



SCRUTINY COMMISSION: 26 JANUARY 2026

MEDIUM TERM FINANCIAL STRATEGY 2026/27 – 2029/30
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 2026/27 to 2029/30 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 2025. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2026/27 to 2029/30 was considered by the Cabinet on 16 December 2025.

Background

3. The MTFS is set out in the report to Cabinet on 16 December 2025, 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. The revised MTFS for 2026-30 projects a gap of £23m in the first year that (subject to changes from later information such as the Local Government Finance Settlement) will need to be balanced by the use of earmarked reserves. There is then a gap of £49m in year two rising to £106m in year four, based on a 2.99% Council Tax increase, although no decision has yet been made on the level of increase to be approved.
5. 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 3 February 2026 before recommending an MTFS, including a

budget and capital programme for 2026/27, to the County Council on 18 February 2026.

Service Transformation

6. 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 as well as playing a key role in providing front line services and supporting other directorates to do so.
7. The work of the Chief Executive's Department includes: Legal Services, Democratic and Civic and Member Support, Strategy and Business Intelligence (including Resilience, 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. Responsibility for Communities will be transferred to the Public Health department from 1 April 2026.

Proposed Revenue Budget

8. Table 1 below summarises the proposed 2026/27 revenue budget and provisional budgets for the three years thereafter. The proposed 2026/27 revenue budget is shown in detail in Appendix A.

Table 1 – Revenue Budget 2026/27 to 2029/30

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Original prior year budget	16,859	15,633	15,623	15,623
Budget transfers and adjustments	-861	0	0	0
Add proposed growth (Appendix B)	175	0	0	0
Less proposed savings (Appendix B)	-540	-10	0	0
Proposed/Provisional budget	15,633	15,623	15,623	15,623

9. 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.
10. The total proposed expenditure budget for 2026/27 is £21.3 million with contributions from grants, fees and charges and other income sources totalling £5.7 million. The proposed net budget for 2026/27 of £15.6 million is distributed as shown in Table 2 below:

Table 2 - Net Budget 2026/27

	£000	%
Democratic Services and Civic and Member Support	1,489	9.5
Legal Services	5,191	33.2
Strategy and Business Intelligence (including Planning, Historic and Natural Environment)	5,320	34.0
Emergency Management and Resilience	348	2.2
Regulatory Services	3,657	23.4
Departmental Items	-372	-2.4
Total	15,633	100.0

Budget Transfers and Adjustments

11. Budget transfers totalling a net decrease of £0.9 million were made. These transfers include:
 - £0.6m for pay inflation transferred from the central inflation contingency.
 - -£0.8m reduction in the employer's pension contribution rate from 2026/27, from 29.4% to 23.4%.
 - -£0.7m net transfer to Public Health for the Communities and Grants and Funding services.
12. 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
13. This star rating is included in the descriptions set out for growth and savings below.
14. 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

15. Details of proposed growth are set out in Appendix B and provide for an additional £0.2m per annum by 2026/27. This is described in the following paragraph.

16. G1 Legal Services – Additional resources for Childcare Team; £175,000 in 2026/27 and ongoing

Growth required to meet the costs of additional resources for the Children's Social Care legal team. The growth is to meet the significant increase in demand for legal representation in care proceedings applications brought by the Council in the family Courts, which have risen from an average 120 cases a year to 138. The average length of a care proceedings case is 9 months. The childcare solicitors carry on average 12 care proceedings cases at any one time, with casework support from a full-time paralegal. Therefore, over a calendar year 18 additional cases amounts to a full court proceedings case load. The additional resources required will fund a 1.0 FTE solicitor (grade 11 to 13), a 1.0 FTE paralegal (grade 8 to 9) plus the costs of instructing Barristers, where necessary. The growth is supported by the Director of Children and Family Services as it is key to enabling the Council to meet its statutory child protection and safeguarding duties.

The increase since spring 2025 has been sustained over the course of the last 8 months and is forecast to continue. The head of service for fieldwork in Children and Family Services (CFS) has confirmed that the increase in new care proceedings since spring 2025 correlates with a statistical increase in the number of child protection referrals to the family safeguarding teams. Over this period, this increase has been substantially above available capacity; just for the month of November 2025 there were over 800 referrals above the identified capacity level of the service. It is believed that this increase in referrals is driven by macro socio/economic factors-the impact of cost of living on mental health, family relationships-leading to more domestic violence/abuse, neglect, and substance misuse. In addition, the case complexity score of cases has increased, mainly due to a rise in cases concerning risk of sexual harm as the Police focus more investigations on this area of criminal activity. As a result, there is growth for 4 additional safeguarding social workers within the MTFS for the C&FS department to meet demand. Inevitably, this extra demand on the service department will continue to feed through to extra demand pressures on the legal team.

17. Growth for Local Government Association and County Council Network Membership; £85,000 in 2026/27 and ongoing

Post the 16 December 2025 draft proposals presented to Cabinet, additional growth for the Department is requested to resume membership of the Local Government Association (LGA) and County Council Network (CCN). This will be included in the proposals to the Cabinet in February 2026.

Savings

18. Details of proposed savings are set out in Appendix B and total £0.5m by 2027/28. These are detailed in the following paragraphs.

19. *CE1: Eff Trading Standards Review; £10,000 in 2026/27 rising to £20,000 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. **CE2: Inc Additional Registrars Fees and Income; £135,000 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 3 years.

21. CE3: Eff/SR Staff Vacancy; £100,000 in 2026/27

The saving will reduce the overall staffing budget within the department and will be achieved through increasing the managed turnover factor.

22. CE4: Eff Review of Communities Management; £95,000 in 2026/27

The saving will reduce the senior management staffing budget within the Management & Admin service area through the deletion of the Head of Communities, Policy and Resilience post. The management responsibility for the Communities, Growth Service and Strategic Planning teams has transferred out of the department, and the remaining teams are being managed by the Assistant Chief Executive.

23. CE5: Eff Travel Reduction; £10,000 in 2026/27

The saving will reduce the overall travel budget and was identified and agreed through the underspends review.

24. CE6: SR Hospitality Function Reductions; £10,000 in 2026/27

Reduction of Civic events.

25. CE7: Eff Democratic Services Staff Review; £55,000 in 2026/27

This saving reduces the budget by 1.0 FTE Grade 10 vacancy following a review of staffing.

26. CE8: Eff Departmental Efficiencies; £125,000 in 2026/27

The Department will continue to review Savings Under Development (SUDs), to accelerate delivery earlier in the MTFS 26-30 period to achieve the savings target, and to explore the identification of new SUDs.

Savings Under Development

27. To help bridge the Council's gap several initiatives are being investigated within the County Council to generate further savings. This work was already underway as part of the Council's strategy to address the MTFS gap and does

not include any of the findings from the Efficiency Review, which is discussed in more detail later in the report. Outlines of the proposals were included as Appendix D, Savings under Development (SUD) to the 16 December Cabinet report. Once business cases have been completed and appropriate consultation and assessment processes undertaken, savings will be confirmed and included in a future MTFS. This is not a definitive list of all potential savings over the next four years, just the current ideas and is expected to be shaped significantly as the Efficiency Review progresses.

28. SUD 1: Additional Planning, Historic and Natural Environment Fee Income

There is an expected increase in nationally set fees, and an option to implement locally set fees if there is evidence/justification the new fees are not appropriate. The impact of this will be increased income. Consultation on this is expected during 2026 for implementation in 2027, although these dates are subject to change.

29. SUD 2: Chief Executive Staffing Review

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 reviews of Registration Services and Legal services (Schools Admissions) are in progress and will be followed by Planning, Historic and Natural Environment, Business Intelligence, Resilience, Policy and Legal Services.

30. SUD 3: Legal Services In-House Advocate Role

Legal Services plan to recruit a Locum Barrister on a fixed term basis in the childcare advocate team to reduce the external costs of cases requiring a Barrister.

Future Financial Sustainability

31. Despite delivery of extensive savings already, a significant financial gap remains within the Council's MTFS, emphasising the need to accelerate and expand the Council's ambitions and explore new, innovative options. A step-change in approach is required.
32. The Efficiency Review was initiated by the new Administration in response to a then-projected £90m budget gap by 2028/29, alongside mounting pressures on capital funding and special educational needs budgets. To address these financial challenges, the Council commissioned a comprehensive, evidence-led review of all services and spending, aiming to identify ways to accelerate existing initiatives and identify new opportunities. The review will identify opportunities to redesign services, optimise resources, and embed a performance-driven culture across the organisation.
33. Key elements of the review include:

- Reviewing all Council activities for cost reduction, service redesign, and income generation (excluding commercial ventures).
 - Assessing existing MTFS projects and savings ideas to prioritise or redesign them, identify where savings targets could be stretched or accelerated.
 - Strengthening governance, data management and resource mobilisation within the current Transformation Strategy.
 - Reviewing the County Council's approach to delivering change to ensure well placed to support implementation and future Council change initiatives.
34. The review is being undertaken by Newton Impact and commenced in early November, with detailed recommendations due early 2026 to inform future financial planning and Cabinet decisions
 35. The first stage of work was focused on any immediate opportunity to accelerate existing MTFS savings. The first of these, included in the draft MTFS position, is reablement in Adult Social Care. The initial saving included in the MTFS is £1m, building on an existing saving in this area of £1.9m.
 36. The further initiatives that will be developed over the next few months are expected to be a combination of i) ideas that had not progressed due to resource availability, ii) existing initiatives that can be expanded due to greater insight, iii) new initiatives to the Council.
 37. The review is still in its early stages and is progressing as expected. If further initiatives can be developed to a satisfactory level of confidence they will be included in the MTFS report to the Cabinet in February.
 38. The County Council is taking decisive action to close the budget gap and build a financially resilient organisation. The Efficiency Review will result in a revised Transformation Programme underpinned by strong governance and innovation to accelerate delivery and embed new ways of working. With significant uncertainty and change linked to Local Government Reorganisation, the coming year will be critical in driving high-impact change, engaging stakeholders, and preparing the organisation for future challenges.
 39. There will need to be a renewed focus on these programmes during the next few months to ensure that savings are identified and delivered to support the 2026/27 budget gap. Given the scale of the financial challenge, focus will be needed to prioritise resources on the change initiatives that will have the greatest impact, and work is already underway to do this.
 40. Place Based Efficiency Review - Placed based services are those delivered on the ground by multiple departments, such as highways, transport, waste, libraries, trading standards and other regulatory services. There is an opportunity to deliver place based services differently, taking a local approach to service delivery, improving efficiency and taking advantage of digital and technology investment. Better integration and service reviews has the potential to release financial benefits.

External Influences

41. Following the publication of the White Paper on Devolution, the Government sent an invitation to all two-tier councils and neighbouring unitary councils in February 2025 to submit proposals for new unitary structures. A final proposal was subsequently submitted by the Authority on 28th November 2025. Whatever the outcome of the submission in due course, there will be significant demand on the department's service areas (notably Democratic services, Legal services and BI) to shape the implementation plan.
42. 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.
43. Trading Standards in Leicestershire are under increasing pressure as their statutory duty remit expands and the number of vulnerable consumers continues to grow, significantly restricting the service's capacity to investigate all priority cases. The two main challenges calling on more resources relate to doorstep crime and illicit tobacco and vape sales.
44. Doorstep crime, which frequently targets vulnerable individuals, typically stems from urgent referrals that require immediate site attendance, comprehensive evidence gathering from multiple sources, and close collaboration with safeguarding teams and financial institutions. Officers are also heavily involved in providing ongoing support to victims and working closely with a range of partner agencies. The complexity of these cases, which often demand multi-agency input and result in protracted legal proceedings, places substantial strain on already stretched resources.
45. The prevalence of illicit tobacco and vape sales across Leicestershire continues to escalate, overwhelming the service despite our best endeavours to investigate and prosecute this persistent and organised criminal activity. These investigations are time consuming and resource intensive, diverting staff from planned, proactive work and stretching limited budgets even further.
46. To safeguard the Leicestershire economy and maintain public confidence, it is essential to enhance investigatory capacity by recruiting at least three additional Trading Standards Investigators at an estimated cost of £185,000 per annum. For 2026/27 any additional costs will be managed by the Department, but the situation will need to be reviewed as part of the MTFS 2027-31 review.
47. 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 the downturn in development continues. Details of the new local plan-making system were published by the Government on 27th November 2025. The new system has implications for the Council's statutory role as the Minerals and Waste Authority and the requirement to prepare a new Minerals and Waste Local Plan, with preparatory work needing to commence in 2026 to ensure Government deadlines are met. The regulations underpinning the new plan making system are due to be published shortly.

48. 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.

Capital Programme

49. The Chief Executive's Department capital programme totals £0.2m in 2026/27. The detail is provided at Appendix C and in the following paragraph.

50. **Legal Case Management System**

There had been concerns in relation to the functionality of the legal case management software, 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.

Background Papers

Cabinet 16 December 2025 - Medium Term Financial Strategy 2026/27 to 2029/30
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7882&Ver=4>

Circulation under Local Issues Alert Procedure

None.

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List of Appendices

Appendix A – Revenue Budget 2026/27

Appendix B – Growth & Savings 2026/27– 2029/30

Appendix C – Capital Programme 2026/27– 2029/30

Equality implications

51. 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.
52. 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.
53. 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

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