

**HIGHWAYS, TRANSPORT AND WASTE OVERVIEW AND SCRUTINY
COMMITTEE - 22 JANUARY 2026**

MEDIUM TERM FINANCIAL STRATEGY 2026/27 – 2029/30

MINUTE EXTRACT

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 2026/27 to 2029/30 Medium Term Financial Strategy as it related to the Highways, Transport and Waste Services within the Environment and Transport Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr. A. Tilbury CC, the Cabinet Lead Member for the Environment and Transport to the meeting for this item.

Arising from discussion, the following points were noted:

Growth

- (i) In response to a Member query about street lighting maintenance costs referred to in Table 3 of the report, it was noted that although the section refers to growth, the figures shown are negative and consistent across each year. Officers clarified that in the 2025/26 financial year the service received a significant growth allocation to support street lighting maintenance costs, which included a one-off growth requirement of £135,000. The negative figures now appearing within the growth area show the reimbursement of that one-off amount to the budget.
- (ii) In response to a question about how much additional funding the Authority would require to bring the roads up to the ideal standard, officers explained that work undertaken in the last five years estimated the cost to be at approximately £200–£230m at that time. Spread over ten years, this would require £20m per year in additional investment. It was noted that the criteria used to assess the condition of road surfaces had since changed, and the Department was currently re-evaluating the Leicestershire highways network against the new Government reporting requirements. This would provide a more up to date and accurate estimate of the funding required to get the roads up to the standard the Authority would want to provide.
- (iii) The Council was expecting to receive around £28m in capital allocation next year from the Government for highway maintenance the level of funding would need to be almost double the current allocation to bring the present road surfaces back to a desired standard. It was emphasised that this was not a

matter of adding one or two million pounds but would require a significant step change in capital investment.

SEN Transport

- (iv) A Member expressed significant concern regarding the rising costs of Special Educational Needs (SEN) transport and mainstream school transport, noting that the increase from £5m to £13m by 2029/30 was exceptionally large. The Member queried whether any financial support from the Government was anticipated, given that Leicestershire was one of the lowest funded authorities nationally. The Member emphasised that such pressures risked diverting resources away from other key services.
- (v) It was confirmed that the County Council continued to engage in national discussions about tackling the rising costs of SEN transport. The Council had taken a leading role in establishing a joint working group involving the Department for Education, and it was acknowledged that legislative changes were needed, actual outcomes had not yet materialised. Officers noted that the issue remained a severe national challenge.

Savings

- (vi) Addressing the reference to a necessary step-change in paragraph 23 of the report, officers explained that local authorities had been maintaining services with reducing resources for over 15 years. The Department had approximately £28m less from revenue budgets since 2009/10, despite rising demand across areas such as SEN transport, school transport and highways maintenance. Officers emphasised that the scope for further efficiency savings was extremely limited, and that fundamentally different approaches were now required.
- (vii) In response to a question regarding whether the vehicle maintenance costs had taken into account savings from reduced mileage, it was noted that the major efficiency set out in the report was a result of the replacement of the ageing vehicles and efficiency had arisen from the purchase of new minibuses in the previous year which would require maintenance less often. The older vehicles were becoming increasingly costly to maintain and replacing them helped to significantly reduce maintenance costs, therefore the saving was mainly as a result of the improved condition and reliability of the new fleet, rather than operational mileage changes.
- (viii) It was highlighted that the number of utility company excavations on the highways had increased significantly, and the Council was seeking to use technology more effectively to monitor when works were opened and closed, and to ensure appropriate fines or charges against the utility companies were applied where legislation allowed. This work would also explore charging for officer time spent providing advice and consultation to developers and new event organisers, as this activity currently created substantial unfunded demand.

- (ix) Members shared their concerns regarding the large number of traffic cones, temporary signs and road closure notices left on highways and verges long after works had finished. Members suggested that the current system was not functioning effectively and that abandoned signage became buried by vegetation growth and then damaged grass cutting machinery, leading to avoidable costs and operational difficulties for the Council and other providers. It was noted that while the Council carried out its own highway maintenance, a large proportion of works on the network were undertaken by utility companies and developers. These organisations typically use separate contractors for traffic management, excavation, reinstatement and associated activities, which could lead to communication delays and to cones and signage being left behind by different parties. Members were requested to continue reporting the left signage to the Department so that removal could be actioned by the relevant organisation.
- (x) It was suggested that the packaging reforms expected to bring behavioural changes from the public, such as reduced packaging and lower waste tonnages, should be factored into future financial assumptions. Officers confirmed the matter was referenced in the report at paragraph 42 and highlighted that the Council expected to receive £5.8m in 2026/27, funded by the packaging industry to recognise costs councils incur in managing packaging waste. It was acknowledged that the key question was the behavioural impact and that the packaging industry was likely to reduce packaging in response to the new reforms. The Council anticipated year on year reductions in Extended Producer Responsibility income as producers innovate and minimise packaging and that the financial planning therefore assumed a declining income and that waste management costs are already built into existing service budgets.
- (xi) Regarding Civil Enforcement Officers (CEOs), officers confirmed that parking enforcement operated on a self-financing model where the CEOs were paid for by the fines in partnership with district councils who were responsible for off-street parking and managing the CEO operation. While staffing and recruitment remained a challenge, CEOs were deployed at peak times when parking infringements were most prevalent in an area, and the service remained responsive to reported local issues. Members also highlighted that local people were aware of times when CEOs would be coming and avoided parking illegally at these times.

Other Funding Sources

- (xii) A Member highlighted that several bus services in Leicestershire had recently been introduced or reinstated on a one-year experimental basis. It was queried whether the continuation of the bus grant and the new long-term funding meant these services would generally be expected to continue. Officers welcomed the confirmation of continued grant funding for bus services and stated that this provided greater stability for the expanded network but highlighted that no guarantee could be given for any individual service and that performance would continue to be reviewed to ensure routes met expectations. It was emphasised that the new, longer-term funding meant that the recently introduced routes can continue beyond the initial experimental period and that any new routes would

have more time to establish and grow patronage and that the Demand Responsive Transport initiatives will also be maintained. It was highlighted that many communities had already benefited from the expanded network, and the extended funding will allow the Council to gather more data, refine services, and work with communities to improve provision.

- (xiii) A Member suggested that the Department considers the option of purchasing its own stress testing equipment for lamppost as it could potentially be a way of making additional income throughout the year as the current method of parish councils getting an external company to carry out these works was costly over a long period of time. It was acknowledged that when stress testing and column testing equipment was first considered, the costs of the equipment and associated setup fees had been extremely high, and the required computerised systems also contributed to the expense. It was suggested that officers would look into the available options.

Capital Programme

- (xiv) A Member highlighted that funding for major schemes decreased significantly year on year as highlighted within paragraph 46 of the report. Concerns were raised over whether the decline would be problematic or whether funding typically fluctuated. Officers explained that major schemes relied on external grant funding, as the Authority could not finance such large projects from its core capital budget. The report reflected current secured grants only and funding for schemes such as the A511 scheme were not yet listed as the full business case had not been submitted and that the majority of funding would be released once approved. As a result, the Capital Programme was expected to change over time as future grants were secured.
- (xv) The Government had also announced a national structures fund, which the Authority intended to bid for into.

RESOLVED:

- a) That the report on the Medium Term Financial Strategy 2026/27 - 2029/30 be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 28 January 2026 and then to the Cabinet on 3 February 2026.