

**Blaby District Council**  
**Cabinet Executive**

<b>Date of Meeting</b>	12 January 2026
<b>Title of Report</b>	<b>Establishment 2025/26 and 2026/27</b> This is a Key Decision and is on the Forward Plan.
<b>Lead Member</b>	<b>Cllr. Cheryl Cashmore - Finance, People and Transformation (Deputy Leader)</b>
<b>Report Author</b>	Accountancy Services Manager
<b>Strategic Themes</b>	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

**1. What is this report about?**

- 1.1 To provide members with an update in respect of the 2025/26 establishment budget, and to set out the proposed establishment budget for 2026/27.

**2. Recommendation(s) to Cabinet Executive**

- 2.1 That the latest forecast in respect of the 2025/26 establishment is accepted.
- 2.2 That the proposed establishment budget for 2026/27 is approved.
- 2.3 That additional resource requirement for 2026/27 as set out in paragraph 4.4, is approved.

**3. Reason for Decisions Recommended**

- 3.1 The cost of the establishment is a significant part of the Council's overall budget and members are asked to consider and approve the budget for the next financial year. The final establishment costs will be incorporated into the General Fund budget for consideration in February 2026.

**4. Matters to consider**

- 4.1 Background

Establishment costs represent a substantial proportion of the Council's core costs, and include salaries, employers' pension and national insurance contributions, as well as provisions for sickness, family leave, temporary staffing and agency costs.

The following report sets out the key facts and figures in relation to the size and structure of the current establishment, the associated costs, and additional staff-related information. It is based on the available information at the time of writing but any future changes which come to light will be reflected in the final budget proposals in February 2026.

#### 4.2 Establishment Budget – Current Year

The 2025/26 Establishment cost which formed part of the original budget approved by Council on 25th February 2025 was £18,448,080 before taking into account external funding. The net budget after external funding was £15,191,984.

This allowed for a 3% estimated pay increase, the cost of employers' national insurance and pension contributions, contractual increments, and the Apprenticeship Levy.

Since the budget was approved in February the following changes have been made to the establishment, this also includes budget brought forward from 2024/25 specifically for Establishment posts, establishment changes approved by Cabinet during the year and vacancy savings realised in the first six months of the year -

	<b>Gross Cost £</b>	<b>External Funding £</b>	<b>Net Cost £</b>
<b>Approved Budget</b>	<b>18,448,080</b>	<b>(3,256,096)</b>	<b>15,191,984</b>
LGR	167,330	0	167,330
Light Bulb Project	443,630	(443,630)	0
Business Systems	77,163	0	77,163
Elections	49,904	0	49,904
HGV Apprentice	33,005	0	33,005
Active Blaby	131,680	(131,680)	0
Planning	62,742	0	62,742
Housing Services	58,986	24,280	83,266
HR	36,314	0	36,314
Finance	62,298	0	62,298
ICT	4,491	0	4,491
Other Minor Changes	1,860	(1,210)	650
<b>Removed</b>			
Vacancy Savings – first 6 months	(269,891)	0	(269,891)
Parks & Open Spaces	(42,902)	0	(42,902)
Food Waste	(23,662)	0	(23,662)
Customer Services	(7,959)	0	(7,959)
<b>Working Budget</b>	<b>19,233,069</b>	<b>(3,808,336)</b>	<b>15,424,733</b>

### Performance against the budget

As at 30th November, at an overall level, establishment costs were £12,018,451, against a profiled budget of £12,716,878, i.e. £698,427 under the profiled budget. The variances are shown in the table below:

Portfolio	(Under)/Over £
Planning and Strategic Growth	2,936
Neighbourhood Services & Assets	(101,159)
Health, Community & Economic Development	(4,375)
Leader	(149,043)
Housing, Community Safety and Environmental Services	(362,673)
Finance, People & Transformation	(69,456)
Central Provisions	(14,657)
Total Variance	(698,427)

### Reasons for variances

An estimate of 3% had been originally budgeted for the pay award. The Chief Executive, Chief Officers (Directors and Group Managers) and Officers on grade 1 to 9 was agreed at 3.2%.

Vacant posts account for a large proportion of underspends across departments. The Accountancy team have updated the Establishment budgets as part of the budget setting process, releasing vacancy savings for the 1<sup>st</sup> six months of the year, totalling £269,891. These have been removed from the Establishment and added to the General Fund. A vacancy savings provision of £250,000 remains to cover the second half of the year. No savings have been recognised in relation to funded posts as they do not reflect a net saving to the Council.

The vacancy numbers impact on services in a number of ways:

- Loss of skill and expertise
- Pressure on existing staff
- Additional time taken to recruit

HR continue to work closely with Service Managers to recruit to vacancies.

Neighbourhood Services & Assets underspend predominantly relates to vacant Building Control posts which are 80% externally funded, hence, no savings have been reflected in the budget.

Leader underspend is predominantly in relation to Local Government Reform, Elections, Local Land Charges and Performance vacancies and phasing. Savings have been recognised in relation to the first 6 months of the year.

Housing, Community Safety and Environmental Services underspend is in relation to vacant externally funded posts (Lightbulb and HET) and vacant Environmental Health and Environmental Protection posts. No vacancy savings have been reflected in the revised budget as the underspend is being used to cover the extension of temporary support and recruitment costs in the latter part of the year.

Finance, People and Transformation underspend is across a number of service lines. Vacancy savings have been realised in relation to the first 6 months of the year.

#### Staff Turnover

Staff turnover for 2024/25 was 15.86%, compared to 15.28% in the previous year.

#### Sickness Absence

The actual number of days lost to sickness in 2024/25 was 10.58 days per employee, compared to 10.73 days in the previous year. This equates to 3.28% of available working days compared to 3.33% in the previous year.

2.08% of available working days were lost to short term sickness (2.18% previous year), 2.10% of available working days were lost to long term sickness (2.14% previous year) and 1.38% of available working days were lost to stress (1.60% previous year).

### 4.3 Budget Proposals 2026/27

The estimated costs for 2026/27, as shown in the table at Appendix A, are based on the forecast establishment as at 1<sup>st</sup> April 2026.

A 3% estimate for the pay award has been built into individual services with a further 1% held centrally. Any change to this situation will be reflected in the base budget as soon as it becomes known.

In addition to a pay award provision, the budget proposals for 2026/27 take into account the cost of employers' national insurance and pension contributions, contractual increments, the Apprenticeship Levy, and any movement in headcount.

The establishment budget for 2026/27 is £19,418,300 before taking into account external funding. It is estimated that external funding will account for £3,305,367, leaving a net establishment cost of £16,112,933 for the year. This represents an increase of £688,200 compared with the 2025/26 current Working Budget.

Included within the budget for 2026/27 is £572,730 in relation to Food Waste establishment costs. Whilst there is government funding for this service, this is being rolled into the settlement figure received as a whole for Blaby District Council, as such, the actual funding isn't identifiable. We are seeking clarity as to whether this figure could be shared.

The Council's draft budget includes extra funding for homelessness and Local Government Reorganisation (LGR). Although detailed plans for spending are still being developed, some of this funding is expected to go towards additional staffing. It is anticipated that General Fund Budget Report for 2026/27 will include a recommendation for delegation to increase staff numbers if required. This report will be considered by Cabinet and Council in February 2026.

Appendix B details the movements in posts between the Original approved 2025/26 budget and the proposed budget for 2026/27.

#### Full Time Equivalents (FTEs)

The establishment budget is based upon 417 posts, or 381.07 full time equivalents (FTEs). Appendix B provides a summary of the movement between the two years.

#### Employers' National Insurance Contributions

Contribution rates and thresholds for 2026/27 have been announced and, therefore, contributions have been included in the budget at the rate of 15% with the revised thresholds in the prior year. The increase of 1.2% in 2025/26 and reduction in threshold led to additional budgeted costs of £345,000. The Council received reimbursement of £104,279 against this additional cost. No reimbursement has been budgeted in the 2026/27 budget hence an additional cost to the Council in 2026/27.

#### Employers' Pension Contributions

Rates are set by Leicestershire County Council, the scheme administrators, in conjunction with the Pensions Actuary on a triennial basis. The fund has proposed the maximum reduction to the employer rate under the fund's stabilised employer mechanism, this being a 2% decrease per annum. However, the fund is willing to allow the reduction to be taken in full, so rather than a stepped 2%, 2%, 2% reduction over three years, the fund proposes a 6% reduction from 1 April 2026. In addition, for those employers that are currently paying additional cash amounts this will cease from 1 April 2026, and instead all stabilised employers will pay a proposed contribution rate without additional employer rate cash payments.

As a result of the above, contributions to the Local Government Pension Scheme (LGPS) have been included in the Establishment at 22.3%. This is a significant reduction from 2025/26 where the contributions were 28.3% and has resulted in reduced contributions of £825,350 based on 2026/27 budgeted establishment costs. This reduction includes the removal in 2026/27 of the lump sum paid in 2025/26 of £672,000.

### External Funding

The following table demonstrates the extent to which services are funded or part-funded by external grants and contributions over the two years 2025/26 and 2026/27. These figures also appear in Appendix A.

	<b>2025/26 Approved £</b>	<b>2025/26 Working £</b>	<b>2026/27 Base £</b>
Defra Air Quality	39,600	40,810	0
Housing Services	323,680	299,400	310,354
SPA – Parents & Children	0	45,880	45,350
SPA – Older People & Health	0	43,620	43,850
SPA – Sports	62,300	62,300	0
OWBC SPA Commissioning Funding	0	42,180	42,420
Light Bulb Central Hub and Localities*	1,093,700	1,537,330	1,100,170
Hospital & Housing Enablement Officers	567,450	567,450	582,150
New Lubbethorpe	40,000	40,000	40,000
Community & Skills Co-ordinator	20,200	20,200	0
Building Control Partnership*	1,102,866	1,102,866	1,100,723
Building Safety Levy and Audit Officer	0	0	40,350
Active Travel Advisor	6,300	6,300	0
<b>Total</b>	<b>3,256,096</b>	<b>3,808,336</b>	<b>3,305,367</b>

\*Light Bulb and Building Control are Partnerships that Blaby District Council lead on. The External funding detailed in the above table relates to the partners share of Establishment costs.

Salary costs that are reliant upon external funding have only been included in the 2026/27 establishment budget where that funding has formally been confirmed. If external funding is confirmed at a later date, both salary costs and grant income will be brought into the budget at that point.

### Apprenticeship Levy

All employers with a pay bill of over £3m are required to pay an apprenticeship levy to make an investment in apprentices. Employers pay a levy of 0.5% of their pay bill above £3m. For Blaby this equates to approximately £50,000 in 2026/27. In return, an employer's Apprenticeship Levy Account is credited with a sum of money which may then be spent on training apprentices.

### Vacancy Savings Provision

The budget makes allowance for vacancy savings of £250,000 arising during the financial year.

#### 4.4 Additional Resource Requirement 2026/27

An additional post detailed as per the report taken to Cabinet on 20<sup>th</sup> November 2025 has been added for a Building Safety Levy & Audit Admin

Team Leader. This position will be funded via New Burdens funding from MHCLG and is vital to implement the Building Safety Levy.

An additional part time post is being included in the HR team. This allows for a part time post to be made a full-time position. This additional is a cost of £29,480 to the Council.

It is proposed that three posts within the health & recreation team are made permanent. These positions are currently funded externally, however given that these officers have been with the authority a number of years the risks, should external funding be removed, would be borne by the Council. This does not have any additional cost implications whilst external funding is available, however, it does provide certainty for staff and ensures the authority is able to retain those in post.

#### 4.5 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

### 5. Environmental impact

5.1 No Net Zero and Climate Impact Assessment (NZCIA) is required for this report.

### 6. What will it cost and are there opportunities for savings?

6.1 Financial implications are covered throughout this report.

### 7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
Withdrawal of external funding used to support posts within the establishment.	Salary costs have only been included within the establishment where external funding has been confirmed for 2026/27. Beyond 2026/27 officers will maintain dialogue with partners in order to identify any loss of external funding at an early stage.
Contribution rates for employer's national insurance and pension contributions could exceed the assumptions built into the draft budget.	Officers will monitor announcements by the Government and Leicestershire County Council to ensure that any changes to contribution rates are reflected in the final budget proposals.

- 8.1 Not to produce a separate report on establishment costs ahead of the main budget proposals. This option is not considered appropriate given that the establishment budget constitutes such a significant proportion of core costs.

**9. Appendix**

- 9.1 Appendix A – Budgeted Establishment Costs for 2025/26 and 2026/27

- 9.2 Appendix B – Numbers of FTEs for 2025/26 and 2026/27

**10. Background paper(s)**

- 10.1 None.

**11. Report author's contact details**

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