was dominated by a number of large providers, and that this presented a challenge in terms of commissioning social care placements against budget constraints. The proposed reforms would aim to encourage local authorities to improve competition within the system in order to create better placement opportunities for children. The Department had undertaken work locally to develop its own children's homes, through the Children's Innovation partnership (CIP), in order to overcome challenges with competition and to address rising unit costs.

Proposed Revenue Budget

- (ii) The Director emphasised that the central contingency which was being held within the Department would be utilised in order to offset the costs associated with the 2024/25 pay award for directly employed staff. In terms of the expected increase to the rate of National Insurance contributions (NICs) paid by employers, members noted that it was not yet possible to understand the impact that this could have on the Council. The Director agreed to update members on any changes to this position through updates on the Department's budget position.

Growth

- (iii) Members were pleased that there had been a reduction in the weekly unit cost for supporting Unaccompanied Asylum-Seeking Children (UASC), despite a significant level of demand and continued financial pressures within the system. The Director stated that this had been possible by ensuring commissioning was in line with the needs of UASC and through utilising smarter commissioning strategies. The UASC cohort presented a significant growth pressure over the MTF period in terms of demand and costs.
- (iv) In response to a concern relating to the cost of providing social care placements, the Director explained that high costs were a result of the complexities within the cohort of young people taken into care. A large number of children within this cohort required additional support as a result of their experience of trauma and previous lived experiences. Members were assured that the Department continued to ensure that each child and young person in care had the correct level of support in place in order to meet their individual needs, regardless of the reason behind the requirement for social care provision.

Savings

- (v) A member raised a question regarding whether school funding in Leicestershire was comparable to that in other local authority areas. The Director stated that minimum per pupil funding, allocated through the National Funding Formula (NFF), was consistent across all authority areas. However, additional funds were provided to schools based on the level of free school meal eligibility and the number of children with home addresses which triggered deprivation funding. As a result, it often appeared that some schools within other local authority areas were in receipt of higher levels of funding than others.
- (vi) Members noted that government funding to support its policy for a free school breakfast club programme would be allocated to schools directly. The Policy had been announced in the Government's Autumn Budget 2024 and was expected to be delivered from April 2025.
- (vii) In response to a question relating to an expected final visit by Ofsted at a Child Sexual Exploitation (CSE)/Child Criminal Exploitation (CCE) residential home, which had been developed as part of the Children's Innovation Partnership (CIP) with match funding from the Department of Education (DfE), the Director stated that confirmation of the visit date was awaited.

Capital Programme

- (viii) The Director stated that the majority of the Capital Programme was likely to be funded by external grants such as the Basic Need Grant, the High Needs Provision Capital Grant and the Strategic Maintenance Grant. In addition to

these grants, the Capital Programme would be funded through Section 106 contributions, which were received as a result of housing development.

RESOLVED:

- a) That the report regarding the Medium Term Financial Strategy 2025/26 – 2028/29 and information now provided be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2025.



**ENVIRONMENT AND CLIMATE CHANGE OVERVIEW AND SCRUTINY
COMMITTEE – 22 JANUARY 2025**

MEDIUM TERM FINANCIAL STRATEGY 2025/26-2028/29

MINUTE EXTRACT

**Environment and Climate Change Medium Term Financial Strategy 2025/26 –
2028/29**

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2025/26 to 2028/29 Medium Term Financial Strategy (MTFS) as it related to the Environment and Waste Management Services within the Council's Environment and Transport Department. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

The Chairman welcomed Mr. B.L. Pain CC, Cabinet Lead Member for the Environment and the Green Agenda to the meeting for this and other items.

Arising from discussion, the following points were raised:

Revenue Budget

- i) A reduction in residual waste and therefore a saving had been forecast due to the planned introduction of mandatory food waste collections from April 2026. A member questioned what else the Council planned to do to reduce this further. The Director assured members that the Council would continue to deliver existing programmes that sought to encourage recycling and reuse and educating residents on how they could better dispose of their waste as well as continuing to implement the Leicestershire Resources and Waste Strategy. However, Members acknowledged there would always be some demand for residual 'black bin' waste disposal. The Lead Member highlighted that reductions would be countered by rising population and housing growth which were expected to result in more waste being generated. The Authority would monitor the impact of growth against the impact of its programmes and the introduction of mandatory food waste collections and other factors such as changing waste types, which all had to be taken into account when assessing the Council's future waste contract needs.
- ii) A Member raised concern that the Department's resources of £0.39m to tackle Ash Dieback had been transferred to the Corporate Resources Department. It was noted that this was simply an accounting matter and reflected the fact that

the Corporate Resources Department employed the team that looked after trees and woodlands.

Growth

- iii) The technology currently being used to dispose of residual waste which came at a cost was currently considered the most viable option to dispose of waste at the scale required. A Member challenged whether it was more economical to use and therefore pay landfill tax or to incinerate waste and pay the proposed incineration tax. It was noted that the Council sought to manage waste in accordance with the waste hierarchy at the top of which would be waste prevention, reuse and recycling and landfill at the bottom. It was agreed that there needed to be a push towards repurposing waste in line with the circular economy principals rather than sending it to landfill as there were no benefits from this, in order to limit any damaging impact on the environment.
- iv) A Member commented that the ultimate aim would be to reduce non-recyclable packaging. As previously discussed by the Committee, it was noted that the Government's introduction of Extended Producer Responsibility for Packaging would now make producers responsible for the costs relating to that packaging from 'cradle to grave' (i.e from production of the material to its disposal). A scheme administrator had been set up by the Government who producers paid a fee to and which was now feeding through to the Authority to help it meet the cost of disposing of this type of waste. The Lead Member emphasised that the Council had been indicatively allocated £6m for 2025/26 but that future allocations were unclear. It was intended that this approach would help to manage away non-recyclable packaging materials, which would then in turn reduce the payments having to be made by the industry.

Savings

- v) Opening hours at recycling and household waste sites (RHWS) were being reduced in the summer but not universally. Sites would no longer be open 9am until 7pm every day through the summer opening period. Some sites would close at 5pm on certain days but on occasion be open later for residents convenience. Evidence of use showed that sites were used less in the evenings compared to morning usage. However, it was acknowledged that some evening access was still needed and there would therefore be days when some sites would be open until 7pm, to accommodate this. The Director emphasised that the advice to the public would be to check the Council's website prior to visiting.
- vi) Fly-tipping was raised as a concern by some Members who queried whether there were links between closing waste disposal sites and an increase in fly-tipping. It was noted that there was currently no data to suggest there was an escalation in fly tipping cases as a result of closed sites. A Member suggested that enforcement action was the biggest deterrent which was the responsibility of district councils. However the Lead Member emphasised this was not only a district council problem as the County Council had responsibility for disposing of the waste which could be costly. The Council therefore worked closely with

district councils and other agencies, such as the Police and the Environment Agency to address what was a criminal offence. Members noted that the cost of disposal had been factored into the budget.

Other Factors Influencing MTFS Delivery/Other Funding Sources

- vii) It was noted that the County Council had responsibility for the ongoing maintenance of a section of the Ashby Canal as a result of the legacy of a proposal a number of years previously to restore and reopen the canal.

RESOLVED:

- a) That the report on the Medium-Term Financial Strategy 2025/26 -2028/29 be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2025.

SCRUTINY COMMISSION – 27th JANUARY 2025

MINUTE EXTRACT

Medium Term Financial Strategy 20225/26 – 2028/29

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2025/26 – 2028/29 Medium Term Financial Strategy (MTFS) as it related to Corporate and Central items. The report also provided an update on changes to funding and other issues arising since the publication of the draft MTFS and provided details of a number of strategies and policies related to the MTFS. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed the Acting Leader of the Council, Mrs D. Taylor CC (in remote attendance), and Cabinet Lead Member for Resources, Mr L. Brecon CC, to the meeting for this item.

In presenting the report the Director commented that the Council faced uncontrollable pressures which would lead to significant savings having to be made despite the Council having sought to recover the maximum amount of council tax possible as permitted by the Government. Next year, the MTFS was predicated on the need to use some of the Council's reserves to balance the budget. Thereafter the deficit was forecast to grow significantly to £95m as a result of service demand and inflationary pressures, despite significant work and savings having been made in previous years across all service areas.

The Director emphasised that the main determinants for the Council's future financial health very much rested with the Government and its approach to things like local government funding reform, SEND funding reform and the national living wage. There were a growing number of authorities now needing additional Government support. The Council would continue to prioritise its financial resilience, however, the Director emphasised that it was difficult to predict the future direction of the Council in the longer term given the level of uncertainties faced.

Arising from discussion, the following points were made:

Revenue Budget and Growth

- (i) Members expressed significant concern at the growing level of challenges faced by the Council. A member commented that it would be impossible given limits on the Council's ability to generate income, that this would cover its forecasted expenditure, particularly taking account of rising levels of growth in the demand for services, increasing costs and national insurance, and pay and

price inflation.

- (ii) It was suggested that uncertainty around future Government funding had made planning for this MTFS particularly difficult. It was noted that the Government was undertaking a spending review which would be concluded in June. Following this, it was thought the Government would be able to provide greater clarity around future funding streams. This should also be accompanied by reforms to the local government finance system, a consultation already having been launched on this issue.
- (iii) Members questioned what other approaches the Government might take to address pressures on local government finances. The Director reported that there appeared to be some acknowledgement that service standard reforms would be needed, as well as the removal of the cap on council tax, both of which would help to enable councils to become more self-sustainable.
- (iv) The Lead Member was challenged about what the Cabinet's strategy would be to address the budget deficit. The Lead Member confirmed that consideration had and would continue to be given to service delivery methods, and the level of service provided. It was acknowledged that lower level services were already being provided in Leicestershire at a cheaper cost due to its low funding position. However, the Councils performance had always demonstrated that these were delivered effectively and efficiently and to a good standard. Further the Council had secured specialist external support from organisations like Newton Europe that would continue to drive change across a range of services. The Lead Member assured members that whilst not sufficiently developed to be included in the current MTFS, further savings were being identified across all departments. However, he reiterated that there were still a number of factors outside the Council's control and dependent on the Government's funding approach and how it delivered local government finance reform.
- (v) The MTFS took account of the previously approved increase in council tax by 4.99%, the maximum amount permissible for 2025/26, including the adult social care precept. A member suggested that the report had not made it clear that the Council had little choice but to do this. It was noted that whilst there would be no restrictions on future grants, the Government had emphasised that there would be an assumption that all councils would in future raise council tax to the maximum amount. It was further noted that a council tax rise of only 2.99% had been accounted for in future years because of the uncertainty around future referendum limits and whether additional the adult social care precept would still be available.
- (vi) A Member commented on the impact rising council tax levels could have on residents that were already affected by rising costs. It was noted that the Council's MTFS consultation included questions regarding the potential impact of rising council tax. Feedback was currently being assessed and would be captured as part of the final MTFS to be submitted to the Cabinet.
- (vii) It was noted that not increasing council tax to the maximum amount would have placed the Council in further difficulty and could have prevented it from being

able to provide some services to its most vulnerable residents. The Director agreed it was a difficult balance to strike, but highlighted that some authorities that had not previously raised council tax by the full amount were now in crisis and seeking this year to increase this significantly beyond the 5% cap.

- (viii) A re-set of business rate baselines was expected to be introduced in 2026/27. It was not yet clear if this would put at risk some of the Council's growth that had been built up since the system first came into force and now amounted to approximately £10m above the Council's current baseline. In addition, it was noted that as the Council was part of a business rates pool with the City and district councils it could also potentially lose the growth that it expected to receive back from that pool. Members noted that the amount at risk was between £6m and £8m. Whilst a transitional period would likely be provided for, details about this were not yet known.
- (ix) The Government's White Paper on Local Government Reform had been published after the draft MTFS had been prepared. Given current levels of uncertainty regarding the planned reforms, the MTFS had not included any reference to this in terms of cost and benefits at this time. The Director assured Members that if the position became clearer over the coming weeks, the final MTFS to be presented to the Cabinet and full Council could be amended to include some further information about this.
- (x) It was noted that the decision to undertake local government reorganisation would be regarded as a matter of local choice and therefore the cost of implementing this would need to be met locally. In previous reorganisations the Government had not allocated any additional resources to support this.

Savings

- (xi) The MTFS included £33m worth of savings to be delivered over the next four years. Despite this a budget deficit of £95m had been forecast. The Director emphasised that whilst the longer-term deficit was a concern, the bigger concern would be addressing the expected £40m deficit in 2026/27, as there would not be a lot of time to deliver the savings necessary to address this. If not addressed in year, this added to budget pressures faced in later years.
- (xii) A Member questioned why only limited savings had been identified in the current MTFS. It was noted that savings were being developed and that detailed business cases would be brought forward over the coming year. The Commission was assured that this was a constant process which Chief Officers were working on with their Lead Members. A review of the Council's Strategic Plan was also underway which would provide further direction.

Reserves

- (xiii) The budget equalisation reserve had increased significantly. This was allocated to cover future year budget gaps and to reflect increased pressure on the High Needs element of the Dedicated Schools Grant, taking account of the current statutory override which was due to come to an end in March 2026. The

Government had not yet confirmed if this would be extended so there was some degree of uncertainty around this.

- (xiv) The current level of reserves were expected to decrease over time as the Council expected to have to dip into this to cover future budget gaps, pending further savings being identified and delivered, and more funding being received from the Government.

Capital Programme

- (xv) A Member raised concern that funding had not been allocated within the capital programme to replace the current Records Office. It was noted that the Council had been given notice by The National Archives that its future accreditation status was dependent on it having a clear and deliverable plan to address current issues around the storage of, and access to records by May 2026. Given that time was of the essence, it was questioned why this had not been accounted for. The Director explained that the Records Office was managed under a partnership arrangement with the City and Rutland Councils and that the Council was in discussions with both authorities to find an agreed way forward. It was noted that the capital programme included an allocation for 'future developments' and that when an approach had been agreed some of this funding could be used towards this. The Record Office was named as a Future Development of the Adults and Communities capital programme that had been discussed at the relevant scrutiny committee.
- (xvi) The Lead Member commented that he and the Lead Member for Adults and Communities were aware of the implications of the Council losing its accreditation but that discussions with partners needed to be held in the first instance and a joint approach agreed if possible. It was suggested that a time limit should be imposed on those discussions to ensure the Council could progress alone to ensure it met the May 2026 deadline.
- (xvii) Members raised concerns that delays in the delivery of capital projects resulted in rising costs which affected the Council's overall capital programme. Members questioned how delays were managed and challenged to ensure these were avoided and mitigated where possible. The Director confirmed that arising from the Melton Mowbray Distributor Road project, a review of how the Council undertook large capital schemes had been carried out and improvements made to the Council's internal processes. All projects were kept under regular review and contractors challenged wherever possible over delays. It was acknowledged that projects which were funded by multiple parties (such as developer funding, Funding from the DfT and Homes England etc.) were often more complicated and difficult to manage.

RESOLVED:

- (a) That the report and information now provided be noted;

- (b) That the comments now made be submitted to the Cabinet for consideration at its meeting on 7th February 2025.

Medium Term Financial Strategy 20225/26 – 2028/29 – Chief Executive’s Department

The Commission considered a joint report of the Chief Executive and the Director of Corporate Resources which provided information on the proposed 2025/26 – 2028/29 Medium Term Financial Strategy (MTFS) as it related to the Chief Executive’s Department. A copy of the report marked ‘Agenda Item 9’ is filed with these minutes.

In addition to the Acting Leader and the Lead Member for Resources, the Chairman welcomed the Lead Member for Community and Staff Relations, Mrs P. Posnett CC, to the meeting.

Arising from discussion and questions, the following points were made:

- (i) A Member commented that work arising from local government reorganisation would mainly fall within the remit of the Chief Executive’s Department and queried why additional growth to cover that work had not been sought in the current MTFS. It was acknowledged that this could not be accommodated entirely within existing resources. However, when the position became clearer on the Council’s proposed approach, discussions would be held with the Director of Corporate Resources regarding what additional resources would be required.
- (ii) A Member queried what outcomes had been delivered by the Growth Service and Business Intelligence Service and asked, given the cost of those services, whether any savings could be identified in those areas. It was noted that a whole review of this service area was taking place and that further savings identified from that would be presented as part of the next iteration of the MTFS. So far, a saving of £95,000 had been accounted for.
- (iii) The Council allowed trade union representatives to use some facilities at County Hall as part of the recognition agreement and ongoing arrangements with recognised trade unions.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be submitted to the Cabinet for consideration at its meeting on 7th February 2025.

Medium Term Financial Strategy 20225/26 – 2028/29 – Corporate Resources Department

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2025/26 – 2028/29 MTFS as it related to the Corporate Resources Department. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

In addition to the Acting Leader and the Lead Member for Resources, the Chairman welcomed the Lead Member for Transformation and in support of Resources, to the meeting.

Arising from discussion and questions, the following points arose:

- (i) A Member commented on the allocation of capital resources to the Investing in Leicestershire Programme and questioned if this was appropriate given the financial pressures faced. The Director provided reassurance that investment in the Programme would not be made unless this was supported by a sound business case and was expected to generate a revenue income stream in line with the Strategy. The ILLP had been positive, generating income to support the delivery of other Council services for a number of years, reducing the level of savings needing to be made, and provided support for local businesses.
- (ii) Beaumanor Hall was expected to generate a reduced loss this year. It was acknowledged that significant work had been undertaken to build a more sustainable business from the property but that this continued to be difficult. A Member challenged why the property costs for Beaumanor Hall were not shown against the revenue income it generated suggesting that this did not provide a transparent view of how well this traded service was operating. It was noted that services were presented in the budget based upon responsibility which allowed central overheads to be seen clearly. When decision making was made this information would be brought together for a holistic view to be taken.
- (iii) A member commented on the difficulty some residents had getting through to officers and challenged whether this was as a result of the Ways of Working programme. The Director advised that feedback from a recent staff survey suggested that productivity had increased significantly following the introduction of hybrid working, but that work was ongoing to improve the capture of data to support this view.
- (iv) It was noted that the Council had not made a decision to mandate officers come into the officer for a set number of days per week like some other organisations had chosen to do. Instead, the Council supported managers to determine the appropriate level of flexibility that best met the needs of their service area. They were considered best able to determine when performance management, objectives and targets were not being met and how to address this.

- (v) The Director commented that hybrid working stemmed from the Covid 19 pandemic which forced home working upon a range of organisations to ensure these could continue to operate during that difficult period. Since then, all organisations have been adapting to a more flexible working approach. How well this worked varied depending on the needs of the business. The Director provided reassurance that the Council was seeing unprecedented growth at a time when staff resources had been reduced, but that despite this performance was being retained which indicated that productivity was good amongst staff. The Lead Member emphasised that hybrid working was now expected by employees and that offering this helped to improve recruitment and staff retention.
- (vi) The Council's Customer Programme sought to improve the customer experience when contacting the Council. Improvements had been made but it was acknowledged that some areas of difficulty were still being worked on. For example, focus was now being given to reducing failure demand contacts, automated responses being provided where appropriate to keep people informed of progress regarding their enquiries. Also, steps were being taken to reduce call waiting times, call back options were being explored to prevent callers having to wait in a queue.
- (vii) Supporting recognised trade unions was part of the employment offer. The Council currently funded 4 full time union representatives at a cost of approximately £250,000 per annum. Relations with trade unions were considered valuable, particularly when actions plans needed to be delivered ensuring a coordinated response and that support for staff was available. The Director confirmed there were no proposal to reduce the level of support provided as this was considered an important part in ensuring good employee relations, especially during significant periods of change.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made by the Commission be presented to the Cabinet for consideration at its meeting on 7th February 2025.

Medium Term Financial Strategy 2025/26 - 2028/29 - Consideration of responses from other Overview and Scrutiny Committees.

The Commission considered extracts from the minutes of the Overview and Scrutiny Committee meetings held to consider the Medium Term Financial Strategy 2025/26 – 2028/29 so far as this related to the County Council departments. A copy of the minute extracts from each meeting is filed with these minutes.

RESOLVED:

That the comments made by each of the Overview and Scrutiny Committees be submitted to the Cabinet for consideration at its meeting on 7th February 2025.

Investing in Leicestershire Programme Portfolio Management Strategy 2025 - 2029

The Commission considered a report of the Director of Corporate Resources which sought members views on the revised Investing in Leicestershire Programme (IILP) Portfolio Management Strategy 2025 – 2029 which sets out the proposed approach to future asset management and investment. A copy of the report marked 'Agenda item 12' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) The refreshed Plan continued to seek to ensure the Council made the best use of its property assets and generated a good revenue return to support the delivery of wider services.
- (ii) A new Rural Strategy was being developed to ensure that the estate had a clear direction and supported the County Council's wider objectives. This would be presented to the Commission at a future meeting for consideration.
- (iii) Members were assured that an inspection programme was in place and would be detailed in the new Rural Strategy. A full inspection would usually be carried out once a year with periodic visits carried out on an ad hoc basis as necessary. The Director reported that advice had been sought from external land agents regarding the timing of inspections. They had recommended that these continue annually, advising that quarterly inspections would be unusual and expensive and risked being intrusive to tenants. It was noted that a balance needed to be struck between the Council's right to seek to protect its assets and a tenant's right to the quiet enjoyment of what was their family home and place of business.
- (iv) Delays in the delivery of IILP projects had less of an impact than other capital projects as any rise in costs would usually be recovered through increased rental income. Future costs could also be mitigated against as projects to build industrial units would not be commenced until future tenants had been secured.
- (v) Members were reassured that all projects within the IILP were subject to a detailed business case first being agreed. Thereafter delivery against that business case would be monitored throughout the life of the project, with a detailed appraisal then carried out 12 months after completion.

RESOLVED:

- (a) That the update now provided on the refreshed Investing in Leicestershire Programme Portfolio Management Strategy 2025 – 2029 be noted;

- (b) That the comments of the Scrutiny Commission be submitted to the Cabinet for consideration at its meeting on 7th February 2025.