Agenda Item 1

Leicestershire County Council

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 28 January 2026.

PRESENT

Mrs D. Taylor CC (in the Chair)

Dr. J. Bloxham CC
Mr. M. Bools CC
Mrs. L. Danks CC
Dr. S. Hill CC
Mr. A. Innes CC
Mr. P. King CC
Mrs. K. Knight CC
Mr. M. T. Mullaney CC
Mr. B. Piper CC
Mr J. Poland CC
Mr. K. Robinson CC
Mr. C. A. Smith CC

In attendance

Mr. D. Harrison CC (minute 56 refers).
Mr. H. Fowler CC (minutes 56, 57, 58 and 60 refer).
Mr. K. Crook CC (minute 57 refers).
Mr. V. Richichi CC (minute 57 refers).

48. Minutes of the special meeting held on 29 October 2025.

The minutes of the special meeting held on 29 October 2025 were taken as read, confirmed and signed.

49. Minutes of the previous meeting.

The minutes of the meeting held on 10 November 2025 were taken as read, confirmed and signed.

50. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

51. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

52. Urgent items.

The Chairman advised that there was one urgent item for consideration arising from posts which had been made on social media by two County Councillors since the Scrutiny Commission agenda had been published.

53. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr. P. King CC declared an Other Registerable Interest in Agenda Item 10: Medium Term Financial Strategy 2026/27 – 2029/30 – Chief Executive's Department as he was a member of the Local Government Association People and Places Board.

54. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

55. Presentation of Petitions.

The Chief Executive reported that no petitions had been received under Standing Order 36.

56. Provisional Medium Term Financial Strategy 2026/2027 - 2029/2030

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2026/27 – 2029/30 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 9' is filed with these minutes.

The Chairman welcomed the Leader of the Council, Mr. D. Harrison CC, and Cabinet Lead Member for Resources, Mr. H. Fowler CC, to the meeting for this item.

In presenting the report the Leader explained that his administration was tackling the issue of flooding in Leicestershire and was allocating additional financial resources to the problem. The Leader also emphasised the importance of the efficiency review being undertaken by Newton Impact and stated that he was confident that it would produce significant savings. The Leader said that he was in favour of tax cuts where possible.

Arising from discussion, the following points were made:

(i) Cabinet would be considering the budget proposals at its meeting on 3 February 2026. The detailed report relating to those proposals was aimed to be published on Thursday 29 January 2026. The comments from the Scrutiny Commission would be fed into that report. The report would be accompanied by a statement of assurance from the Section 151 Officer. Members raised concerns that it was difficult to scrutinise the MTFS at the Scrutiny Commission meeting when all the details were not available, and questioned whether this was normal procedure. In response it was explained that the exact timings depended on a variety of factors and changed from year to year. It was not unusual for assumptions to be changed between the draft budget published in December and the final budget. The level of changes this year was in line with previous years.

Revenue Budget and Growth

(ii) In response to questions about the level of confidence there was in the savings the efficiency review would produce, it was explained that whilst the review had to date

identified savings opportunities, the exact amount of savings was not yet clear as the review was still in progress. Companies such as Newton Impact tended to focus on larger savings which would take longer to develop and then appear in the budget. The areas for savings that Newton were currently investigating had been set out at a cross-party working group which had taken place on 26 January 2026. A briefing note regarding those savings would be circulated to group leaders. Newton Impact were expected to complete their review in March 2026. At this point it would be clearer as to whether service cuts would be required. The Leader emphasised that he hoped to avoid making service cuts.

(iii) Members pointed out that at a meeting of the Scrutiny Commission on 8 September 2025 the Leader had indicated that he had some savings in mind. Members asked for further detail and queried whether these savings were in addition to the savings proposed by Newton Impact. The Leader re-iterated his confidence that the savings would come forward but explained that he could not provide the detail until his budget proposals were set out in the Cabinet report. The Cabinet Lead Member for Resources stated that the long-term trajectory for the Council's finances was promising, and whilst he understood the eagerness of some members to know exactly where savings were to be made, it was a long process and required patience in the short term.

(iv) There was not a specific target number of savings for Newton Impact to identify but the aim was for them to help reduce the budget gap as much as possible.

(v) Leicestershire County Council was part of the National Joint Council pay negotiating process for all local authorities in England. In response to a question from a member as to whether any consideration was being given to withdrawing from the national pay negotiations, and instead the Council negotiating pay with its own staff in order to save money, it was confirmed that no conversations had taken place in this regard. Were the Council to decide that it did wish to withdraw from the national pay negotiations, it could be a lengthy process involving consultation with staff and unions, and any savings would not come to fruition until later in the MTFS period. A member raised concerns about the impact this approach could have on staff morale.

(vi) The government had carried out a fair funding review aimed at redistributing local government funding in England based on up-to-date assessments of need, rather than outdated data. The results had been implemented in the provisional local government finance settlement for 2026/27 and some local authorities had seen a significant increase in their funding. In response to concerns raised by members that Leicestershire County Council had not benefitted from the fair funding review, it was explained that the draft MTFS considered by Cabinet in December had included some assumptions about the level of increase in funding arising from the funding review, and the table at paragraph 9 in the report set out the funding increases over and above that, so the funding uplift was larger than it appeared, though Leicestershire would remain one of the lowest funded areas.

(vii) The reset of the Business Rates retention system meant that the income to the Leicester and Leicestershire Business Rates Pool would reduce and the pool would be dissolved for 2026/27. This had been taken into account when the draft MTFS had been prepared and the income from Business Rates had not been included for

any of the MTFS period.

Savings

(viii) The proposed MTFS included a contingency of £8m each year for specific key risks that could affect the financial position on an ongoing basis. Members queried whether the £8m was enough given the level of the deficit and the growth in social care spending. In response it was explained that the MTFS had £130 million growth built into it to cover issues such as social care. The £8 million was in addition to that to cover in-year changes.

(ix) Care had to be taken when projecting growth for the budget. Whilst it was not desirable to predict an artificial budget gap that never actually materialised, it was not helpful to be too optimistic and therefore not plan appropriately for additional spending.

Reserves

(x) The Council's previous strategy had been for the budget equalisation reserve to support the first two years of financial gaps in the MTFS, but based on current projections the equalisation reserve was only sufficient to support 2026/27 and 2027/28 in part. Members expressed strong concerns about this and queried how financial gaps would be filled if the budget equalisation reserve was used up. In response it was explained that the best option was for savings to be found to balance the budget, and after that consideration would need to be given to council tax levels. The Council was by law required to set a balanced budget for each year and members were assured that officers had confidence that the budget would be balanced for 2026/27. Using the budget equalisation reserve was a last resort and was not sustainable over the longer term. The Council was trying to get back to a position where the budget equalisation reserve covered two years of the MTFS. The budget equalisation reserve was not the only reserve held by the County Council; there were other earmarked reserves held for specific purposes.

(xi) SEN spend was forecast to be significantly more than the high needs block funding received, therefore the Council's policy was to set aside some funding towards covering that deficit. A member queried Leicestershire County Council's approach to the SEN deficit and whether other authorities were taking the same approach. However, it was not always transparent how other authorities were managing it. The Government had indicated that from 2028/29 they would absorb some SEND costs but this support was not unlimited. It was not clear how the government would fund this support and what financial risk would remain for the County Council.

(xii) As of 31 March 2026 there would be £8m remaining in the budget to be used to invest in transformation projects to achieve efficiency savings and also to fund severance costs. The £1.4 million fee for Newton Impact would have already been paid by that point so would not need to be included in the 2026/27 budget.

Capital Programme

(xiii) The Council directly owned and managed properties, including Industrial, Office and County Farms as part of the Investing in Leicestershire Programme (IiLP). A

member questioned whether it was appropriate for the Council to invest in this type of capital when it was struggling to fund capital for its own Council services. In response it was emphasised that annual income returns were currently around £9 million and capital appreciation was also a benefit to the Council. The Leader and Cabinet Lead for Resources confirmed that they supported the Programme and the funding invested in it each year.

(xiv) In response to a question from a member, it was explained that there was no known link between the council tax levels a local authority chose to set, and the success of a local authority in obtaining capital grants from central government. Council Tax was already taken into account in the funding formula.

Budget Consultation

(xv) A consultation had taken place regarding the public's views on the savings plan and the appetite for Council Tax increases. The consultation had closed on 18 January 2026 and the number of responses received was similar to the previous year. The responses were still being collated and analysed and a summary would be included with the report for Cabinet which would be published on 29 January 2026.

(xvi) The draft MTFS took into account a projected increase in the National Living Wage which some Council employees were on. The Chair queried whether this would be funded by service cuts or using reserves, but in response it was explained that the budget did not allocate funding specifically in that way. The wage increases would be funded by a combination of an increase in government funding, a council tax increase, and savings.

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 3 February 2026.

57. Medium Term Financial Strategy 2026/30 - 2029/30 - 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 2026/27 – 2029/30 Medium Term Financial Strategy (MTFS) as it related to the Chief Executive's Department. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

In addition to the Lead Member for Resources, the Chairman welcomed the Lead Member for Marketing, Promotion and Tourism Mr. K. Crook CC, and the Lead Member for Regulatory Services Mr. V. Richichi CC, to the meeting.

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

(i) Registration Services ceremony room fees were reviewed for increases year on year with a focus on fee revisions based on the popularity of each ceremony room. It was necessary to be commercially sensitive on any price increases. An overall 5% increase would be applied for 2026/27.

(ii) For 2026/27 there was to be a saving of £10,000 arising from a reduction in civic events. A list of which civic events would be provided to members after the meeting.

(iii) Responsibility for Communities would be transferred to the Public Health department from 1 April 2026 and the whole of the department would come under the Director of Public Health. It was felt that the communities work aligned well with Public Health particularly with regards to the locality place-based work. The Head of Communities, Policy and Resilience post would be deleted which would produce a saving.

(iv) Included in the revenue budget were subscriptions to the value of £69,000. This figure related to several subscriptions that Corporate Resources required. The full list of subscriptions would be circulated to Committee members after the meeting.

(v) Leicestershire County Council was joining the Local Government Association (LGA) because they provided training and best practice advice, as well as networking opportunities and peer reviews. A document which set out the benefits of joining the LGA would be circulated to Scrutiny Commission members after the meeting. Currently Leicestershire County Council was one of only two Councils not part of the LGA.

(vi) The Council was also joining the County Councils Network (CCN) as this would better enable the Council to engage with government on policy development. The CCN had also been involved with Local Government Reorganisation discussions.

(vii) A member pointed out that County Councils were expected to play a greater role in strategic planning going forward and therefore questioned whether the MTFS should include growth for the planning department. In response it was acknowledged that the new planning system had 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. However, it was explained that the regulations underpinning the new plan making system had not yet been published shortly therefore it was too early to know what growth would be required.

(viii) The Trading Standards department did not have the capacity to tackle every case reported to them immediately and therefore had to make prioritisation decisions about when to intervene based on risk assessments. It was proposed to seek growth for 2027/28 to recruit at least three additional Trading Standards Investigators at an estimated cost of £185,000 per annum. Members welcomed this investment, and emphasised the quality and importance of the work provided by the Trading Standards department. In response to a question about cross local authority boundary work, it was explained that Leicestershire County Council was part of Trading Standards East Midlands (TSEM) hosted by Nottinghamshire County Council. Leicestershire County Council could also submit bids to National Trading Standards (NTS) for funding to tackle trading standards cases that had a regional element to them. The Lead Member for Regulatory Services stated that he supported the cross-boundary work.

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 3rd February 2026.

58. Medium Term Financial Strategy 2026/27 - 2029/30 - Corporate Resources Department

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2026/27 – 2029/30 MTFS as it related to the Corporate Resources Department. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

The Lead Member for Resources remained at the meeting for this item.

In introducing the report, the Lead Member for Resources stated that the intention was to keep growth within the department to a minimum, in order that funding could be used for frontline services. It was a positive that the budget for this department had been able to be reduced.

Arising from discussion and questions, the following points arose:

(i) A public consultation had been carried out regarding the future use of Beaumanor Hall. The results of the consultation were being collated and then proposals would be put together and a report containing recommendations would be published in the next few months.

(ii) The expectation was that more staff would be returning to working at County Hall as their main base rather than at home. A member questioned whether this would impact the Council's ability to rent space at County Hall to external organisations. In response it was explained that the renting of space had been paused until the details were known of how many County Council staff would be returning to County Hall permanently. With regards to the rental contracts with external organisations that had already been signed these had been designed to be as flexible as possible. It was acknowledged that there could be a reduction in rental yield arising from these changes.

(iii) A member queried whether the renting out of space at County Hall would cause problems once Local Government Reorganisation (LGR) had taken place because more space for Council staff could be needed at County Hall. In response it was explained that after reorganisation it was usually the case that less office space was required. Assurance was given that after LGR there would still be the option to bring in income from renting out space at County Hall.

(iv) There was expected to be an increase in the dividend payment received from the Council's share in Eastern Shires Purchasing Organisations (ESPO). The current dividend yield was £1 million. ESPO was looking at opportunities to grow the business.

(v) Investment was being made to strengthen the Council's ICT cyber security infrastructure. Cyber security insurance was available but the cost was prohibitive. It would also require the Council to put mitigations in place which were not practical. The Council had put other measures in place to insure against a possible cyber attack such as encryption and back-ups of systems.

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 3rd February 2025.

59. Medium Term Financial Strategy 2026/27 - 2029/30 - 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 2026/27 – 2029/30 so far as this related to the County Council departments. A copy of the minute extracts from each meeting is filed with these minutes.

The Director of Corporate Resources stated that nothing had been raised at the Overview and Scrutiny meetings which would mean that any significant changes to the MTFS would have to be made.

RESOLVED:

That the comments made by each of the Overview and Scrutiny Committees be submitted to the Cabinet for consideration at its meeting on 3rd February 2026.

60. Draft Revised Investing in Leicestershire Programme Portfolio Management Strategy 2026 - 2030

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 2026 – 2030 which set out the proposed approach to future asset management and investment. A copy of the report marked 'Agenda item 13' is filed with these minutes.

In introducing the report, the Lead Member for Resources stated that the IILP was valued hugely and was not just a short-term measure, it was a long-term sustainable solution.

The Chairman noted that the IILP had been set up under the previous Conservative administration, and no significant changes to it had been made by the new administration, therefore she fully supported the IILP.

As part of discussions, the following points were made:

(i) A member stated that the 'Clean and Green' section should be removed from the Strategy. In response the Cabinet Lead Member for Resources agreed with this suggestion but explained that the IILP was aligned with the County Council's

broader Strategic Plan, and Clean and Green was part of that Plan. The Strategic Plan was approved by County Council therefore any amendments to the Plan would have to be considered by County Council.

(ii) The Portfolio achieved a net income return of 3.0%. Some members were of the view that this was a low return given the size of the assets. In response it was explained that there were legal restrictions on the investments that could be made as part of the Programme. It was agreed that a briefing note regarding the restrictions would be circulated to Commission members after the meeting.

(iii) With regards to diversifying the investments under the Programme, a member pointed out that a lot of the investments related to property and suggested that more investments should be made in other areas.

(iv) A member raised concerns that the Programme was investing in private debt and suggested that the Programme should instead invest in local projects of benefit to the whole community.

RESOLVED:

(a) That the update now provided on the refreshed Investing in Leicestershire Programme Portfolio Management Strategy 2026 – 2030 be noted;

(b) That the comments of the Scrutiny Commission be submitted to the Cabinet for consideration at its meeting on 3rd February 2026.

61. Date of next meeting.

RESOLVED:

That the next meeting of the Commission be held on 11 March 2026 at 10.00 am.

62. Governance arrangements.

The Committee considered this matter, the Chairman having decided that it was of an urgent nature. The Chairman read out the following statement:

““I wish to make a brief statement concerning a serious matter of public interest.

In recent days, two members of the Council have shared posts on social media which have caused considerable concern within the community. I have been contacted by various elected members, residents and staff who are very upset about these posts.

I wrote to the Leader on Sunday evening, and I thank him for his robust response. I look forward to a further update regarding what actions he intends to take.

While the Scrutiny Commission does not determine individual conduct issues — those matters are dealt with under the Members’ Code of Conduct and the statutory process overseen by the Monitoring Officer.

The Commission has a duty of care to staff and residents to ensure the highest standards of moral and professional conduct.

Therefore, it is within our remit to consider the wider implications for governance, public confidence, and the standards expected of those holding positions of responsibility within this authority.

As Chair, I feel it is important to acknowledge the level of public and staff distress, particularly where the posts in question relate to members who hold significant responsibilities. The Commission has a duty to ensure that the Council's governance arrangements support transparency, accountability, and trust.

I am therefore asking that, at an appropriate future meeting, we receive a report outlining the current processes for managing reputational risk, standards expectations for members in public-facing roles, and any relevant implications for governance and public confidence arising from incidents of this nature.

I want to emphasise that this statement is not a judgement on any of the individuals involved. It is, however, a recognition that public trust is integral to effective local government, and that the Scrutiny Commission has a legitimate role in ensuring our governance structures are robust, transparent, and responsive to community concern."

10.00 am - 12.36 pm CHAIRMAN
28 January 2026