



ENVIRONMENT, FLOODING AND CLIMATE CHANGE OVERVIEW AND SCRUTINY COMMITTEE - 26 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 (MTFS) as it related to the Environment, Flooding and Climate Change agenda of 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 Environment and Transport to the meeting for this item.

Arising from discussion, the following points were noted:

Growth

- (i) The Local Transport Grant (LTG) funding which had been transferred to address flood alleviation work, was one stream of Government funding which could be used flexibly for most highways and transport-related activities, excluding rail improvements. Members noted that some of the funding had been directed to highway maintenance, drainage and flood alleviation activities. It was emphasised that bus services were not impacted by this transfer, as they were funded separately through the Bus Fund Grant which could only be used to benefit bus services and passengers.
- (ii) In response to a Members query regarding the lack of budget provision for flood wardens, the Director confirmed that whilst no current budget allocation existed to support this service work was underway to review this for the future. Members noted that flood wardens currently formed part of the Resilience Service, but consideration was being given to this being transferred to the Environment and Transport Department. Depending on the outcome of this work, a future growth would need to be put forward to fund this activity.
- (iii) The transfer of sections of Ashby Canal to the Ashby Canal Association would not remove all costs relating to maintenance of the canal from the Council's budget. Members noted that only those sections required to rebuild specific sections of the canal would be transferred to the Association. The sections retained would therefore continue to be the responsibility of the Council and the costs forecasted for that had been included in the MTFS.

Savings

- (iv) The Corporate Efficiency Review being undertaken by Newton on the Council's behalf had begun with the intention of some additional savings being included in the 2026/27 budget. However, there were currently no initiatives that related to Environment Services. It was noted that since 2010 over £30m a year had been taken out of the Environment and Transport Department's overall revenue budget. The total budget for Environment Services was currently £1.6m and this covered a wide array of services. It was not considered possible to reduce this budget further. However, the Director provided assurance that services would continue to be challenged to be as efficient as possible.
- (v) A Member questioned what growth requirements could be expected following the Efficiency Review and what the aspirations were for the service with a current £1.6m budget. The Director highlighted that the key aims of the Service were as set out in its existing strategies and policies and that funding would be allocated to deliver these as efficiently and effectively as possible. It was highlighted that the Department would also continue to work to secure any other grant funding streams that might come available which would support its current approach.

Other Funding Sources

- (vi) A Member queried the Department's capacity to seek additional grant-funded noting the level of work involved in making a submission and the staff resources required to support this. The Director confirmed that this was an ongoing issue that the Department and the Council as a whole had to manage. It was highlighted that staffing levels varied across the Service and that there were significant challenges in recruiting to specialist positions, with competition from the private sector and national bodies that could offer higher salaries being a key issue. Whilst the Department continued to use agency staff where necessary this did come at a higher cost. Members further noted whilst the budget existed in some areas, for example to support flood alleviation work, several posts remained vacant due to the challenge of recruiting the necessary skills to the Council in these service areas.
- (vii) It was noted that there were no future developments relating to Environment Services. However, there were proposals within the Highway and Transport Services budget which would have an impact on and contribute to the delivery of environment related outcomes. The Director undertook to share more information with the Committee regarding such relevant future developments within the MTFS.

Capital Programme

- (viii) Reference to 'Green Vehicle Fleet' as a future development within the Capital Programme related to work taking place to examine the feasibility of installing charging infrastructure at Council depots. This was in response to the Government's current mandate preventing the purchase of new internal combustion engine vehicles which would require the Council to move over to an

electric fleet. The Department would monitor the national position in relation to this legislation and The Director confirmed there was currently no commitment to invest to green the fleet.

- (ix) A Member requested clarification regarding capital substitution pressures and potential impacts on highways and flood alleviation schemes highlighted in the report. It was noted that recent national changes to accounting rules now required County Council staff working on capital schemes to be funded from the Council's revenue budget, while agency or externally contracted staff could still be paid through the Capital Programme. This had created some accounting challenges which had now been resolved. The Committee was assured that this was an accounting matter and did not impact the delivery of projects with the current Capital Programme.

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.

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