

CABINET

DATE	10/02/2021
REPORT OF	Councillor Stan Shreeve, Deputy Leader and Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot, Executive Director – Environment, Economy and Resources
SUBJECT	Budget, Finance and Commissioning Plan 2021/22 – 2023/24
STATUS	Open
FORWARD PLAN REF NO.	CB 02/21/05

CONTRIBUTION TO OUR AIMS

The Council has two clear strategic priorities – Stronger Economy and Stronger Communities. In order to achieve these priorities, the Council needs to have a clear and robust financial plan which focusses on long term financial sustainability.

EXECUTIVE SUMMARY

The Finance and Commissioning Report outlines how the Council plans to deliver its agreed financial strategy over the coming three-year period. The document focuses on the delivery of core services at a time of significant uncertainty, outlines how we are investing for the future and preparing for local government funding reform.

RECOMMENDATIONS

That Cabinet recommends to Full Council

1. Approval of the 2021/22 Budget and summary 2021/22 – 2023/24 Medium Term Financial Plan ('MTFP') contained within Appendix 1.
2. Approval of the proposed 1.98% increase in Council Tax.
3. Approval of the proposed 3% Adult Social Care precept in 2021/22
4. Approval of the Commissioning Briefs contained within Appendix 1 (Annex 1).
5. Approval of the Capital Investment Strategy included within Appendix 1 (Annex 3).
6. Approval of the 2021/22 - 2023/24 Capital Programme set out in Appendix 1 (Annex 2).
7. Approval of Flexible Use of Capital Receipts Policy included within Appendix 1 (Annex 7).
8. To note the uncertainty relating to the impact of COVID-19 and other significant external factors and requests the Executive Director for Environment, Economy and Resources to report to Cabinet any significant variances against planning assumptions.
9. Approval of the creation of a COVID-19 reserve to mitigate against the ongoing risks associated with the pandemic.
10. That the Outcomes Framework is reviewed alongside the Council's recovery plan and that further report be brought to Cabinet and Council by June 2021.

REASONS FOR DECISION

The Council must determine how it is to operate within the forecast financial resources over the medium term. To comply with its legal obligations, the Council must set a balanced budget for 2021/22 and provide a realistic financial forecast for the medium-term financial planning period.

1. BACKGROUND AND ISSUES

- 1.1. Going in to the 2020/2021 financial year, the Council had two clear strategic priorities – Stronger Economy and Stronger Communities, with extensive plans and opportunities underpinning those priorities. When the COVID 19 pandemic hit early in the financial year, the impact was unprecedented, not just on Council finances but on local economies and communities. An extensive range of one-off financial support measures from central Government have been received, which has significantly mitigated the financial impacts associated with managing the pandemic at local level.
- 1.2. This Finance and Commissioning Plan outlines how the Council plans to support the delivery of these priorities over the next three years. During this planning process we have significantly reviewed our plans to ensure that we are able to remain financially resilient over the coming years, our two strategic priorities remain, and we must continue to maximise opportunity, whilst continuing to deliver efficient and effective public services. However it is acknowledged that there are a number of fundamental uncertainties around Local Government and NHS reform, COVID19 and EU Exit at the present time and as a consequence this plan will be subject to regular review and update.
- 1.3. This finance and commissioning plan highlights the range of challenges the Council is facing at the present time. The continued and long-term impacts of COVID-19, NHS reform, transitional arrangements linked to EU Exit and demographic pressures on social care demand are the most significant of these challenges. As in 2020/21, the Council has received a one-year financial settlement from central Government with longer term changes to the local government financial model being postponed for at least another year (However, it should be noted that the funding figures in this report are still provisional and we are awaiting the final local Government 2021/22 financial settlement). In the interim, the Government have provided the Council with additional funding to support the delivery of the emergency response to COVID-19 and deal with rising demand and challenges within the social care sector.
- 1.4. As a consequence of COVID-19 during 2020/21 we have seen a continued slow- down in the local economy which has resulted in reduced collection rates within both council tax and business rates. Local taxation makes up around 80% of the Council's overall income base and is therefore very sensitive to any change. Dependent on the pace at which the local economy recovers, there is likely to be a continued impact on collection rates and bad debts over this financial planning period. Under the current local government funding model, increases to Council Tax and the

application of an Adult Social Care precept are necessary in order to generate the funding necessary to provide good quality public services.

- 1.5. Prior to the pandemic, we had seen increases in demand across all areas of social care. An extensive review of Children's services led to a programme of transformational activity designed to take a "whole system" approach including actions to reduce the numbers of children looked after. A similar transformational approach within Adults was underway. The impact of responding to COVID-19 meant that these programmes of work had to be paused and whilst some activity took place within the year, a significant amount of delay has impacted on programme delivery.
- 1.6. We have also seen increased demand as a direct result of the COVID-19 pandemic. It remains to be seen whether or not this increase in demand is long term, however, we do anticipate higher numbers of children and adults accessing social care services over the next year. The commissioning plans within this budget reflect the continued focus on transformation and change, designed to look at different ways of responding to demand. Historical short-term funding has not been an effective way of dealing with rising numbers, and it is imperative that these programmes continue, if we are to improve outcomes for those in the most vulnerable categories.
- 1.7. The Council has a responsibility to ensure it can respond quickly to risk and uncertainty, and does so by holding a range of reserves specifically for that purpose. The current level of uncertainty has necessitated a review of level of reserves to ensure the Council has sufficient capacity to deal with the increased risks and opportunities it currently faces. It is important to note that this level of uncertainty is likely to remain for some time and the medium to long term impact of the pandemic on the financial position is still being understood. Therefore the level of reserve recommended within this plan will be regularly reviewed as we continue to respond and recover from the impact of the pandemic.
- 1.8. Increasingly, the Council is taking a more commercial approach and investments are anticipated to make a significant contribution to the Council's strategic objective of enabling the growth of a strong and sustainable local economy. The cleaner and greener agenda remains a key Council priority, alongside continued support to the renewables sector and the area's overall carbon footprint. The Council is working alongside Government and major private investors to accelerate economic and housing growth across the Borough. Major projects within the Port of Immingham, Stallingborough Enterprise Zone and in the Town Centres are planned and factored into the Council's revised capital investment programme.
- 1.9. Despite the increasing uncertainty and risk, the Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. This will ensure that the Council can recover from COVID-19, become financially resilient and ultimately generate the resources necessary to maintain and reinvest in quality public services. Our short-

term strategy is focussed on responding to and recovering from the pandemic, ensuring that transformation continues through our commissioning plans, and funding is focussed on achieving sustainability and resilience.

- 1.10. The Outcomes Framework which normally accompanies the Finance and Commissioning Plan, reflects the overarching ambition for Place, and the outcomes we are seeking to achieve. In light of the current situation, continued risk and uncertainty, it is recommended that this is reviewed alongside our recovery plan, to ensure it takes account of any shift in focus which will need to take place as we recover from the impacts of COVID19. A further report following this review will be brought to Cabinet and Council in due course.
- 1.11. Appendix 1 contains further detail of the Finance and Commissioning Plan for the period 2021/22 to 2023/24.

2. RISKS AND OPPORTUNITIES

- 2.1 The budget planning approach considers the most likely financial scenario faced by the Council over the next three financial years. External economic factors linked to COVID-19 and EU Exit, demographics and potential changes in local government funding bring significant uncertainty and therefore risk into the financial planning process.
- 2.2 However the Council must avoid non-compliance with its fiduciary responsibilities to set a robust, balanced budget, maintain appropriate levels of reserves and secure value for money in service delivery. It is recommended that a specific COVID-19 reserve be established in order to manage risks arising and the impact on the local economy and residents.
- 2.3 In establishing the budget the Council needs to take account of its regulatory and legal requirements in relation to Equalities, Environmental Issues and Data Protection.
- 2.4 The budget consultation arrangements form part of the process of identifying and capturing legal and regulatory issues. Individual impact assessments will be undertaken for budget proposals.

3. OTHER OPTIONS CONSIDERED

- 3.1 Option appraisals have been undertaken in setting the budget.
- 3.2 A range of options have been considered when considering service delivery within defined financial resources to support the delivery of a balanced budget in 2021/22.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 The financial environment in which the Council is operating remains challenging and any significant financial issues will be communicated externally through a variety of media. The report will be circulated to key stakeholders as part of budget consultation and engagement.

5. FINANCIAL CONSIDERATIONS

- 5.1 As set out in the report

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 6.1 Ultimately all resourcing decisions taken by the Council impact upon the environment. For this reason, the Council must take climate change and environmental issues into account in the establishment of its financial plans.
- 6.2 The Council's budget process looks towards consuming resources more efficiently, eliminating waste and supporting and developing the green economy and infrastructure. This includes recognising and realising the economic and social benefits of a high-quality environment. By working towards a low carbon economy, the area will be prepared for, and resilient to, the impacts of climate change.
- 6.3 Budget consultation arrangements form part of the process of identifying and capturing environmental implications. Environmental impact assessments will be undertaken for individual budget proposals.

7. CONSULTATION WITH SCRUTINY

- 7.1 The draft budget and commissioning plans were shared with members for consultation during December 2020. Following receipt of the Provisional Local Government financial settlement in December 2020, the medium-term financial plan has been updated. This Finance and Commissioning Plan and supporting annexes were referred to Scrutiny and for public consultation in January 2021. The final budget is subject to Cabinet and Council approval in February 2021.

8. FINANCIAL IMPLICATIONS

- 8.1 As set out in the report

9. LEGAL IMPLICATIONS

- 9.1 The Council must set a balanced budget at the start of every year for the coming financial year. It is unlawful for the Council to spend more money than it has available. Section 114(3) of the Local Government Finance Act 1988 explains the consequences if it appears that the Council's expenditure in any particular financial year will exceed available resources. The consequences of such a situation would be extremely serious and corrective action would become urgently required.
- 9.2 The Council is under a number of duties in connection with how it carries out its functions which have to be balanced. These include the following duties of particular relevance to this report:
- The fiduciary duty to establish and maintain a balanced budget;
 - The duty for continuous improvement in the delivery of its functions having regard to strategic effectiveness, service quality and availability,

- fairness, sustainability, efficiency and innovation; and
 - The duty when making decisions to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics.
- 9.3 The above report contains authoritative advice and guidance from s151 officer. Members are required to have regard to this advice when making their decisions.
- 9.4 In respect of the Council's fiduciary duty: "to conduct administration in a fairly business-like manner with reasonable care, skill and caution, and with a due and alert regard". Fiduciary duty therefore includes the following considerations:- (a) prudent use of resources, raising of income and the control of expenditure; (b) awareness of the financial consequences of proposals; (c) financial prudence both in the short and long term; (d) striking a fair balance between the interests of Council Tax/Rate payers on one hand, and the community's interest in adequate and efficient services on the other hand; and (e) acting in good faith with a view to complying with statutory duties and exercising statutory powers for the benefit of the community.
- 9.5 The Council's Constitution places an on-going duty on the Monitoring Officer to advise whether decisions of the Cabinet are in accordance with the budget and policy framework.

10. HUMAN RESOURCES IMPLICATIONS

- 10.1 The financial forecast outlined in this report may have potentially significant human resource implications for Council staff. All employment matters will be dealt with in accordance with established council and HR procedures in order to achieve the relevant savings identified by the options and the decisions taken which may include redundancy (the usual appointments committee process will be adhered to). Staff will need to be informed of the proposals being considered prior to any public announcements or public decisions. Staff will need to be kept engaged throughout the respective processes with consultation as appropriate in accordance with the procedural and legal requirements.

11. WARD IMPLICATIONS

- 11.1 All wards affected

12. BACKGROUND PAPERS

- 12.1 NELC Budget Summary 2020/21 & MTFP 2020/21 to 2022/23
- 12.2 Draft Finance and Commissioning Plan 2021/22 – 2023/24
<https://democracy.nelincs.gov.uk/wp-content/uploads/2020/12/3.-Draft-Finance-and-Commissioning-Plan-2021-22-PDF-1402KB.pdf>
- 12.3 Financial Strategy 2020-2030

<https://www.nelincs.gov.uk/your-council/finances-spending-and-contracts/budgets-and-finance-strategy/>

13. CONTACT OFFICER(S)

- 13.1 Sharon Wroot, Executive Director for Environment, Economy and Resources
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COUNCILLOR STAN SHREEVE

**DEPUTY LEADER AND PORTFOLIO HOLDER FOR FINANCE,
RESOURCES AND RESOURCES**

Budget, Finance and Commissioning Plan

2021/22 – 2023/24



Contents

Page

Overview	3
Introduction	5
Finance Strategy	6
Budget Approach	7
Provisional Local Government Finance Settlement	9
Medium Term Financial Plan	10
Funding	12
Reserves	22
Capital and Long Term Investment	24
Consultation and Engagement	26
Robustness of Estimates and Adequacy of Reserves	27
Impact Assessment	35

Annexes

Annex 1 – Commissioning Plans
Annex 2 – Capital Programme
Annex 3 – Capital Investment Strategy
Annex 4 – Medium Term Financial Plan
Annex 5 – Budget Engagement
Annex 6 – Financial Resilience
Annex 7 – Flexible Use of Capital Receipts

Overview

Going in to the 2020/2021 financial year, the Council had two clear strategic priorities – Stronger Economy and Stronger Communities, with extensive plans and opportunities underpinning those priorities. When the COVID-19 pandemic hit early in the financial year, the impact was unprecedented, not just on Council finances but on local economies and communities. An extensive range of one-off financial support measures from central Government have been received, which has significantly mitigated the financial impacts associated with managing the pandemic at local level. This Finance and Commissioning Plan outlines how the Council plans to support the delivery of these priorities over the next three years. During this planning process we have significantly reviewed our plans to ensure that we are able to remain financially resilient over the coming years, our two strategic priorities remain, and we must continue to maximise opportunity, whilst continuing to deliver efficient and effective public services. However it is acknowledged that there are a number of fundamental uncertainties at the present time and as a consequence this plan will be subject to regular review and update.

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Overview (continued)

We have also seen increased demand as a direct result of the COVID-19 pandemic. It remains to be seen whether or not this increase in demand is long term, however, we do anticipate higher numbers of children and adults accessing social care services over the next year. The commissioning plans within this budget reflect the continued focus on transformation and change, designed to look at different ways of responding to demand. Historical short term funding has not been an effective way of dealing with rising numbers, and it is imperative that these programmes continue, if we are to improve outcomes for those in the most vulnerable categories.

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Sharon Wroot, Executive Director for Environment, Economy and Resources

Introduction

On 25 November 2020, the Government announced the outcome of Spending Review 2020. The Spending Review and settlement have been drawn up in unique circumstances. The Government's primary aim, in this challenging period, has been to continue to support councils in dealing with the immediate impacts of the pandemic, to promote recovery and renewal at local level, and support and maintain critical mainstream services.

The Government has confirmed that once the pandemic is over, it will continue to work with local government to understand the lasting impact it has had on both service demands and revenue raising. Government will then revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system. Final decisions will be taken in the context of next year's Spending Review. In the meantime, there will be no reset of accumulated business rates growth in 2021/22.

The Government's Budget and Provisional Local Government Finance Settlement announced in December 2020 confirmed that core spending on local services has the potential to increase by 4.5% next year. The Government has also committed to providing a COVID-19 Support Package for 2021/22.

Whilst the additional funding allocated to the Council is welcome, much of the funding is non recurrent in nature and the Council will need to secure recurrent income streams by embracing the area's economic potential and growing the local tax base. Despite ongoing challenges linked to COVID-19 an ambitious programme of investment within the Borough has been progressing.

Fundamental to the Councils principles is place based commissioning where prevention, whole system design and integration are the foundations. The increased funding coming through the latest financial settlement will support the known challenges within our Social Care Services. These principles are reflected in our response to the increased complexities within Children's social care, the focus following last year's external assessment and the resulting Improvement plan.

The EU Exit has been finalised and agreed a free trade deal, so has no tariffs or quotas, on goods imported or exported to and from the European Union as of 1st January 2021. There will be additional security, safety and customs checks at borders. A trade deal with the EU will be supportive for both the UK and EU, removing uncertainty and the negative impacts from a no deal EU Exit, which could have adversely affected both economies GDP.

Finance Strategy

North East Lincolnshire Council has two clear strategic priorities – Stronger Economy and Stronger Communities. In order to achieve those priorities the Council must have a clear and robust financial strategy which focusses on long term financial sustainability.

Despite financial uncertainties set against a backdrop of the ongoing COVID-19 pandemic, increasing demand and rising costs within the Local Government sector, the Council remains committed to the achievement of long term financial sustainability by embracing the area's economic potential and by growing its local tax base. This is the only way the Council can become self sufficient and generate the resources necessary to maintain and reinvest in quality public services.



The Financial Strategy sits centrally to a number of internal and external planning influencers and as such is informed by the drivers and priorities within them. The Strategy focuses on sustainability for the future, and the things we need to do to ensure we are financially resilient. The Strategy sets out our strategic priorities for financing which in turn fund the Council's activities and functions. The financial strategy is closely aligned to the Council's local plan, economic development strategy and emerging housing strategy.

The Council will only achieve financial sustainability through funding and supporting economic and housing growth and maintaining a clear focus on its key outcomes and activities. At the same time ensuring it has efficient and effectiveness delivery. The council will maintain adequate levels of reserves to deal with risks and fund opportunities.

Budget envelopes will continue to define the level of investment across core areas of service delivery and these are reviewed each year. At the same time we are continuing to invest in transformative and innovative service redesign to support the efficient and cost effective delivery of services.

Budget Approach

The Council has previously agreed an Outcomes Framework and Commissioning Plan which outlines our approach to achieving our priorities – **Stronger Economy and Stronger Communities**. The Outcomes Framework, is the means by which our priorities will be translated into action and delivered, developed and achieved in conjunction with our partners. This is intended to drive a culture of evidence-based decision-making that enables elected members to take informed key decisions, knowing the risks and the opportunities for citizens, communities and businesses. The five values that all people in North East Lincolnshire will benefit from are:

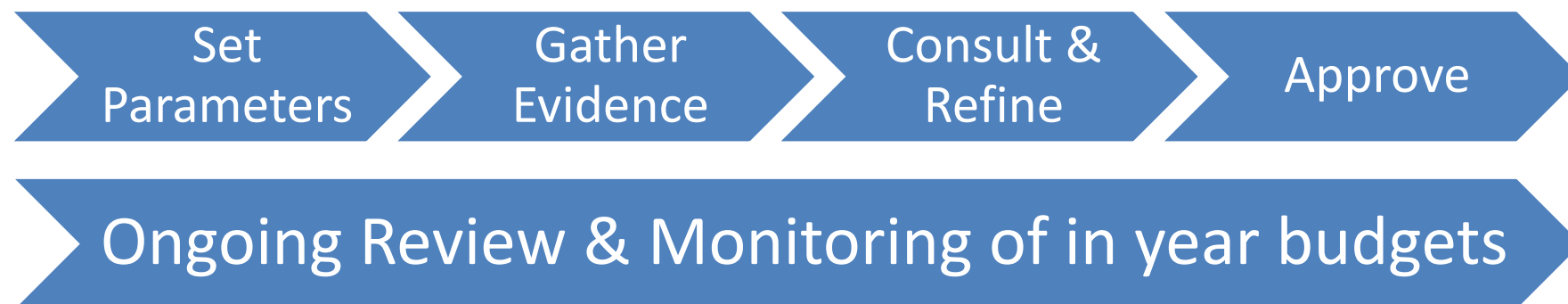


Our commissioning model is essentially about evidence-based decision making, based on good quality data and insight driven intelligence that enables us to deliver the right outcomes at the right cost. It is an on-going and inclusive process of strategic activities which determine where and how best to deploy the resources available. We are continuing to develop and refine our approach to commissioning, particularly in terms of working more closely with our partners to co-produce solutions and understanding where it makes sense for the Council to enable others to deliver services in a more cost effective and responsive way. The Commissioning Plan enables us to decide how best to use the total resources available in order to achieve our outcomes in the most efficient, effective, equitable and sustainable way.

Detailed briefs for the proposed delivery over the financial planning period formed part of the formal scrutiny consultation process in January 2021

Budget Approach.

July 2020 to August 2020	September 2020 to October 2020	November 2020 to January 2021	February 2021
<ul style="list-style-type: none">• Refresh Finance Strategy• Agree key priorities• Update medium term financial forecast• Review key financial risks	<ul style="list-style-type: none">• Portfolio Holders and Leadership Team analyse financial resilience and current performance• Analysis of pressures, risks and savings opportunities• Initial variations to budget envelopes, assumptions and high level delivery options	<ul style="list-style-type: none">• Cabinet, Leadership team and Scrutiny refine proposals• Government financial settlement confirmed• Stakeholder briefings and engagement takes place.• Council Tax Support Scheme and Council Tax Base agreed	<ul style="list-style-type: none">• Robustness of estimates and adequacy of reserves assessed• Cabinet recommend estimated budget to Council reflecting any further feedback received• Council determine final budget and set Council Tax



Local Government Finance Settlement

The Government's Budget and Provisional Local Government Finance Settlement announced in December 2020 confirmed that core spending on local services has the potential to increase by 4.5% next year. This figure assumes that councils require additional funding and raise council tax by the maximum permitted without the need for a referendum.

The key headlines from the settlement were:

- A uniform percentage increase in Revenue Support Grant based upon the Consumer Prices index (CPI)
- As announced in the Spending Review, there will be no reset of the business rates baseline.
- Broader reforms to the local government funding model, including the Fair Funding Review and the business rates reset, will be revisited over the coming twelve months.
- Core council tax referendum principle of 2% and a continuation of the Adult Social Care precept with an additional 3% flexibility available for social care authorities on top of the core principle.
- An increase in the Social Care Grant with the Relative Needs Formulae (RNF) being used to distribute the additional resources
- Maintaining improved Better Care Fund (iBCF) funding at 2020/21 cash levels with the distribution unchanged
- A new Lower Tier Services Grant distributed in accordance with assessed relative needs. This is a new un-ringfenced grant for councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services.
- In respect of New Homes Bonus (NHB), there will be no legacy payment in 2020/21, and there will be no legacy payment in forthcoming years.

The Government has also committed to providing the Council with a COVID-19 Support Package for 2021/22. This includes an allocation of £4.998M million of un-ringfenced grant; £1.5M Local Council Tax Support Grant; and an extension of the Sales, Fees and Charges income support scheme (SFC Scheme) on a pro-rata basis to June 2021. A new guarantee scheme for 75% of 2020/21 irrecoverable local tax losses will also be introduced.

The Government confirmed that the schools budget will increase by 4.6% and that high needs funding to support children with Special Educational Needs and Disabilities (SEND) will increase by 10% for 2021/22. It was also confirmed that additional funding would be provided to increase the hourly rate paid to childcare providers for the Government's free hours offer.

The final settlement has not yet been published and the MTFP assumes no changes from the provisional settlement.

Medium Term Financial Plan

In order to set our revenue budget and build the Medium-Term Financial Plan (MTFP) a number of factors are considered to ensure a balanced position can be achieved. Such factors include changes to funding levels, inflation, pay agreements and local demographics.

The Council holds strategic reserves to ensure it has the capacity to respond to emerging risks, policy change, or transformational initiatives and the level of reserves is reviewed as part of the planning process. Due to the high level of uncertainty over the forthcoming planning period it has been necessary to increase contributions to reserves. The current financial plan position is shown in the table below. A more detailed MTFP is included in **Annex 4** to this report.

MTFP Position					
Original 2019/20 £000	Original 2020/21 £000		2021/22 £000	2022/23 £000	2023/24 £000
FUNDING					
8,995	9,142	Revenue Support Grant	9,192	9,242	9,292
41,714	42,844	Business Rates Retention	43,667	44,494	45,340
61,231	64,010	Council Tax Income	65,397	67,485	69,633
4,927	6,507	Cumulative ASC Precept	8,764	9,043	9,331
0	0	Collection Fund - Business Rates	(258)	0	0
1,213	1,592	Collection Fund - Council Tax	1,009	0	0
	0	Local Council Tax Support Grant	1,528	0	0
265	303	New Homes Bonus	61	9	0
7,042	7,822	Improved Better Care Fund	7,822	7,822	7,822
1,332	4,787	Social Care Support Grant	6,068	6,068	6,068
0	0	Lower Tier Services Grant	257	0	0
0	0	Covid -19 Funding	4,998	0	0
780	0	Winter Care Pressures	0	0	0
127,499	137,007	TOTAL FUNDING	148,505	144,163	147,486
109,194	117,103	Budget Envelopes	125,518	126,274	129,516
16,672	18,271	Other Budgets	18,745	20,103	20,304
125,866	135,374	TOTAL REVENUE SPEND	144,263	146,377	149,820
1,633	1,633	Net Contributions to Earmarked Reserves	4,242	2,500	2,500
127,499	137,007	TOTAL BUDGET REQUIREMENT	148,505	148,877	152,320
0	0	Balance of funding available / (Savings Required)	0	(4,714)	(4,834)

- I. The Government is looking to reform local government funding therefore funding assumptions for 2022/23 onwards are included for illustration purposes only.

Medium Term Financial Plan – Budget Envelopes

Budget envelopes define the level of investment across each core area of service delivery. Envelopes have been established by taking into account the forecast funding projections for the Council, current expenditure levels across services and our key priorities. In addition to the use of analytical tools to benchmark local performance against a range of national comparators, it has allowed focused allocation of resources to service areas.

With continued budget challenges there has been significant work undertaken to review the level of investment required across budget envelopes, taking intelligence from budget monitoring information. Ongoing pressures faced in strategic demand sensitive areas has seen significant levels of additional resources required and this has continued into 2020/21. In addition, the Council is facing a significant amount of uncertainty around EU Exit and COVID-19 and budget envelopes contain underlying risk.

	2021/22 £000					2022/23 £000	2023/24 £000
	Opening Budget Envelope	Pressures	Savings Opportunities	Other Adjustments	Closing Budget Envelope	Closing Budget Envelope	Closing Budget Envelope
Corporate and Democratic Services	12,154	1,370	(750)	702	13,476	13,030	12,999
Environment	12,138	160	(237)	161	12,222	12,331	12,550
Economy and Growth	18,713	356	(1,961)	(497)	16,611	16,841	17,387
Children and Family Services	28,166	3,857	0	82	32,105	31,055	31,055
Public Health and Wellbeing	2,109	500	(270)	88	2,427	1,928	1,928
Adult Services	45,339	4,081	(742)	(1)	48,677	51,089	53,597
Total	118,619	10,324	(3,960)	535	125,518	126,274	129,516

Business and Commissioning Plans have been produced to identify priorities, pressures and efficiency savings opportunities. These have been through a series of challenge processes including leadership and Budget Scrutiny working groups. The final plans have been reflected in the Commissioning Briefs and were presented to Scrutiny for formal consultation in January 2021.

Revised budget envelopes are proposed, as detailed in the table above. A number of factors are considered in determining the budget envelopes, these include, changes to funding levels, national and local intelligence, inflation rates, pay agreements, local demographics, service demand, and contract inflation. They have also been adjusted to reflect the Business and Commissioning Plans included in **Annex 1**.

Funding – Retained Business Rates

Under the current Business Rates Retention (BRR) scheme, the Council retains 49% of income collected locally, adjusted for write offs, bad debts and appeals. In addition, we receive a top up grant from Government which recognises we do not have the ability to raise sufficient funding locally to support our baseline need. Changes to the local government funding system have been postponed for a further year acknowledging emerging challenges in relation to social care demand and the business rate system

BRR is a key source of income for the Council with approximately £43.7M forecast for 2021/22. This represents just under a third of total funding. Reliance on this funding stream may increase as a result of changes to the local government funding model. The Council is continuing to drive and support economic and housing growth which in turn should deliver improved levels of local taxation. However, there is significant uncertainty in relation to economic growth levels as a result of COVID-19 and EU Exit. The impact on key sectors such as retail and food processing are still to be fully understood.

Growth

Business Rates growth has been planned into the MTFP over the next three years at around 2% per annum. There are a number of key schemes in the Borough that are expected to contribute to this growth.

Funding has been secured to help develop SHIP, in conjunction with Humber and Greater Lincolnshire Local Enterprise Partnerships. This is a major programme of investment to enable large scale economic growth on the Humber bank.

The latest success announced is a Town Centre Deal which will develop a new approach to regeneration that will be taken forward by public and private sector partners to revitalise the town centre, increase skill levels and create new jobs and housing.

The Council is part way through the delivery phase of a multi-faceted regeneration programme for Cleethorpes which is funded through the National Lottery Heritage Fund, the Coastal Communities Fund, the Council's Capital Programme and Local Transport Plan grant. The programme of works aims to develop and diversify the economic role of the resort, enhance the visitor experience and increase developer confidence leading to new investment and jobs.

Collection Rates

Collection performance for Business Rates is down on previous years as at quarter 2 of 2020/21. This position is considered when assessing the levels of bad debt provision required as part of the NNDR return which was submitted in January 2021 to central government. Forecasting the overall collection rate is particularly challenging in the current economic environment and is dependent on a number of factors including the level of business rate reliefs available to local business. For this reason, the Council maintains a business rate reserve to smooth any losses.

Funding – Retained Business Rates.

Spreading Collection Fund Deficits

The Government has announced that estimated deficits on the 2020/21 Collection Fund (both Council Tax and Business Rates) will be spread over three years, 2021/22-2023/24 rather than just in 2021/22. Prior year adjustments must still be fully recognised in 2021/22. This is a response to the expected COVID-19 impact on local taxation collection rates and reduces the immediate impact on budgets and service delivery.

The NNDR1 and Council Tax returns have been completed, these estimate the collection fund positions at the end of 2020/21 and the 2021/22 element has been included in the MTFP. The balance to be spread over future years is £1.5M for Business Rates and for £0.1M for Council Tax.

Retail Relief

During 2020/21, the Government, in response to the COVID-19 pandemic, introduced extended retail relief to reduce business rates liabilities for businesses effected. Councils are to be fully compensated for this loss of income through Section 31 grant arrangements.

However, the impact of this on the collection fund has resulted in a large deficit which will be met by use of the grant in 2021/22, through an earmarked reserve. As these are large exceptional items, they have not been reflected in the MTFP, these technical accounting adjustments do not impact the financial position of the Council overall and will be dealt with as part of the closure of accounts process.

The 2021/22 Business Rates income forecasts assume that ongoing government support for those affected businesses will remain in place. Any reduction in this support could impact our ability to raise and retain the levels of business rates included within the MTFP.

Funding – Council Tax

Changes to the Council Tax Base are influenced by local demographics on supply and demand for new builds, levels of void properties, locally set discounts and the Council Tax Support Scheme (CTSS). Account is taken of the projections in the Local Plan in terms of potential supply of new homes and intelligence from the Economic Development team on projected demand generated by growth in local employment. A prudent level of growth as a result of new homes has been factored into the financial plan.

The Council Tax Base report, which was approved by Council during December 2020 set the base for 2021/22. The increase in the tax base to 44,405.4 from the 2020/21 position of 44,327.3 equates to an additional 78.1 Band D equivalent properties. This delivers an extra £0.15M at the current North East Lincolnshire Council average band D level of tax. This is built into the medium-term financial plan.

Council Tax Support Scheme

This report also recommended no further changes to the CTSS and maintained the discount at 65% for all working age customers. An option to move to a 50% minimum contribution from April 2021 was put in place in December 2019. However, it was proposed that this further change to contribution levels is deferred given the economic challenges by the local community at the current time.

In addition, the report proposed approval to implement the option to implement a 300% surcharge on properties empty for more than ten years. However, the Council's aim is for all long-term empty properties to become sustainably occupied, and for no surcharge to be levied.

In 2018/19 a Council Tax Hardship reserve was established to support Council Taxpayers within the scope of the scheme, it is proposed that this fund continues to be topped up in 2021/22 and over the life of the MTFP, utilisation will continue to be monitored closely.

Collection

There is discretion in estimating the Council Tax collection rate. For 2021/22 it is considered prudent to assume a reduction in the level of collection by 1% to 97.2% given the ongoing economic challenges brought about as a result of the COVID-19 pandemic. Collection rates have fallen in 2020/21 and the collection rate will be monitored closely, and any significant changes will be reported in year.

Both surplus and deficits can occur in year on the Collection Fund due to factors such as collection rates, levels of bad and outstanding debt, eligibility for council tax support; and tax base growth assumptions.

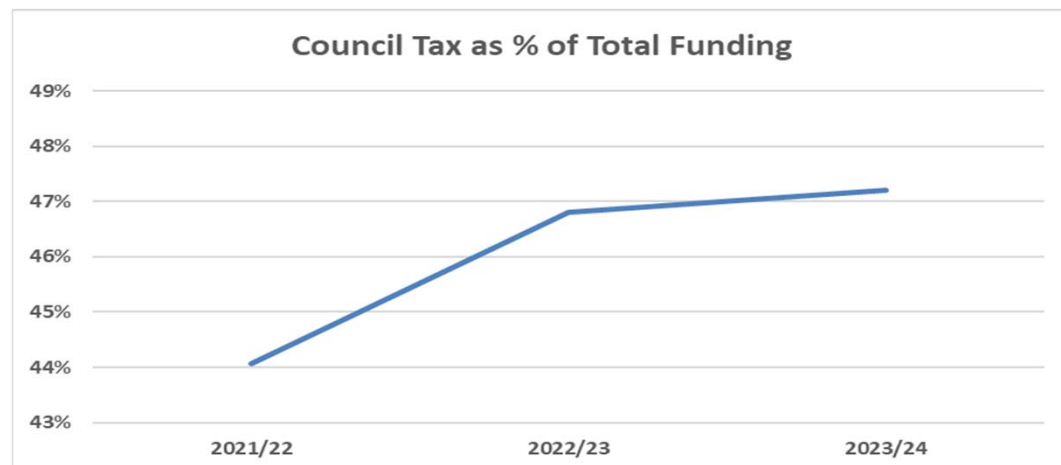
The Council Tax collection fund for 2020/21 has been reviewed during December 2020 and is forecast to be £1.0M in surplus for NELC by the end of the financial year. The position is reviewed annually and reflected within the financial plan.

Funding – Council Tax.

The following table shows historical and forecast levels of Council Tax and associated tax base levels, this excludes the Adult Social Care precept. The planned Council Tax increase is to allow the Council to create sustainable recurrent income to fund frontline services, where central funding isn't necessarily available

Council Tax	Base	2020/21	2021/22	2022/23	2023/24
		44,327	44,405	44,934	45,464
	Price Increase	1.98%	1.98%	1.98%	1.98%
	Funding £'000	64,010	65,397	67,485	69,633

Council Tax is a key source of income for the Council with approximately £65.4M forecast for 2021/22. This represents around 44% of total funding. The proportion of the Council's funding coming from Council Tax remains at just under half of total funding over the financial planning period.



Government grants are expected to be phased out under local government funding reforms. There is an expectation that local sources of taxation will increase to offset this reduction and minimise disruption to service delivery. This financial plan has a recommended 1.98% increase to Council Tax built in for 2021/22 and each subsequent year. Current legislation allows general Council Tax increases of up to 2% without the need for a referendum.

In addition, a recommended 3% Adult Social Care precept is also factored into the MTFP in line with latest legislation. The ASC precept will raise a total of £8.7M in 2021/22 which will mitigate increased social care demand pressures. A wider review of ASC funding will be undertaken in 2021/22

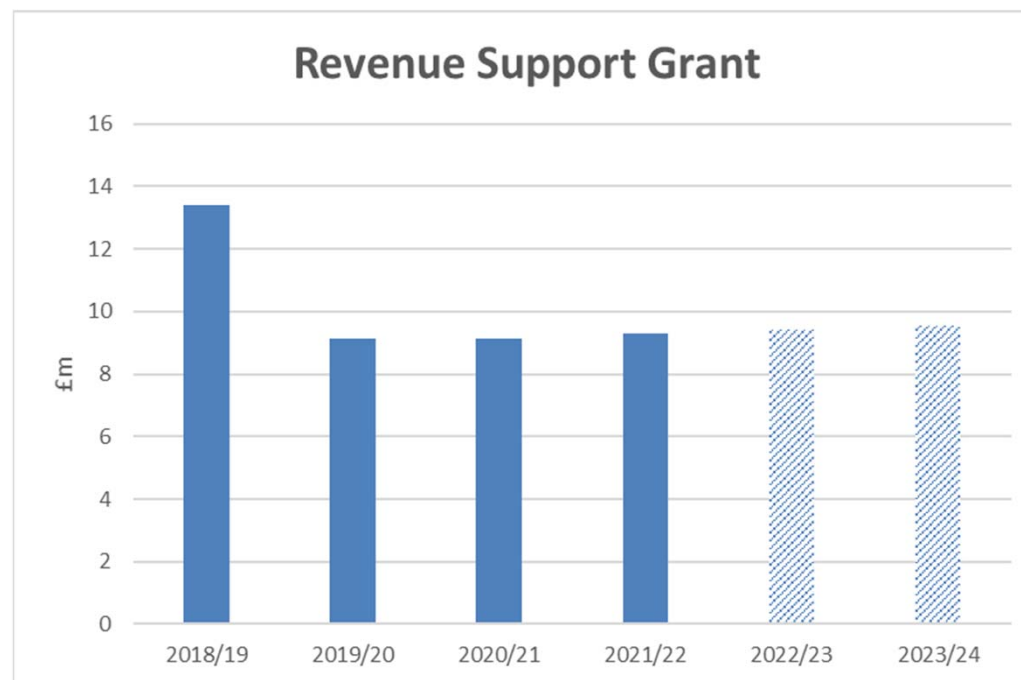
Funding – Other Funding

The Council currently receives an annual **Revenue Support Grant** (RSG) allocation from the Government as part of its finance settlement. The settlement also includes a forecast for our Retained Business Rates.

There has been an increase in Revenue Support Grant in 2021/22 based upon the Consumer Prices index (CPI).

It has been assumed that this continues over the MTFP period as can be seen below:

RSG is expected to be phased out as part of wider changes to the local government funding model.



Funding - Other Funding

Social Care Support Grant

The provisional settlement has confirmed an uplift to the Social Care Support Grant in 2021/22, the additional allocation has been put in place to deal with known demand pressures within the system. For NELC the allocation is £6.1M which is built into MTFP funding and has been used to address existing social care demand pressure within Childrens and Family and Adult services. For planning purposes it has been assumed that this grant continues at the same level over the MTFP period.

Lower Tier Services Grant

The government is proposing a new unringfenced Lower Tier Services Grant in 2021/22, which will allocate funding for councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. The grant will contain a one-off minimum funding floor, so that no council – either upper or lower tier – will have less funding available in 2021/22 than this year. NELC has been allocated funding of £0.25M.

The Improved Better Care Fund (iBCF)

Core iBCF allocations for 2021/22 remain unchanged from last year's settlement. The Council works closely with the Health and Wellbeing Board to ensure the funds are targeted effectively to meet Adult Social Care needs, reducing pressures on the NHS and ensuring the local care provider market is supported.

COVID 19 funding

The Council has been allocated an additional £4.997M as part of package of support to local authorities in England for COVID-19 pressures in 2021/22 This funding has been distributed using the COVID-19 Relative Needs Formula. This formula includes population and deprivation factors, as well as an area cost adjustment to account for the differing costs of delivering services across the country. The additional funding for COVID-19 pressures next year is not included in Core Spending Power.

Local Council Tax Support Grant

The grant has been distributed in recognition of the potential additional costs of the local CTSS due to rising unemployment. The £670M grant will be allocated in 2021/22 based on the proportion of working-age local council tax support caseload using data from quarter 1 and quarter 2 of 2020/21, adjusted to reflect the average bill per dwelling in the area.

Losses in Fees and Charges

The Government has proposed a continuation of the Sales, Fees, and Charges compensation scheme for the first three months of 2021/22 and to use a quarter of each council's 2020/21 budgeted income as the baseline from which to assess losses.

Funding – Service Grants

Public Health

In September 2019 the Chancellor announced a real terms increase in the Public Health Grant for 2020/21, with £11.5M being allocated in total to North East Lincolnshire. The 2020 Spending Review has confirmed that the grant would be maintained at current levels for 2021/22.

Education Funding

The national funding formula for each of the Dedicated Schools Grant notional blocks introduced in 2018/19 remains in place. Further details of the impact of these are given below.

Schools Block

On the 4th September 2019 the Chancellor announced that nationally there would be an additional £2.2BN funding for schools in 2021/22 over and above 2020/21. In respect of the National Funding Formula (NFF) the soft national funding formula will remain in place and Councils will continue to set a funding formula which will be used to distribute funding to all schools across the Borough. The Department for Education (DfE) is strongly encouraging councils to set the funding formula as close to the NFF as possible.

High Needs Block

The 2021/22 indicative high needs block allocation is £23.8M which is an increase on 2020/21 of £2.6M (12%). This increase is as a result of both the additional £700M allocated to SEND nationally as part of the Chancellors Statement in September 2019 and also additional funding for 2021/22. It also reflects the impact of the new High Needs National Funding Formula. The amount quoted is before amounts are deducted for the “per place” funding element. The high needs block is still facing increasing financial pressures as a result of increasing demand and complexity, and the financial pressures first experienced in 2017/18 will continue into 2021/22. The Council continues to take actions to mitigate these pressures. Despite this welcome increase in funding balancing the high needs block will be very challenging and this remains the national picture.

Funding – Service Grants.

Early Years Funding

The comprehensive changes introduced in 2017/18 are now firmly embedded and the funding of Early Years is now based on participation. As in 2020/21 the amount that Councils can centrally retain from the Early Years Block allocation to fund central services is 5% but this reduction had already been factored into the Council's budgetary process.

The area of concern referred to in the previous budget reports was the transitional funding for maintained nursery schools. The longevity of the transition period and the fact that the amount of funding is participation based means the amount will fall if take up hours fall in the nursery schools. These concerns remain, however the latest position is that the transition funding period has now been extended until March 2021.

Another area of concern for Early Years is the impact of COVID-19 on take up and the potential impact on funding. Early Years funding is based on head count at a point in time and should numbers not return to early settings then the Early Years Block allocation could reduce. Central Government are aware of this potential issue and final details on mitigations if any are awaited. Previous Early Years block allocations have been around £10.1M.

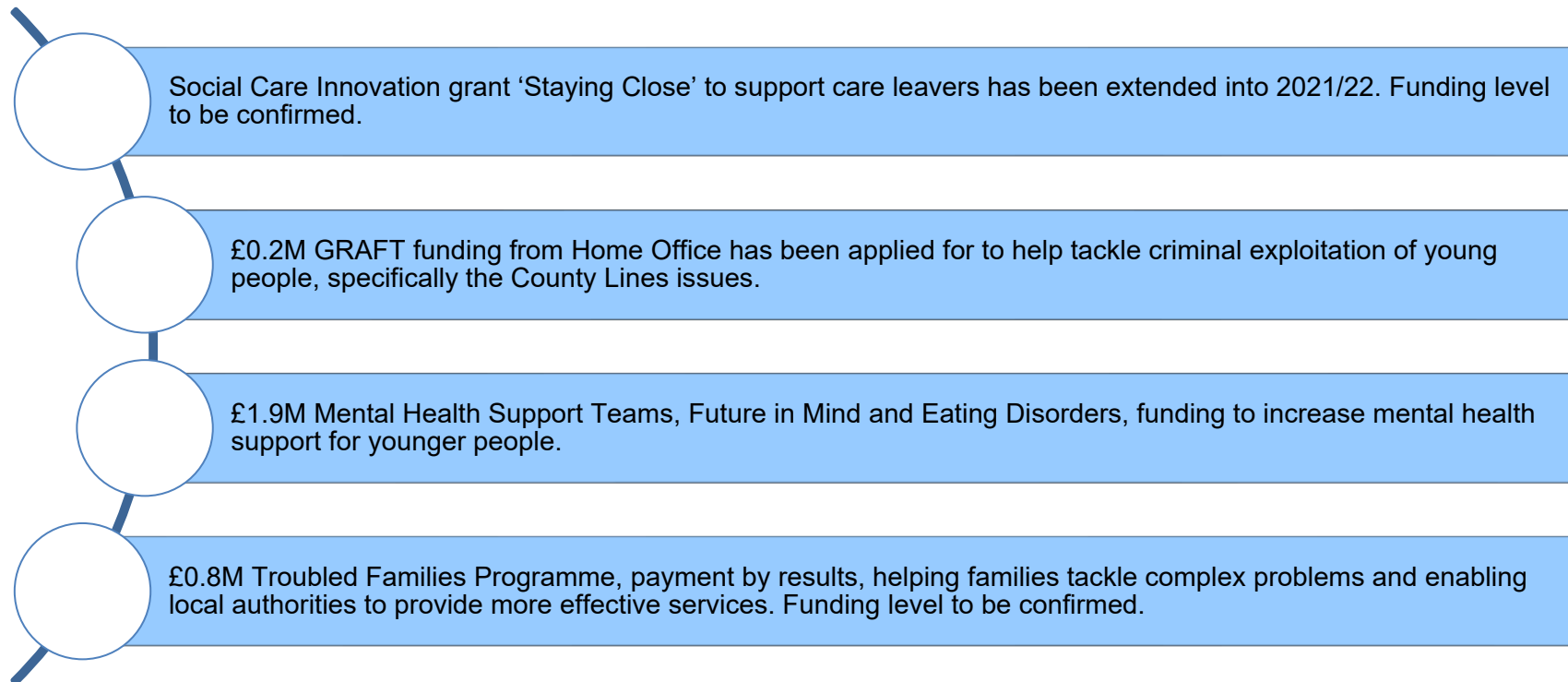
Pupil Premium

No changes were announced in respect of Pupil Premium and the rates for 2021/22 are yet to be confirmed.

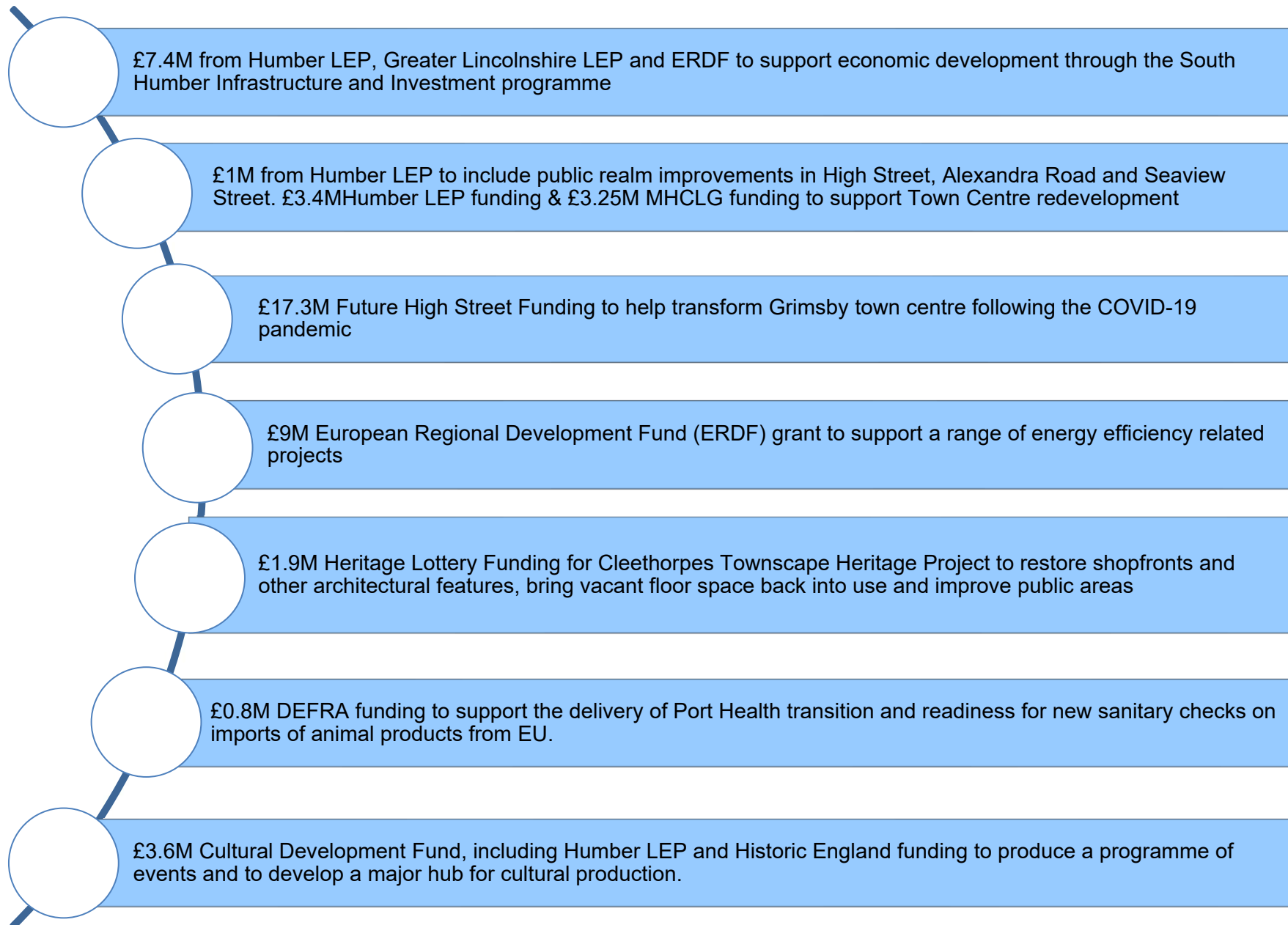
Funding

The Council has been proactive over the past year in generating external funding to support a range of initiatives linked to its key outcomes. Funding has been generated from a number of different sources and will contribute towards longer term financial sustainability.

Listed below are just some of the most significant areas where the Council has already secured external funding to support future service delivery. These sources of external funding are reflected within commissioning plans and cover areas of both revenue and capital expenditure. In terms of future opportunities, the Council is continuing to be proactive in identifying further external funding opportunities. These will be reflected within the medium term financial plan as the funding is secured.



Funding.

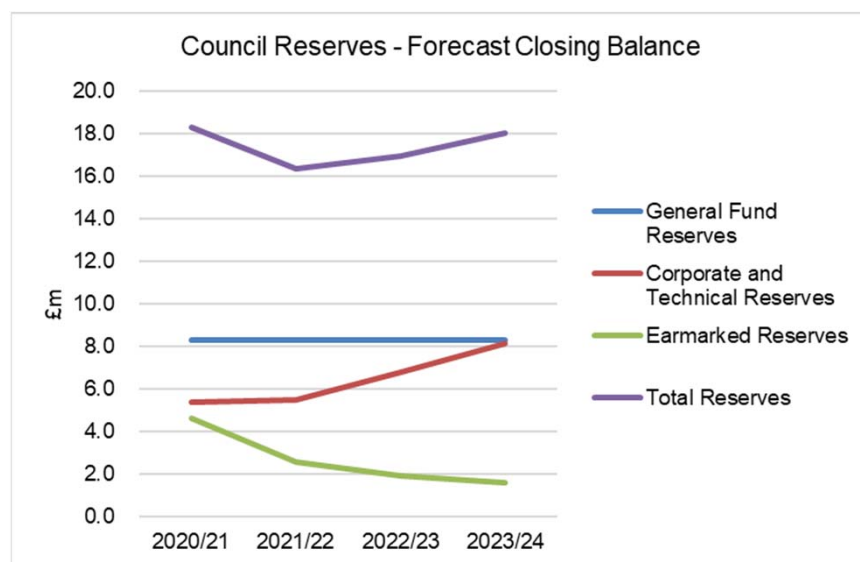


Reserves

The financial plan is supported by reserves and general fund balances. There are three main categories of reserves held:

- **General Fund Reserve** – retained to deal with unexpected events. The level is reviewed annually as part of budget setting to ensure it is adequate and appropriate.
- **Partner & Service Reserves** - held for specific purposes relating to delivery. These are held in addition to defined budget envelope and used to support clearly defined activity and outcomes over and above business as usual
- **Corporate and Technical Reserves** – used to smooth the Council's financial position and prevent knee-jerk reactions that would otherwise impact on service budgets. These include reserves to support strategic change and transformation. This approach, coupled with budget envelopes has created more stability in the planning process.

As part of the financial planning process all reserves, general and earmarked, are reviewed in detail. The graph below shows the current forecast closing balance in each year of the financial plan and will be updated throughout the process.



Whilst service reserves are being utilised in line with plans, the overall capacity within reserves has reduced over recent years. In the current economic environment it is essential that the Council continues to review corporate and technical reserves. A specific COVID-19 reserve has been established to ensure the Council has additional capacity to deal with the potential ongoing risks and opportunities it faces.

Reserves.

Corporate and Technical Reserves are used to smooth the Council's financial position and they include reserves to support strategic change and transformation, forecast closing balances are detailed below:

Corporate and Technical Reserves		Forecast Closing Balance			
		2020/21	2021/22	2022/23	2023/24
		£'000	£'000	£'000	£'000
Transformation	Used for key transformation projects, including Childrens Services Improvement Plan	0	470	1,063	1,731
Management of Change	To cover costs of organisational change	223	856	1,489	2,122
Insurance	Required to meet costs of claims which are insured internally	1,283	1,283	1,283	1,283
Debt Financing	Used to mitigate costs of borrowing and capital programme activity	1,038	1,038	1,038	1,038
Business Rates	Used to mitigate fluctuation in business rates income	1,591	1,346	1,346	1,346
Council Tax Hardship Fund	Used to support council tax hardship claims	138	207	276	345
Childrens Heart Surgery	Strategic response to NHS service delivery proposals	5	5	5	5
Strategic Change	To cover initial costs of establishing the Town Deal	35	-	-	-
Joint Arrangement	Technical Reserve in relation to Safety Camera Partnership	255	255	255	255
COVID-19	Used to mitigate likely, but as yet unknown expenditure in relation to the COVID 19 pandemic	700	-	-	-
Children Services Recruitment	Used to support Children Services	74	27	-	-
Total		5,343	5,488	6,756	8,126

The uncertainty around both COVID-19 and EU EXIT is likely to mean we incur additional expenditure over the period of the MTFP, but as yet this is unknown. It is important to ensure that our reserves remain robust to be able to respond to such calls on expenditure, whilst being able to minimise the impact on planned service delivery. A specific COVID-19 reserve is recommended to mitigate expected additional expenditure incurred during 2021/22 (figures relating to 2020/21 carry forward are provisional at this stage and will be finalised at outturn).

Service Reserves are held in addition to budget envelopes and used to support clearly defined activity and outcomes over and above business as usual. These are detailed below:

Service and Partner Reserves	Forecast Closing Balance			
	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Corporate & Democratic Services	664	404	184	-
Economy and Growth	1,033	147	28	-
Children and Family Services	31	-	-	-
Public Health and Leisure	1,196	599	357	261
Adult Services	1,007	880	845	845
Partner Reserves	685	517	456	454
Total	4,616	2,547	1,870	1,560

Capital and Long Term Investment

Capital and long term investment has both legal and regulatory requirements which sets out the powers the Council has and the frameworks it must comply with and operate within for capital investments. The Council is guided by the Local Government Finance Act, MHCLG guidance and CIPFA Codes of Practice. Capital and long term investment is necessary to deliver the Council's key priorities and ambitions. The **Capital Investment Strategy** sits centrally to a number of internal and external future planning influencers and as such must reflect and be informed by the drivers and priorities within them.

The underlying principles of the capital strategy follow the financial strategy:

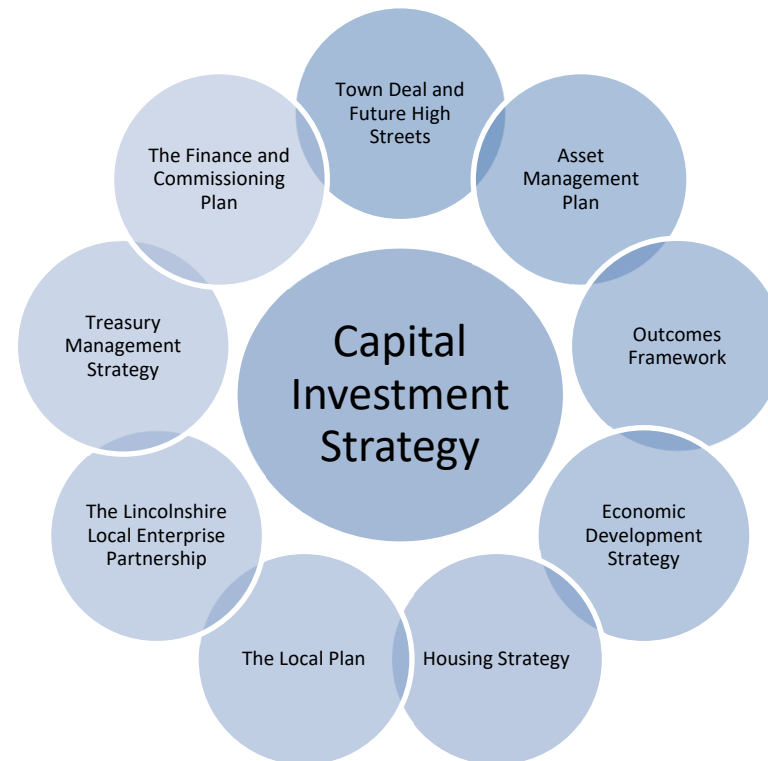
- **Commissioning** – Aligning capital investment to support outcomes
- **Commercial** approach to stimulate Regeneration and Economic growth through local investment
- **Cost control** – Supporting the economic and efficient delivery of core services

The Prudential Code requires Local Authorities to ensure Capital investment:

- Linked to Strategic Planning
- Clear Asset Management understanding
- Delivers Value for Money
- Investment is prudent and sustainable
- An affordability assessment
- Practical delivery

The CIPFA Prudential Code of Practice 2017 introduced the need to produce a Capital Investment Strategy for non-treasury related investments. It provides the opportunity to ensure overall strategy is widely understood including the governance and assurance process and clearly defined risk appetite.

In November 2020 the Public Works Loan Board (PWLb) announced the outcome of its Consultation on future lending terms and confirmed its standard Certainty Rate would revert to 80bps above Gilts. However there are some restrictions on access and so, whilst we believe these will not be a factor for NELC, other local Authorities and alternative lenders will remain active options in meeting our overall borrowing requirement as cost effectively as possible.



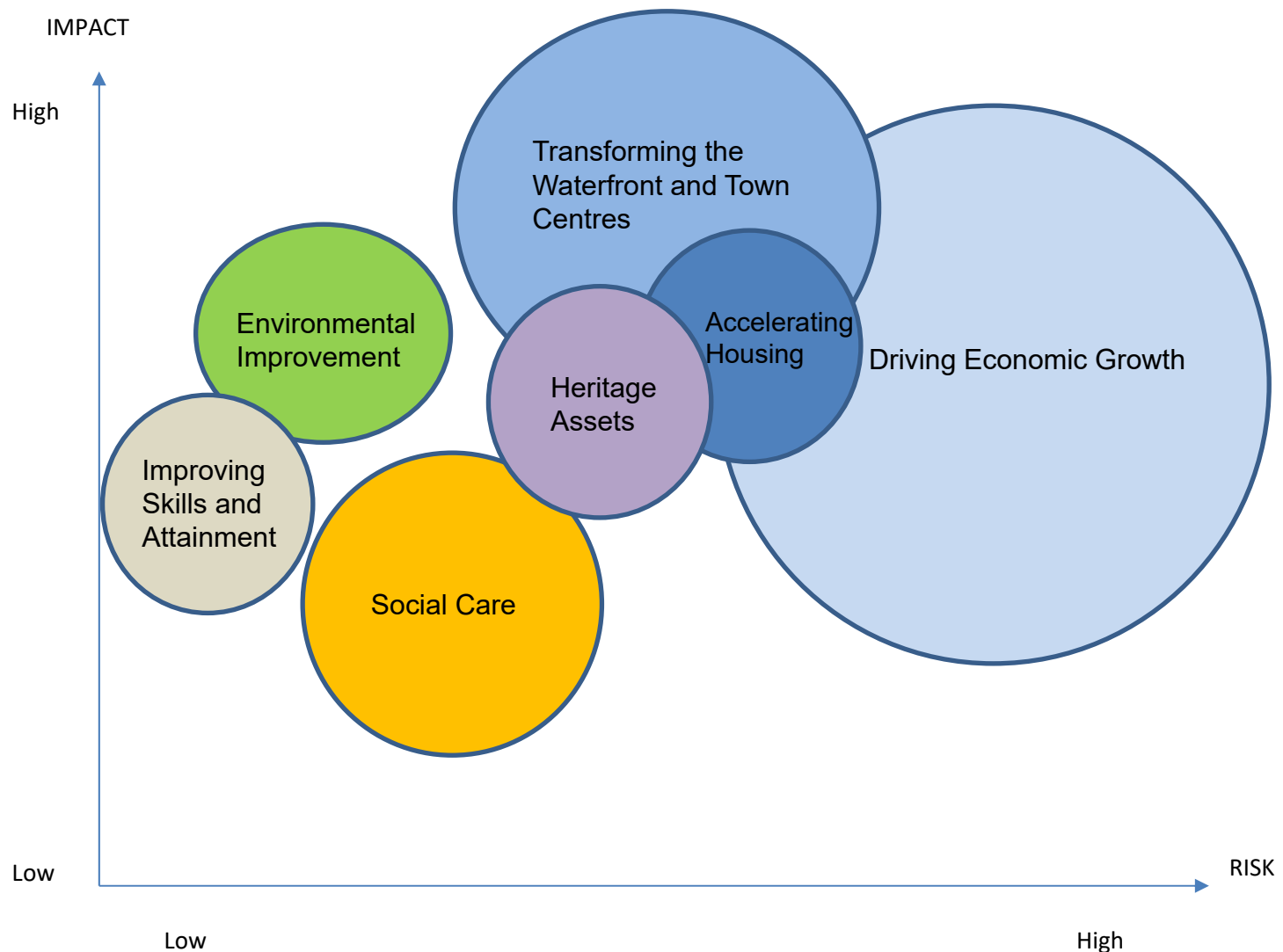
Capital and Long Term Investment

The Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base.

Investing in the growth agenda and supporting the economic and efficient delivery of core services is critical to the delivery of the capital investment strategy.

The Council continues to put Place at the centre of its investment plan with significant resources continuing to be targeted at contributing to the Council's strategic objective of enabling a strong and sustainable local economy.

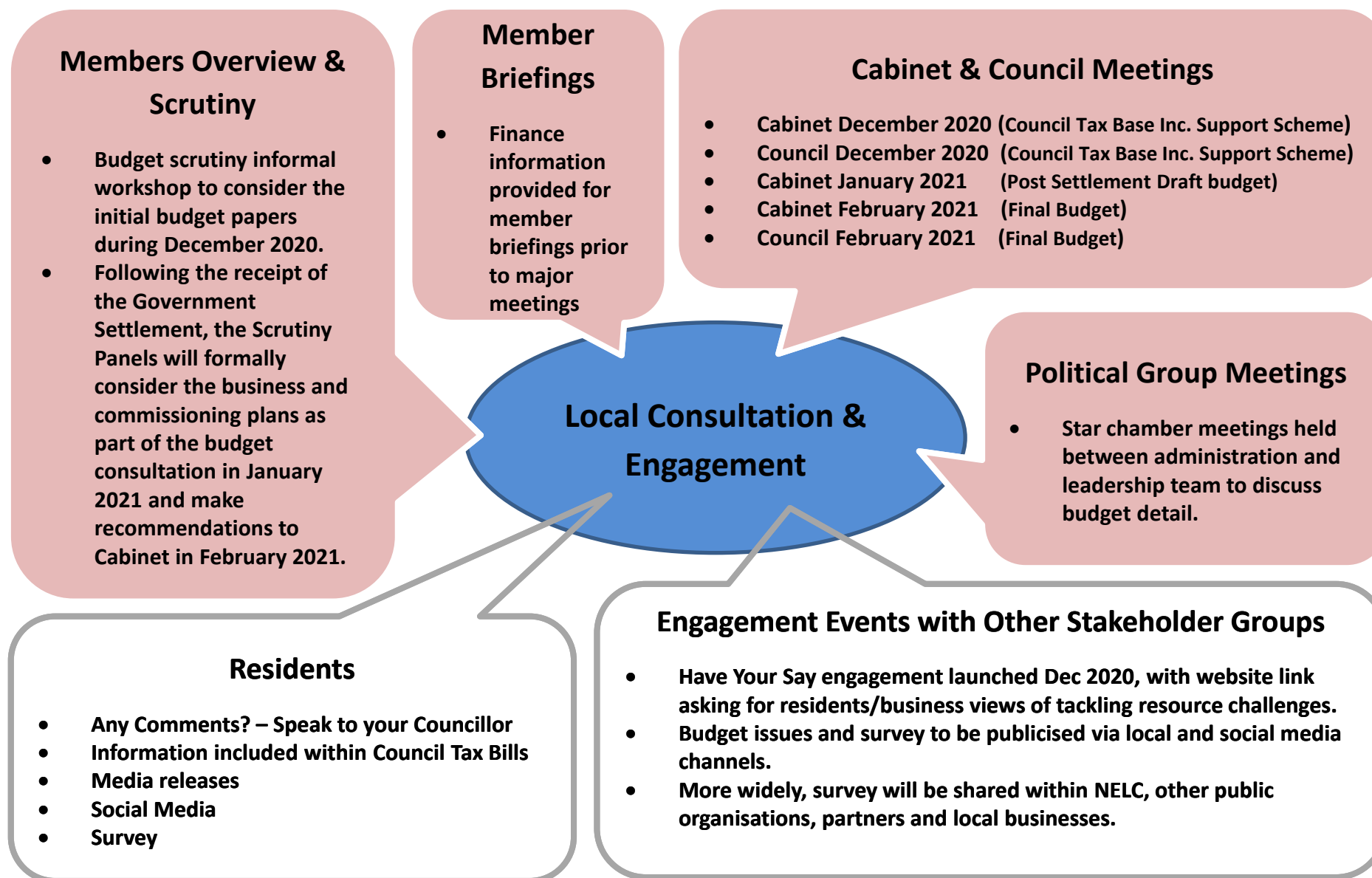
The cleaner and greener agenda remains a key Council priority, alongside continued support to the renewables sector and the area's overall carbon footprint.



The latest approved capital programme totals £126.7M and is included at **Annex 2**.

Consultation and Engagement

Throughout the budget setting process both formal and informal consultation will be carried out with key stakeholders using a variety of different approaches in order to ensure a wide cross section of views and comments inform and influence the budget.



Robustness of Estimates and Adequacy of Reserves

Underlying budget assumptions

The Council's budget approach is to set financially sustainable budgets across outcome areas. Commissioning plans outlining the approach to delivery within the envelopes have been prepared and are included within the budget report. Budget envelopes take into account forecast funding projections for the Council, current expenditure levels across services and external factors.

The reasonableness of the underlying budget assumptions is challenged throughout the budget setting processes. Specific considerations when testing the reasonableness of budget assumptions include:

- Financial pressures experienced in the previous financial year;
- Provisions for inflationary pressures;
- Extent to which known trends and demand pressures have been provided for;
- Achievability of changes built into the budget;
- Realism of income targets; and
- Alignment of resources with the Council's service priorities.

The current budget envelopes may need to flex over the budget planning process and as a result the Council holds strategic reserves to ensure it has the capacity to respond to emerging issues, policy change, risk or transformational change. The overall level of risk within the 2021/22 budget is considered to be high in relative terms. Whilst this level of risk can be considered manageable, it must be on the understanding that key decisions are taken and, where identified savings are not delivered, alternative savings options will be needed.

In terms of the longer medium term financial planning period, the long term impacts of COVID 19, Local Government and wider NHS reform, transitional arrangements linked to EU Exit and demographic pressures on social care demand are significant challenges and still to be fully understood. The established governance arrangements in place within the Council will ensure that monitoring of delivery of budget envelopes and service priorities will take place. These include Overview and Scrutiny Panels, Cabinet and Council Meetings, Leadership Team, Resource Monitoring Process and the financial planning process itself.

Continued uncertainty within both the public sector and the wider economy bring both risks and opportunities to the Council, both in terms of the current planning period and future years. As a consequence we are making plans to try and manage those, but its likely to remain beyond the current planning period. The Council will therefore be required to revisit its financial plans on a more regular basis. Through the risk and opportunity management framework, the significant risks impacting on the budget are recognised.

Robustness of Estimates and Adequacy of Reserves

The major risks associated with the current budget and medium term financial plan are detailed below.

COVID19

The impact of COVID19 has been unprecedented, not just on Council finances but on local economies and communities. An extensive range of one-off financial support measures from central Government have been received, which has significantly mitigated the financial impacts associated with managing the pandemic at local level. We have seen a continued slow down in the local economy throughout 2020/21 which has resulted in reduced collection rates within both council tax and business rates. Local taxation makes up around 80% of the Council's overall income base and is therefore very sensitive to any change. Dependent on the pace at which the local economy recovers, there is likely to be a continued impact on collection rates and bad debts over this financial planning period. The performance in relation to collection will be carefully monitored throughout 2021/22.

Local Government Financial model

There are some key funding reforms expected in the public sector which could have significant impact on our funding profile. These include the Fair Funding Review, Local Government reform and the Business Rate System review. The Fair Funding review will see the introduction of a new system for allocating funding between Councils, which will be based on the updated and improved methods of estimating Councils differing revenue raising capacities and differing spending needs. A key Government aim is that it will be simpler, more transparent and be robust and evidence based. The outcome of this could have a significant impact on the Council's funding capacity and scope to provide services. The Government has confirmed that it plans to revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system. Final decisions will be taken in the context of next year's Spending Review. The outcome of this process could have significant implications for the Council's future funding.

Children's Services

Budget pressures have continued to be encountered within Children's service during 2020/21 and these have been exacerbated by COVID19. We are continuing to see high numbers of Children Looked After (CLA) but plans are in place to reduce these. Children's Services is a volatile budget area which needs to be carefully managed and monitored due to the high costs associated with placement and support. An extensive review of Children's services led to a programme of transformational activity designed to take a "whole system" approach including actions to reduce the numbers of children looked after. The Council remains particularly mindful of the potential costs and consequences associated with the transition from children's to adults services.

Robustness of Estimates and Adequacy of Reserves

Following a focussed visit from OFSTED, the Council was issued with an improvement notice which required the Council to develop an improvement plan. The Council has made progress against its improvement plan and the escalation measures detailed in the improvement notice had been met. The Council has invested additional capacity in this area to support overall cost control.

Adult Social Care

Adult service provision within the public sector is one of increasing demand and complexity against a backdrop of financial constraint. Delivering safe and effective Adult Social Care services within this context presents an ongoing challenge in maintaining service quality and also sustainable care markets to meet need. COVID-19 has impacted on the staff costs, demand for services and will impact on the on-going need/demand for services; it has also impacted on the delivery of savings programmes and will create additional pressures in future years

Income generated through the Adult Social Care Precept continues to be being used to support sustainable service delivery alongside improved Better Care Fund, social care and winter pressure allocations. The 'Union' arrangement with North East Lincolnshire CCG has now been established to support a more efficient and effective working relationship with the health sector and make best use of the range of skills and capacity in both organisations. The Council has appropriate arrangements in place to monitor social care pressures and has committed to taking action to mitigate and manage the impact of increasing demands within the social care system through identification of efficiencies to investment in transformation and system change leading to reduction in cost or avoidance in spend.

Capital and long term investment

Capital and long term investment is necessary to deliver the Council's priorities and ambitions around economic growth and stronger communities. Affordability is a key factor when considering any long term investment. Based upon the current capital programme, financing costs are forecast to be maintained within an affordable envelope. However, with reducing net revenue budgets, the percentage of spend already tied up in borrowing costs may steadily increase even without additional borrowing. Borrowing therefore needs to be undertaken in accordance with prudential borrowing principles.

As part of the Government recent review of the Prudential Framework, Councils need to be better at explaining why, not just what they are doing with their investment activity, needing to demonstrate more transparency and openness in how good governance has been exercised. Where borrowing is undertaken for purely commercial purposes access to PWLB borrowing is now limited. The Council has well established appraisal processes in place and any new borrowing will be predicated on the preparation of a sound business case which is closely aligned to the Council's key outcomes and financial strategy.

Robustness of Estimates and Adequacy of Reserves

Economic environment

The economic environment within which the Council is operating continues to present significant financial risks. As a consequence of COVID-19 during 2020/21 we have seen a continued slow down in the local economy which has resulted in reduced collection rates. Dependent on the pace at which the local economy recovers, there is likely to be a continued impact on the Council's financial model. However the Council remains committed to the achievement of long term growth and financial sustainability. Increasingly, the Council is taking a more commercial approach and investments are anticipated to make a significant contribution to the Council's strategic objective of enabling the growth of a strong and sustainable local economy. In relation to the impact of EU Exit, this is still uncertain and we will continue to monitor the situation as it unfolds.

Adequacy and availability of reserves

The Council holds reserves for three specific purposes:

- *General reserves* to deal with unexpected events and help smooth the impact of uneven cash flows
- *Corporate and technical reserves* to smooth the Council's financial position; and
- *Partner and Service Reserves* - held for specific purposes relating to service delivery.

It is proposed that the level of prudent General Fund reserves is maintained at £8.3 Million for the current year. This balance reflects the level of risk within our current planning assumptions. The General Fund balance will be reviewed during 2021/22, taking into account the overall adequacy of reserves and the latest financial position.

As part of the financial planning process all reserves, general and earmarked, have been reviewed. The Council's Corporate and General reserves are held to provide more stability in the financial planning process. These include reserves to support strategic change and transformation programmes, fluctuations in business rates and borrowing costs. In the current operating environment, a specific COVID-19 reserve is to be established to ensure the Council has sufficient capacity to deal with the additional risks and opportunities now faced.

The insurance provision is a balance between external premiums and internal funds to self-insure. This is mitigated through effective emergency planning arrangements and an earmarked insurance reserve. The arrangements in place to advise and manage our insurance arrangements ensures regular assessment of our insurance arrangements and provisions.

Robustness of Estimates and Adequacy of Reserves

Financial management and reporting arrangements

The Council has well-established financial reporting arrangements in place which are set out within Financial Procedure Rules. Arrangements are reviewed on an annual basis taking into account changes in Council responsibilities and the comments from both internal and external audit. The Council's budget monitoring arrangements require services to prepare budget action plans to deal with spending variations on budgets. Each quarter the Cabinet and Leadership Team receive a report covering each service setting out spending to date and projected to the year-end. Action plans are utilised to manage and minimise any significant variations.

The capital programme is also monitored in the quarterly budget monitoring report and a specific capital focussed performance report is provided to the leadership team quarterly. The capital programme is actively managed with requests for slippage challenged, expenditure brought forward where necessary and schemes decommissioned where necessary. There is a robust process for the submission and prioritisation of capital bids

In relation to Value for Money, the Council is continuing to test its performance in terms of economy, efficiency and effectiveness and has arrangements built into its key commissioning and partnership arrangements. This principle is particularly important given the current level of risk and uncertainty.

Key Accountabilities

Budget holders/service managers are accountable for managing and reporting the performance of services or contracts, and ensuring that mechanisms are in place to give assurance that the data used for reporting is robust, and that performance is reported at an appropriate frequency.

An important part of a budget holder's responsibility for resource management is to ensure that spend is targeted at the Council's desired outcomes and to seek positive assurances that spend and income is compliant with Council's policy and procedures, financial rules and regulations, and that services and contracts are operating at an agreed standard to contribute to delivery of outcomes. Budget holders/service manager are accountable for:

- **Delivering agreed service outcomes** within the Commissioning Plan, relevant service plan and other plans within the performance management framework.
- **Monitoring the budget** (both capital and revenue allocations) and performance **on a regular basis**.
- **Identifying and reporting overspends and underspends and performance exceptions** at the earliest foreseeable date in line with corporate reporting requirements.

Robustness of Estimates and Adequacy of Reserves

Key Accountabilities (continued)

- **Managing resources** in line with Council procedures and requirements, in particular the Council's HR policies and project management guidance.
- **Complying with the Council's Contract Procedure Rules and Financial Regulations** (including seeking positive assurance within the service over their operation through review and testing).
- **Ensuring that all financial transactions are properly authorised** and coded in accordance with Financial Regulations and Report any control breaches.
- **Delivering value for money** in your service area through continuous improvement activity to capture and report on efficiency gains including improved outcomes at no extra cost.
- **Working closely with Resources** to ensure that decisions are made in a timely way, based on robust financial and management information, are risk assessed and have resources allocated before commitments are made.

During 2020/21, the Council introduced a Star chamber process whereby the administration and leadership team worked together closely to discuss and challenge budget decisions and the allocation of resources.

Partnership governance

The Council has numerous partnership agreements with significant levels of contractual budget arrangements. There are risks associated both with the financial management arrangements and in terms of delivering the outcomes which have been agreed between both parties. Strategic and operational governance and monitoring arrangements are put in place to ensure that members and officers receive assurances that where risks are identified, mitigating actions are in place to address them. The Council's key partnership arrangements will be subject to regular review throughout the MTFP period.

Treasury management

The Council has adopted the CIPFA Code of Practice for Treasury Management and has a Treasury Management Strategy which sets security as the primary principle to mitigate against current instability within financial markets. Risk is mitigated by effective treasury management procedures, scrutiny by the Audit and Governance Committee, engagement of external advisors and monthly review and challenge by S151 officer on Treasury activity.

Robustness of Estimates and Adequacy of Reserves

Financial resilience assessment

Local context must be taken into account when forming an overall picture of financial resilience. Whilst the view is that Council's financial strategy is sustainable, it must still be tested. This includes an analysis of future demand, performance, a focus on the key longer-term revenues and expenditure and the key risks to which the Council will be exposed to.

A resilient financial plan is built around a strong local taxation base, less reliance on government funding grants, defined service expenditure and adequate reserve levels. For North East Lincolnshire Council, local taxation represents the majority of total funding, with a significant proportion of this coming from Council Tax which allows the greatest level of local determination.

The key conclusions from the Council's assessment of financial resilience include:

- Local taxation, as a proportion of total funding, has been steadily rising over time. A strong tax base, both in numbers and price, is a key element of sustainable funding. We have seen a cumulative increase in Council Tax of 18.03% since 2009/10. This compares to an increase in the consumer price inflation (CPI) index of 25.3% since 2009.
- The General fund as a percentage of net current expenditure is in line with the national and unitary council average. Whilst the Council's earmarked reserves are reducing, the general fund provides resilience. The General Fund, as a percentage of net current expenditure is currently 3.78% in 2020/21.
- There are a number of significant and complex schemes approved in the capital programme. These require considerable negotiation and project management. Whilst delivery of them is vital, it is recognised they have long term delivery profiles which can move significantly. The re-profiled Capital Programme is steadily growing year on year with it standing at £59 Million in 2020/21.
- Projections show that the 65 year olds and over 80 year old population is growing. At the end of the latest MTFP period, projections show the over 65's to reach 22.21%, and 6.17% for the over 80's. The projections for North East Lincolnshire follow the same trend as both the Yorkshire and Humber and England. However the percentage of older people within our area remains higher than average for both.
- At the end of the current planning period, projections show the number of young people (aged 0-19) remain stable. Children Looked After (CLA) numbers continue to put pressure on Council budgets. CLA numbers risen by 427 since 2010. This is a key challenge for the Council.

Robustness of Estimates and Adequacy of Reserves

Conclusion

There is a clear understanding of the duties of the Council's statutory Financial Officer and the implications of them being exercised are fully understood.

The proposed budget for 2021/22 is considered to be based upon robust estimates and supported by an adequate level of reserves given the risks the Council currently faces. Indicative budget allocations for 2022/23 and 2023/24 are also considered to be reasonable based upon planning information available at the present time. Whilst deficits are currently forecast over the medium term these will be addressed as part of next years budget round. Clearly though there is increased risk and uncertainty relating to the future of the local government financial model and the impact that other external factors, including the continued impact of COVID-19, will have on the Council's finances and the wider economy.

Whilst the commissioning plans contain challenging actions, they have been risk assessed and will be subject to continuous monitoring by the Council's leadership throughout the year. Well established budget monitoring processes are in place which include arrangements for the identification of variances and implementation of remedial actions where necessary.

Sharon Wroot

Executive Director – Environment, Economy and Resources

Impact Assessment

Assessments

Public bodies have a duty to promote and deliver on equality and the council has to publish an annual report on how it has met this duty – **Equality Assessment**

Any public body that collects stores and processes personal data has a duty to ensure it does so in line with legal requirements – **Data Protection Assessment**

To look after and make best use of our assets such as Agriculture; Fisheries; Energy; Industry; Transport; waste management; water management; telecommunications; tourism; town and country planning and land usage – **Strategic Environmental Assessment**

The impact assessments need to take place before reports are submitted for information/decision. Failing to work within the law on these issues will put the council at risk of legal challenge. Furthermore, they are designed to protect and enhance the rights and lives of citizens, so it is vital that they are considered properly.

The decision making process

The pre-budget consultation and engagement exercise has sought views from all Members, the public, local businesses, key partner organisations and other stakeholders on the Council's draft budget. The Council is committed to its legal and legislative requirement

Cabinet will consider the results and outcomes of the consultation and of all relevant impact assessments to support informed recommendations regarding the Council's budget and priorities

The full Council meeting in February 2020 will make decisions on the Council's Budget for 2020/23 based on recommendations from Cabinet

Council and Cabinet will take into account feedback from all consultation when making its decisions.

In addition, reports to cabinet and council also require evidence that equality has been considered and responded to where necessary.

When developing proposals Officers of the Council undertake impact assessments for individual budget proposals. Budget options are reviewed as the pre-budget consultation evolves, using the consultation feedback received. The pre-budget consultation is the key process to inform the budget decision making process and Officers of the Council undertake specific consultation in developing and implementing the budget proposals approved, where appropriate.

Impact Assessment

The draft budget reports are published on the Council's website, along with any background papers as appropriate.

Everybody living, working, studying, visiting or otherwise engaged with North East Lincolnshire Council may be potentially affected by the Council's and its budget plans

This includes businesses, employees of the Council, Unions as well as, partners, contractors and other stakeholders

Some efficiency savings may impact on staff and this could lead to redundancies and changes in service provision

Where there are changes to the level of service received by the public, consultation will be undertaken and all those affected will be consulted with and able to have a say in the process

Financial decisions

The Council has access to resources which are limited by statute and democratic processes, so service provision is constantly being reviewed to secure value for money and remain affordable. Ensuring financial resilience will often mean changes in the services provided and how they are provided, who they are delivered to and who receives the services

When making decisions that may affect people the Council will aim to ensure that their views are sought and considered so that we can understand the impact of decisions, what matters to them, what they consider as priorities, what areas are in need of improvement and how the choices made may impact on their lives

The budget proposals that may lead to investment, re prioritisation or efficiency savings and/or potential changes in service provision are screened for impact against the protected characteristics groups.

Where proposals involve staff changes and rationalisation, appropriate consultation in line with Council policy will be followed and monitored for any disproportionate and adverse impacts on individual groups

Business Delivery & Commissioning Proposal Templates

2021/22

In 2016 the Council agreed an Outcomes Framework and Commissioning Plan which outlined our approach to achieving our key priorities – stronger economy and stronger communities. The approach is underpinned by the Council's operating model.

The outcomes framework is the means by which our priorities will be translated into action and delivered, developed and achieved in conjunction with our strategic partners. This is intended to drive a culture of evidence-based decision-making that enables members to take informed decisions, knowing the risks and the opportunities for citizens, communities and businesses. The five outcomes are that all people in North East Lincolnshire will:

- Enjoy and benefit from a strong economy
- Feel safe and are safe
- Enjoy good health and well being
- Benefit from sustainable communities
- Fulfil their potential through skills and learning

The commissioning model is essentially about evidence-based decision making, based on good quality data and insight driven intelligence that enables us to deliver the right outcomes at the right cost. It is an on-going and inclusive process of strategic activities which determine where and how best to deploy the resources available. We are continuing to develop and refine our approach to commissioning, particularly in terms of working more closely with our partners to co-produce solutions, and understanding where it makes sense for the Council to enable others to deliver services in a more cost effective and responsive way. The Commissioning Plan enables us to decide how best to use the total resources available in order to achieve our outcomes in the most efficient, effective, equitable and sustainable way.

In 2017/18 the Council changed its financial planning processes from the traditional approach to addressing shortfalls via savings cuts, to take a more strategic view aligning our financial resources to our vision and priorities. The financial planning process now takes a more sophisticated approach which maintains a focus on cost control and efficiency of delivery and also takes a more commercial view, building on economic development ambitions and aligning financial resources to priorities.

As in previous years, financial envelopes have been established for each outcome area. The current one year budget settlement from Central Government has enabled us to make additional investment in priority areas which is detailed within each plan. The plans identify opportunities, to be delivered within the budget envelope, which will contribute to the delivery of our outcomes and ensure the on-going financial resilience of the Council. The plans also highlight associated risk of non-delivery and progress made to date. A proposal, once approved, will be subject to an appraisal process, in line with our commissioning approach and are subject to the Council's normal governance and decision making principles.

The proposals that have been developed for 2021/22 cannot ignore the impact that Covid-19 has had on delivery of previously agreed plans. The requirement for us to move into emergency response inevitably impacted on much of our planned activity, and both the financial impact and other resource impacts will be felt for months and years ahead. But the emergency response has also accelerated activity in some areas; for example, by building on the successful relationships built with partner organisations to support the most vulnerable people in North East Lincolnshire.

Contents

Adult Services	Page 3
Children's and Family Services	Page 26
Public Health and Leisure	Page 39
Economy and Growth	Page 70
Environment	Page 85
Corporate and Democratic Services	Page 98

Business Delivery and Commissioning Proposal Template 2021/22

Adult Services

Section 1 – Summary of areas covered by this proposal and related priorities

The areas of service covered by this proposal are adult social services and disabled facilities grants.

The following services are included:

- Single point of access (SPA)
- Home based care and support (domiciliary care)
- Residential care
- Intermediate care
- Extra care housing
- Supported living
- Rehabilitation
- Aids and adaptations (assisted living)
- Carers' support services
- Mental health and learning disability residential and day services
- Day care
- Specialist community transport
- Safeguarding
- Preventative services

Adult social care has been commissioned by North East Lincolnshire CCG under delegated arrangements. This means that all services, including the social work function, are contracted out to third party providers and that operational decisions are made by the CCG. In the current year, key priorities included the completion of Burchester Court 60 unit extra care housing scheme, the implementation of the review of fees and charges, progress on the getting better value from care programme and implementation of the new support at home contract and model. Due to the COVID-19 pandemic, significant attention has been placed on ensuring that care services are working towards new guidelines on the prevention of infection and the spread of infection. We have put in place a robust infrastructure to support the care economy in North East Lincolnshire which has included the

implementation of provider sustainability measures, the administration of new funding streams (Infection control funding) and enhanced support to care homes. All care packages have had to be prioritised for delivery and providers have had to develop business continuity plans to reflect extreme and long-term impacts of service disruption due to COVID-19. This represented the difference between the amount of care packages commissioned and the amount of budget provided. The short term impact of COVID-19 on budgets has been difficult to quantify. Some service users chose not to accept face to face calls and made alternative short term arrangements for support. Providers were compensated for these changes to their activity to ensure the continuance of their businesses. Health funding contributed to the early packages of support that were put in place to enable people to return home from hospital to free up capacity for patients with the most severe COVID-19 symptoms. Patterns of service demand in the year have not followed usual or known trends in activity and more recently there has been a sharp increase in the number of long term residential care placements, which will impact on future years' budgets.

In the earlier part of the year, a focus on preparing the system to respond to COVID-19 and protecting our more vulnerable citizen's and care workers from the infection meant that was not possible to give attention to the implementation of change programmes to ensure budget delivery – specifically the reablement review, getting better value from care, day opportunities and preparation for adulthood programmes.

The 20/21 budget overspend position is £1.1m as at Qtr 3 due to increased financial pressure in the system. The most significant additional costs have been provider sustainability measures to reflect the increased costs of care, predominantly driven by the requirement for PPE (before this was funded by other funding streams) and additional staff to cover increase absences and achieve the standards of care required by government guidelines.

As highlighted, the service activity in some of our more significant areas of spend (care at home, residential care) has not settled into normal/usual activity trends and it is probable that there will be further significant budget pressures before the end of the financial year. In year we have mitigated the overspend position through the addition of health monies, in particular to support hospital discharges into care. All packages of care agreed in the first two quarters of the year will have to be reviewed to ensure that the on-going funding support is appropriately allocated to either health or social care budgets.

The peak of the second wave of the pandemic has resulted in more cases of COVID-19 amongst care workers and vulnerable adults. Whilst many of the people affected have recovered from the illness, the longer term impact on the older and vulnerable population is not known. This could lead to more people requiring social care support in future years. As part of the budget planning process, we have assumed that this risk will be funded by further government funding support.

Adult social care budgets are complex and there are significant costs associated with known pressures. These include:

- 1) The current in year pressure
- 2) The impact of national minimum wage changes on contracted providers, since the majority of the adult social care workforce are in lower paid jobs.
- 3) On going cost increases to providers, for example insurance premiums
- 4) Demographic change – with increased life expectancy more people will require care and support in older age and have more complex needs which increase over time. Demographic change also includes an increase in the number of younger people with complex disability becoming adults with long term needs for care and support. These higher care costs are significant and will remain with the council for the remainder of the adult's life. National research shows that this is the most significant contribution to long term care costs.
- 5) Complexity – more people's needs are complex, increasing in complexity over time and requiring higher cost packages of support

In the current context it is harder than in previous years to quantify the likely budget pressure since activity levels are not following usual patterns and the longer term impact of COVID-19 is not known.

Care packages supporting people discharged from hospital during the pandemic and supported by health funding will be reviewed over the coming months; this may result in some people retaining health funded care and others being supported in adult social care. This may add to the pressures in adult social care and is a risk to delivering a balanced budget in future years.

Section 2 – Update on previously agreed plans/programmes/proposals

Project title	Outcomes being sought	Milestones	
1) Rehabilitation and reablement review	The purpose of the review, which was started during 2019-20 is to ensure we have a flexible and responsive health and care system. The aim will be to ensure that the system operates offer efficient and effective re-ablement,	Service re-design aims identified	April 2020 - completed
		Commissioning intentions developed	June 2020 - completed

	reducing reliance on long term care packages and formal services. This will offer greater independence for service users as well as providing savings to the adult social care budget. During the next year the rehabilitation and re-ablement review will progress to its service re-design phase and propose new models and options for commissioners.	Provider engagement and specification development	June 2020 – October 2020 - completed
		Implementation planning and early wins	Cambridge park accelerated due to COVID; 38/52 beds now operational (Previous target October 2020 – March 2021)
2) Getting better value from care (amalgamation of <i>high cost placements/transitions</i> work in previous budget round)	This work commenced in 2019 and will review outcomes and value for money through a systematic review of care packages over £50k per annum. Following completion of this initial phase of work, lessons learned from the process, including new service models will be taken forward where possible. A second phase of work will then commence looking at the review of placements between 30K and 50K. Taken together with the rehabilitation and re-ablement review this should see a significant increase in value for money and enable us to meet some of the demand pressures within adult social care.	Phase 1 reviews completed and benefits realised	Target date end May 2020; 49/152 cases reviewed £662K saved on 34 packages; 15 packages increased by £767K reflecting complexity; programme suspended due to COVID
		Phase 2 reviews commenced/completed	Target date June 2020 – March 2021 – Programme suspended due to COVID

		Identification of market gaps and opportunities together with children's services and the development of forward strategy for complex individuals	Target date March 2021 - March 2022; Initial scoping work commenced; programme suspended due to COVID
3) Preparation for adulthood	We want to work more effectively with children's services to offer a more holistic approach to families that need more support to remain together, safe and within their own communities. This work is challenging our children's and adults' services to work more holistically together to prevent future needs for care and support and build resilience within families, and especially for those people who may have experienced early childhood trauma. This work also needs to ensure that the cost impacts of children transitioning to adult services are mitigated at an earlier stage through stronger and more robust case work and commissioning. We are collaborating with other councils in the region on the development of practice in this area.	Completion of transition audit work with conclusions and lessons learned	March 2020 – completed and shared with safeguarding boards
		Identification of gaps in transitions processes and action plan to improve	Target date - June 2020 – part completed but work suspended due to COVID
		Identification and targeting of joint work to complex cases	Delayed implementation due to challenges in children's service target date November 2019 – April 2020;

4) Supported living review	Some of our supported living placements will be part of the review of the getting better value from care approach; we want this more detailed review to fundamentally challenge the mix and quality of provision and to ensure that where possible we plan for a more diverse service offer that is more resilient to changing needs within the population. This work commenced during autumn 2019/20 and will identify opportunities for improved efficiency, effectiveness and reduced cost to the adult social care budget.	High level review of services, support and identification of contractual issues	October 2019 – June 2020 – completed; voids levels reduced and non-cashable efficiency delivered
		Identification of service gaps and opportunities for service development and recommendations for action	Target date - April 2020 – June 2020 – plan in place; partial implementation including the development of a supported living plus model; implementation of Convamore road scheme
5) Social work practice development	a) Adult social work practice is fragmented across a range of agencies which is leading to inconsistent practice. From a user perspective these inconsistencies can give rise to inequitable treatment and inconsistencies in care planning and	Preparation of detailed case for change and feasible options for delivery	Target date - January 2020 – June 2020 – suspended due to COVID

	<p>consequently delivery. It also leads to a proliferation of assessments and duplication of processes. We will consider a business case for change in the way in which social work practice is delivered to make best use of our resources. We also need to consider the best way to deliver workforce capacity to support to the new liberty protection safeguards process. This proposal should in the longer term strengthen decision making and casework to ensure better management of resources.</p> <p>b) From the adult services review, duplication and overlap between services was identified, leading to inefficiency.</p>	Provider engagement around case for change and options	Target date March 2020 – June 2020; Initial conversations started but work suspended due to COVID
		Decision making regarding preferred option and delivery plan prepared	Target date September 2020 – December 2020 – work suspended due to COVID
		Implementation phase	Original target date during 2021 will need to be revisited
6) Residential care quality improvements	<p>Following the fair cost of care exercise we need to work with residential care providers to ensure sustainable high quality care is delivered in the borough. We will develop a more systematic approach to assuring quality and ensuring that the care offer within and around care homes reduces the rate of accident and emergency attendances and acute hospital</p>	Actions following cost of care exercise to ensure all contracted care homes meet the required contractual standards	April 2020 - Completed
		Development of framework for quality improvements	April 2020 – July 2021 - Completed

	admissions. This may offer a saving to health care services and will improve service users' wellbeing but will not deliver a cashable saving to adult social care.	Development of community service models and primary care networks to support care homes and demonstrate impact on hospital attendances	April 2020 – April 2021 – part progress; PCN DES in place but enhanced service model needed to support care homes during COVID;
7) Implementation of new support at home model	Following the pilot phases of the new “teams not times” model, we will commence a full borough wide roll out of a new support at home service under a new contract. The aim of the service is to ensure that care and support can be delivered flexibly to meet users' needs and outcomes, that support at homes services is an integral part of the health system, and that it plays a more effective role in the hospital discharge process. The model will also ensure that people can be linked to activities and support within their own communities. The re-modelled service will provide better quality, sustainable support to people living within the community and should	Tendering process completed with new providers identified	Dec 2019 – Jan 2020 - Completed
		Contract mobilisation and service launch	Jan 2020 – June 2020 - Completed

	<p>delay the need for long term care, but will not deliver a cashable saving to the adult social care budget. There is scope to reduce costs to the health system through avoidable admissions to the acute hospital and by delivering an efficient discharge to home following hospital episodes.</p>	<p>Service development and on-going managements and evaluation of impact</p>	<p>June 2020 – Contract end date; Performance measures in place; off contract spend reduced by £40,000; enhanced support at home model in development as part of COVID response</p>
<p>8) Extra care housing programme delivery</p>	<p>Our site at Winchester Avenue, providing 60 units of extra care housing will be completed in June 2020 and is an “invest to save” approach which will see people being supported to live independently for longer and reduce the need for residential care. Options to mitigate further delays to the delivery of the Davenport Drive site (90 units) pending the identification of an alternative, suitable playing pitch strategy, will be pursued. This will include exploration of new sites and bringing forward the final scheme required to complete the planned programme. Whilst ECH will avoid some of the costs to the adult social care budget and help to meet demand,</p>	<p>Completion of build at Winchester Avenue (Burchester court)and first fill</p>	<p>June 2020 – September 2020 - Completed</p>
		<p>Identification of alternative sites to complete programme</p>	<p>April 2020 – options being explored at Western Site, Scartho and Humberston; Davenport Drive scheme may now be progressing to</p>

	it will not offer a cashable saving to the adult social care budget.		planning application
9) Managing demand – information advice and guidance	As part of our efforts to improve access to information and sources of self-help, to prevent the need for care and support, we will implement a new system to enable the development of a single point of information. Working with the voluntary and community sector, we will improve the way in which people can access to information about alternative sources of support within their communities. We will also explore the opportunity to develop community led local advice and support hubs. This will help to mitigate some of the demand at the front door but will not deliver a cashable saving to the adult social care budget.	System development	April 2020 onwards – launch of LiveWell site completed
		Allocation of resources via iBCF to enable community hub development	Scheme paused due to COVID and due to iBCF allocation being included in baseline budget; to explore options via preventative services market development board

10)Implementation of the liberty protection safeguards (formerly DOL and DOLS)	<p>We will work towards the implementation of the replacement legislation and guidance for DOL and DOLS. This will include ensuring the appropriate workforce capacity is in place as well as relevant systems, processes, guidance and training. To contain the cost of social care delivery within the budget envelope, it will not be possible to clear the backlog of applications. However we will continue to prioritise processing based on an assessment of risk.</p>	<p>Development work on going in conjunction with government departments</p>	<p>Timescales dependent on new guidance being published during 2020; Implementation likely to be into 2020/21 or later; Still awaiting government guidance</p>
11)Day opportunities and specialist community transport review	<p>A review will be commissioned to look at how we make best use of resources to enable people to access support to meet their social needs as an alternative to day-centre based activity. Linked to this we will examine how our specialist community transport can be re-configured to offer a more flexible and responsive service for people with complex needs.</p>	<p>Outline brief developed for phase 1 (older people's day services)</p>	<p>May 2020 – deferred due to COVID</p>
		<p>User insight work completed for phase 1 including transport needs assessment</p>	<p>September 2020 – delayed due to COVID, recommencing December 2020</p>
		<p>Options development and appraisal</p>	<p>September 2020 – April 2021 – timelines will need to be reviewed</p>
		<p>Implementation planning and transition to new models</p>	<p>April 2021 – March 2022 – timelines will need to be reviewed</p>
		<p>User insight commences for phase</p>	<p>April 2022 – timeline will need to be reviewed</p>

		2 (disability day services)	

Section 3 – Budget information

Service	Proposed 2021/22 Budget (£000's)				
	Gross Expenditure		Gross Income	Service Budget	Budgeted
	Pay	Non-Pay		Envelope	FTE
	£	£	£	£	
Adult Social Care	0	49,259	(730)	48,529	0
Director of Adult Services	116	2	(117)	1	1
Prevention & Wellbeing	0	242	(95)	147	0
	0	0	0		
Overall Total	116	49,503	(942)	48,677	1

Current pressures

<i>Adult Services -</i>	21/22 £000s
COVID impact on existing transformation programme	450
*Inflationary fee uplift (estimated at Sept 2020)	950
Opening budget overspend 20/21 carried into 2021/22	1,600
**Complexity of cases (estimated at Sept 2020)	250
**Transitions from children's (estimated at Nov 2020)	731
Legal Services support	100
Total Adult Services	4,081

***This figure will be adjusted in the light of government announcements and following provider engagement during December 2020**

****These are best estimates at the time of preparing the commissioning template and may change, particularly due to the impact of COVID-19**

Capital Budget

SCHEME	2020/21 Approved Capital Programme £000's	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Adult Services				
Disabled Facilities Grants	2,738	3,270	2,964	2,685
Social Care - Better Care Fund	10	0	0	0
TOTAL	2,748	3,270	2,964	2,685

Section 4 – New plans/programmes/proposals

Proposal	Saving		
	2021/22 £'000	2022/23 £'000	2023/24 £'000
1) Rehab/reablement review.	TBC	TBC	TBC
2) Getting better value from care programme.	100	100	100

3) Supported Living Plus	0	300	300
4) Review of social work practice and ASC commissioning	TBC	TBC	TBC
5) Extra care housing programme	0	0	0
6) Deliver liberty protection safeguards	0	0	0
7) Day opportunities review and community transport review	TBC	TBC	TBC
8) Provider Savings	75	75	75
9) Navigo - end Floral Hall service end lease on Floral Hall cease support to homeless night shelter Savings through partnership delivery of Tukes Recovery College	68	68	68
	12	12	12
	16	16	16
	24	24	24
10)CPG – Reduce allocation of funding to adult learning disability service (social care element) and reduce allocation of funding to employability and supported employment service.	26	26	26
	22	22	22
11)Reduce CCG running Costs charged to adult services budget	100	100	100
12)Review health contribution to learning disability support	TBC	TBC	TBC
13)Respite charging review.	TBC	TBC	TBC
14)Delivery of single handed care project.	TBC	TBC	TBC
15)Optimised use of DFG to support community equipment up to £500k (expenditure meeting criteria is estimated)	300	0	0
Total	742	742	742

Project title	Outcomes being sought	Milestone
1) Rehabilitation and reablement review	The purpose of the review, which was started during 2019-20 is to ensure we have a flexible and responsive health and care system. The aim will be to ensure that the system offers efficient and effective re-ablement, reducing reliance on long term care packages and formal services. This will offer greater independence for service users as well as providing savings to the adult social care budget. During the next year the rehabilitation and re-ablement review will progress to its service re-design phase and propose new models and options for commissioners.	Cambridge park up to full operating capacity and system benefits/savings understood and realised June 2021
		Phase 2 of rehab review (community based) - dates TBC as dependent on COVID-19
2) Getting better value from care (amalgamation of <i>high cost placements/transitions work</i> in previous budget round)	This work commenced in 2019 and will review outcomes and value for money through a systematic review of care packages over £50k per annum. Following completion of this initial phase of work, lessons learned from the process, including new service models will be taken forward where possible. A second phase of work will then commence looking at the review of placements between 30K and 50K. Taken together with the rehabilitation and re-ablement review this should see a significant increase in value for money and	Phase 1 reviews completed and benefits realised; date dependent on COVID implications
		Phase 2 reviews commenced/completed

	enable us to meet some of the demand pressures within adult social care.	Identification of market gaps and opportunities together with children's services and the development of forward strategy for complex individuals;
		Identification and targeting of joint work to complex out of area cases
3) Supported living plus	Delivery of a "plus model" for supported living clients to enable the diversification of the local housing and support market in NEL, reducing reliance on out of area placements	Identification of service gaps and opportunities for service development and recommendations for action
		Scheme 1 delivered

4) Social work practice development/adult social care commissioning	The council delegated social work functions to the CCG. With the union arrangements in place and changes to NHS services the council needs to consider whether this model of social work is fit for purpose. As a result of previous arrangements, social work practice is fragmented across a range of agencies which is leading to inconsistent practice. From a user perspective these inconsistencies can give rise to inequitable treatment and inconsistencies in care planning and consequently delivery. It also leads to a proliferation of assessments and duplication of processes. Planned NHS service changes creates the opportunity to review adult social care commissioning arrangements. We will consider a business case for change to make best use of our resources.	Preparation of detailed case for change and feasible options for delivery January 2021
		Provider engagement around case for change and options Spring 2021
		Decision making regarding preferred option and delivery plan prepared
		Implementation phase
5) Extra care housing programme delivery	Delivery of further 2 x 90 bed schemes	Submission of planning application for Davenport Drive site March 2021
		Deliver 1 x feasibility study for additional site June 2021
6) Implementation of the liberty protection safeguards (formerly DOL and DOLS)	We will work towards the implementation of the replacement legislation and guidance for DOL and DOLS. This will include ensuring the appropriate workforce capacity is in place as well as relevant systems, processes, guidance and training. To contain the cost of social care delivery within the budget envelope, it will not be possible to clear the	Implementation likely to be into 2020/21 or later; Still awaiting government guidance

	backlog of applications. However we will continue to prioritise processing based on an assessment of risk.	
7) Day opportunities and specialist community transport review	A review will be commissioned to look at how we make best use of resources to enable people to access support to meet their social needs as an alternative to day-centre based activity. Linked to this we will examine how our specialist community transport can be re-configured to offer a more flexible and responsive service for people with complex needs.	Outline brief developed for phase 1 (older people's day services) and User insight work completed for phase 1 including transport needs assessment
		Options development and appraisal
		Implementation planning and transition to new models April 2022 – March 2023
		User insight commences for phase 2 (disability day services)
8) Provider savings (Focus)	Efficiency savings generated from review of direct payment support/improved systems	Development pre-paid card system of spec for direct payment support – June 2021
9) Provider savings (Navigo)	Re-provide Floral hall service – lease cost removed and staff team Navigo occupies the Floral Hall buildings in People's Park under a lease with the Council. Floral Hall plays a key role in providing meaningful social activity and engagement for a range of services users who are and who will remain outside of the employment market either due to their age or due to the severity of their mental	Engagement with service users underway regarding alternative opportunities and staff discussions taking place regarding alternative employment

	<p>health condition. This includes a range of activities including horticultural therapy, walking groups, etc. Impacts on People's Park from having this large set of glass buildings empty - it would reduce the range of activities available to the public in the Park and may well attract additional vandalism. Floral Hall currently acts as a place where Access visits can take place. The Floral Hall is used by the more vulnerable clients who access Tukes for meaningful occupation of their time, engaging in therapeutic horticultural & woodworking activities, the closure of the Floral Hall will initially impact around 37% of our long term horticultural attendees. These services users can be supported with alternative activities at the garden centre owned by Navigo.</p>	
	<p>Cease mental health caseworker support to night shelter. This post was established to work with the hostels and homelessness service to ensure that service users under the Care Programme Approach were supported into accessing stable accommodation (one of the key national performance indicators for local mental health services).</p> <p>The post is currently vacant so redundancy costs will not be payable but clear protocols would need to be put in place to ensure that the needs of people with a serious mental health conditions are being met within the wider homeless support system. It will remove the mental health support to</p>	<p>Post is currently vacant.</p>

	<p>Harbour Place and other partners working with those experiencing homelessness.</p> <p>User impact – many individuals with mental health, both our local population and those that present in North East Lincolnshire end up homeless and requiring urgent assessment especially when our partner services raise concern. Over the last 3 years, 142 service users discharged from NAViGO were classed as homeless at a point in their care and received a period of treatment. 17% were in more settled accommodation when they were discharged.</p>	
	Partnership Delivery of Tukes Recovery College - currently Tukes provides an internal provision of dyslexia screening, bespoke literacy, numeracy, ICT training and a portfolio of in-house certificated training programmes delivered via a blended learning approach. This supports 15-20 service users at a time. Alternative provision can be made in partnership with Lincoln College;	Formal consultation with users and staff member regarding alternative service provision
10) Provider savings (CPG)	Reduce allocation of funding to Employability and Supported Employment service which currently supports c.125 service users.	Review current operations to identify measures to deliver funding reductions aimed at minimising impact on service users. Formal consultation with service users will need to be undertaken prior to any service changes.
11) Provider savings (CPG)	Reduce allocation of funding to Adult Learning Disability service (social care element) which currently supports 1,932 referrals/10,523 face to face contacts/6,185 non face to face contacts	Review current operations to identify measures to deliver funding reductions aimed at minimising impact on service

	<p>(2019/20). Potential for cost increases to other parts of the health and care system - individuals may require additional social care support and increased health provision.</p> <p>Review out of area placements and support the development of local support services</p>	users. Formal consultation with service users will need to be undertaken prior to any service changes.
12) Partnership savings: reduce CCG service charge to ASC budget	Through negotiation and review of support to ASC reduce the service charge to the ASC budget; to be considered together with ASC commissioning review (4)	Negotiation with CCG
13) Review health service contribution to learning disabled clients	Undertake a review of all learning disability packages of care to examine whether there is scope to enhance the level of funded support from health budgets	Create business case for “investment to save” in focusing on appropriate support for learning disabled clients
		Benchmarking data to be obtained from comparable councils with regard to the split of ASC/health funding
		Subject to business case, programme of case reviews to be undertaken commencing April 2021 – April 2022
14) Delivery of single-handed care project	Reduce the number of care packages reliant on two carer calls through a programme of training in relation to handling techniques and the use of aids and adaptations	Recruitment of OT support to commence work programme in January 2021 with benefits realised from April 2021
15) Review of respite charges	Following the cost of care exercise and charging review there is a need to consider the base charge	Devise community consultation questionnaire and run public

	for residential respite and how means testing will be applied to that	consultation on options April 2021 – June 2021
		Cabinet and scrutiny consultation
		Decision making
		Policy implementation from April 2022
16)Optimise the use of the DFG budget	Explore options for alternative uses of the DFG budget	Recommendations to cabinet during budget process Feb 2021 for implementation in April 2021

Section 4 – What are the outcomes that we are seeking to achieve within the budget envelope? What is the anticipated impact of the plans?

We are seeking to optimise the use of resources across the range of different adult needs and complexities by focusing on maintaining and regaining independence. Where it is practicable and feasible to do so we are aiming to reduce dependence on traditional service models and to maintain people safely in their own homes and preferably within the borough.

Section 5 – What are the risks and opportunities associated with the proposals?

Risks

General:

Adult social care has faced significant cost pressures. Due to the impact of COVID-19, the forecast overspend is currently £1.1m (Qtr 3).

The council has statutory duties to meet eligible need defined in the Care Act 2014. In the current climate, provider sustainability is threatened due to additional costs attributable to COVID, which include staff cover, infection control measures and volatility

within the care market and due to an underlying low fee rate. Not all of these costs have been covered by the additional funding received by the council as part of the COVID-19 response. Fluctuating demand due to COVID-19 presents a significant risk to care providers when there is surplus capacity in the market.

Specific risks:

Some of the proposals are dependent on individual case decisions e.g. the split of health/ASC funding per package, review of higher cost placements, decisions on transition from children's services.

Some proposals will have an impact on other council revenue sources e.g. Floral hall lease agreement

There may not be public support for some of the changes proposed e.g. implementation of pre-paid cards for direct payments, respite charging, and alternatives to centre based day opportunities. There is also a risk that alternative approaches do not deliver a cost saving in the short term. For example the review of social work practice/adult social care commissioning may cost more in the short term, but bring wider benefits of more direct control over decisions, as well as a more coherent approach to social work practice and service delivery.

Initiatives such as the rehabilitation and re-ablement review are dependent on effective commissioning by the NHS partners. Without the required level of community re-habilitation, there is a risk that users' independence may be compromised leading to greater use of health and care support. The Cambridge Park re-habilitation service will provide system benefits such as reduced length of hospital stay. However, this may not realise a cost saving to the council.

Opportunities

There are opportunities to explore alternatives to traditional services. For example, better connectedness between communities and voluntary services may enable people to access social opportunities closer to their homes and on a more regular basis at lower cost than traditional day centres. Alternatively it may be simpler and easier to promote the option of direct payments to support access to activities, investing instead in maintaining wider range of social, work based or volunteer opportunities.

The council may wish to consider initiatives to develop or directly deliver services within the borough, rather than using out of area placements. For example, providing accommodation and support for people with learning disabilities within the borough may help to stimulate employment opportunities for specialist workers in the area, assist with regenerating parts of the borough and enable people to remain close to their friends and families. Digital delivery and direct purchase of services by clients may be a more streamlined and lower cost way of delivering support for some people.

Business Delivery and Commissioning Proposal 2021/22

Children and Family Services

Section 1 – Summary of areas covered by this proposal and related priorities

The areas covered by this proposal covers all areas of Children and Family Services: -

- Children's Social Care
- Prevention and Early Help
- North East Lincs Safeguarding Children's Board (NELSCP)
- Special Educational Needs and Disability (SEND)
- Children's Public Health Provision
- Community Safety
- Education & skills

Children's Services have developed a transformation plan that sets out the ambition and priorities over the next 12 – 24 months. The plan identifies several Priorities and actions to be undertaken.

Priorities:

Early Help – Practice Development / Building Partnerships/ community workforce Development & Smarter use of data

Safer – Response to Domestic Abuse/ SCP and Community Safety

Education & SEND – Behaviour and Inclusion / SEND local offer

Mental Health – Support Teams in Education and identifying gaps in provision

Children's Social Care – Placements and Permanence / Participation of Young People/ Delivering High Quality Services

Prior to COVID Children's Services have been on track with the improvements outlined in the Transformation Plan and this has been recognised by the DfE. However, the ability to drive forward many of the changes during the identified timeframe are now at risk due to capacity and external influences, which will have financial implications.

Section 2 – Update on previously agreed plans/programmes/proposals

Review of Community Safety & Youth Justice - (to achieve £105k saving - *Outdoor Learning*)

During 2020 consultation with staff in Community Safety & Youth Justice was undertaken and a revised structure was implemented from the 1st November 2020 enabling the £105k saving to be achieved in year, plus also covering the total reduction of EMR funding to the ASB team, a further total of £60k. This resulted in a reduction of 5FTE staff down from 27.3 FTE to 22.3FTE. This re-structure has enabled a targeted outdoor learning offer to remain which will include the DofE award plus other accredited learning. Discussions with the regional DofE team has also resulted in a number of Academies taking up the broader universal DofE offer directly. The NELC DofE offer is purely targeted and will offer a positive activity programme for children in through care, as care leavers and within children's social care on CIN&CP plans
Covid 19 has not impacted on the ability to undertake this review.

Review of CCTV Provision

During 2020 a Public Space CCTV Strategy and capital investment of £1m was approved by Cabinet. The revised strategy combined with significant capital investment will improve working practices and partnership working and enable the latest digital CCTV technology to be utilised to prevent & detect crime, environmental crime and anti-social behaviour. This in turn will raise public confidence and enhance the personal safety of residents and visitors to the local area. A Strategic, Capital delivery & Operational Group are in place to oversee the procurement and implementation of the CCTV upgrade and wider delivery of the strategy aims and objectives. It is anticipated that the upgrade will be completed in 2021.
Covid 19 has not impacted on the ability to undertake this activity.

Special Educational Needs & Disabilities (SEND)

COVID 19 has impacted our ability to deliver SEND services as we would wish, and has meant we are not in line with meeting some of the government's statutory timescales, as follows:

Due to the pandemic, we have seen a marked increase in the number of requests for Education Health and Care Plans (EHCP) and requests from families wishing to electively home educate (EHE) their children during the pandemic. This has created a significant strain on the capacity of our services who are required to work towards stringent statutory timeframes, to deliver these plans and requests. We are undertaking regular discussions with DfE to explore the guidance and seek solutions to this pressure. The organisation and provision of transport have also been challenging during the pandemic, with social distancing guidance creating difficulties in ensuring we transport our students to school. Other challenges relate to the lack of provision in

the Borough to support our young people, particularly those young people with social, emotional, and mental health (SEMH) needs.

Written Statement of Action (WSOA) :

Progress on the WSOA has continued throughout the pandemic albeit at a slower pace. We have developed strong governance arrangements which oversee the progress on all SEND activities. Some of our successes are:

- The recruitment of a full time Designated Clinical Officer (DCO) to ensure the health needs of children and young people with Education Health & Care Plans (EHCP) are being identified and met. Parents/carers are offering positive feedback and educational settings have welcomed the appointment of a specialist nurse for complex health care needs.
- The design and implementation of a 'working together' co-production strategy across NELC and NELCCG to ensure families and those that provide services work together to make decisions or create a service which works for them all.
- The implementation of the EHCP hub a new online virtual way to streamline the existing EHCP process, which will be significantly more efficient for parents and professionals, than the existing paper-based approach.
- The launch of Valuing SEND, a methodology to help professionals further understand young peoples need and the services they require to meet those needs.
- The WSOA and subsequent peer review has identified a number of Service Change areas where additional resource would be required. Business cases are in development for discussion, however due to capacity these have not been progressed at the pace intended and a revised timeframe is being developed
- The progress of the new local offer on the website has been much slower than we anticipated due to the pandemic as all partner agencies across education, health, social care and community / voluntary sector did not have the capacity to release time to support with the review of information, also the Local Offer Co-ordinator left the authority for a new role just before lockdown which created a gap and again due to the pandemic there was a delay in recruitment to the vacancy which has only recently been appointed to.
- Progress in terms of a review of access to therapy services has been significantly impacted due to the pandemic. Based on national guidance clinical staff were re-directed to support front line hospital services which affected their ability to deliver the service and engage with Commissioners with regard to the review.

Valuing Care, Family Values and the Single Placements Team

The Valuing Care (VC) project has increased activity since 2019/2020. In addition to utilising the Valuing Care needs assessment for our Children Looked After (CLA) to better assess their needs and review their current placements we have targeted our work to children who could step down from residential care inside and outside of the borough into foster family environments. This includes events with external Independent Fostering Agency providers to build relationships in terms of the commissioning of placements and pushing forward matches for those children who can step down. We have taken two cohorts of children through the provider engagement process and are progressing with a further cohort in December 2020, several strong matches for children are being pursued.

The Family Values Project is aimed to increase our inhouse foster care capacity. In North East Lincolnshire we require additional carers to meet the current need of Children looked after that require a family setting and local to their family, school and Community as possible. This Project is currently refreshing the offer to our Carers, updating the training programme to support them and ensure we have the appropriate infrastructure required to ensure safe and effective recruitment, assessment and support to Carers.

Co-location of children's community services to reduce the number of localities buildings, rationalise Family Hubs

Analysis of all Family Hubs has been undertaken and Cabinet considered the recommendations at the January 2021 meeting.

Due to COVID restrictions, all Family Hubs temporarily closed for a period during 2020. This meant that we had to look at alternative ways of supporting families. We have put into place alternative arrangements through a new model of delivery that has enabled us to ensure that families receive the support they need. The arrangements that have been put in place have in fact enabled more families to be supported, particularly some who would have not accessed the Family Hub.

20/21 Budget savings have been met due to the closure.

Impact of Case Closure Project

Although this project closed a number of cases the savings of £405K was unable to be achieved due to the increase in demand over the last year. However this has now been absorbed into the transformation plan activities with the redesign of teams designed to continually drive down statutory work in the system.

Section 3 – Budget information

Children and Family Services					
Service	Proposed 2021/22 Budget (£000's)				
	Gross Expenditure		Gross Income	Service Budget	Budgeted
	Pay	Non-Pay		Envelope	FTE
	£	£	£	£	
Skills	639	113	(344)	408	22
Education	6,810	30,617	(38,878)	(1,451)	140
Safer NEL	2,510	236	(1,375)	1,371	57
Women and Children	3,407	4,570	(7,592)	385	80
Director of Children and Family Services	127	2,446	(32)	2,541	1
Performance and Quality	206	(23)	(47)	136	7
Safeguarding and Early Help	13,245	18,298	(2,828)	28,715	398
Overall Total	26,944	56,257	(51,096)	32,105	705

Current pressures

Children and Family Services -	21/22 £000s
Additional net budget increase requirement which reflects the projected demand in Children's Services taking into account the new trajectories for demand in line with the Improvement and Recovery Plan. (see section 4)	3,857
Total Children and Family Services	3,857

Capital Budget

SCHEME	2020/21 Approved Capital Programme £000's	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Childrens Services				
Schools - Devolved Formula Cap Grant	146	190	0	0
Schools - Backlog Maintenance	317	875	600	600
Schools - Basic Need Sufficiency of Places	289	8,061	0	0
Childcare Management System Inv.	24	0	0	0
Special Educational Needs and Disability Fund	200	290	0	0
Looked After Children	261	100	0	0
Nursery places	5	136	0	0
Liquidlogic	68	0	0	0
Lincs2 Portal System Inv.	4	0	0	0
Service Improvement Education	25	36	0	0
CCTV Review and Upgrade	29	974	0	0
TOTAL	1,368	10,662	600	600

Section 4 – New plans/programmes/proposals – It should be noted that the proposals listed below are needed in order to reduce the budget requirements needed for Children’s Services and these have been reflected in building up the additional budget requirement recorded above.

Summary of savings opportunities (reflected in the net budget increase requirement above)

Reduction of Children Looked After plan

This plan has been in operation since April 2020 and has three main strands of activity to decrease statutory workload and drive cost demand down. We are now starting to see demand into Children’s statutory services be reduced and into the Early Help Hubs for early intervention. This is coupled with a robust plan to drive down numbers in pre court action (those subject to a legal framework) and court proceedings to not remain in care and a series of exit plans to prevent long term CLA costs.

44 children have been identified in Phase 1 for discharge with savings predicted at £1.1m alongside a continued change of practice to ensure children do not remain in care longer than is necessary. The plans are to have a reduction of 60 children with the changes to the Front door in signposting and encouraging families and children to access preventative and family support services.

Commissioning of Safe Families

In 2018 we commissioned Safe Families, a local based organisation that works to support children and Families as part of our early help and prevention offer. They have proved crucial to Children Services by assisting us in appropriately moving children and Families out to assistance in accessing universal services. In 2019 we agreed a 3 -year contract paid for by Education, Local Authority, and the Clinical Commissioning group (CCG). NELC therefore will contribute £30k for this work and is subject to regular contract review with numerical footfall reviewed – (60 Families is the target per annum) and outcomes to reduce the need for statutory services monitored,

Education Provision

We are exploring the development of an SEMH (Social/Emotional & Mental Health) provision within North East Lincolnshire as this is an area of growing demand. This will enable us to provide the education for our children locally and reduce the need to send out of area.

Valuing SEND

Valuing SEND is an approach we use in schools, which seeks to understand the needs of our young people and ensure that we can use those identified needs to commission services to support that ever-growing demand. Valuing SEND, once embedded, will improve the experience of children, young people with additional needs in North East Lincolnshire

Valuing SEND aims to enable this by:

- Developing an overview of the needs of children and young people in receipt of EHCPs,
- Understanding the current places and provision available across the Borough
- Understanding the future numbers of young people, their needs and the current financial spend.

Valuing SEND alongside the new Sufficiency Strategy, aims to provide information for a long-term sustainable plan and approach for specialist SEND places. The strategy forms part of wider plans for Value in SEND and Together for All, to promote inclusivity across all education settings in North East Lincolnshire.

Anti-Social Behaviour (ASB)

This proposal will reduce the level of funding provided by the Council to tackle anti-social behaviour. Any reduction will need to be managed carefully to minimise the impact of the Council's ability to respond and fulfil their responsibilities and utilise statutory powers contained within the ASB Crime and Policing Act 2014 such as Community Protection Notices (CPN), Community Protection Warnings (CPW), Civil Injunctions and Criminal Behaviour Orders (CBO) and support victims of crime and anti-social behaviour.

Staffing Reductions

Wider staffing reductions will be achieved by exploring and implementing alternative delivery mechanisms in targeted areas.

Other Plans / Opportunities

CAMHS

We are currently working with the provider LPFT to extend the contract existing up to 2 years. In 2021 we plan to review the current offer in NEL across all of our Children and Young People's emotional health and wellbeing services to enable us to recommission future services to meet existing and emerging needs, especially in regard to the impact of COVID

Refresh of Domestic Abuse Strategy & Delivery Arrangements

Domestic abuse remains a serious challenge for all Public Sector organisations across North East Lincolnshire. A revised multi-agency strategy with a greater focus on tangible accountable delivery via shared sustainable commissioning arrangements is planned for 2021/22. The strategy will provide a greater focus on prevention and protection for victims and their children, in addition to providing sustainable levels of provision, whilst also continuing to pursue and bring perpetrators to justice.

Section 5 – What are the outcomes that we are seeking to achieve within the budget envelope? What is the anticipated impact of the plans?

Refresh of Domestic Abuse Strategy & Delivery Arrangements

- Domestic Abuse rates, crime rates and % of residents who feel safe remain indicators to support the *Feel Safe and Are Safe* Outcome contained with the North East Lincolnshire *Outcomes Framework*.

Reduction of Looked After Children

- The numbers of CLA in North East Lincolnshire is significantly higher than our Statistical Neighbours. We have a large number of children who with support could be reunified back with their Parents or Families, This programme of work will see all cases reviewed and alternative measure put in place, we therefore expect the number of Children in Care to be reduced over the next 12 months.

Commissioning Safe Families

- We are now seeing a reduction in numbers of those children that are subject to a CP plan and those children classed as CIN. This programme will continue to work with families so that their needs can be addressed at much lower levels. E.g. Early Help.

SEND

The delivery of the WSOA and the new SEND sufficiency strategy provides a thorough understanding of our demographics, the needs of our young people, and the existing provision in the Borough. This provides us with the opportunity to co-produce and recommission services matched to need.

The delivery of the WSOA will improve the outcomes for families and young people, and their accessibility to SEND services, as follows:

- Re-design of the model to replace the access pathway needs to be re-considered in light of the findings of the peer review and embedded as part of the transformation of Early Help.
- We have introduced a digital platform for families, professionals and education settings to engage, contribute and collaborate on Education, Health and Care (EHC) assessments, plans and reviews in order to improve the writing and reviewing of plans and facilitating parental contribution and co-production
- We now have a co-produced SEND Strategy which has been informed by the currently underway health needs assessment (HNA) of vulnerability in children and young people including those with SEND
- We now have in place a co-produced SEND Sufficiency Strategy which plans for the current and future needs of children and young people aged 0-25 with SEND.
- Following the appointment of an officer for Supported Internships, NELC will offer Supported Internships Study Programmes to young people aged 16-24 with an EHCP to achieve sustainable paid employment through equipping them with the skills they need for work through learning in the workplace

ASB

A revised ASB strategy sets out the staged approach that can be taken including the tools and powers available to the Council and wider Partnership to tackle ASB and improve the quality of life for our local communities. It provides a menu of tactics and options

available dependent on the nature of the ASB to tackle and reduce anti-social behaviour.

The ASB team are also key stakeholders in the new Public Facing CCTV strategy and the development of the cabinet approved £1 million refresh of the Council's CCTV system.

Section 6 – What are the risks and opportunities associated with the proposals?

Refresh of Domestic Abuse Strategy & Delivery Arrangements

The refreshed strategy and multi-agency delivery arrangements provide opportunity for enhanced partnership working to tackle domestic abuse and provide support to victims and their children. However significant risk remains if the necessary level of funding and resourcing is not provided across partner organisations to enable enhanced delivery via commissioning arrangements or otherwise to provide appropriate levels of resource in targeted areas of concern.

Greater accessibility to SEND services

The main SEND risks for children, young people and families is their inability to access the services they need.

- A key area of focus in NEL is our approach to co-production, good progress had been made prior to lockdown however due to the tight social distancing requirements our ability to effectively engage with our parents, carers and young people has been massively affected. Additionally, the closure of schools during wave 1 brought extra pressure onto our parents and carers ability to give their time to engagement and co-production events. This has continued to have an impact due to the second lockdown and will continue to impact whilst we are experiencing restrictions.
- The Local Offer / website requires a dedicated team focussing on updating the content and navigation, to help families access our services
- We are reviewing some services to ensure they are configured to maximise the best outcomes for children This has identified service change proposals which will require additional resource following business case submission which is a risk in the current climate

Reduction of numbers of CLA

In the reunification and discharge work outlined above to reduce the number of looked after children there are some risks regarding the reliance on external agencies to assist with this process. Given the high level of demand into the courts across the Humber region over the two lockdown periods CAFCASS the organisation which appoints a Children's Guardian essential by law to all children in the court arena, are already raising formally that their service priority must be allocating Guardians to new cases. This impacts our ability to work through these children identified, as to discharge an Order the Local Authority requires an updated assessment by the Children's Guardian of agreement presented into Court.

Whilst the Local Authority has met and found the Judiciary supportive of the planned discharge work and made additional court time available, we are experiencing some delay to lodge the application due to Children's legal capacity which is also delaying discharge and the ratifying of other arrangements presented to remove Children from our care. Winter planning and associated administration to ensure vulnerable families at risk of hardship with utilities and food requires capacity within existing resources on top of business as usual

Brexit and transition planning are additional activities that require capacity within existing resources on top of business as usual. The EU and EEA settlement scheme for Children in Care, Care Leavers and Children in Need is an example of this alongside working with schools to ensure they are sighted and implementing any statutory requirements.

Education Provision

we have distinct staffing pressure now across our education services, due to the pandemic, and are using our new link officers to align to schools to ensure that we can help them provide education provision to our young people. The link officer role is a key role and used as the gateway to access schools and provide support, help and guidance. This role is an additional activity for our education teams and impacting the delivery of business as usual service provision.

ASB risks.

- Anti-Social Behaviour in North East Lincolnshire continues to be the number one concern raised by local residents and remains a priority for the Council and Community Safety Partnership (CSP). Any reduction in dedicated resources would

need to be managed carefully to ensure that ASB continues to be tackled effectively and local communities retain confidence with the Council and wider Partnership approach.

Business Delivery and Commissioning Proposal 2021/22

Public Health and Leisure

Section 1 – Summary of areas covered by this proposal and related priorities

This proposal covers public health and leisure. The Health and Social Care Act 2012 returned the responsibility for public health from the NHS to local government. Consequently, in April 2013, local authorities took over a raft of vital public health activity, ranging from traditional public protection from the outbreak of disease to tackling obesity to drug misuse and sexual health services.

The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 sets out the mandatory public health responsibilities of local authorities. These mandated services are bound together with the conditions associated with the Council's receipt of the public health grant, which top tier councils have been in receipt of since April 2013 to enable them to deliver the responsibilities that transferred from the NHS. The public health mandated services include:-

- Health Protection
- Providing public health expertise and advice to NHS /Clinical Commissioning Groups;
- Open Access to Sexual Health Services
- The National Child Measurement Programme;
- 0-5 Healthy Child Programme
- NHS health check assessment
- Drug / Alcohol Services
- Oral health survey

As well as the core mandated services, local authorities are funded to commission discretionary services as they believe appropriate after taking into account local need and other factors. These were set out in the public health supplement to the NHS Constitution.

In order to fulfil the local authorities' duties for public health, the Director of Public Health is charged with the effective spend of the public health grant to commission services to meet local population health needs and reduce inequalities. The public health

investment made by North East Lincolnshire Council as part of its overall budget has been dispersed across a number of programme areas. This proposal considers only the mandated public health services which are the elements of public health under the direct responsibility of the Director of Public Health. Other public health initiatives funded through the public health grant, including children's health, community protection, adult social care/prevention, road safety, fuel poverty and financial inclusion have all been incorporated into other commissioning summary proposals.

The public health grant remains ringfenced and held to account for its allocation and spend to the Department of Health. Whilst the parameter for its use is reasonably flexible in meeting the needs of the population, it is not possible to generate savings within the grant without it being reallocated in line with its intended use. The Director of Public Health is accountable for the use of the Public Health Grant in line with strict guidance, local authority duties and for provision of mandated services. We are therefore restricted in our ability to prioritise services, de-invest and re-invest any funds as until this year, the grant has been annually reduced nationally. Any re-allocations of the grant have an immediate impact on the authority's financial returns and published peer comparison data which analyses spend versus outcomes and identifies areas of significant variance.

Since 2015/6 there has been an annual centrally imposed reduction in the amount of grant received by the local authority. This reduction has subsequently passed down to all the services in receipt of the grant, including children's services, and community protection. However, in 2020/21, the grant was restored to the 2018/19 levels, which was an increase of £734k from the previous year. As a result of the 2020 spending review, this allocation has been confirmed as remaining the same for 2021/22. This has meant that the previous level of investment into services could be maintained. Regarding the additional investment, a significant proportion has been required to meet the Agenda for Change pay deal for those eligible staff within the local authority (mainly children's services) and within the public health commissioned services. In addition to this, new investments of the public health grant have been identified as being a priority for other service areas that have a direct impact on public health outcomes, such as domestic violence. The remainder of the additional allocation will be used to ease the requirement of the current corporate investment into public health services, including child health.

The impact of COVID-19 on the health and wellbeing of the local population from 2021 onwards in North East Lincolnshire will be wide and far reaching and must not be underestimated. The impact will be different for different cohorts of the population depending on their personal experience of the pandemic and their individual reaction and resilience to that experience. We anticipate significant increased demand across services during recovery and expect additional action to address increased inequalities, as a direct and indirect impact of COVID-19. The business and commissioning plan for public health for 2021/22 onwards therefore must be seen through this COVID lens and must be flexible to meet the huge and anticipated surge in demand for different types and different levels of wellbeing support. This will include a suitable and targeted response to the impact of unemployment, social isolation, mental ill-health as well as appropriately responding to the effects of over-indulged compensatory

behaviours such as over-eating, reduced exercise, increased alcohol usage and drug use. The business and commissioning plans for 2021/22 for public health will therefore need to be adaptable to that they can be reviewed and revised on an ongoing basis to enable us to respond to the health and wellbeing needs of our local communities. For the time being, we can only include those plans/projects that were included within the 2020/21 commissioning template which have not been completed due to COVID and which will therefore roll over into 2021/22.

This proposal also covers the services delivered and facilities operated through our partnership with Lincs Inspire Ltd including the auditorium events, arts development, library services, archives office, sports development and leisure centres.

Section 2 – Update on previously agreed plans/programmes/proposals

2020/21 Proposals	Progress/Impact
Establishment of the Primary Care Networks and an agreed approach to Population Health Management	There has been a delay in the national accelerator programme due to capacity issues which have resulted from the public health response to the pandemic.
Tobacco Project	<p>The Tobacco Control Alliance has continued to meet during the pandemic and has developed the proposal for 'smoke free places' which is due to be presented to Cabinet in 2021.</p> <p>The work at DPoW has continued to develop and we are now supporting patients with a clinical need to stop smoking in 6 wards. A smoke-free DPoW is on track for the October timescale along with a new referral process for stop smoking support into the Wellbeing Service for any inpatients who are identified as smokers.</p> <p>The smoking in pregnancy project has continued through the Babyclear pathway and referrals from midwives through to the Wellbeing Service. The Ecig pilot will</p>

	<p>also continue for pregnant women and their partners, as part of a wider system-wide approach to tackling smoking in pregnancy which will be reviewed during this year.</p> <p>Relationships have continued with the E-cig outlet and provision of products. Communication and promotion work around smoking has continued through social media and other platforms. The Stoptober campaign ran in NEL linked to the NHS Better Health campaigns.</p>
New alcohol service	<p>The new service specification and 2-year contract has been agreed and signed by GPiP/CCG during the pandemic focussing on alcohol support. GPiP began the alcohol element of the service (ABI – Advice and Brief Interventions & EBI – Extended Brief Interventions) in August in a COVID 19 way - this has resulted in new patients being assisted and a number of patients with more severe alcohol issues being referred to We Are With You using a jointly designed referral pathway. There is a risk of having to pause the ABI and EBI element of the alcohol service if there is a sustained significant second COVID wave in NEL.</p> <p>The Strategic Delivery Group for the new Alcohol and Drug Strategy have met and discussed the delivery plan. It was agreed a provider/partner delivery group will be created to take the actions within the alcohol and drug delivery plan forward during the remainder of 2020/21.</p>
Start Well, including Community Mothers	<p>There has been a significant delay to the original timescales for various Start Well projects including Community Mothers due to capacity issues which have resulted directly from the public health response to the pandemic. The Early Years Public Health Strategic Group has now however been re-instated and is re-establishing our approach to community mothers and other early years projects (including communication, speech and language).</p>
Health Inequalities	<p>The 2020 Director of Public Health Annual Report has focussed specifically on health inequalities. This is now due to be presented to Cabinet in March 2021. A rapid health needs assessment focussing on the impact of COVID has also been completed and will be widely disseminated during the remainder of 2020/21.</p>

Obesity	The obesity across the life course programme has been split into sections:- pre-conception, antenatal, postnatal; early years and school age and adults. Work this year has involved analysing the provision of support across the life course, from tier 1 to tier 4. During the remainder of 2020/21, a baseline will be established and the existing current provision will be mapped. A pathway of support will then be developed for both communities and professionals to better gain access to the right support at the right time. The Council's wellbeing service has continued to provide a critical element of the tier 1 and 2 weight management / obesity programme, with the numbers of clients expecting to surge as a direct result of the pandemic. Healthy Weight/Weight Management online support content has been developed and has been uploaded onto the LiveWell website as part of the Tier 1 support offer.
Implement the over 75 wellbeing check across the borough	This project became even more become even more pertinent due to the pandemic. Meetings have taken place with clinical leads and the wider CCG to ensure the programme is linked in with the GPs and the PCNs. The systematic approach commenced in September and the project is now all set up with volunteers available from the Blue light Brigade and Friendship at Home. The Wellbeing Service is managing the invitation process through a number of local GP surgeries. The opportunistic approach has also commenced with the hospital discharge team, NAVIGO older people service, Focus, Carelink and NELC customer services all looking at how they can incorporate the wellbeing conversation into their routine work with older people.
Community Wellbeing service integration, including outreach and the digital offer	Pre-Covid, the business as usual predictions for the wellbeing service for 2020/21 expected a significant increase in service requests due mainly to the demand for the DWP project and the impact of the tobacco project (the latter involves all those with a clinical need to stop smoking and whom are admitted into hospital being routinely referred to the wellbeing service for smoking cessation support.) The wellbeing service is now facing unprecedented additional pressure on top of the predicted increase in business as usual service demand, as a direct impact of COVID-19. This demand will be for low level mental and emotional wellbeing support, additional demand for the Wellbeing Service/DWP project (due to the significantly increased

	<p>numbers of new Universal Credit claimants in NEL), additional pressure for smoking cessation on top of the original predicted surge (due to "Quit for COVID"), increased low-moderate alcohol usage, increased obesity levels (which is now a focus of central Government) and a need to support particular identified vulnerable groups including people previously on the shielding list and our BAME communities. Modelling has been undertaken to predicted the increase for 20/21 and to identify the staffing (both permanent and temporary) that will be required to meet this exceptional increase in expected demand, which is expected to total in excess of an additional 2000 referrals (approx 900 of which are anticipated as a direct impact of COVID).</p> <p>All face to face interventions for the wellbeing service were suspended in April 2020, with support being provided to clients referred into the service virtually, (via telephone, video call, email and text support). This included both wellbeing and stop smoking support. The Wellbeing Service focussed its attention working in partnership with the SPA, NELC contact centre and NAviGO providing low level mental health support to members of the community during the lockdown.</p> <p>The commencement of the East Marsh Health Check outreach programme was delayed due to Covid, but this is now back on track working in partnership with colleagues from Open Door.</p> <p>The National NHS Health Check Programme was also suspended for a period of time as a result of COVID, but gradually came back online with individual GP Practices re-engaging with the programme during the summer months. This was delayed again however by the second wave of the pandemic.</p>
Mental Health and emotional wellbeing	<p>Covid-19 brought the Suicide Prevention framework into real focus. Progress included the initiation of Real Time Surveillance (RTS) of suspected suicides and (together with the CCG), the development of a follow-up investigation and discovery procedure to help identify clusters, similarities and learning for the future. We have also supported and promoted the new Humber wide "Together Bereaved by</p>

	<p>Suicide” service delivered by MIND. The Suicide Prevention Audit 2014-2018 has been completed and this data alongside RTS is being used in conjunction to understand the current local picture.</p>
<p>Targeted screening for Hepatitis C, Hepatitis B and tuberculosis in under-served communities</p>	<p>There has been a delay in the previously published deadline for the feasibility study due to capacity issues which have resulted from the public health response to the pandemic. The project is not likely to be reinstated before April 2021.</p>
<p>To develop a new next triennial period commencing in 2021 which reflects the agreed necessary contractual changes based on the chosen option as a result of the cabinet decision.</p>	<p>Covid-19 has impacted negotiations to determine a new triennial plan for the Lincs Inspire and NELC Partnership. Culture and Leisure sites have been closed and had reduced capacity due to safety measures. These have adversely affected the ability to generate income and therefore limited the ability for both partners to accurately plan for future years at this time.</p> <p>With Lincs Inspire, we have explored opportunities for long term leasing and the financing of future improvements/investments agreeable to both parties. However, despite both parties’ best efforts, it was concluded that a mutually beneficial position in relation to the long-term lease arrangements could not be agreed at this time. Consequently, both partners agreed to stop any work in relation to the long-term lease of assets.</p> <p>The partnership has agreed that contractual timelines for the development and agreement of the Triennial plan can and have been extended. This will allow both partners time to better understand the impact of Covid-19 and any period of recovery.</p>
<p>Sports Pitch Hub Site Developments:</p> <ul style="list-style-type: none"> • Clee Fields and King George V Stadium Feasibility • Barretts Recreation Ground 	<p>North East Lincolnshire’s Playing Pitch Strategy (PPS) adopted in 2018 delegated to officers the authority to make the necessary changes to the document as a result of any ongoing discussion and negotiation with Sport England and National Governing Bodies (NGB) of Sport. Officers have now completed these negotiations.</p> <p>The realisation of necessary playing pitch improvements at hub sites as set out in the PPS requires the council to (initially) improve 2 sites in the following order;</p> <ol style="list-style-type: none"> 1) Clee Fields and King George V Stadium

	<p>2) Barretts Recreation Ground</p> <p>In November 2020, Cabinet approved investment to develop the Clee Fields and King George V Stadium site on completion of feasibility which will include an extensive process of consultation and evaluation with partners and national and local stakeholders. A further proposal with final proposals will be considered by Cabinet when this is concluded. This is an important piece of work in terms of both health and wellbeing, but also interdependencies with the Housing Delivery Programme.</p>
<p>To develop and deliver the “Get Out Get Active” programme for sedentary older people in the borough.</p>	<p>Get Out get Active is a programme targeting older people to get more active. During the Covid pandemic response and initial lockdown this focussed on those who don't or can't access the internet and therefore don't have access to the various staying active at home resources available. In NEL, this was distributed to individuals through Carers Support, Friendship at Home, Longhurst Housing Association & Thrive, 1000 leaflets have been distributed across NEL so far.</p> <p>Other activity includes:</p> <p>Working with Thrive NEL to deliver training and develop a pilot peer mentoring course aimed at promoting physical activity.</p> <p>A review of digital isolation and the impact during Covid which supported specific work in NE Lincs through the Tackling Inequalities Funding on behalf of Sport England. This resulted in funding to 3rd sector organisations aimed at enabling those who are digitally excluded</p> <p>Bowls and Croquet sessions were established as lockdown restrictions eased in People's Park, in partnership with People's Park Bowls Club and delivered by 2020 Community Sport CiC. This was a real success with 47 individuals attending over the 9 weeks the outdoor sessions ran. These sessions then changed to run indoors, following government guidelines until the 2nd lockdown restrictions came into force.</p> <p>TV.Fit is online platform providing a range of different types of exercise classes, geared to different target groups which allows social interaction between users to support wider wellbeing. A 6 month subscription is being tested which will be provided</p>

	<p>to partners to distribute to their service users including Friendship at Home and Hope Street.</p> <p>Training opportunities for an online training course linked to the Activity Alliance – Delivering an Excellent Service for Disabled Customers. Aimed at those organisations who have front line staff to support them in the service they provide for disabled customers.</p>
To Deliver the Cultural Development Fund Programme	<p>North East Lincolnshire was one of only five local authority areas in England to secure a Cultural Development Fund (CDF) grant award from Arts Council England. Developed as part of the Government’s Industrial Strategy and Creative Industries Sector Deal, activity relating to CDF investment of £3.2m over the period to March 2023 commenced under the banner of ‘Grimsby creates’ with the following achievements to date</p> <p>Creative Panel:</p> <ul style="list-style-type: none"> • The Creative Programme launched with inspirational talks from members of the Creative Panel and beyond. Panel creates ideas and provides resource to build new and ambitious partnerships aligned to the themes of the programme. • Working underway with Magna Vitae, a Lincolnshire National Portfolio Organisation (NPO) to develop a major European creative project, to empower local young people and provide life-changing experiences. <p>Business Development:</p> <ul style="list-style-type: none"> • Three local creatives have been selected for the prestigious National Arts Fundraising School (NAFS) programme. • Officers are working closely with Culture House who have received ACE emergency fund money for a film to promote Grimsby’s creatives to align with objectives of Cultural Development Fund. • CDI Alliance has been selected as the Creative Business Development partner for sector specific support.

	<ul style="list-style-type: none"> • East Street Arts, a Leeds-based NPO have submitted a proposal on how they can provide development and build capacity within the local creative sector. Officers are in conversation with Culture Works to ensure that this proposal strengthens existing activity. <p>Creative Workspace:</p> <ul style="list-style-type: none"> • Donald Insall Associates have carried out building and environmental surveys. A conservation management plan is being prepared. Two options have been put forward for to progress the scheme. • Focussed engagement taking place with creative sector to ascertain current views about creative workspace in NEL, building on the work of East Street Arts. • Working with Society for the Protection of Ancient Buildings (SPAB), Grimsby Institute (GIFHE) and Associated British Ports (ABP) as landowner in relation to this project and potential options/solutions. <p>St James Square:</p> <ul style="list-style-type: none"> • Construction works are progressing well and will be completed by or ahead of the March 2021 deadline. • Artist has produced a concept for paving in St James Square. The typography on the path reflects engagement activity that drew out local social history. • Artist has been photographing local people posing for their 'human murmuration' whereby images will be translated to silhouettes and later cast as copper pieces to add to St James Square. <p>Connecting and Communications:</p> <ul style="list-style-type: none"> • Sub group members from Docks Academy, Birdhouse Theatre and Lincs Inspire have presented feedback to the group on the successes of Docks Drive in, family activities during the summer and gradual opening of library and leisure facilities. • Discussions have taken place on how the creative sector, business sector and voluntary sector engage and the wider benefits.
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	<ul style="list-style-type: none"> The Grimsby Creates website is live by early October. Forthcoming opportunities will be promoted along with programme updates. Grimsby Creates is also live on Twitter, Facebook and Social Media.
<p>Develop relationship and proposal to secure additional grant funding to continue to deliver the Outcomes within the Culture and Heritage Framework</p> <ul style="list-style-type: none"> Fishing Heritage Centre and Vessels History Centre 	<p>COVID19 has had major impact on culture and heritage sector across the world and many organisations have suffered from drastic falls in income resulting in redundancies and very limited use of freelancers. In North East Lincolnshire, there are no large National Portfolio Organisations (funded on 3 year contract from Arts Council) or large heritage organisations therefore we are in different position to many places. Most of 2020 has seen the cancellation of almost all events, apart from community engagement activity (such the Summer Reading Challenge), small outdoor arts (Birdhouse) and the Docks Drive In cinema (Docks Academy).</p> <p>Local organisations have been supported by emergency funding from Arts Council England, National Lottery Heritage Fund, Historic England and DMCS. This has included £92,250 of grants to the Fishing Heritage Centre (FHC), £60,000 to the Time Trap, £232,926 to Lincs Inspire and ££182,900 to Grimsby Minster. These grants mark a significant investment in North East Lincolnshire which focus on development activity to ensure that new audiences will be welcomed back digitally and physically in due course.</p> <p>As part of the Heritage Action Zone the Great Grimsby Ice Factory Trust (GGIFT) has received more than £1m of grants to redevelop Peterson's smokehouse (NLHF, Architectural Heritage Fund) and Our Big Picture, GGIFT and the FHC have received funding from the NLHF to enhance their digital expertise.</p> <p>Culture and Heritage as at the heart of the Grimsby Town Masterplan, which outlines strong ambitions to build on the rich and internationally significant heritage of the town.</p> <p>Officers are continuing to explore the best ways to engage the public with NEL's collection and archive, initial plans to conduct a feasibility study have paused due to</p>

	<p>changes in funders' focuses as a result of COVID and attention has focused on supporting access to FHC and Time Trap</p> <p>Fishing Vessels work has been undertaken this year to give a CVI (close visual inspection) and load test to the mast of the Ross Tiger with Marine Engineering Consultants, Beckett Rankine.</p>
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Section 3 – Budget information

Public Health and Leisure					
Proposed 2021/22 Budget (£000's)					
Service	Gross Expenditure		Gross Income	Service Budget Envelope	Budgeted FTE
	Pay	Non-Pay			
	£	£	£	£	
Director Public Health & Leisure	616	277	(1,141)	(248)	10
Drugs / Alcohol Action Service	0	2,551	(2,551)	0	0
Wellbeing Service	729	48	(776)	1	22
Sexual Health	0	842	(842)	0	0
Leisure	0	3,385	(711)	2,674	0
Overall Total	1,345	7,103	(6,021)	2,427	32
Current pressures					
Public Health and Leisure -					21/22 £000s
Libraries / Culture Asset rationalisation delay					200

Extension of transition payment in respect of libraries	300
Total Public Health & Leisure	500

Capital Budget

SCHEME	2020/21 Approved Capital Programme £000's	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Public Health				
GY Leisure Centre	3	0	0	0
Health and Well Being Centre	70	0	0	0
Drug & Alcohol Recovery	82	0	0	0
Playing Pitch Reprovision	336	2,495	1,870	0
TOTAL	491	2,495	1,870	0

Section 4 – New plans/programmes/proposals

Proposal	Saving		
	2021/22 £'000	2022/23 £'000	2023/24 £'000
Funding swap from corporate investment (directly into core public health services) to public health grant	110	110	110
Re-allocation of funding from currently corporately funded service(s) / contract(s) that clearly contribute to public health outcomes to public health grant	160	160	160

The public health grant remains ringfenced and held to account for its allocation and spend to the Department of Health. Whilst the parameter for its use is reasonably flexible in meeting the needs of the population, it is not possible to generate savings within the grant without it being reallocated in line with its intended use. The Director of Public Health is accountable for the use of the Public Health Grant in line with strict guidance, local authority duties and for provision of mandated services. We are therefore restricted in our ability to prioritise services, de-invest and re-invest any funds as until this year, the grant has been annually reduced nationally. Any re-allocations of the grant have an immediate impact on the authority's financial returns and published peer comparison data which analyses spend versus outcomes and identifies areas of significant variance.

Since 2015/6 there has been an annual centrally imposed reduction in the amount of grant received by the local authority. This reduction has subsequently passed down to all the services in receipt of the grant, including children's services, and community protection. However, in 2020/21, the grant was restored to the 2018/19 levels, which was an increase of £734k from the previous year. As a result of the 2020 spending review, this allocation has been confirmed as remaining the same for 2021/22. This has meant that the previous level of investment into services could be maintained. Regarding the additional investment, a significant proportion has been required to meet the Agenda for Change pay deal for those eligible staff within the local authority (mainly children's services) and within the public health commissioned services. In addition to this, new investments of the public health grant have been identified as being a priority for other service areas that have a direct impact on public health outcomes, such as

domestic violence. The remainder of the additional allocation will be used to ease the requirement of the current corporate investment into public health services, including child health.

The impact of COVID-19 on the health and wellbeing of the local population from 2021 onwards in North East Lincolnshire will be wide and far reaching and must not be underestimated. The impact will be different for different cohorts of the population depending on their personal experience of the pandemic and their individual reaction and resilience to that experience. We anticipate significant increased demand across services during recovery and expect additional action to address increased inequalities, as a direct and indirect impact of COVID-19. The business and commissioning plan for public health for 2021/22 onwards therefore must be seen through this COVID lens and must be flexible to meet the huge and anticipated surge in demand for different types and different levels of wellbeing support. This will include a suitable and targeted response to the impact of unemployment, social isolation, mental ill-health as well as appropriately responding to the effects of over-indulged compensatory behaviours such as over-eating, reduced exercise, increased alcohol usage and drug use. The business and commissioning plans for 2021/22 for public health will therefore need to be adaptable to that they can be reviewed and revised on an ongoing basis to enable us to respond to the health and wellbeing needs of our local communities. For the time being, we can only include those plans/projects that were included within the 2020/21 commissioning template which have not been completed due to COVID and which will therefore roll over into 2021/22.

These are as follows:-

Development Plans / Projects	Overview of the plan / proposal	Delivery timescales
Tobacco Project	The programme will continue with an ultimate aim of every smoker with a clinical need (who are an inpatient for 24hrs or more) to stop smoking to be supported to do so with a referral system into the wellbeing service. This is dependent on capacity and anticipated resources becoming available through the NHS by the end of 2021/22 with a roll out of the funding during 2022/23. We also anticipate a significant increase in the number of people wishing to stop smoking post-	March 2022

	COVID, which will increase pressure on the wellbeing service.		
Alcohol Project	We anticipate a significant increase in the number of people who will be consuming alcohol at hazardous, harmful, and dependent levels as a direct result of the pandemic, the restrictions and post-COVID. Therefore, we expect higher demands on alcohol related services throughout 2021/22. We will be looking to expand and roll out the various different programmes which help support individuals with hazardous, harmful and dependent levels of alcohol consumption including brief Interventions, enhanced brief interventions and the continuation of the specialist provision. We will also continue to roll out the actions within the Alcohol and Drug Strategic and Delivery Framework, as its implementation was delayed in 2020/21 due to the pandemic.	March 2022	
Over 75 Wellbeing Check	Subject to available resource and capacity, the ultimate aim is to offer the wellbeing check to every eligible household every 2 years by the end of March 2022. This project is a key part of the social isolation workstream, but will be dependent on the capacity and sustainability of the voluntary sector.	March 2022	
Health Inequalities	We will use the intelligence gathered as part of the 2020 DPH Annual Report and the rapid COVID health needs assessment to develop a Health Inequalities Strategy, which will inform	March 2022	

	the targeting of future public health services and programmes.		
Community Mothers	We will be working in partnership with the voluntary sector to develop a community run peer to peer approach of support for local parents, with a particular focus on vulnerable mothers living in the disadvantaged areas (i.e. “mothers helping mothers”). This will involve recruiting and training experienced mothers from the local community. We will investigate potential sources of external funding to support this project. We will progress with a digital offer with the aim to extend the scheme to the whole of NEL by the end of 2021/22, dependent on resources and capacity. This project was delayed in 2020/21 due to the pandemic.	March 2022.	
Obesity	<p>A pathway of support will be developed for communities and professionals to better gain access to the right support at the right time. We will continue to look at the current service provision across all Tiers with a specific focus on Tier 2 provision, ie what does this look like who delivers it locally and what training is necessary for development.</p> <p>We will continue to work with our strategic partner Lincs Inspire and with the voluntary sector to increase opportunities for physical activity including implementation of the new Get Out Get Active programme targeting those</p>	March 2022	

	<p>most inactive with low impact easy access physical activity opportunities. We will maximise the increased interest in the outdoors, including walking and cycling that has developed during the pandemic as well as the increased access to local parks.</p> <p>We will undertake further work in partnership to establish levels of access to nutritious food in our more disadvantaged communities to stem the growth in fast food outlets.</p> <p>This project was delayed in 2020/21 due to the pandemic</p>		
Community Wellbeing Hub development / Outreach and online offer	<p>The Wellbeing Service will continue working with Thrive (Social Prescribing) to develop the single community wellbeing hub that incorporates both services. A single electronic and telephone referral system will be managed by the Wellbeing Service Business Support Team and a triage system for all referrals will be developed. This will include the universal digital offer (LiveWell NEL/Online), Wellbeing Service & Thrive 1 to 1 client provision and a targeted outreach approach which aims to engage the most vulnerable and chaotic citizens supporting issues in relation to healthy weight and mental wellbeing. Other planned</p>		

	<p>community outreach work is to develop 'pop-up' wellbeing services across NE Lincolnshire. Using this targeted approach, we aim to engage communities in the wards which are the most disadvantaged socio-economically and with the greatest need around health and wellbeing. We aim to deliver at least 6 pop-up events over the year.</p> <p>This project was delayed in 2020/21 due to the pandemic.</p>		
Workforce Development Wellbeing Approach	<p>We are working to develop a place-based workforce development approach based on the Making Every Contact Count (MECC) programme focusing on wellbeing across NEL. This will involve working with partner organisations/settings and the voluntary sector to skill up staff and volunteers in MECC principals with a standardised approach. The MECC e-learning package will support the COVID emergency response in the first instance (eg with contact tracing), with the wider wellbeing agenda being considered later in the year.</p> <p>We will also work with NELC People and Culture to support the delivery of workplace wellbeing amongst the Union workforce. We</p>	March 2022	

	<p>have a planned network of support with mental health first aiders and wellbeing champions across NELC, supporting our colleagues.</p> <p>Work will continue in partnership with DWP with wellbeing workers supporting those with multiple complex wellbeing needs, as identified through the DWP work coaches. Work will continue to support the mental, emotional and physical wellbeing, the low self-esteem/confidence and the life skills/education of these most vulnerable clients.</p>		
Targeted screening for Hepatitis C, Hepatitis B and tuberculosis in under-served communities	<p>Annual health protection reports in recent years have highlighted that a number of under-served communities in North East Lincolnshire (e.g. homeless, people with substance misuse issues etc.) have significantly elevated rates of certain communicable diseases that are amenable to treatment if diagnosed early. These diseases can result in the development of chronic diseases and serious complications that require expensive health service treatments and social service costs and ultimately lead to premature mortality. A time limited feasibility study exploring the potential of targeted screening for diagnosing these diseases and implementing treatment will be</p>	Feasibility study to be completed by March 2022.	

	undertaken working with partners in the NHS and Public Health England.		
Re-Commissioning of the Oral Health Promotional and Dental Epidemiology Service	We will co-commission the dental epidemiology surveys with NHSE as part of the wider community dental service (CDS). We will lead the re-commissioning of the oral health promotion service across a Northern Lincolnshire footprint. We will work with partners as part of the COVID recovery process to identify the sufficiency of dental services in NEL and aim to increase the numbers of parents of children under the age of 5 accessing dental services.	March 2022	
Mental Health and Suicide Prevention	<p>We will explore the legacy of the pandemic in terms of mental ill-health amongst our communities and workforces during 2021/22. We will investigate the potential for the wellbeing service to provide a moderated version of the various helplines that have been made available to communities during the pandemic to ensure that support systems continue where required.</p> <p>We will continue to focus on the tiered delivery of public mental health, including the ongoing promotion of ways to wellbeing, support to stakeholders such as businesses, schools, the Union etc with training, an online offer, peer support etc. In terms of suicide prevention, we will continue to promote crisis lines, training and local services. We will also continue with Real Time Surveillance, Suicide Learning</p>	March 2022	

	Panels and we will undertake the annual suicide audit, subject to available resources and capacity.		
Public Health Intelligence	The Pharmaceutical Needs Assessment will be completed during 2021/22. Subject to available resource and capacity we will explore the potential of undertaking a needs assessment for older people and/or people with disabilities. We will also produce a development plan for the Children and Young People Health Needs Assessment. Subject to available resource and capacity we will explore the possibility of undertaking the analysis of the misuse of prescriptions drugs in NEL.	March 2022.	
Collaboration with North Lincolnshire public health	We will explore areas for collaboration and joint working across the mandated functions for public health making optimal use of resources under the leadership of a joint Director of Public Health.	October 2021	
Ongoing COVID-19 work	It is anticipated that the overall cases of COVID19 will fall in the early part of next year and by April will be below 50 per 100,000 per week. Nevertheless, there will continue to be a substantial element of COVID19 work to be delivered by the public health team during 2021/22. This will include the following: <ul style="list-style-type: none"> • Continued public information to support infection prevention and control of the virus • Local contact tracing, although cases will fall it is expected that a greater proportion of cases will be managed through our local contact tracing arrangements. As numbers 	March 2022	

	<p>fall there will also be a need for more focused backward contact tracing to identify the sources of outbreaks.</p> <ul style="list-style-type: none"> • Testing- the widespread delivery of rapid testing may continue to be needed throughout 21/22. • Supporting Sectors- public health support will be needed to assist in recovery work in these settings. • Vaccination- It is anticipated that vaccinations will be delivered through most of 2021 and a possibility that further boosters may be required. • Continued Outbreak Management- COVID outbreaks are likely to continue throughout the year and there could be a smaller third wave of the pandemic in the Autumn/Winter. Mass testing will increase the demand for outbreak management. • Ongoing Public Health Surveillance- we will need to deliver a continued programme of epidemiological surveillance to ensure rapid control of outbreaks and clusters in our population. 		
Libraries and Archives	<p>Officers will work with partners to determine a possible new strategic approach across the borough in terms of the Library Services offer, reflecting learning from the covid 19 pandemic. This review will be aligned to the town centre developments arising from the towns fund</p>	Jan 2021 – March 2022	

	programme and include an assessment of the current civic, heritage and other town centre customer facing services to determine the potential for synergies and co-location of services and/or other alternative approaches.		
Auditorium, Entertainment and Culture	Strategic review of the Auditorium, Arts and Cultural entertainment venues which serve our town centres. This review will be aligned to the town centre developments arising from the towns fund programme and include an assessment to consider what are the different audiences and offers available and the existing gaps in North East Lincolnshire. Where possible, new approaches to support greater audience development will be proposed in North East Lincolnshire.	Jan 2021 – March 2022	
Commission Clee Fields and KGV Stadium Sports and Playing Pitch Improvements	Commission and deliver the sports and playing pitch improvements at Clee Fields and King George V stadium as Cabinet approved in Nov 2020. Cabinet approved the preferred option as set out in the feasibility study which proposed investment in a number of areas that were detailed in the report. We are currently in the early stages of establishing project governance arrangements and arranging the necessary technical expertise.	Jan 2021 – May 2022	
Outdoors Physical Activity	We will be working in partnership with the community and voluntary sector to develop community activities which builds on the	Jan 2021 – March 2020	

	emerging learning, as a result of the Covid 19 outbreak, to build on support to local individuals and small groups to walk, cycle and make more use of our parks, open spaces and beaches to increase levels of daily physical activity		
Leisure Centres	Officers will work with partners to determine a possible new strategic approach across the borough in terms of the Leisure Centre offer. This review will include an assessment of the current offer to determine the potential suitability for more community ownership/operation and possible co-location of services and/or other alternative approaches.	Jan 2021 – March 2020	

Section 5 – What are the outcomes that we are seeking to achieve within the budget envelope? What is the anticipated impact of the plans?

Public Health:-

The outcome for health and wellbeing within the outcomes framework is the same outcome that public health are seeking to achieve:-

"We want people to be informed, capable of living independent lives, self-supporting and resilient in maintaining/improving their own health. By feeling valued throughout their lives, people will be in control of their own wellbeing, have opportunities to be fulfilled and will be able to actively engage in life in an environment that promotes health and protects people from avoidable harm. Access will be made available to safe quality services that prevent ill health, support, maintain and restore people back to optimal health or support them with dignity at end of life as close to home as safety allows: Services that are part of an affordable innovative and quality health and social care system which directs resources according to need."

The specific outcomes are:-

- Appropriate and targeted response to the anticipated surge in demand for the wellbeing service for support to change behaviour successfully
- A community mothers project implemented within the voluntary sector
- Access to nutritious food mapped for our communities and development of plan initiated
- Feasibility study for Hepatitis B and C and TB screening programme completed
- Oral Health Promotion and dental epidemiology service successfully re-commissioned.

Leisure, Auditorium and Libraries

The Council's work and approach to Leisure Libraries and Auditorium supports the NELC Outcomes Framework 2020/21 in a variety of ways but most notably in terms of:

1. Sustainable Communities - We want North East Lincolnshire to be a place where people are supported to live independently and have access to the means to connect to other people and places A place where all its' citizens, partner organisations and visitors have access to a high quality, well maintained natural and built environment.
2. Health and Wellbeing - We want people to be informed, capable of living independent lives, self-supporting and resilient in maintaining/improving their own health. By feeling valued throughout their lives, people will be in control of their own wellbeing, have opportunities to be fulfilled and are able to actively engage in life in an environment that promotes health and protects people from avoidable harm.
3. Strong Economy - NEL's businesses will achieve sustainable, long-term growth that benefits all residents by providing fulfilling, well-paid employment opportunities. We will
 - a. create the 'right' environment to attract and sustain private investment, by providing high quality business infrastructure-including road and rail connectivity, superfast broadband, high quality employment sites and premises
 - b. equip NEL residents – particularly young people, and those living in our most deprived communities – with the skills and confidence to secure and sustain well paid employment in all sectors of our economy.

Specifically, officers are seeking to secure a good quality Culture and Leisure offer for residents and visitors to enjoy across the borough. By proving good quality sport, Leisure, Library and entertainment facilities and services which are well located and accessible to people.

A good quality offer in terms of both facilities and services will support many aspects of the council stated strategic outcomes, both directly and indirectly.

Section 6 – What are the risks and opportunities associated with the proposals?

Public Health

The main risks for public health are:-

To continue to be able to provide assurance to central government on the use of the public health grant in line with the terms of its allocation, in the context of wider budgetary pressures. The budget in 2020/21 was restored to the level received in 2018 and this is to be retained in 2021/22, however in the absence of a longer-term settlement, it would be prudent to manage this increase as non-recurrent. Half of the increase will be used to meet the commitment to the pay deal agreed for the eligible public health staff on Agenda for Change contracts (mainly within Children's Services). Our externally commissioned public health services (Sexual Health and Drugs/Alcohol) have already budgeted a further 2.6% reduction for 2020/21. Any further reductions to these services would result in unsafe clinical practice and unviable contracts.

We anticipate significant increased demand across public health services during recovery and expect additional action to address increased inequalities, as a direct and indirect impact of COVID-19. This will particularly affect the wellbeing service and our drug and alcohol services. This is in addition to the routine pressures on demand led services e.g. prescribing costs and out of area charging. Escalation of costs for demand led services is a particular risk for sexual health and drugs/alcohol services, but also for health checks and for smoking cessation. An allocation from a public health ear marked reserve has been assigned as a small risk pool for these demand led services, in order to proactively manage this risk.

Sustainable input of public health skills - The council needs to retain public health competencies and standards to meet its new public health responsibilities and to develop the staff and organisation into a public health council. We continue to pursue our fair share of candidates from the national public health training scheme but the absence of trainees from the programme exacerbates our struggle to attract specialist staff at a public health specialist level, geography being a key contributory factor. We are also currently experiencing a shortage of public health analysts which is making it challenging to deliver a comprehensive public health intelligence function. This could impact on our capacity to undertake as wide a remit of research and data analysis as we would like, including health needs assessments and the JSNA. We have invested in our "grow your

own” HR strategy, which includes investing in the corporate graduate programme (in partnership with the CCG) and developing our own 2 year training programme to try and reduce this risk.

The main opportunities arise from continuing to develop our joint work with North Lincolnshire Public Health, for example sexual health commissioning, oral health) and exploring the potential for joint work with other PH departments e.g. work with the NHS

Leisure, Auditorium and Libraries - Triennial Plan (1 plus 1 plus 1):

The main risks associated in the development of the Leisure, Auditorium and Libraries – Triennial Business Plan are:-

Risk Category	Risk Trigger/Issue	Risk Mitigation or Other Action
Strategic	The need ensure that any reviews and plans are clearly aligned to in the town centre regeneration work in terms of scope and timeframe	Alignment of the governance of any programmes of work. Clear communication between the programmes of work to align work wherever possible.
	Partners unable to agree on the proposed approach to the review of the following services will take place in the order listed: <ul style="list-style-type: none"> ○ Year 1 – Libraries and Archives ○ Year 2 - Auditorium ○ Year 3 - Leisure and Sport 	Extensive dialogue between both parties on the proposed reviews and Council being clear in its expected outcomes.
Operational	The impact of Covid-19 being longer and/or more significant in terms of the future use of these assets.	Ensure that risks of impact is modelled in the business planning. Test assumptions where ever possible and seek new ways of working which are less impacted by Covid-19 restrictions and take account of the populations amended behaviour.

The delivery of the Leisure, Auditorium and Libraries - Triennial Plan (1 plus 1 plus 1) as planned provides the council with the opportunity to address the risks identified in the table above. It also allows the Council these further opportunities:

- Financial –
 - Secure a good quality Culture and Leisure offer for residents and visitors to enjoy across the borough. By providing good quality sport, Leisure, Library and entertainment facilities and services which are well located and accessible to people.
- Operational –
 - Allows the council to change and grow these services in line with both the emerging Covid -19 impact and any other town centre regeneration plans.

Commission Clee Fields and KGV Stadium Sports and Playing Pitch Improvements

There are considerable risks and associated with the commissioning of and delivery of the Clee Fields and KGV Stadium improvements. These can be categorized into the following areas:

Risk Category	Risk Trigger/Issue	Risk Mitigation or Other Action
Project Delivery Risks	Ground conditions being inappropriate for the recommended investment proposal,	Determined through appropriate ground condition survey as part of the detailed design stage adverse ground conditions be uncovered, officers will work with technical experts to either mitigate these conditions or design an alternatively suitable layout/position.
	Planning Approval	Planning approval for these projects is subject to an independent process and as such there are inherent risks in these types of projects as they are complex and difficult to deliver and can become controversial to some residents. In mitigation the Council will ensure any development is in line with policy and best practice, and extensive consultation with local stakeholders will be undertaken.
Financial Risk	Do not secure external funding	Should the Council be unable or unsuccessful in securing the £1m external grant funding in the time available, officers would need to determine an appropriate revised approach to

		<p>successfully continue with the project. This is likely to include either or both:</p> <ul style="list-style-type: none"> • A revised approach to the capital financing of the scheme (utilising greater corporate capital finance) • A phasing or scaling down of the scheme within the available resources available.
	Tender price significantly above project budget	Project will be revised in scale and scope and/or additional sources of funding will be considered
	The Council is unable to adhere to all the conditions associated with the £2.1m Accelerated Construction grant award Funding by Homes England	The Council has accepted this risk as it has commenced some expenditure “at risk”
Reputational Risks	Non delivery on the housing and playing pitch strategies as set out in the Local Plan and Playing Pitch Strategy. Resulting in government agencies such as Homes England and Sport England withdrawing funding and support to borough	Delivery of the housing sites and recommended pitch developments will mitigate the likelihood of further reputational damage with these and other key government agencies.
	Reputational damage with local partners and stakeholders such as sports clubs, leagues and other community users and partners, if the investment into pitches is not delivered	Delivery of the recommended pitch developments will mitigate the likelihood of further reputational damage with these stakeholders
Operational Risks	Operator unable to generate the predicted level of income to cover running costs	The Council intends to transfer this risk to the operator. Therefore, it will be the responsibility of the operator to mitigate the risk through their operational practices. Regular budget monitoring will identify pressures early on and enable the initiation of appropriate interventions.

	Further deterioration and depreciation of its existing sports and leisure assets	Delivery of the recommended pitch developments will mitigate the likelihood of further deterioration of these key community assets
<p>The delivery of the sport and playing pitch improvement as planned in the development at Clee Fields and King George V Stadium provides the council with the opportunity to address all of the risks identified in the table above. It also allows the Council these further opportunities:</p> <ul style="list-style-type: none"> • Financial – <ul style="list-style-type: none"> ○ Secure 1 million of investment directly into key sports and leisure assets which may be the catalyst for further investment elsewhere in the borough ○ Effective use of the Homes England accelerated growth funding and potentially allow for further growth funding • Operational – <ul style="list-style-type: none"> ○ Greatly improve key community sports and leisure for the long-term enjoyment of residents and the health opportunities • Regeneration – <ul style="list-style-type: none"> ○ Economic Investment into an area of the borough which will benefit from investment ○ Supports the delivery of the housing developments within the brough and the wider Local Plan 		

Business Delivery and Commissioning Proposal Template 2021/22

Economy and Growth

Section 1 – Summary of areas covered by this proposal and related priorities

ENGIE Partnership encompassing planning, building control, transportation & highways and regeneration project delivery

1. Budgets managed by ENGIE on behalf of the Council including
 - Car parks
 - Public transport including concessionary fares
 - Highways
 - Housing
2. Economy and Growth function including town deal, strategic programme management, external funding and strategic business cases, contract and accountable body management, account management, economic development and inward investment
3. Housing development and regeneration
4. Energy and Carbon Management

Section 2 – Update on previously agreed plans/programmes/proposals

Financial savings/efficiencies are being discussed with Engie as part of on-going contract discussions.

Car Parking - The resource, approach and implementation of penalty charge notices forms part of the wider enforcement review, which due to Covid has been paused. In addition, the pay and display parking strategy is subject to further review, this has resulted in a reduction in revenue generated across car parking charges, parking enforcement and lower demand for staff parking

permits. Processes are in place within NELC to claim back lost revenue from central government. These pressures are likely to remain due to Covid.

Transport Strategic Review - a balance of £85k remains from the original £259k savings target.

Phone n Ride and **Europarc Bus** services have formed part of a wider strategic budget review in 2020 due to financial pressures created by Covid - 19. Cost reduction options have been agreed for the **Europarc Bus Service**, with the Concessionary Fares Budget funding the service in 21/22. It is hoped that securing funding for the Europarc Bus Bridge will negate the need for a subsidy but if this funding is not forthcoming there is a risk the service will cease to operate in April 2022. The **Phone and Ride Service** continues to be scrutinised but at this stage it is intended to present options for any possible or potential savings, early 2021.

Retained Function - remodel the service structure in line with Council priorities. The service is operating within the reduced 'retained function' envelope as set out in the 19/20 proposals. As senior management arrangements are put in place, it is expected that the structure will be refined to formalise the position. In terms of impact, the reduced envelope creates pressures in terms of delivery expectations.

Section 3 – Budget information

Economy and Growth and Housing					
Proposed 2021/22 Budget					
Service	Gross Expenditure		Gross Income	Service Budget Envelope	Budgeted FTE
	Pay	Non-Pay			
	£	£	£	£	
Museums, Heritage and Tourism	235	130	(89)	276	6
Highways	0	831	(857)	(26)	0
Economic Regeneration Team & Management	987	35	(603)	469	23
Regeneration Partnership Contract	0	11,509	0	11,509	0
Car Parking	0	320	(1,970)	(1,650)	0
Planning	0	1	(905)	(904)	0
Drainage & Coastal Defence	0	271	(3)	268	0
Street Lighting	0	1,016	(132)	884	0
Traffic Management and Transport	0	3,260	(280)	2,930	0
Energy	61	0	0	61	7
Culture	146	713	(859)	0	3
Supporting People - Housing	0	2,071	(50)	2,021	0
Home Options and Related Support	628	422	(351)	699	21
Private Sector Housing	0	37	(65)	(28)	0
Strategic Housing	102	3	(3)	102	1
Overall Total	2,159	20,619	(6,167)	16,611	61

Current pressures

<i>Economy and Growth and Housing -</i>	21/22 £000s
Transport Policy changes	31
Business Rates Car Parks - increased liability	55
Reduced demand for Car Parking Staff Permits	22
Reduced Penalty Charge Income from changed behaviours	44
Additional staffing costs for Energy Project to meet audit requirements	61
Regeneration and Housing Team investment	143
<i>Total Economy and Growth and Housing</i>	356

Capital Budget

SCHEME	2020/21 Approved Programme £000's	2021/22 Approved Programme £000's	2022/23 Approved Programme £000's	2023/24 Approved Programme £000's
Economy and Growth				
Housing Assistance Grants and Loans	387	658	250	0
Willing/Peaksfield Flood Alleviation	317	69	0	0
Community Housing	212	0	0	0
Local Transport Plan Schemes	4,129	3,822	4,012	4,182
Freeman Street Regeneration	7	0	0	0
Cleethorpes HLF Townscape Heritage	759	1,893	141	0
GLLEP Junction Improvement	3,267	0	0	0
Sth Humber Infrastructure & Investment Programme	7,006	2,480	7,703	0

CATCH offshore	17	0	0	0
Supported Housing Scheme	1,014	0	0	0
Immingham lock flood def gates	0	63	0	0
Cleethorpes Public Art	483	0	0	0
Smart Energy for business	3,401	0	0	0
NEL Funded Energy	204	0	0	0
A180 Sth Humber Bank Major Maint.	835	0	0	0
Heritage Action Zone	210	320	320	200
Town Deal Investment	1,359	3,550	0	0
Riverhead Square & Unlocking Potential	5,862	200	0	0
Central Clee Regeneration	872	50	3,948	0
Europarc Food Enterprise Zone	601	0	0	0
Stallingborough Engineering Development	1,976	0	0	0
Controlling Rogue Landlords	13	46	0	0
Open For Culture	253	1,320	0	0
Estate Road 2	1,410	0	0	0
Corporation Bridge	170	1,330	3,470	0
A18 Laceby to Ludborough	1,948	500	0	0
Accelerated Construction	1,000	1,743	0	0
Affordable Housing S106 monies	500	0	0	0
Poplar Road Expansion	0	1,440	1,690	0
Business Centre Improvement	0	638	0	0
Extended Cycle Track	0	2,680	0	0
Future High Streets Fund	0	1,500	7,300	18,500
TOTAL	38,212	24,302	28,834	22,882

Section 4 – New plans/programmes/proposals

Summary of opportunities

Proposal	Saving		
	2021/22 £'000	2022/23 £'000	2023/24 £'000
Contract efficiencies	1,100	1,100	1,100
Utilisation of Enterprise Zone receipts	300	300	300
Introduce licensing scheme for skips placed on public highway	30	30	30
Review rough sleeper support	50	0	0
Combination of service provision	50	50	50
Increase highway construction rates charged to developers	80	80	80
Additional staff capitalisation	150	150	150
Removal of Europarc bus service subsidy	0	160	160
Review Phone and Ride Service	101	151	151
Reduced support	100	100	100
TOTAL	1,961	2,121	2,121

Economy & Growth: strategic context

The economy in North East Lincolnshire and indeed the UK and beyond has been impacted by Covid. Whilst this has not shifted the Council's focus from its core strategic programmes to support the economic growth of the borough, the longer-term impacts of Covid on our community and businesses are not yet known. The Council responded swiftly by establishing weekly dialogue with a sub-group the Development & Growth Board to ensure there was as much business impact intelligence as possible. This has continued to inform the emerging Recovery Plan and indeed was ramped back up during the second lockdown to ensure information exchange, the swift payment of grants and a strong push to support local spend in the run up to the festive period.

Given Covid and the somewhat fragile position in terms of the economy, the key focus of the Economy & Growth function to promote and facilitate the growth and safeguarding of jobs, housing, investment, income (primarily business rates and council tax), and development of a range of commercial and residential property across the key sectors in North East Lincolnshire is more important

than ever. Working across the Council, there is also an increased focus on the delivery of culture and heritage initiatives. Maximising external funding opportunities to promote these workstreams is key as well as seeking any external subsidy to minimise the risk and financial impact of Covid.

The key risk from Covid affecting the Housing Team objectives are targeted at the Home Options Service. We have seen an increase in the number of emergency accommodation units, managed by NELC, which has risen from 12 to over 50 units and this has and will continue to put financial pressures on staffing budgets and repairs and maintenance costs. Plans are in place to mitigate financial pressures but we remain vigilant.

With regards Highways and Transport, completing ongoing major infrastructure works during Covid has forced NELC to pause some projects (based on independent specialist contract advice) which has minimised financial risk to the Council but resulted in additional unforeseen costs to certain schemes. This scenario has affected one scheme but subject to any further lockdown restrictions, there is a risk other schemes may exceed budget and generate an additional ask on capital funds.

Strategically, the Local Plan 'Planning for Growth' sets out the ambition and this is supported by the newly approved Masterplan (October 2020), existing Town Deal prospectus, Grimsby & Cleethorpes Town Centres Investment Plan, Strategic Housing Action Plan and the published Energy Vision. The Covid Recovery Plan will be an additional plank in the approach to working with businesses and as and when some degree of normality returns, the review of the Economic Strategy will recommence.

In supporting and driving the economy, a number of key programmes continue to be progressed including:

- The South Humber Industrial Investment Programme (SHIIP)
- Grimsby West
- Housing Zones, residential development & Estate Regeneration
- Highways Infrastructure projects including rationalisation of S.278s and S.38s highway fees.
- Grimsby Town Centre/Town Deal/Towns Fund/ Future High Streets Fund
- Cleethorpes Regeneration Programme
- Grimsby Creates
- Energy and clean growth

Covid has and will undoubtedly continue to have some impact on these programmes.

SHIP is in delivery with the road linking Immingham and Grimsby Ports, following a delay due to Covid, being well advanced and due to complete early 2021. The first phase of advanced ecological mitigation is becoming well established and the infrastructure for the Stallingborough employment site is due to complete December 2020. Discussions are progressing well with a number of potential occupiers of the Enterprise Zone sites and the first pre-let on the Stallingborough site is agreed, construction is underway and due for completion Spring 2021. Thus far, enquiries have remained fairly buoyant notwithstanding Covid but predicting future enquiries is extremely challenging given global uncertainties. This could have an impact on business rate generation.

Strong partnership working has been established with the two landowners of Grimsby West, supported by strong governance arrangements led by the Council. Viability of the schemes remain under investigation and Supplementary Planning Documentation is being developed to support the long-term approach to planning on the site.

A robust and united approach has been established between Homelessness, Empty Homes and Council Tax Teams returning more empty homes/property back into use by utilising budgets more effectively, being innovative in our solutions, having improved communication with partnering agencies and sharing key information to deliver a positive outcome

In terms of the Housing Zones, enabling works are progressing on the Western site, with outline planning being submitted in November 2020 once formal resident engagement has been completed. Informal soft market testing with private sector developers is ongoing with a view to appointing a housing delivery partner, in Summer 2021, for the Western and other surplus owned Council sites.

Delivery of highway infrastructure projects remains a key aspect to the Local Plan, with circa £20 million being secured in 2020/21 from external funding providers, supporting investment and growth across the borough. We are keen to continue our approach is securing external funding. Agreement has been reached to increase highway construction fees from S.278s and S.38s April 2021, which will deliver circa £80k in revenue.

The next phase of Town Deal works is well advanced on the proposed Youth Zone enabling works and works are progressing well on the combined highway and public realm scheme to enhance the connectivity from Riverhead Square to Garth Lane which is due to complete Spring 2021 also. In addition to this, notwithstanding Covid, works on the redevelopment of St James Square are progressing well.

The delivery of the £7.2m Cleethorpes programme is almost complete with just the public art to complete. Covid has had a direct impact on the property market and the proposed redevelopment of the former Submarine public house is currently delayed pending further engagement with the potential end users.

There is a well defined cultural programme now agreed under the 'Grimsby Creates' banner and this is complementary to the Heritage Action Zone initiatives.

The Council has worked in partnership with Engie and the University of Applied Sciences to develop a £9.2m project, Smart Energy Businesses for Greater Lincolnshire. Businesses continue to benefit from grants, advice and support in terms of lowering their energy consumption whilst Council properties continue to benefit significantly from this programme.

In terms of pre-existing programmes, the following is planned:

SHIP

Ecological Mitigation

- Completing the acquisition and development of two adjacent coastal sites

Humber Link Road

- Monitoring construction and aiming for completion and opening early 2021

Stallingborough Employment Zone and other Enterprise Zones

- Completion of the highway infrastructure works.
- Progressing utilities connections to the site
- Completing the first new build and pre-let.
- Advancing the land acquisition strategy, including Compulsory Purchase if required
- Continue to promote this site and all Enterprise Zones
- Progress the process for the appointment of an investment partner
- Support Velocys' proposals to advance the first waste to jet fuel facility in Europe

Strategic Housing Action Plan

The Strategic Housing Plan has been established to deliver housing objectives by defining the main challenges within housing, including creating new homes, preventing and reducing homelessness by improving the move on accommodation offer, with partners, reducing empty homes within the community, as well as establishing key strategies/plans to deliver the required outcomes through appropriate consultation and joint working with stakeholders.

Four strategic priorities have emerged from the Housing Service Plan 2019/20 and will form the key areas of focus in monitoring and delivering performance across a suite of key performance indicators and measures within the Housing Action Plan. The four strategic priorities include;

Creating Homes – Providing new homes to meet NEL housing need

Strengthening Places – Investing in NEL existing neighbourhoods and communities

Improving Health – Improving peoples' health, wellbeing, economic opportunity and independence through housing.

Working Together – Working in partnership to deliver the housing vision and to increase opportunities for all.

Grimsby West

- Progressing discussions underway to agree an accurate and appropriate viability model for the site
- Reviewing the viability challenges of the site and engaging Homes England in terms of future funding opportunities
- Developing Supplementary Planning Documentation to support the long-term approach to planning on the site.

Housing Zones, Homelessness & Estate Regeneration

- External Housing Consultant procured and providing additional support and cost/viability analysis for the site
- Progressing master planning / external funding for the Lindsey and Matthew Humberstone sites.
- Playing Pitch Strategy now approved by Sport England to bring forward proposals for playing pitch re-provision
- Sport England agreed to support planning application for the development of 390 homes at Western site.
Final conditions to be agreed Dec '20
- Homes England Accelerated Construction grant contract formally agreed for Western site.
- 15 independent council owned flats for those residents with medium level disabilities due to be completed Jan '21

- Housing Related Support contract to be rationalised, in advance of tender exercise early 2021.
- Reducing Empty Homes, linking in with housing and charitable providers, developing a strong pathway for homeless people is underway. NELC's Empty Property Strategy is being actioned.
- Working with housing providers both from the public and private sector, as well as colleagues from Children's and Adult Services we are developing an Accommodation Strategy for NELC.

Highways and Transport

- External funding is being actively secured for schemes where applicable via GLLEP, DfT and TfN.
- Increase in S.278s and S.38s fees to generate extra highway revenue for NELC.
- Major infrastructure schemes such as Toll Bar, A18 and Cambridge Rd, Estate Rd all continue as programmed.
- Direct Rail, Western Relief Rd, Suggitt's Lane and Bus Bridge plans / discussions are underway and being progressed via project groups.
- Active/sustainable travel plans and cycle lanes are due to be proposed in 2021, across key routes within the borough.

Grimsby Town Centre/Town Deal

- Work with the Greater Grimsby Town Board to focus on approval of the Town Investment Plan submission to secure £25m of Towns Fund
- Continue to work with Freshney Place and subject to approval, advance the Future High Street Fund submission
- Progress with Onside for the development of the full youth zone facility
- Build on current discussions to establish a 'green hub' in Grimsby Town Centre that, as part of the Towns Fund proposals, would focus on collaboration, skills, promotion and workspace for the low carbon industries, notably but not exclusively offshore wind
- Complete the works to Frederick Ward Way and associated public realm works adjacent to the River Freshney
- Progress the Partnership Schemes in Conservation Areas (PSiCA) grant programme launched for the Kasbah
- Complete St James Square redevelopment scheme

Cleethorpes

- Complete all remaining public art projects on North Promenade

- Subject to Covid restrictions, seek to build upon previous years successful events programmes to drive as much visitor and local footfall and spend as possible,
- Further to Covid, confirm the appetite in the market for the redevelopment of the former Submarine public house and associated buildings on Sea Road.

Grimsby Creates

- Dependant on any restrictions, to deliver the inaugural 'Grimsby Festival of the Sea 2021'
- Procure for providers to assist with the development of the creative programme under the themes of; Origins, Heritage, Food and Future. A key element of the work focus will be to work alongside local organisations together with building international links connecting Grimsby's creativity initiatives with other places.
- Deliver an open virtual event to stimulate interest in our creative programme.

Energy / Climate Emergency

- Following the decision of Full Council on 17th September 2019 to declare a Climate Emergency, ENGIE have developed a baseline of carbon emissions and are now consulting with stakeholders on the development of Roadmaps to become a carbon neutral Council and Borough.
- The Council had already, in 2016, published its target that the Borough should be carbon neutral by 2050. This target will be reviewed as part of the Roadmap consultation. The costed roadmaps will be completed in 2021.
- The Council will continue with the electrification of its fleet, explore the technical and economic feasibility of heat networks and conclude the delivery of the SMART Energy Programme.

In the year ahead and over and above existing commitments, there are a number of areas where additional resource may be required including:

- Whilst all project delivery has been built into the bid, there is the potential that any funding agreement with government will mean there are certain workstreams that are not allowable

- Assuming approval of the Town Investment Plan, Government has confirmed that the individual projects therein must be subject to specific business cases. Whilst some of this is likely capable of being completed internally, it is likely there will be some specific areas that require additional expertise
- Potential development and submission of a National Lottery Heritage Fund bid for a history centre
- Delivery of the Economic Strategy and associated actions
- Development of a strategic transport review, including subsidised travel commissioned by the Council

Whilst there is some capacity funding associated with the funding bids, this is short term. In order to deliver existing programmes and the activities mentioned above, there is a requirement for additional high-quality programme and project management capacity if projects are to be delivered to the right quality, budget and time requirements.

Moreover, there are further considerations required around a number of proposed work-streams including:

- Tackling congestion, improving traffic flow and reducing the number of potholes on the highway.
- Targeting derelict and uneconomical housing sites together with reducing the number of empty commercial units and homes
- Climate emergency
- Marketing and promotion
- Freeman Street regeneration
- Tourism
- Enforcement activity

Dependant on the level of ambition, greater focus on these areas will bring both revenue and, in some instances, capital funding considerations in addition to the need for further staff capacity and capability.

Section 5 – What are the outcomes that we are seeking to achieve within the budget envelope? What is the anticipated impact of the plans?

The main outcome we are seeking to support remains unchanged being ‘All people benefit from a strong economy’ although it is the case that there are both direct and indirect benefits across all five outcomes. Primarily, the indicators we will concentrate on are:

1. Investment secured
2. Number of jobs
3. Average house prices
4. Electricity generated or supplied from renewable sources
5. CO2 emissions – zero by 2050
6. Improved number of homes being built/ brought back into use
7. Increased level of internal funding secured

Section 6 – What are the risks and opportunities associated with the proposals?

The key risk is that of being able to fund, recruit and retain the necessary quantum of suitably skilled programme and project management expertise to both deliver projects and also, develop conceptual projects, business cases and funding bids. Without such expertise, there is a high risk of bids being unsuccessful and projects encountering delivery issues and it is important to note that increasingly, the success of future funding bids will be determined on the basis of a track record of successful delivery. Also, whilst some funding streams bring an element of capacity funding to develop the bid, this is not universal and it is the case that some bids require an investment in resource against an unknown outcome in terms of the success or otherwise of the bid.

The commercial viability of industrial and commercial property remains challenging in North East Lincolnshire and this is likely to be exacerbated due to Covid and is a risk in terms of the delivery of new development and notably, generation of business rates. The SHIP initiative seeks to move the market in a positive direction and as mentioned above, the first pre-let is on-site although this did require a material amount of further grant funding to address market failure. As mentioned, there remain a number of serious and advanced enquiries across the wider SHIP area but Covid may well have an impact on demand and deliverability.

There is a further Covid specific risk that the SME community is deeply impacted due to Covid and that could put a call on resources to support this sector. As referred to, there is strong linkages with the private sector to allow a monitoring of the situation but in

common with many areas, there could be a higher incidence of businesses failures and that would put strain on the wider economy and employment systems.

Housing viability also remains a risk for Grimsby West and Housing Zone sites but strong governance is in place and appropriate plans / surveys are being commissioned to establish viability challenges. Furthermore, the housing market and construction industry generally appears to have remained robust throughout the Covid period but the long term remains unknown and the Council may have to react accordingly.

As cited in Section 4, the key risk from Covid affecting the Housing Team objectives are targeted at the Home Options Service.

Further lockdown or wider restrictions could impact infrastructure schemes and projects generally with there being an inherent financial risk. It is fair to say that contractors have generally responded well to new working arrangements and have been able to make progress following the initial impact of Covid.

The environmental, economic and social risks of failing to respond to the declaration of a climate emergency are well documented. The Council has a leadership role in mitigating the Boroughs impact and also on adapting to the effects. The full resource implications of the declaration are at this stage unknown.

All existing programmes / projects are monitored through individual programme governance and risks managed appropriately. Some risks are of a generic and macro nature, most notably Covid and by association, the performance of the national and regional economy. Also, Brexit and government policy / legislation are factors which are not generally within the control of the Council.

Business Delivery and Commissioning Proposal 2021/22

Environment

Section 1 – Summary of areas covered by this proposal and related priorities

Environment includes:

- Street Scene:
 - Street Cleansing
 - Garage & Fleet
 - Recycling & Waste
- Regulation and Enforcement:
 - Trading Standards
 - Environmental Crime
 - Pollution Control
 - Licencing
 - Food and Safety
 - Port Health
- Public Open Spaces
 - Grounds Maintenance
 - Bereavement Services
 - Resort Team

Over the last 5 years, Environmental services have been transformed to achieve value for money and deliver within a reducing local authority budget envelope. This has been achieved by changes in service design, adopting more modern working practices, reviewing priorities and implementing a new approach to encourage our communities to take more responsibility and to contribute to keeping the place clean and tidy.

In the last 12 months the service has consolidated previous change, reviewed outcomes and prioritised additional resources to targeted areas to enhance the place we live in, work in and visit. Our coastline, sand dunes, the Lincolnshire Wolds, woodlands, street scene, parks and open spaces all make a valuable contribution to the health and well-being of our communities and to the quality of life in North East Lincolnshire. The Covid-19 pandemic has further confirmed the importance of these spaces for our

residents' safety and well-being, with increasing visitor numbers to parks, beaches and open spaces. The pandemic has introduced additional requirements on the Council to enforce new legislation and manage open spaces differently with public health considerations at heart. It has also resulted in growing and continuing service pressures on many of our frontline services, such as domestic waste and recycling collections, bereavement services as well as an increasing need to clean up after irresponsible behaviours from a minority of visitors to our open spaces.

Our aim is to deliver high quality, value for money front live services to enhance the space we live in, work in and visit. We want to make best use of the green infra-structure, improve environmental sustainability including recycling rates and build community capacity through increasing volunteering, such as the in bloom groups, community groups and town and parish councils. We want to intervene at the early stages and prevent problems through better design and behaviour change initiatives, so that communities become more responsible and self-reliant. Clean up and maintenance work will be targeted to areas of need and complimented by working with the community, local volunteers, local businesses and partners. We will support the community in becoming more sustainable, increasing recycling behaviour and community capacity addressing behaviour change through effective enforcement, education and awareness in the environmental area.

Section 2 – Update on previously agreed plans/programmes/proposals

2.1 Projects completed in 2020/21:

Deep clean programme and other reactive activity to achieve improvements in local street scene

To encourage pride in our local area a range of improvements to our service offer has been implemented in relation to street cleansing, grounds maintenance and weed control to deliver higher quality local environmental standards. This includes an increased weed spraying rota and more dedicated resource to manual weed control in areas hard to access by mechanical cleansing methods. The service changes have been effective in reducing complaints regarding weeds and street cleansing and delivered a substantial improvement in local environmental standards in residential areas.

Improved gateways

Entrance routes and gateways to our towns and villages provide an opportunity to attract investment, increasing visitor numbers and promote pride in the area. The service has increased maintenance frequency of these areas to improve environmental standards both in relation to cleanliness and vegetation control.

Transformation of waste collections

Following publication of the Department for Environment, Food and Rural Affairs (DEFRA) Resource and Waste Strategy, a review of our local municipal waste strategy was completed, setting out the required improvements and targets the Council commits to achieve over the next 15 years to deliver better more sustainable outcomes. External analysis of current and future waste collection offer was conducted by WRAP (waste and resources action programme) followed by extensive consultation with residents. In March 2020, a decision was taken to invest in a new recycling provision to achieve better outcomes both for our environment, residents and local street scene. Arrangements for interim improvements in capacity was further continued to ensure reliable collections during a period of service change. Additional challenge introduced by procurement and delivery of waste receptacles during the Covid-19 pandemic, necessitated some changes in planned delivery schedule. Gradual roll out of changes between July and November 2020 has seen over 70,000 households having their old recycling boxes swapped for larger capacity and more user-friendly recycling bins. This will be followed by route optimisation and a change in collection methods from March 2021, approximately 4 months later than initially planned. Whilst this delay has limited impact on residents, it will have some financial impact due to delays in introducing more effective collection methods.

Risk based maintenance of street gullies

A review of surface water drainage provisions has been completed with an aim to reduce the risk of surface water flooding as far as possible. This has resulted in implementation of an improved gully cleaning routine, increasing resources in this area together with a focus on more frequent cleansing of areas of high risk.

More cohesive resort management

Cleethorpes resort provides an important quality open space to be enjoyed for our residents, as well as support to the local economy by increasing visitor number. The location is unique in that it provides a beach resort within an area of significant ecological importance with natural estuarine habitats. All these habitats are protected by national and international designations and need careful management to prevent any damage. Investment in more cohesive resort management has resulted in a more integrated service to improve environmental quality and joint management of resort priorities such as beach safety, tourist information, grounds maintenance, cleansing, ecology management and event support. The next steps will be to provide a more cohesive tourism offer by communication, co-ordination and collaboration between providers maximising use of resources, skills and experience within the Resort Team to enhance visitor experience. This will be delivered together with a digital review to adapt the resort to the modern world, increase social media presence and make services more accessible to the public.

Robust Enforcement

Improvements in fly tipping surveillance and evidence gathering has been implemented in the past 12-months and is now starting to deliver an increase in successful enforcement outcome in this difficult area of enforcement. Processes and procedures for increased use of penalty notices are in place, extensive staff training has been completed and software options developed to allow effective processing and issuing of fines. Increased skill sharing and joint working with CCTV-operations is in progress to deliver more responsive and efficient investigations going forward. The Covid-19 pandemic has introduced some additional challenges around formal enforcement, having an impact on the time taken to investigate and progress cases to court.

Increased skills for the future

To safeguard improvements and future service delivery, further investment has been made to develop and retain future skills with an aging workforce. Investments in apprenticeships across the service area has also increased the Council's contribution in reducing local skill shortages, particularly in areas such as drivers and other technically skilled work force.

Joint working with other Local Authorities

2020/21 has seen continued closer working with North Lincolnshire Council in the area of waste management. This has ensured we optimise the use of current contracts and joint procurement to achieve better value for money.

2.2 Projects ongoing:

2.2.1 Projects at planning stage:

- High level of stewardship of our public open space is important both to enhance space, preserve natural habitats and provide access to good quality green space to benefit the health and wellbeing of our residents. A review of our Open Space Strategy and Cleethorpes Habitat Management Plan will ensure consideration we promote responsible use and provide protection for these spaces to benefit both current and future generation. Further work to develop a conservation strategy to encourage growth in eco-tourism is also jointly planned between the Resort and Ecology Teams.
- Reviews have been completed into several ICT back-office systems used across services in both NELC and Engie. Several systems have been identified as outdated, inefficient and unreliable and plans are in place for procurement of new software to allow service improvements, efficiencies, cohesion and fluency between teams, partners and systems.

- DEFRA consistency framework lays out plans to make separate food waste collections mandatory for all local authorities by 2023. Separation and collection of food waste will help the authority meet government set targets to collect 65% of waste as recycling by 2035. Cabinet approval was received in March 2020 to change the Council's domestic recycling collections as soon as practicable including a move to separate food waste collections as soon as national additional burden funding is available. Plans are in place to trial food collections for approximately 4,500-5,000 households in the borough to assist the service in planning and modelling a borough wide collection scheme for 2023.
- Following recommendations from Communities Scrutiny Panel plans are in place for evaluation and implementation of several actions to deliver a more cohesive enforcement offer across multiple service areas.

2.2.2 Projects at delivery stage:

- Dedicated resources have been put in place to work with private property owners along high visibility gate way routes to encourage responsible management of private assets. The work is currently progressing at the inspection, evidence gathering and education stage. This is anticipated to progress to enforcement in respect to any private sites causing a serious detriment to the amenities of the area and where initial engagement with owners have been unsuccessful in delivering any meaningful improvements.
- Working closely with our business stakeholders, an extensive programme is in place to improve the Port Health service provision to support trade following EU exit as well as encouraging continuing growth in import and export of food products.
- Previous review of Bereavement Services took a decision for the service to remain in-house to safeguard continued access to low cost funerals for the community in North East Lincolnshire as well as providing opportunities to develop a wider range of discretionary paid for services. Four business cases were supported by Cabinet in February 2019 to deliver a better commercial offer on the Grimsby Crematorium site. This includes pet cremation services, on-site catering and refreshment facilities, increased car parking, additional chapel space, a flower shop and extended options for affordable funeral services.

The project is on target and in detailed planning stage. Implementation of increased car parking provision is now complete, with further project implementation dates ranging from 2021-2022.

- A capital statement was approved in February 2019 to achieve modernisation of fleet across the area, reduce the cost of vehicle maintenance and repairs and implementation of more modern work practices. This is a two-year investment programme and procurement of the first phase commenced in March 2019. 2020/21 has seen further renewal of waste operation and grounds maintenance fleet, with remaining items being scheduled for procurement in 2021/22.

2.2.3 Projects at reviewing stage

- A renewed bulky waste collection offer was launched in 2019 and continues to be very popular with residents. Review is currently in progress to establish how to transform the service into a permanent self-funded service offer.
- A review of Bring to recycling sites was completed in 2019, followed by rationalisation of sites to remove under used and misused facilities. A further review of the operation and use of these facilities is in progress to ensure any future offer is based on the need for residents following review of the kerb side recycling offer.
- In 2019 several wildflower schemes were set up on a trial basis across the Borough. Following the success of the schemes and lessons learnt from trials, the service is in progress of evaluating the options for further schemes on a ward-to-ward basis in consultation with ward, town and parish councillors.

Section 3 – Budget information

Environment

Proposed 2021/22 Budget

Service	Gross Expenditure		Gross Income £	Service Budget Envelope £	Budgeted FTE
	Pay	Non-Pay			
	£	£			
Grounds and Bereavement Services	1,631	882	(2,299)	214	59
Garage and Fleet Services	315	568	(984)	(101)	9
Street Cleansing	951	313	(226)	1,038	35
Environment Management	284	231	(2)	513	4
Beach Safety	257	21	(14)	264	8
Waste Collection Services	2,915	1,105	(1,025)	2,995	93
Waste Disposal Operations	0	7,326	(288)	7,038	0
Tourist Information Services	53	40	(46)	47	2
Regulatory Services	1,704	293	(1,783)	214	47
Overall Total	8,110	10,779	(6,667)	12,222	257

Current pressures

	21/22 £000s
Environment -	
Street Cleansing Income from SLAs	60
Refuse Vehicles Repairs and Maintenance	100
Total Environment	160

Capital Budget

SCHEME	2020/21 Approved Capital Programme £000's	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Environment				
Fleet Replacement Programme inc. Recycling Collection	3,968	3,804	1,090	0
Litter Bin and Recycling Replacement and Upgrade	119	0	0	0
AQMER (Air Quality Equip)	1	0	0	0
Enhancement of Bereavement Services	617	1,065	0	0
Peoples Park refurbishment	0	76	0	0
Household Recycling Scheme	0	923	0	0
Depot Rationalisation	50	3,000	3,757	0
TOTAL	4,755	8,868	4,847	0

Section 4 – New plans/programmes/proposals

Summary of opportunities

Proposal	Saving		
	2021/22 £'000	2022/23 £'000	2023/24 £'000
Improved efficiency in Port Health Operations	100	100	100
Review 'bring to sites'	50	100	100
Review of fees and charges	87	87	87
TOTAL	237	287	287

Over the last 5 years, the service has been transformed to achieve value for money and deliver within a reducing local authority budget envelope. This has included a range of service efficiencies and an increased focus on statutory minimum service delivery.

Substantial progress has been made in creating a structure and operation that is capable of gradually reducing service demand and pressures through community engagement and education. A more commercial approach, together with improved cost recovery has also been implemented in all areas of the service to achieve a long-term sustainable budget.

The key principles which will continue to shape activities going forward are:

- Understanding and managing demand, including prioritising services to respond to any continuing pressures caused by the Covid-19 pandemic.
- Behaviour change through robust enforcement and targeted communications
- Building community capacity
- Releasing capacity in the workforce and improved workforce planning
- Service redesign and reducing any duplication across the service to meet demand within budget
- Culture change and leadership
- Commercial opportunity and charges to increase income
- Digital transformation
- Cost reduction and cost control

Programmes proposed to achieve further service efficiencies in the coming financial year can be seen in the table below:

Programme	Description	Estimated savings
Improved efficiency of Port Health operations	North East Lincolnshire is traditionally a centre for food production, storage and distribution, dominated by the UK seafood industry, and the number of food manufacturers, cold stores and exporters based in the area is very high, compared to similarly sized districts. EU exit will introduce additional requirements on documentation and checks for both exports and imports. A large scale investment is planned for the Port Health service area to handle the increased demand and ensure that the Authority can effectively support our food manufacturers, exporters and ensure that imported food and feed meet the UK's public and animal health standards. Investment in ICT systems and processes will deliver improvements in administrative practices, providing both a better service for our customers and financial efficiencies.	£100k

Review of supplementary recycling provisions	<p>It is proposed to gradually remove the 50% least used Bring to recycling sites from April 2021 and the remaining sites in April 2022.</p> <p>Previous reviews of Bring sites have highlighted a reduction in their use. Some sites across the borough are regularly misused, with fly tipping being a big concern. Household and commercial waste is frequently dumped at the sites. These ongoing fly tipping issues impact on valuable resources across Environmental Services, with staff having to complete reactive tasks (removing fly tipped waste) rather than completing their scheduled work. The Bring sites often require regular refurbishment, with some sites being unsecured and difficult to maintain. Recent improvements to kerbside recycling collections are expected to further reduce the use of Bring sites. Most households in the borough have now been issued with two 240l recycling bins to replace the triple recycling boxes previously used, increasing the capacity available to them to dispose of household recycling.</p> <p>Removing Bring sites would achieve service efficiencies and financial savings for waste operations. Whilst it may result in limited misuse in the initial period of change until residents have adapted to the changes, it is expected to reduce instances of fly tipping longer term.</p>	<p>2021/22-£50k</p> <p>2022/24 £100k</p>
Review of fees and charges	<p>Fees and charges for Bereavement Services have not been reviewed since April 2019. Salary costs as well as other costs have increased in this period and a review of the charges is necessary to reduce budget pressures. The overall costs of maintaining cemeteries, including historic buildings, monuments and memorials have also increased well above the current budget provisions. As a safeguard, benchmarking has been completed against nearby local authority and private providers to ensure services provided by North East Lincolnshire Council's Bereavement Services continue to achieve the aim of provision of low cost funeral services. The new fee structure proposed will ensure the service maintain full cost recovery, whilst promoting the aim of access to low</p>	£87k

	cost services for all of our residents by ensuring our fees and charges remain amongst the lowest in the region.	
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Section 5 – What are the outcomes that we are seeking to achieve within the budget envelope? What is the anticipated impact of the plans?

The recommendations within these proposals ensures Environmental Services continue to deliver to the strategic aims of the Council to promote a Stronger Economy and Stronger Communities, linked to the priorities within the Outcomes Framework namely People in North East Lincolnshire: -

- **Feel Safe and are Safe** – Ensuring appropriate legislation and enforcement is in place to address ongoing or developing problems enabling local people to be safe.
- **Benefit from sustainable communities** – Ensuring we maximise our opportunities to have sustainable communities which local people can be proud of.
- **Enjoy and benefit from a strong economy** – Ensuring improvements to an area, safe environments and quality of place encourage investment, bringing with it prosperity and jobs.
- **Enjoy good health and well-being** – providing safe and attractive public spaces which local people can enjoy promoting a sense of positive health & well-being.

Building on the progress made through previous service improvement programmes, we aim to continue to provide services achieving a good quality local environment and a safe and responsible business environment for the benefit of all residents in North East Lincolnshire, within our budget envelope.

We want to:

- Continue to support and encourage communities to become less dependent on Council services and will increase community capacity to keep their local environment tidy by increasing recycling, reducing waste disposal, reducing incidence of littering, fly-tipping and dog fouling under key themes of work.
- Foster pride in where we live and work, whilst ensuring that we provide effective support to those who need it.

- Address antisocial behaviour and environmental crime such as littering, fly tipping and dog fouling to improve quality of life for our community and the local environment.
- Provide effective and cost-efficient front-line services so that our parks, open spaces and streets are kept clean and tidy and stay tidy for longer to make a more aesthetic neighbourhood.
- Build community capacity, local wealth and pride in our place.

Section 6 – What are the risks and opportunities associated with the proposals?

The pace and number of changes in some service areas such as Port Health and Waste Operation, mean that the impact on the budget can only be estimated for this year. Actual savings this year have been impacted by cost pressures mainly arising from the Covid-19 pandemic and such pressures may continue into next financial year. The mitigation for this risk is to press ahead with further proposals as soon as possible to reduce costs further or increase income and to prioritise services short term if required to offset any potential overspend.

Transformation of the service will continue until the budget is achieved and the services can be provided within the available budget envelope. The budget cannot be realised through cuts and efficiencies alone and new commercial income streams must also be developed to support the services.

There are reputational risks with regards to implementing changes in these public facing services as these may not meet public expectations.

There are a number of emerging pressures in Environmental Services;

- As new housing comes online this creates pressure for additional waste collections and additional street cleansing.
- There are continuing pressures on agency and overtime budgets due to challenges resulting from the Covid-19 pandemic.
- Potential of increased demand in Port Health due increasing numbers of required checks and increases in food import after Brexit. Full cost recovery is achievable long term for these functions, but due to potential of sudden changes at fast pace, some short-term pressures may occur until the service has had the opportunity to adapt to new expectations.

Work continues to reduce these pressures through cost control and reduction. We will be monitoring risks as the change programme is delivered. We will use the commissioning cycle to review changes as there is always a level of uncertainty when service redesign takes place. If further changes are required, these will be programmed.

Opportunities:

The changes to refuse collection and reviews of all services are far reaching and have the potential to have a ripple effect in terms of reduced costs

- 1) Fewer vehicles to replace and maintain
- 2) Stronger and more resilient workforce
- 3) Improved workforce planning
- 4) Improved culture in the workforce
- 5) Reduced duplication between services and fostering a can-do attitude amongst the full staff group will increase service delivery

The digital programme offers real opportunity for more efficient working by staff as well as helping the community to self-serve, reduce demand and reduce duplication. Clearer messages in terms of our offer are being developed. In this way we can manage the expectations of our customers and retain a consistent message.

Business Delivery and Commissioning Proposal 2021/22

Corporate & Democratic Core

Section 1 – Summary of areas covered by this proposal and related priorities

Corporate and democratic services cover a wide range of support services that facilitate and enable delivery of the Council's five key outcome areas. It also incorporates some front-line service activity delivered through Customer Access Points and other reception areas, telephone, Council website and social media.

Our priorities are to support the organisation in a way which is pro-active, flexible, efficient, and responsive to the needs of services, residents, partners and businesses and elected members, whilst ensuring that we have robust governance arrangements in place that mitigate the risk of financial, reputational, safeguarding and service delivery failure.

Key areas of activity include:

- Governance (democratic services, registrars, civic services, elections, complaints, communications, legal and coroners)
- Customer management (Customer, Business Support, Web)
- Audit & Assurance (operated as part of a shared service with North Lincolnshire Council)
- Local Taxation & Benefits (operated as a part of a shared service with North Lincolnshire Council)
- Finance (some operational elements shared with North Lincolnshire Council)
- ICT (some operational elements shared with North Lincolnshire Council)
- People & Culture
- Estates (operational and commercial estate)
- Procurement; and
- Commissioning and Strategic Support Unit.

Section 2 – Update on previously agreed plans/programmes/proposals

Our need to respond to the Covid-19 pandemic had a significant impact on the delivery of our plans during 2020. Large numbers of our ‘back office’ staff were redeployed to enable us to support our residents and businesses impacted, for example, co-ordinating and delivering the Shielding Hub, making and receiving welfare calls with vulnerable residents, creating and maintaining complex datasets so that we understand need and activity, and supporting the business grants scheme.

Inevitably the impact of Covid-19 and our response to it will continue to be felt across the Council, not least within Corporate and Democratic Core. Our response has also changed the way we work, how we interact and provide support to the organisation. It is anticipated that impacts will be felt well into the next financial year, not just financially, but across our workforce and therefore our capacity to provide “business as usual” activity. Supporting the workforce and being flexible to respond to the demands placed upon it by this current situation will remain critical during the next 12 month period.

Some of our usual activity was cancelled or deferred to a later date (for example, elections). Other projects were delayed for several months, as were all Council committee meetings pending regulatory reform enabling remote meetings to take place. The combination of delayed implementation and increasing demand has resulted in a budget pressure of £1.3m across a range of areas that is reflected within the current monitoring position. In addition, services across Corporate & Democratic core are managing additional budget risk amounting to £0.7m through a range of actions such as property disposal, staffing reviews and vacancy management.

Updates on the key programmes outlined in the 2020/21 plan are as follows:-

Implementation of the Union Operating Model	During 2020 we continued to work with our delivery partner, FutureGov, to develop a new operating model for the Union, that would also serve the Council and the CCG’s separate organisational need as well. The emergency response to the Covid pandemic accelerated some of our activity, particularly highlighting areas where we recognise that we need different arrangements in place to manage data and intelligence more effectively, and the benefits of co-producing solutions with the Voluntary and Community Sector.
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	<p>We have undertaken a focussed project that has tested a new approach to the way that we manage and understand data and insights with colleagues from the CCG and Voluntary and Community Sector (VCS), focussed on a specific topic. This piece of work has informed the way we will commission in the future, and the way that we develop a new support model for the Union.</p> <p>This work is continuing, with the implementation of new arrangements a priority during late 2020 and in 2021.</p>
Implementation of new systems (Finance, HR & Payroll)	<p>The emergency response to COVID meant that the planned implementation of the new HR & Payroll system was delayed by 3 months. In July 2020, the implementation plan was re-started with a planned Go Live date of 1st April 2021. The implementation of the new system is focussed on the end user experience, streamlining of our processes and adopting best practice wherever possible.</p> <p>The procurement of a new financial management system has now been successfully concluded. The implementation period is now underway with an expectation that the new system will be in place by October 2021. The new system is a shared services project and therefore the costs of the project team will be shared with North Lincolnshire Council.</p>
Commercial Estate	<p>We continue to recognise the importance of maximising income through the efficient management and growth of the commercial estate. In 2020 we implemented a review of our arrangements to ensure we have the capacity and commercial expertise to deliver on this important area of the business, with the aim of increasing the income generated by around £0.2m per annum by the end of the financial planning period. We have delivered a restructure with a more commercial focus, bringing the Estates and Valuations team in house and are looking to recruit additional expertise.</p> <p>Covid-19 has had an impact on our ability to maintain levels of income across the portfolio. There are several contributing factors which includes</p>

	<p>government guidance impacting on ability to view vacant units and the halting of debt proceedings. There is also a slowdown of businesses wanting to start up during such unprecedented times.</p> <p>We will continue to seek to increase the occupancy of markets and business centres, which currently operate at 74% and 88% occupation respectively. We have engaged with traders to deliver an incentives and marketing package to increase occupancy. We are also actively managing the commercial estate and engaging with tenants in order to make the best use of our asset portfolio. All lease renewals and rent reviews that are due, will be actioned within the financial year.</p> <p>We have been successful in bidding for capital funding to deliver an expansion to our Business Centre Portfolio to increase income and to also improve condition to retain some of the existing businesses.</p> <p>In line with Asset Management Plan priorities we've delivered our backlog maintenance programme for our corporate assets, and we will continue to deliver on the 5 year plan, which commenced in 2018/19, to ensure that all Council owned Heritage assets are removed from the risk register. We have commenced a regular programme of Energy Performance Certificates on corporate assets to reflect changes in legislation.</p> <p>We will ensure that where a service need identifies new demand that can improve the councils revenue position we make best use of assets, across the place, to fulfil that demand, current examples are provision of extra care homes leading to savings in adult social care and utilisation of a surplus school building to provide an alternative model to out of area placements.</p> <p>The Community Asset Transfer programme continues; however, we will aim to change to change the focus to a supply rather than demand led approach, highlighting the potential of surplus assets to communities.</p>
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<p>Legal Services & Coroners</p>	<p>Legal Services continues to adapt to better position itself to meet the evolving complex and challenging demands placed on it by service areas and other external pressures (COVID/EU withdrawal etc). By far the most resource intensive area supported is that of child social care and safeguarding where demand remains high but recognising that the transformation work underway in Children's Services is planned to drive down numbers of looked after children thereby resulting in lesser demand.</p> <p>The Coroners Service is subject to merger dialogue as a result of the retirement of the Area Coroner. Current instruction from the Ministry of Justice and Chief Coroner's Officer is to assess merger opportunities on two fronts, Hull and East Riding and Greater Lincolnshire. Business cases are in the midst of being prepared with all data in support with a view to enable recommendations to be ultimately brought before Cabinet for preference of direction, subject to the acquiescence of the Lord Chancellor, Ministry of Justice and Chief Coroner.</p>
<p>Census 2021</p>	<p>The census takes place on 21st March 2021. Responsibility for the census lies with the Office for National Statistics (ONS), however, there is an expectation that Councils will support local activity needed to maximise participation.</p> <p>This was included as a priority last year, and at the time the impact on Council resources was unclear. We have a designated Census Liaison Manager and Assistant who are working closely with ONS Census Engagement Manager. Our role in supporting the census is focussed on using local knowledge to maximise take-up, through activity such as provision of up to date property information, promoting census education programmes in schools, assisting with recruitment of field staff, identifying areas where communities may be hard to reach and/or do not have English as a first language and general communications that encourage completion.</p>

	<p>Fortunately the capacity required to support ONS has not been significant and has not impacted on delivery of other work.</p>
Capacity Building	<p>During 20/21 we have:</p> <ul style="list-style-type: none"> ➤ Improved the collation of information to signpost people to the relevant community support. ➤ Continued to support and secure funding into NEL, including the processing of business grants to the Voluntary Community Sector. ➤ Supported the development of a “Community Hub” for community information advice and guidance to residents. ➤ Worked with Locality to review and improve our Community Asset Transfer process ➤ Built our local volunteering capacity - over 600 through Blue Lights Brigade and 576 directly registered with the Council. ➤ Funded a food coordinator post which has enabled the better coordination of intelligence and practical support between providers to the benefit of the wider community. ➤ Undertaken preparatory work for the introduction of a Community Lottery in 2021. ➤ Opened discussion to open a second Community shop and continue to explore options for the opening of a Credit Union office in 2021. <p>We have not been able to progress our planned activity in respect of social value, however during the pandemic the Council, business and community response has focussed on local organisations and businesses, and built relationships that which provides a platform for closer and more effective local commissioning and procurement in the future.</p>

Section 3 – Budget information

Corporate and Democratic Core Services					
Service	Proposed 2021/22 Budget (£000's)				
	Gross Expenditure		Gross Income	Service Budget	Budgeted FTE
	Pay £	Non-Pay £	£	Envelope £	
Registrars & Civic Services	486	49	(391)	144	14
Management & Emergency Planning	113	379	(20)	472	1
Communications and Marketing	156	47	(73)	130	5
Elections Team	135	174	(3)	306	3
Print Hub	192	202	(81)	313	6
Resources Management & Support	762	(563)	(105)	94	6
Asset Management and Security	421	2,106	(1,012)	1,515	10
Commercial Estate	0	750	(4,205)	(3,455)	0
Business Support & Customer Services	2,828	292	(113)	3,007	115
Commercial and Strategic Support Unit	1,370	0	(182)	1,188	34
Accountancy	1,260	154	(126)	1,288	33
Benefit Payments & Subsidy	0	28,653	(28,398)	255	0
Local Taxation and Benefits	1,708	438	(1,897)	249	60
ICT	1,669	1,792	(412)	3,049	45
People and Culture	2,050	90	(428)	1,712	39
Audit	423	(43)	(32)	348	11
Coroners	206	335	(288)	253	5
Democratic Services & Scrutiny	251	459	0	710	7
Legal Services	996	1,046	(144)	1,898	26
Overall Total	15,026	36,360	(37,910)	13,476	420

Current Service Pressures	21/22 £000s	
Review of combined operating model – Covid impact	350	
Business Centres - reduced occupancy and rent	100	
Markets - reduced occupancy and rent – Covid impact	40	
Costs of Supported Accommodation (subsidy insufficient)	100	
Reduction in admin grant to support business rate collection	19	
Local Taxation - additional staff costs – Covid impact	32	
ICT - Additional demand and cost pressures – Covid impact	127	
Corporate target – inc HMRC mileage rate proposals	250	
Reduced income from Training Courses - Covid impact	25	
Child Care Legal	115	
Deferred Local Elections (net pressure) – covid impact	22	
Organisation Development Budget - expansion of graduate scheme	190	
Total Corporate and Democratic Core	1,370	

Capital Budget

SCHEME	2020/21 Approved Capital Programme £000's	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Corporate and Democratic				
Backlog Maintenance	960	1,319	0	0
Cartergate Office Development	0	220	0	0
Property Rationalisation Programme	25	205	0	0
Capital Investment	600	459	608	4,234
Digital Strategy Delivery/Imp Civica/Edrms	1	10	0	0
Fire Segregation Works	95	0	0	0
Capital Receipt Flexibility	250	400	400	400
Heritage Asset at risk	418	486	0	0
Scartho Cemetery Gates and Chapel	0	246	392	20
Corporate Systems Investment	500	273	0	0
IT Transformation Programme	130	98	0	0
ICT refresh	865	808	646	646
The Knoll	9	0	0	0
Eco Park	64	0	0	0
TOTAL	3,917	4,524	2,046	5,300

Section 4 – New plans/programmes/proposals

In response to budget pressures being felt across the corporate and democratic core, a range of proposals have been considered to mitigate the impact.

Summary

Proposal	Saving		
	2021/22 £'000	2022/23 £'000	2023/24 £'000
Capitalisation of staffing supporting capital programmes	150	150	150
Additional use of flexible use of capital receipts policy	150	150	150
Property rationalisation	100	100	100
Reduce printing/photocopying/MFD usage	25	25	25
Investment in existing and new site	0	190	190
Reduce travel budget linked to working practices	125	125	125
Operating model review efficiencies	200	200	200
TOTAL	750	940	940

Accounting and Technical

Following a review of technical accounting practices, a number of accounting opportunities will be progressed in 2021/22. A review of current resources supporting the Council's extensive capital programme has been undertaken and where appropriate and in accordance with accounting policies, additional costs will be capitalised. In addition, the flexible use of capital receipts policy will be extended to support the wide range of transformational change activities planned. A balance sheet review has also identified capacity with insurance provisions set aside (£100k saving within Other Budgets).

Implementation of the Operating Model

As explained in Section 2, the timescale for implementation of a new operating model was impacted by the emergency Covid response in 2020. It remains a key priority in 2020/21. This includes the implementation of new leadership and management arrangements anticipated to save c£0.7m per annum as originally planned for 2020. The review of leadership arrangements is complete, with Phase 1 (senior arrangements) implemented January 2021. This phase will achieve a saving of circa £350k p.a., and the intention is to include a Phase 2 review as part of our on-going review of arrangements across the rest of the organisation during 2021/22. For corporate and democratic core, this will include further review of management arrangements, alongside implementation of the new operating model.

Wider than the review of management and leadership arrangements, we have worked with our delivery partner FutureGov to understand how we can better understand and improve prioritisation, decision making, ensure best use of our data and intelligence, improve the way we commission both contracts and services we deliver, and ensure we procure and manage contracts in a way that better enables us to flex delivery throughout the life of a contract to meet changing need and seek added Social Value.

We will implement digital solutions, and new processes and policies to ensure that our new ways of working make it easier for our customers (internal and external) to engage with us, improve efficiency and effectiveness, avoid duplication and implement sound governance and decision making.

We understand how we will work differently in the future. During early 2021 we will review the support structures and consult on and implement new arrangements by summer 2021.

New ways of working, brought forward as a result of Covid, will support the delivery of efficiency savings with an increased use of IT with a reduced demand for printing and travel costs.

Implementation of new Finance/HRP systems

As explained in section 2, the COVID situation delayed the implementation of the new HR & Payroll system by 3 months, but it has remained a key priority for 2020/2021 and will go live April 1st 2021. The HRP project team were diverted to support the COVID response between March and June, but since July have been refocussed on the HRP project. The project team are working across the organisation through Service champions to ensure that the new system provides a seamless end user experience, it is also essential to continue the transformation of People and Culture and is a key enabler for the service to support NELC's frontline service delivery models. It is expected that the new system will bring more efficient and effective processes and procedures for the end users and better information which could result in releasing capacity for managers.

The replacement of the Council's financial system is also in progress with an implementation date planned for the end of 2021. As with the HR system, one of the major outcomes will be more efficient and effective processes and procedures for the end user, including improved information and internal control. Automation and digitalisation of processing will release additional capacity for the organisation.

Embedding of new Estates & Valuation functions/commercial opportunities.

With bringing together key support services, together with the recruitment of a Commercial Manager, it is hoped that the commercial agenda will be more cohesive and responsive to opportunistic approaches and opportunities. Flexibility and speed of safe decision making will be a key priority in the forthcoming period. We will develop a commercial policy to run alongside the corporate property policy, linked to our ambitious growth agenda, aimed at maximising opportunity for the Council. Clearly this strategy will be impacted by longer term economic impacts of the Covid pandemic and will need to be kept under review throughout the coming financial year.

Coroners.

At the moment the impact of any merger within the service is one of conjecture and uncertainty. At the time of drafting, business cases are being prepared in order to present to Cabinet a choice between Hull and East Riding or Greater Lincolnshire. The business cases will necessarily cover off resource and staffing issues and ramifications (if any). It is not yet known what structure any merger will take. A number of options are possible, including full TUPE transfer, shared service arrangement or simply a memorandum of understanding underpinning joint and collaborative working. Any preference expressed by Cabinet will be subject to agreement and support of Lord Chancellor, Ministry of Justice and Chief Coroner.

Council Tax Single Discount Review Matching.

In September 2020 we procured data matching software to identify potential examples in real time of households claiming single person discount which have more than one adult. The exercise commenced in December 2020 and will be operational

throughout 2021. Similar exercises have previously identified increases in the council tax based of around £100k by removing single person discounts from such households that are not eligible.

Section 5 – What are the outcomes that we are seeking to achieve within the budget envelope? What is the anticipated impact of the plans?

By best using the financial resources available across the place we seek to continually reduce support costs and have more resilient support services by joining up with other organisations where there is evidence that the approach will provide dividends. We will continue to support our vulnerable customers whilst increasing our ability to enable those who can serve themselves to do so. Our on-going work to promote the digital agenda will continue and play a key role in transforming how we interact with and provide services to our customers and residents. We will gain the best financial value possible through better utilisation of our commercial and corporate estate, potentially expanding our most economically viable estate, and moving/closing estate which is not providing the necessary rate of return. We will have assurance that our model of governance and democracy continues to meet all legislative requirements whilst operating in the most cost effective and efficient way.

Section 6 – What are the risks and opportunities associated with the proposals?

Risk	Mitigation
Ensuring the Council has sufficient resources to deliver its ambitious change programme. Corporate and democratic core is about enabling and facilitating the business of the Council so it is essential that sufficient capacity is retained to deliver key programmes and projects. As described earlier, the impact of COVID (absence, wellbeing) on staff could affect our ability to maintain	<p>Key decisions are taken in a timely manner and, where there are clear interdependencies with other change programmes, that these are managed in an integrated manner. The Council is clear about priorities and allocates resource accordingly.</p> <p>In the event of staff redeployment, decisions to pause projects are taken quickly. The cost of additional capacity required to support major programmes is factored into project costings.</p> <p>Programme and project management techniques will be followed to ensure resources are employed effectively and benefits are fully realised. We are</p>

support to services throughout the pandemic as we may have limited resource to manage essential work and / or redeployment of resources to essential services.	continuing to refine our governance arrangements in order to improve the development of robust business cases and ensure our resources are used most effectively.
Lack of engagement from staff employed in areas that are under review.	The new Change Management policy and associated documents provides for greater engagement with Trade Unions and staff on changes that may affect them. People and Culture (HR) People partners ensure that managers take a consistent approach during informal consultation process, ensuring that staff are fully engaged and understand the reasons for change and have the opportunity to contribute.
Lack of leadership/political understanding of change programmes	<p>Ensure major or significant programmes have a senior programme sponsor and there is regular engagement and communications with leadership and assistant directors.</p> <p>Ensure programmes only progress where there is a clear rationale for doing so. All projects and programmes should include a clear communications plan that includes engagement with Leadership and Elected Members. Lessons have been learned from ongoing programmes in relation to Elected Member engagement, particularly the benefit of engaging scrutiny in shaping recommendations.</p>
Demands and conflicts causing delays in delivery	An approved programme of work, inflow of work route agreed, sign off process in place, escalation process agreed, monitoring in place for delivery/exceptions
The impact of NHS and Local Government reform limits integration opportunities	The opportunities available to us from further integration with the Union are wide ranging and varied, from using our collective buying power in a more collaborative and joined up way, to co-locating our teams and resources, the benefits to our Place are significant. Making best use of innovation and technology will mean placing the user at the heart of what we're trying to achieve and would enable us to design and implement an operating model for North East Lincolnshire which is fit for the future. However, NHSI proposals for a new integrated care model and potential

	reform to Local Government may restrict opportunities to fully integrate and create a more collaborative model.
If plans are not delivered, the alternative will be to undertake a review of individual services to achieve similar level of savings.	

Annex 2

Capital Programme

SCHEME	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Childrens Services			
Schools - Devolved Formula Cap Grant	190	0	0
Schools - Backlog Maintenance	875	600	600
Schools - Basic Need Sufficiency of Places	8,061	0	0
Childcare Management System Inv.	0	0	0
Special Educational Needs and Disability Fund	290	0	0
Looked After Children	100	0	0
Nursery places	136	0	0
Liquidlogic	0	0	0
Lincs2 Portal System Inv.	0	0	0
Service Improvement Education	36	0	0
CCTV Review and Upgrade	974	0	0
Adult Services			
Disabled Facilities Grants	3,270	2,964	2,685
Social Care - Better Care Fund	0	0	0
Environment			
Fleet Replacement Programme inc. Recycling Collection	3,804	1,090	0
Litter Bin and Recycling Replacement and Upgrade	0	0	0
AQMER (Air Quality Equip)	0	0	0
Enhancement of Bereavement Services	1,065	0	0
Peoples Park refurbishment	76	0	0
Household Recycling Scheme	923	0	0
Depot Rationalisation	3,000	3,757	0
Resources			
Backlog Maintenance	1,319	0	0
Cartergate Office Development	220	0	0
Property Rationalisation Programme	205	0	0
Capital Investment	459	608	4,234
Digital Strategy Delivery/Imp Civica/Edrms	10	0	0
Fire Segregation Works	0	0	0
Capital Receipt Flexibility	400	400	400
Heritage Asset at risk	486	0	0
Scartho Cemetery Gates and Chapel	246	392	20
Shared Services			
Corporate Systems Investment	273	0	0
IT Transformation Programme	98	0	0
ICT refresh	808	646	646

SCHEME	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Public Health			
GY Leisure Centre	0	0	0
Health and Well Being Centre	0	0	0
Drug & Alcohol Recovery	0	0	0
Playing Pitch Reprovision	2,495	1,870	0
Economy and Growth			
Housing Assistance Grants and Loans	658	250	0
Willing/Peaksfield Flood Alleviation	69	0	0
Community Housing	0	0	0
Local Transport Plan Schemes	3,822	4,012	4,182
Freeman Street Regeneration	0	0	0
Cleethorpes HLF Townscape Heritage	1,893	141	0
GLLEP Junction Improvement	0	0	0
Sth Humber Infrastructure and Investment Programme	2,480	7,703	0
CATCH offshore	0	0	0
Supported Housing Scheme	0	0	0
Immingham lock flood def gates	63	0	0
Cleethorpes Public Art	0	0	0
Smart Energy for business	0	0	0
NEL Funded Energy	0	0	0
A180 Sth Humber Bank Major Maint.	0	0	0
Heritage Action Zone	320	320	200
Town Deal Investment	3,550	0	0
Riverhead Square & Unlocking Potential	200	0	0
Central Clee Regeneration	50	3,948	0
Europarc Food Enterprise Zone	0	0	0
Stallingborough Engineering Development	0	0	0
Controlling Rogue Landlords	46	0	0
Open For Culture	1,320	0	0
Estate Road 2	0	0	0
Corporation Bridge	1,330	3,470	0
A18 Laceby to Ludborough	500	0	0
Accelerated Construction	1,743	0	0
Affordable Housing S106 monies	0	0	0
Poplar Road Expansion	1,440	1,690	0
Business Centre Improvement	638	0	0
Extended Cycle Track	2,680	0	0
Future High Streets Fund	1,500	7,300	18,500

SCHEME	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Corporate and Democratic			
The Knoll	0	0	0
Eco Park	0	0	0
TOTAL CAPITAL PROGRAMME	54,121	41,161	31,467

	2021/22 Approved Capital Programme £000's	2022/23 Approved Capital Programme £000's	2023/24 Approved Capital Programme £000's
Funding			
External Grants	26,744	15,975	15,304
Corporate Borrowing	26,788	24,686	10,663
Capital Receipts	476	500	500
Revenue Contributions	36	0	0
Other Private inc S106	77	0	5,000
	54,121	41,161	31,467

Annex 3

Capital Investment Strategy

2021/2031

Context and Vision

The port of Grimsby is the operations & maintenance base for six offshore windfarms including Hornsea One the world's largest offshore wind farm, supplying 2.5GW of clean energy to British homes and businesses. With a government commitment to deliver 40GW of offshore energy by 2030 the opportunities for North East Lincolnshire and the wider area are set to grow further. As the wider cluster develops and matures the area has and will see further investment in supporting capabilities in research & development, skills and training and other cross cutting activities.

The Ports of Immingham and Grimsby are the largest by tonnage in the UK, providing essential trade links to Europe and the rest of the world and further supporting UK energy security through the UK's largest biomass handling facility. Post EU Exit opportunities are being taken with a Humber based Freeport bid including Grimsby and Immingham currently in development. The Immingham refineries can deliver up to 25% of the UK's road fuel requirement and the wider chemicals/process industries cluster is the second largest in the UK, with an annual output of over £6bn. Food and particularly seafood remains the bedrock of the local economy with up to **70% of seafood consumed in the UK processed in North East Lincolnshire**.

North East Lincolnshire Council is already making strong progress in capitalising on these economic assets. More than **5,699 new jobs** have been created through inward investment and indigenous business expansion since 2010. Claimant count unemployment has declined over the same period but has been impacted by the economic effects of the pandemic. The local rate of 6.9% of eligible population compares to a regional rate of 6.5% and a national rate of 6.3%. (source NOMIS DEC 2020). Greater Grimsby and North East Lincolnshire are building a new economic future. Over the next decade and beyond, there are strong prospects for growth in offshore wind and the transition to a low cost, low carbon economy; and for improved productivity and export-led growth in port-related logistics and in advanced manufacturing, chemicals/petrochemicals and food processing. As a result, the Council's newly adopted Local Plan and Economic Strategy set out ambitious targets for employment (**8,800 new jobs**) and housing growth (**a minimum of 9,742 new homes**) to 2032.

The Council is playing a key role in facilitating/enabling employment and housing growth by investing up to £23.6m to deliver the **South Humber Industrial Investment Programme (SHIIP)** that will bring forward up to 195 hectares of employment land with Enterprise Zone status between the Ports of Grimsby and Immingham. Working in partnership with landowners and developers to facilitate development of three strategic housing sites allocated in the Local Plan with the potential to deliver up to 4,300 new homes; building the capacity of our SME housebuilders; and packaging Council-owned surplus sites to attract a long-term housing delivery partner, involving Council investment of up to £8m improving Greater Grimsby's *quality of place* - education, leisure, cultural and heritage provision and the built environment – as an essential part of the strategy to attract and retain mobile businesses, people and investment. The revitalisation of Grimsby Town Centre affords a unique opportunity for culture/heritage-led regeneration and to reconnect the town centre with its waterfront and the Council has already invested in related projects including the acquisition of Victoria Mills and the regeneration of the historic Kasbah area within the portthrough Grimsby Creates (Cultural Development Fund) and the Heritage Action Zone.

Context and Vision.

The Council is currently undergoing a major regeneration programme for Cleethorpes which is supported by £5.7m from the Coastal Communities Fund (CCF), National Lottery Heritage Fund (NLHF) and a further £1m Council contribution. The programme aims to develop and diversify the economic role of the resort by extending the season, attracting new visitors to increase footfall, extend their stay time and increase their spend. It will also stimulate new investment and the creation of jobs by enhancing developer confidence. In addition, the Council has been awarded £1m from the Humber LEP Local Growth Fund (LGF) to support the delivery of a scheme at a key strategic site, Sea Road/Central Promenade, which includes a minimum £1.55m Council contribution towards a new building to house the resort safety team, new public toilets and commercial opportunities for third party providers

The Council is keen to support longer term investment within the Borough to ensure that it delivers against its overall outcomes and ambitions. A key aspect of this approach will be to accelerate delivery by working in partnership with others rather than in isolation. A recent example of this has been the Future High Street Fund where the Council has developed a new leisure-led scheme for the town centre working in partnership with the owners of Freshney Place. The council has been successful in attracting £17.3M Government funding to support delivery of the project.

The Towns Fund, another town centre focused programme, forming the next step in Grimsby's Town Deal, has also identified a number of key projects which will enable further public and private sector partnership working. One of these aims to establish new waterfront housing at Garth Lane, Alexandra Dock and another is looking at the possibilities of a new skills facility sited within the town centre.

The Capital Investment Strategy will drive the long term focus of the capital programme. Significant investment will focus on:

Driving
Economic
Growth

Accelerating
Housing Delivery

Transforming the
Waterfront and
Town Centres

Improving Skills
and Educational
Attainment

Capital and Long Term Investment

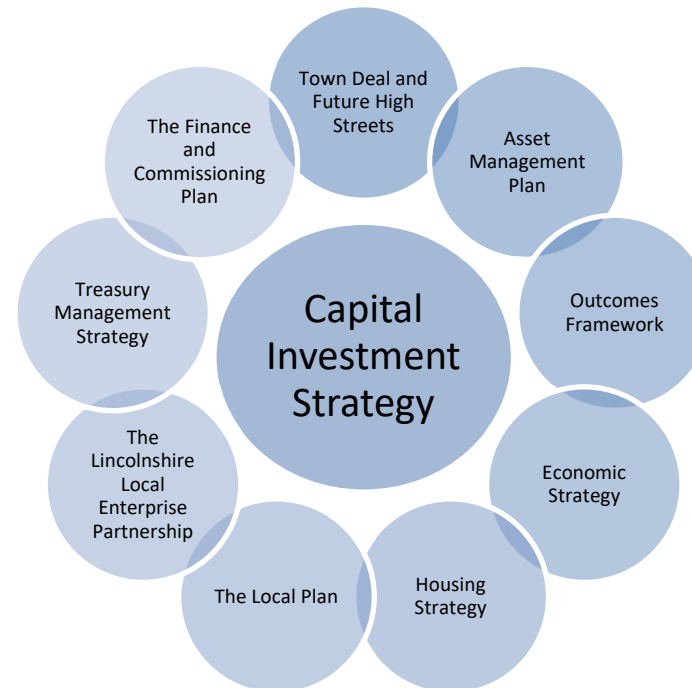
Capital and long term investment has both legal and regulatory requirements which sets out the powers the Council has and the frameworks it must comply with and operate within for capital investments. The Council is guided by the Local Government Finance Act, MHCLG guidance and CIPFA Codes of Practice. Capital and long term investment is necessary to deliver the Council's key priorities and ambitions. The **Capital Investment Strategy** sits centrally to a number of internal and external future planning influencers and as such must reflect and be informed by the drivers and priorities within them.

The underlying principles of the capital strategy follow the financial strategy:

- **Commissioning** – Aligning capital investment to support outcomes
- **Commercial** approach to stimulate Regeneration and Economic growth through local investment
- **Cost control** – Supporting the economic and efficient delivery of core services

The Prudential Code requires Local Authorities to ensure Capital investment:

- Linked to Strategic Planning
- Clear Asset Management understanding
- Delivers Value for Money
- Investment is prudent and sustainable
- An affordability assessment
- Practical delivery



The CIPFA Prudential Code of Practice 2017 introduced the need to produce a Capital Investment Strategy for non-treasury related investments. It provides the opportunity to ensure overall strategy is widely understood including the governance and assurance process and clearly defined risk appetite.

Funding

The Resourcing plan for the capital investment programme is informed by the Prudential Indicators which demonstrate that the requirements of the Prudential Code are met. These ensure that the plans of the Council are affordable, prudent and sustainable. The detailed Capital Prudential Indicators are provided in the Treasury Management Strategy.

The Council is committed to affordable capital investment and prudential borrowing will be undertaken for the right investments however, the underlying test is that capital financing costs will not exceed 10% of the net revenue budget over the life of the capital programme. A significant investment may add to financing costs and in the short term flex this indicator but on completion generate revenues which bring the indicator back into line.

The Operational boundary set in the prudential indicators is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases and other liabilities that are not borrowing but form part of the Council's debt. This has been set to recognise the long term capital investment potential, it is not a target but provides capacity should it be required.

The Authorised boundary key indicator represents a control on the maximum level of borrowing. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit is a statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Treasury Management Strategy clearly defines the Council Borrowing Strategy in relation to approved plans and utilises the liability benchmark to consider the longer-term underlying need to borrow.

The current investment resource recognises the need for a routine rolling programme of capital investment which provides capacity to maintain assets and infrastructure, invest in IT and systems and delivery of targeted government capital grants. Prudential borrowing above this level must be in compliance with this capital strategy and meet the risk appetite of the Council following all the governance arrangements laid down in this strategy.

Funding.

The Council is currently maintaining an under-borrowed position subject to a minimum investment balance of £10m. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This has been a prudent approach as investment returns have been low and counterparty risk is still an issue that needs to be considered, however, this strategy has a limited lifespan and only delays, rather than removes, the borrowing required to support our Capital plans.

As at 31st December 2020, the Council had £151.3m of borrowing.

The Council has an **increasing Capital Financing Requirement** due to the capital programme, but minimal investments and will therefore need to borrow in 2021/22 and beyond. Current forecasts suggest new borrowing of £57M will be required to deliver the Council's plans 2021/24.

Against this background and the risks within the economic forecast, caution will be adopted. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to borrowing, taking into account interest rate forecast and pace of delivery of the capital programme

As a net borrower with a significant borrowing requirement, debt finance features significantly in the financing plan although there are other sources the capital programme.

Capital receipts generated for example from the disposal of assets and Housing grant repayments will be used to finance capital investment although where a surplus asset can be used to unlock development rather than generate a receipt this will be considered as part of the business case and options appraisal. The Council will seek to recognise the value of assets used as scheme contribution through risk share arrangements to unlock the future value.

Seeking funding innovation through an increasing emphasis on collaborative and partnership initiatives, whilst also looking at how the Council contributions, can continue to unlock other funding sources where it would support the overall development of the town and its key investment priorities.

It is anticipated that more innovative methods of funding may be developed as the Town Deal, Future High Street and Housing development gather momentum. In particular attracting and encouraging more private sector investment in the Borough's infrastructure.

Grant funding is a critical part of funding the Councils capital investment aspirations and securing the right grant support for the major schemes will add value, sustainability and reduce financial risk.

Borrowing Strategy

Our Key Objectives:

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy, the Council will deliver on its Objectives by:

Our default strategic response to the expected (but far from certain) continuing low rate environment is to combine regular short-term borrowing transactions with occasional new longer-term borrowing at relatively steady intervals to average out the cost of borrowing whilst delivering short-term savings and also seeking to limit the cost of carry.

In November 2020 the Public Works Loan Board (PWLB) announced the outcome of its Consultation on future lending terms and confirmed its standard Certainty Rate would revert to 80bps above Gilts. However there are some restrictions on access and so, whilst we believe these will not be a factor for NELC, other local Authorities and alternative lenders will remain active options in meeting our overall borrowing requirement as cost effectively as possible.

In order to borrow from the PWLB, local authorities will now be required to submit a summary of their planned capital spending and PWLB borrowing for the following three years. The S151 Officer or equivalent must confirm to PWLB that the council does not plan to buy investment assets primarily for yield in the next three years.

Investment assets bought primarily for yield would usually have one or more of the following characteristics:

- buying land or existing buildings to let out at market rate
- buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification
- buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly.

Borrowing

The new conditions to be met prior to accessing PWLB borrowing will require the council to evaluate its programme and investment plans ensuring they in allowable categories and are not investment assets.

Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur while rates remain near all-time lows and PWLB apply a spread between new borrowing and repayment rates. In the event that this should change any rescheduling will be reported through the usual reporting timetable.

Borrowing for Commercial or Social Return

The Council may seek financial return from investments outside the Treasury Strategy (for example direct property purchases) Whilst the aim of security of capital and a positive return is similar to Treasury activity these investments can have characteristics very different to what would be a typical treasury investment. As a result, such schemes are placed within the Capital Programme to ensure they are proportional to the level of the Council's available resources and this Capital Strategy governs their approval process.

In order to support frontline services as central Government funding changes over time, Councils have to consider how best they might deploy their resources, knowledge and borrowing capacity to replace lost income. The drivers, characteristics, available credit data and risks associated with such transactions will differ from one scheme to another. Schemes, for instance, may take into account non-financial 'social' returns alongside purely financial aspects. Such activity includes loans supporting service outcomes and investment property portfolios where there is a local demand to support business growth and market conditions do not facilitate private supply.

The Council currently has no plans with its capital programme to acquire assets purely for their yield

The Council will compile and maintain a schedule setting out a summary of existing material non-treasury investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure. Reported as part of the Annual Accounts Process.

Risk

The Council's **risk appetite** defines the type of investment opportunities it is willing to consider and prioritise and will be expressed through its tolerance to risk in respect of capital **security**, meaningful **liquidity** and **yield** volatility. The Council seeks to avoid its exposure to risks that are unwanted and unrewarded.

The Council is exposed to a range of broad risks:

- **Strategic risks** related to key initiatives undertaken by the Council such as significant purchases, new ventures, and other areas of organisational change deemed necessary to help the Council meet its priorities. Misreading the environment, economy and choosing the wrong direction.
- **Financial risks** related to the investment of the Council's assets and cash flow, market volatility, currency etc. The Council's Treasury Management Strategy (TMSS) defines the risk appetite in respect of delivery of Treasury Management Activity. Financial risk associated with Non Treasury Investments is within this capital strategy.
- **Macroeconomic risks** related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy amongst others.
- **Credit and counterparty risks** related to treasury investments, is clearly defined and managed through its TMSS and Treasury Management Practices (TMPs).
- **Operational risks** related to operational exposures within organisation, its counterparties, partners and economic sensitive activities. Including knowledge and ability.
- **Environmental and Social risks** related to the environmental and social impact of the Council's strategy and interests.
- **Reputational risks** related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation, resources and public perception.
- **Governance risks** related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that balance oversight and efficiency.

The Council aims to minimise its exposure to unwanted risks, those risks that are not actively sought and which carry no commensurate reward for the Council. This is achieved through a range of mitigation strategies to the extent that it is cost-effective to do so. The following section defines the Council's risk appetite across these broad risk areas.

Risk

The Council recognises that **no activity is without risk** and risk is an unavoidable consequence of its many, varied activities and views the management of those risks as a key corporate responsibility. Understanding the Councils risk appetite shapes the capital investment strategy and the type of investment the council is willing to consider and undertake.

Risk	Commentary
Strategic	High appetite where there is a direct gain to the Council's revenues, specifically local taxation streams, contributes directly to the Council's priorities or the ability to deliver its statutory duties more effectively and efficiently. Must be within the context of affordability and prioritisation across the resources available.
Financial	Medium appetite for a range of asset types, property and longer-term investments, subject to careful due diligence and an emphasis on security as well as consideration of proportionality within the approved capital investment plan. No appetite for currency risk, emerging markets, investment solely for yield, high volatility investments or urgent transactions with no due diligence attached.
Macroeconomic	High appetite for exposure to local economic growth. Low appetite for exposure to national and global growth relating to off patch investment. Low appetite for interest rate risk and inflation risk. No appetite for out of Borough investment
Partnership	High appetite for secured or diversified credit risk, as well as exposure to highly rated counterparties, partners and financial institutions with strong balance sheets. Low appetite for unsecured investments or lending.
Operational	High appetite for efficiency of council process Low appetite for Business as Usual operational risks such as pricing errors, errors in administration, IT, project management failure including use of external consultants. No appetite for fraud, regulatory or internal control breaches and exceeding risk tolerances
Environmental and Social	High appetite for environmentally sustainable investments High appetite for social value and improving community and family outcomes Low appetite for social and environmental risks, especially in the local region.
Reputational	Low appetite to undertake activity which will damage the councils reputation or public perceptions
Governance	No appetite to compromise strong governance or internal control, including decision making, evaluation, monitoring and project management.

Risk

Adopting a risk aware approach to capital investment where the Council's appetite for all types of risk informs the size, type and tenure of investment. Understanding the risk mix of projects is important to avoid excessive high risk exposure and capital prioritisation will take account of the risk profile of the overall capital investment plan. Proportionality is important, the Councils significant investments focus on the South Humber Investment Programme which is in delivery phase, The Town Centre Deal which forms part of the Government Industrial Strategy and is in detailed planning/bidding phase, latest funding for the Future High Street and delivery of the Housing Strategy which currently concentrates on some of the enabling elements. Capacity to deliver across a broad spectrum of professional expertise is not unlimited and when considering the overall capital investment priorities, capacity risk must add context to the timing of the investment profile.

The risk and impact of the current programme should add context to the decisions being taken and how investment proposals affect the mix of risk being taken. Higher risk investments should be against the context of impact. The current programme and the medium term horizon is mapped against impact, risk, size and type to get an impression of the spread of risk and return (financial and outcome) in the following graph. On-going monitoring and review must reassess risk throughout the life of the investment.

Ensuring continued access to PWLB will require assurance within the evaluation of Capital Business Cases to ensure compliance with the latest requirement to not buy investment assets primarily for yield in the next three years.

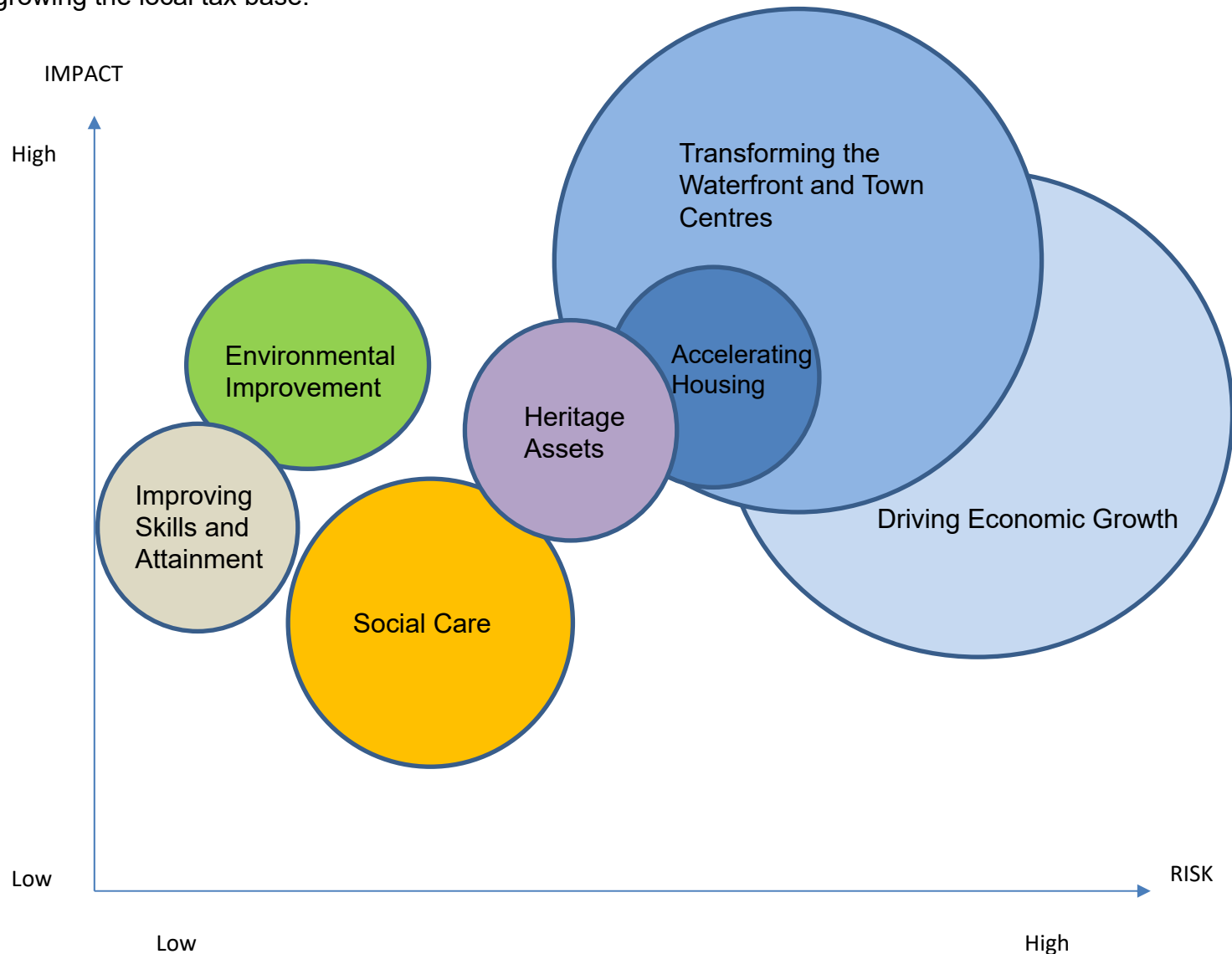
Capital and Long Term Investment

The Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base.

Investing in the growth agenda and supporting the economic and efficient delivery of core services is critical to the delivery of the capital investment strategy.

The Council continues to put Place at the centre of its investment plan with significant resources continuing to be targeted at contributing to the Council's strategic objective of enabling a strong and sustainable local economy.

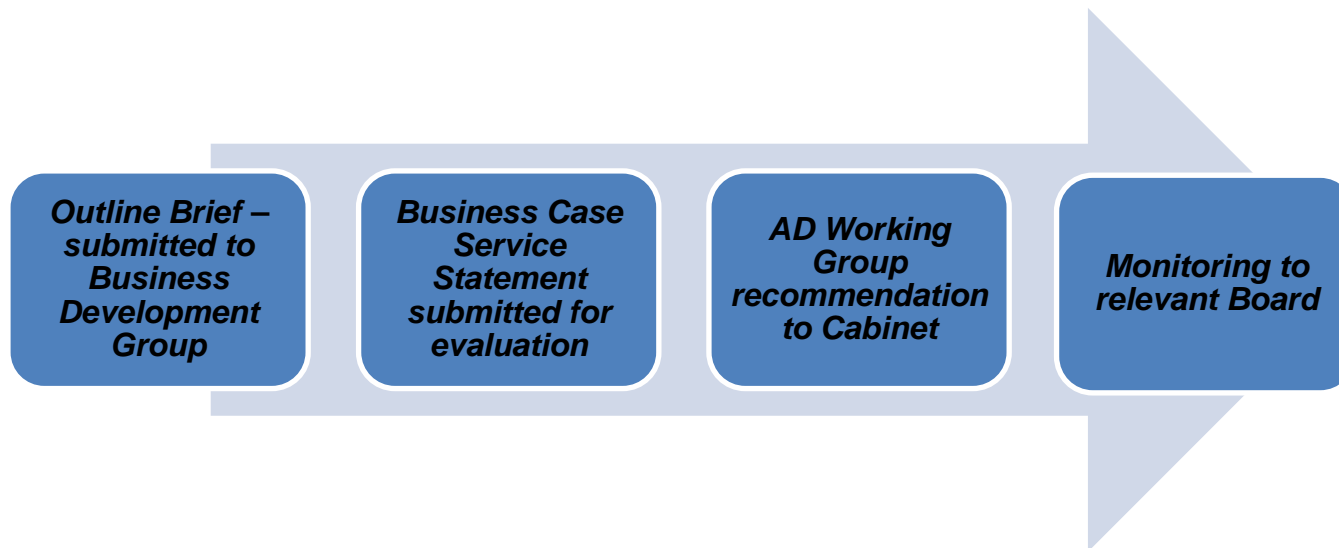
The cleaner and greener agenda remains a key Council priority, alongside continued support to the renewables sector and the area's overall carbon footprint.



The latest approved capital programme totals £126.6M and is included at **Annex 2**.

Governance

There is a robust Business Case Development Gateway Process for both revenue and capital funding. The well established capital governance framework was extended to cover all aspects of investment including non-treasury. Its Built on the HM Treasury Five case evaluation model. All investment decisions will be supported by a Business Case Service Statement.



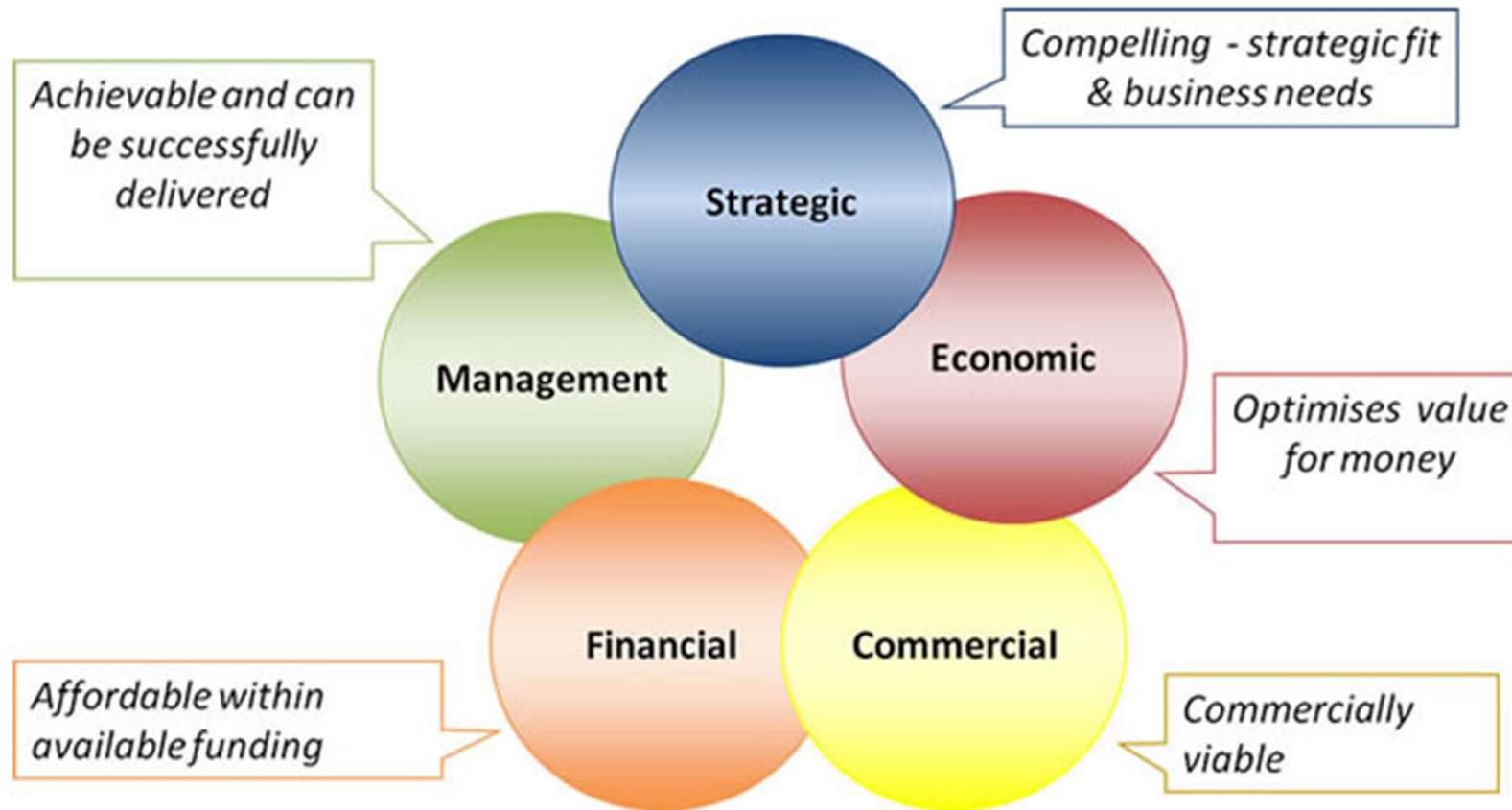
The Business Development Group represented by Assets, Finance, CSSU, Audit, Procurement, Legal, ICT and Economic Regeneration score the proposals and make recommendations to the Assistant Directors Working Group. Supported schemes that require Cabinet Approval then progress onwards to full Cabinet approval. All in year approved schemes are listed for approval in the quarterly budget monitoring reports.

The significant programmes all have specific Boards in line with the Councils Project Management Framework that govern delivery and performance. The Overall Capital programme delivery is reported to the Assurance Board and financial performance also reported in the Quarterly Budget Monitoring reports.

Evaluation is essential and requires management initiative and intensive monitoring. The thoroughness of an evaluation will depend upon the scale of the impact of a programme or scheme, and also be informed on the extent on the level of public interest. There may be a high level of media interest around a project which has required a significant degree of expenditure, or one which is highly complex, unusual, or represents a pilot for future large scale programmes. Evaluation reports will be widely disseminated and published, where appropriate, to contribute to the knowledge base upon which future decisions will be taken.

Governance

HM Treasury 5 case model forms the basis for the capital scoring system for evaluation of the councils capital investment proposals.



Governance

Prudential indicators

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's **Prudential Code** for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.

In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that **debt does not, except in the short term, exceed the total of capital financing requirement** in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence. Although net indebtedness is forecast to increase over the next 4 years, total debt is expected to remain below the approved CFR and both the Operational and Authorised Borrowing Boundaries during the forecast period.

Borrowing remains comfortably below control levels as a result of continued internal borrowing support for the Capital Programme.

The **Ratio of Financing Costs to Net Revenue Stream** indicates overall affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. As borrowing arrangements typically form very long-term commitments the ability, once drawn, to generate savings from this portion of spend is very limited.

A further key prudential indicator the Authorised Limit represents a **control on the maximum level of borrowing**. This represents a legal limit beyond which external debt is prohibited, and can only be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit is a statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The **Operational Boundary for External Debt** is the limit beyond which external debt is not normally expected to exceed. (i.e. prudent but not worst case). It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases and other liabilities that are not borrowing but form part of the Council's debt.

Annex 4

Medium Term Financial Plan

MTFP SUMMARY					
Original 2019/20 £000	Original 2020/21 £000		2021/22 £000	2022/23 £000	2023/24 £000
		FUNDING			
8,995	9,142	Revenue Support Grant	9,192	9,242	9,292
41,714	42,844	Business Rates Retention	43,667	44,494	45,340
61,231	64,010	Council Tax Income	65,397	67,485	69,633
4,927	6,507	ASC Precept	8,764	9,043	9,331
0	0	Collection Fund - Business Rates	(258)	0	0
1,213	1,592	Collection Fund - Council Tax	1,009	0	0
	0	Local Council Tax Support Grant	1,528	0	0
265	303	New Homes Bonus	61	9	0
7,042	7,822	Improved Better Care Fund	7,822	7,822	7,822
1,332	4,787	Social Care Support Grant	6,068	6,068	6,068
0	0	Lower Tier Services Grant	257	0	0
0	0	Covid - 19 Funding	4,998	0	0
780	0	Winter Care Pressures	0	0	0
127,499	137,007	TOTAL FUNDING	148,505	144,163	147,486
109,194	117,103	TOTAL BUDGET ENVELOPES	125,518	126,274	129,516
		OTHER BUDGETS			
4,686	4,686	Pensions and Insurance	4,586	4,586	4,586
9,147	10,563	Borrowing Net of Investment Income	11,098	12,280	12,480
2,182	2,333	Provisions and other	2,352	2,528	2,529
657	689	Levies	709	709	709
0	0	Grants to Parish Councils	0	0	0
16,672	18,271	TOTAL OTHER BUDGETS	18,745	20,103	20,304
125,866	135,374	TOTAL REVENUE SPEND	144,263	146,377	149,820
		CONTRIBUTIONS			
0	0	Contributions from Earmarked Reserves	(258)	0	0
1,633	1,633	Contributions to Earmarked Reserves	4,500	2,500	2,500
1,633	1,633	NET CONTRIBUTIONS (FROM)/TO EARMARKED RESERVES	4,242	2,500	2,500
127,499	137,007	TOTAL BUDGET REQUIREMENT	148,505	148,877	152,320
0	0	Balance of funding available / (Savings Required)	0	(4,714)	(4,834)

	2021/22 £000					2022/23 £000	2023/24 £000
	Opening Budget Envelope	Pressures	Savings Opportunities	Other Adjustments	Closing Budget Envelope	Closing Budget Envelope	Closing Budget Envelope
Corporate and Democratic Services	12,154	1,370	(750)	702	13,476	13,030	12,999
Environment	12,138	160	(237)	161	12,222	12,331	12,550
Economy and Growth	18,713	356	(1,961)	(497)	16,611	16,841	17,387
Children and Family Services	28,166	3,857	0	82	32,105	31,055	31,055
Public Health and Wellbeing	2,109	500	(270)	88	2,427	1,928	1,928
Adult Services	45,339	4,081	(742)	(1)	48,677	51,089	53,597
Total	118,619	10,324	(3,960)	535	125,518	126,274	129,516

Annex 5

Budget Engagement

Member Scrutiny and Consultation

The role of scrutiny in the budget setting process is key to ensure sufficient challenge and governance is in place to support the robustness of the Budget and Commissioning Plan. Informal briefing sessions have been held with members in December 2020 and formal briefing sessions in January 2021. Minutes can be accessed through the following link:

<https://democracy.nelincs.gov.uk/meetings/formal-scrutiny-of-the-budget-session-1/>

<https://democracy.nelincs.gov.uk/meetings/formal-scrutiny-of-the-budget-session-2/>

Town & Parish Liaison Committee Budget Consultation

The Town and Parish Liaison Committee is a meeting of key stakeholders with the Borough. The Budget and Commissioning Plan has been shared and discussed at the Committee on 21st January 2021. The minutes of this meeting can be found via the following link:

<https://democracy.nelincs.gov.uk/meetings/town-and-parish-liaison-committee-6/>

Public Budget Consultation

A public budget consultation ran from December 2020 to 29th January 2021. The consultation focused upon what the Council's priorities should be for the 2021/22 financial year. A survey asked about

- The services you need the most ?
- What you want the Council to protect now and in the future?
- Ideas or comments about how the financial pressure on services should be handled

The results can be found via the following link <https://www.nelincs.gov.uk/consultation-and-surveys/past-consultations/>

Voluntary and Community sector consultation

A dedicated engagement session with voluntary and community sector groups was held on 27th January 2021.

Business consultation

The Budget and Commissioning Plan has been shared with the development and growth board members. A dedicated engagement session was held on 27th January 2021.

Other

There has been coverage of the budget within local media, along with interviews and stories on local and regional broadcast media. Budget updates have also featured in the staff newsletter and in bulletins from the Chief Executive.

2021 Budget Consultation Results

471 responses

The Council's on-line consultation, giving residents, businesses and organisation a chance to have their say on our budget proposals for the next financial year, this year attracted 471 responses, an increase of 50% on the previous year.

The five-week consultation was promoted via media release, social media activity and the consultation mailing list of 4,310 subscribers, directing respondents to an on-line questionnaire on the budget challenges facing the authority. The survey included sections where residents and businesses could indicate how much they supported specific functions on a scale of 1-10, 1 being least supported and 10 being most supported.

As well as the increase in responses, it also resulted in more than 300 pageviews on the 'have your say' webpage and over 13,500 online survey views. In addition, regular messages were circulated via our corporate social media. This reached 13,000 people via Facebook and made 8,500 impressions on Twitter.

Areas respondents supported:

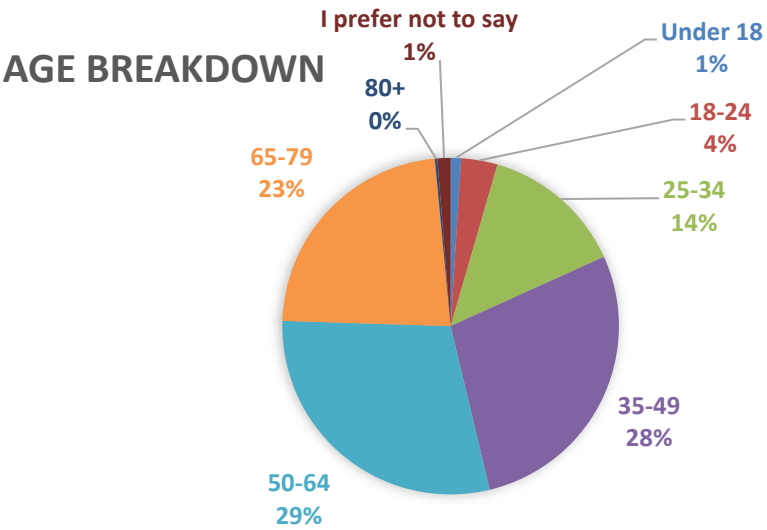
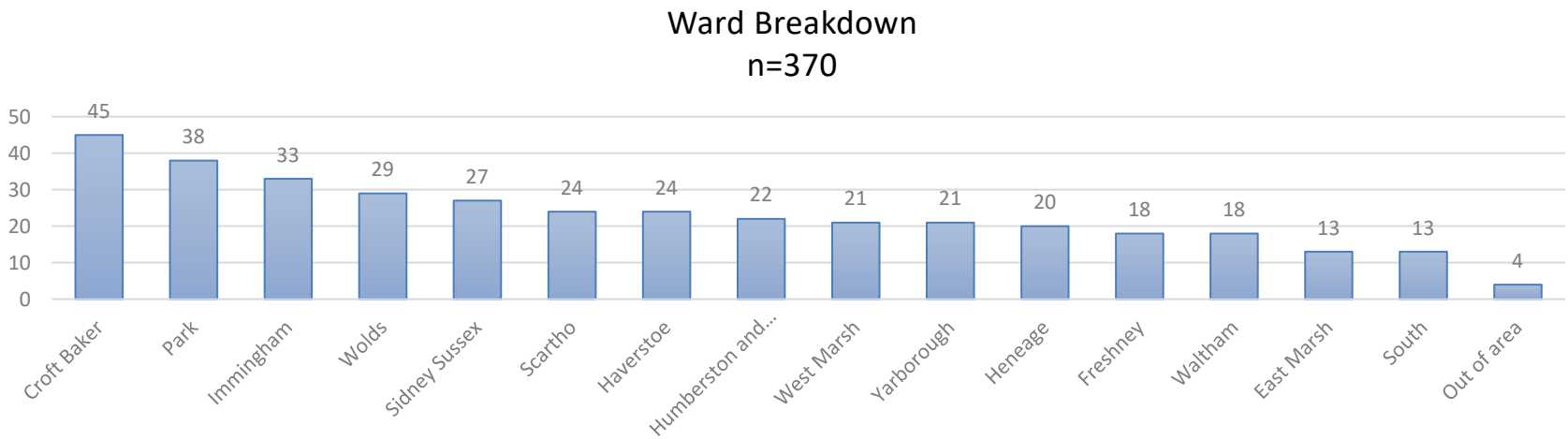
Those taking part highlighted child protection as the area they most supported, displacing adult social care from the top priority spot, and the least supported area was planning for the third year in a row.

Some areas increase in the public's priority ranking. The emerging issues were libraries and leisure services and school improvement services, both moving up five places in the priority ranking, and children's health moving up three. Services ranked from one to 27.

The areas that faded in priority include highways, transport, street lighting and car parks down five places, home options and housing related support and flooding both down four places, and young and safe down three places.

Area	2021 Mean	2021 Rank	2020 Mean	2020 Rank	2019 Mean	2019 Rank	Rise/fall in rank
Child Protection	8.1	1	8	3	7.5	4	2
Adult Social Care	7.9	2	8.4	1	7.7	2	-1
Bins, Waste and Recycling Service	7.7	3	8.1	2	8.2	1	-1
Safeguarding	7.6	4	7.8	5	7.1	8	1
Economy and Regeneration	7.5	5	7.9	4	7.2	5	-1
Street and Grounds Cleaning	7.3	6	7.5	7	7.6	3	1
Enforcement and Safer Communities	7.2	7	7.8	6	7.2	6	-1
Children's health	7.1	8	7.1	11	6.6	13	3
Libraries and Leisure	7.1	9	7	14	6.9	9	5
Special Educational Needs and Disability (SEND) & specialist service	7.1	10	7.3	9	6.8	11	-1
Through Care and Disability	7.1	11	7.3	8	6.9	10	-3
Young and Safe	6.8	12	7	13	6.7	12	1
School improvement services	6.7	13	6.5	18	6.5	14	5
Prevention and Wellbeing Services	6.7	14	7	15	5.6	22	1
Highways, Transport, Street Lighting and Car Parks	6.6	15	7.2	10	7.1	7	-5
Home Options and Housing Related Support	6.5	16	7.1	12	6.2	16	-4
Family Hubs	6.5	17	6.6	17	6	19	0
Access and inclusion services	6.5	18	6.5	19	6	18	1
Private Sector Housing	6.2	19	6.3	20	5.3	25	1
Flooding	6.1	20	6.7	16	6.3	15	-4
Neighbourhood and Countryside Services	6	21	6.2	22	6.1	17	1
Drug and Alcohol Recovery	5.7	22	6.3	21	5.4	23	-1
Tourism and Visitor Offer	5.6	23	6.2	23	5.8	21	0
Cemeteries and Crematorium	5.6	24	5.8	26	5.8	20	2
Corporate and Democratic services	5.5	25	6.1	24	5.2	26	-1
Sexual Health	5.5	26	6	25	5.4	24	-1
Planning	4.7	27	5.2	27	5	27	0

Demographic Breakdown of Responses:



Gender Breakdown

Do you consider yourself to have a disability? Please tick the most appropriate	Count	Percentage
No disability	268	58.01%
Physical impairment such as difficulty moving your arms or mobility issues	34	7.36%
Wheelchair user	5	1.08%
Sensory impairment such as being blind or having a visual impairment	8	1.73%
Sensory impairment such as being deaf or having a hearing impairment	28	6.06%
Mental health condition such as depression, dementia or schizophrenia	38	8.23%
Long-standing illness or health condition such as cancer, HIV, diabetes, chronic heart disease or epilepsy	38	8.23%
Learning disability or difficulty (such as Down's syndrome or dyslexia) or cognitive impairment (such as autistic spectrum disorder)	13	2.81%
I prefer not to say	23	4.98%
Other (please specify)	7	1.52%

Disability Breakdown

Which of the following options best describes how you think of yourself?	Count	Percentage
Woman	188	47.36%
Man	196	49.37%
Non-binary	2	0.50%
I prefer not to say	10	2.52%
In another way	1	0.25%

Comment theming:

Do you have any further ideas of how the Council can save money while still supporting those residents that need it as well as delivering our statutory obligations?

Themes represent the topics respondents chose to reference

Categories	Count
Internal improvements within NELC	38
More/better support services for people	33
Improvements within town (Investment and economy, better coordination, wasted money)	30
Corporate privatisation and the use of contractors and consultants (bring in-house, use wider range of suppliers)	17
Reduce pay of high management	15
Build community capacity	9
Partnership working	9
Support community projects	8
Reduce councillors and expenses	7
Attract investment	5
Child health	5
Sell or rent assets	4
Fix empty buildings	1

Annex 6

Financial Resilience

Key Messages:

Local taxation, as a proportion of total funding, has been steadily rising, with an 6% increase since 2016/17.

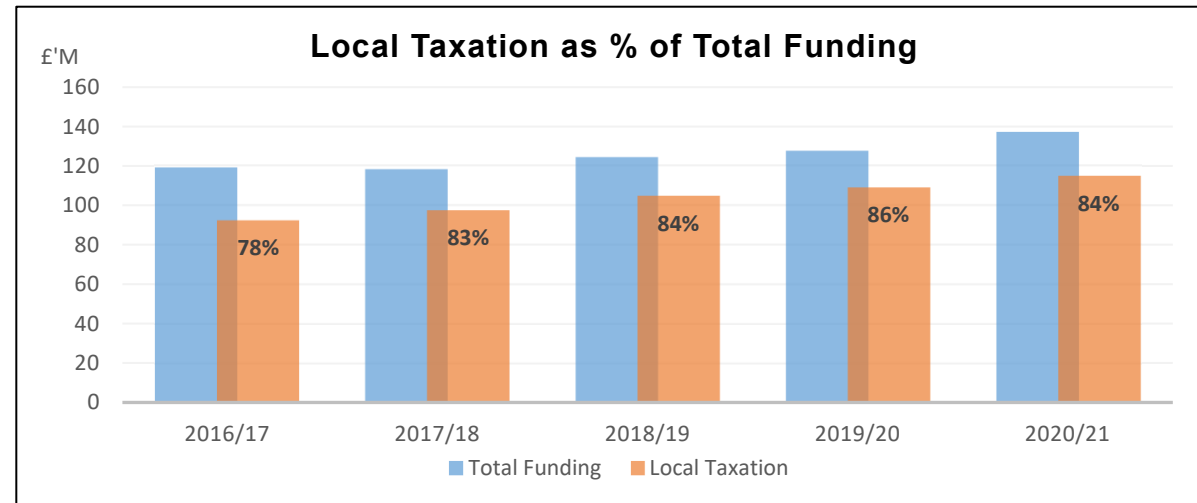
We have seen a cumulative increase in Council Tax of 18.03% since 2009/10.

This compares to an increase in the consumer price inflation (CPI) index of 25.3% since 2009.

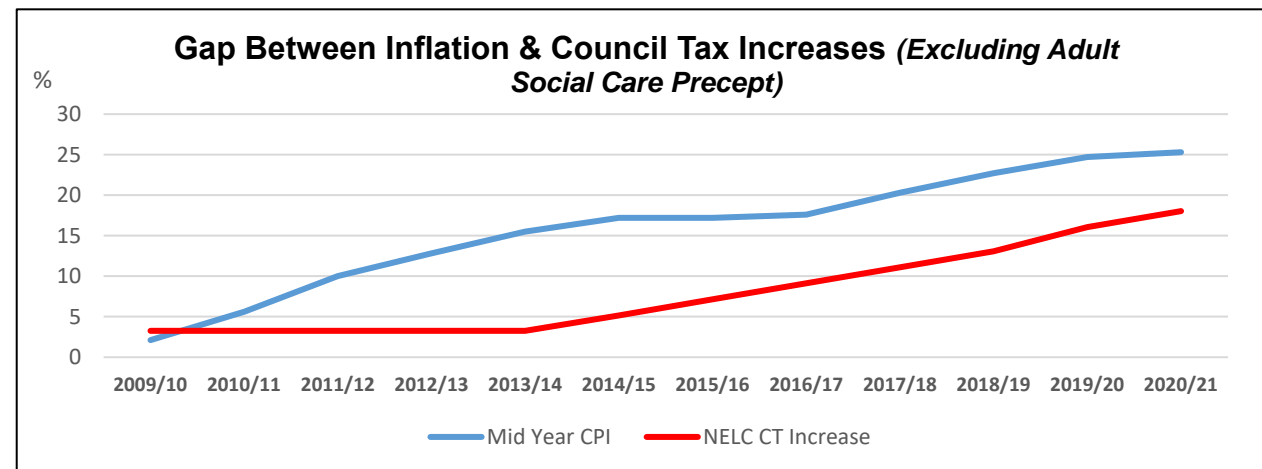
A strong tax base, both in numbers and price, is a key element of sustainable funding.

Financial Resilience - Funding

The Council is becoming less reliant on Government grants as local businesses and residents provide a higher proportion of overall funding. Local taxation provided 84% of the Council's net funding during 2020/21



Despite a rising reliance on local taxation, council tax levels are almost 7% lower than if they had risen in line with inflation since 2009/10.



Key Messages:

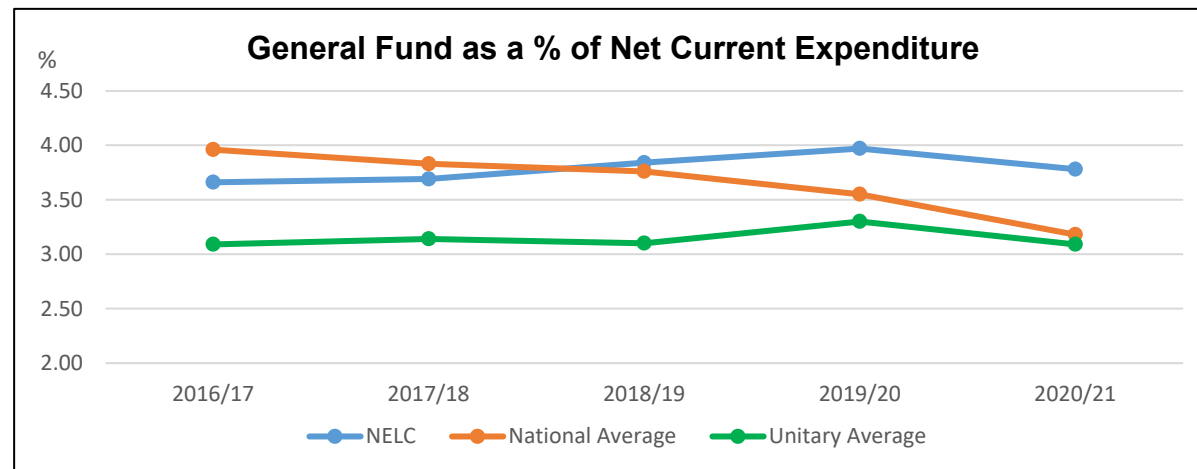
The General fund as a percentage of net current expenditure is in line with the national and unitary council average.

Whilst the Council's earmarked reserves are reducing, the general fund provides resilience at a time of reducing funding for local government.

Financial Resilience - Reserves

The Council's General Fund balance is currently £8.3M and has remained unchanged since 2016/17. The General Fund, as a percentage of net current expenditure is currently 3.78% in 2020/21.

The chart below demonstrates that the Council's general reserves have remained in line with the unitary council average over the past four years.



The adequacy of Council reserves is assessed formally on an annual basis as part of the budget setting process.

Key Messages:

There are a number of significant and complex schemes approved in the capital programme.

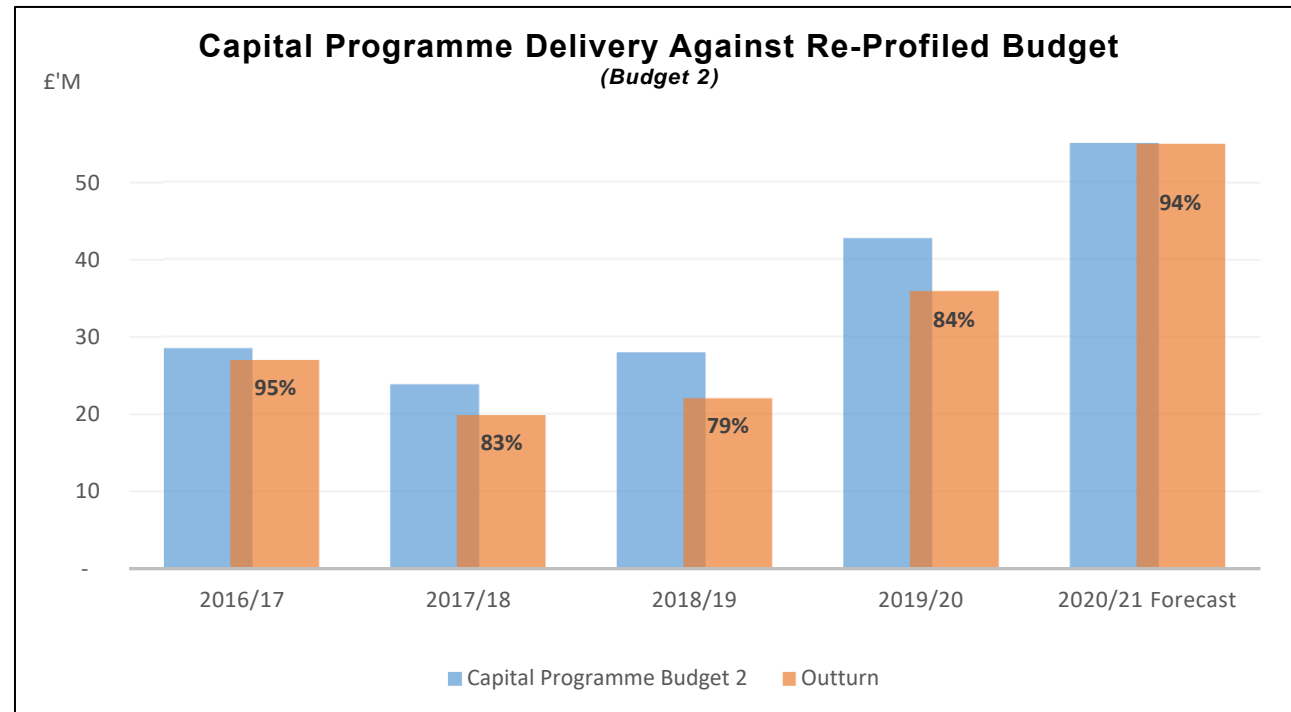
These require considerable negotiation and project management.

Whilst delivery of them is vital it is recognised they have long term delivery profiles which can move significantly.

The Capital programme is updated on a quarterly basis for any additions, reprofiling and decommitments.

Financial Resilience – Budget Outturn

The chart below show the percentage of capital programme delivered against the re-profiled programme (2020/21, Qtr3 Forecast). The re-profiled Capital Programme is steadily growing year on year with it standing at £59 Million in 2020/21. The 2020/21 forecast is showing delivery of 94%.



Key Messages:

According to ONS estimates, North East Lincolnshire's 2020 total population stands at 159,996, of which 33,313 (20.82%) are of pensionable age.

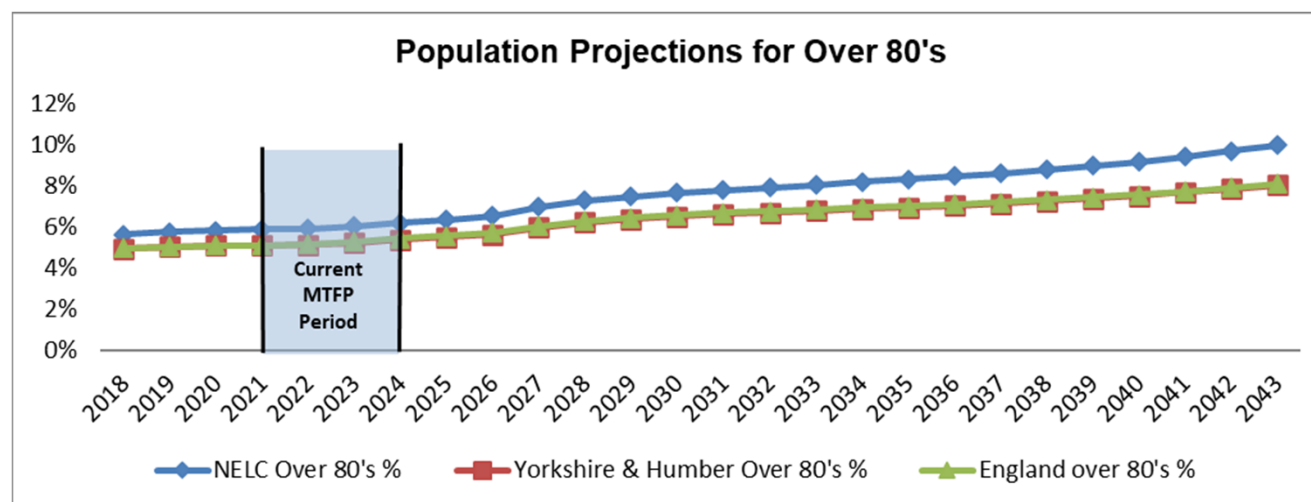
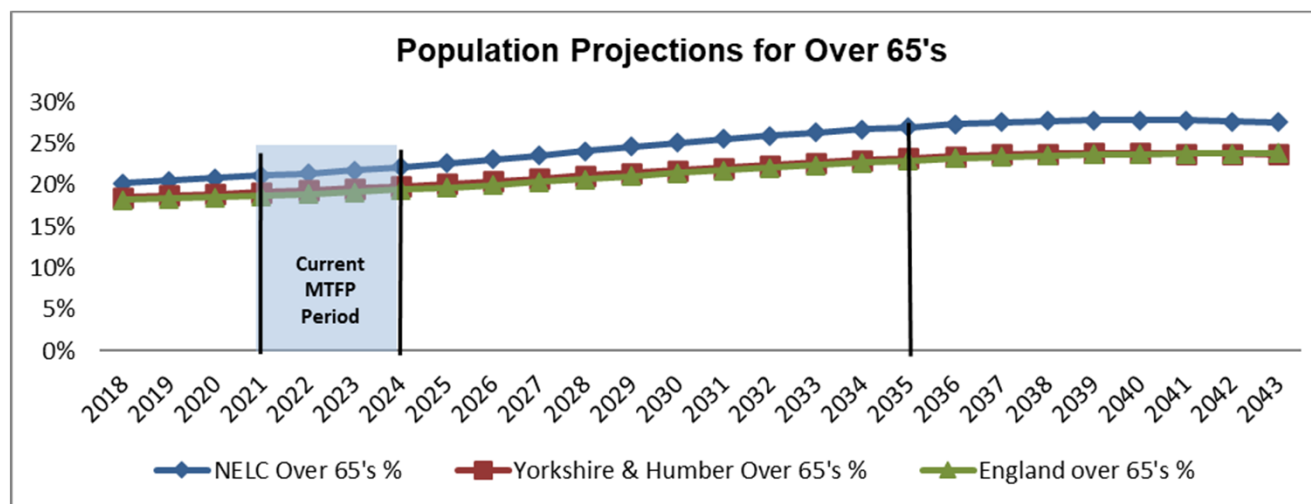
ONS projections suggest that by 2043, 158,816 people will be resident in North East Lincolnshire, of who 43,860 (27.62%) will be of pensionable age. Indicating a growth of 6.8% to the proportion of who are of pensionable age in the 23 years between 2020 and 2043.

At the end of the latest MTFP period, projections show the over 65's to reach 22.21%, and 6.17% for the over 80's.

The projections for NELC follow the same trend as both the Yorkshire and Humber and England, however our % of older people within our area remains higher than average for both.

Financial Resilience – Demand

The ONS estimate that North East Lincolnshire total population will decrease by 1,180 by 2043. However even with this reduction the number of over 65's will grow by 6.8%, 10,037 residents.



Key Messages:

At the end of the current planning period, projections show the number of young people (aged 0-19) remain stable.

Children Looked After (CLA) numbers continue to put pressure on Council budgets.

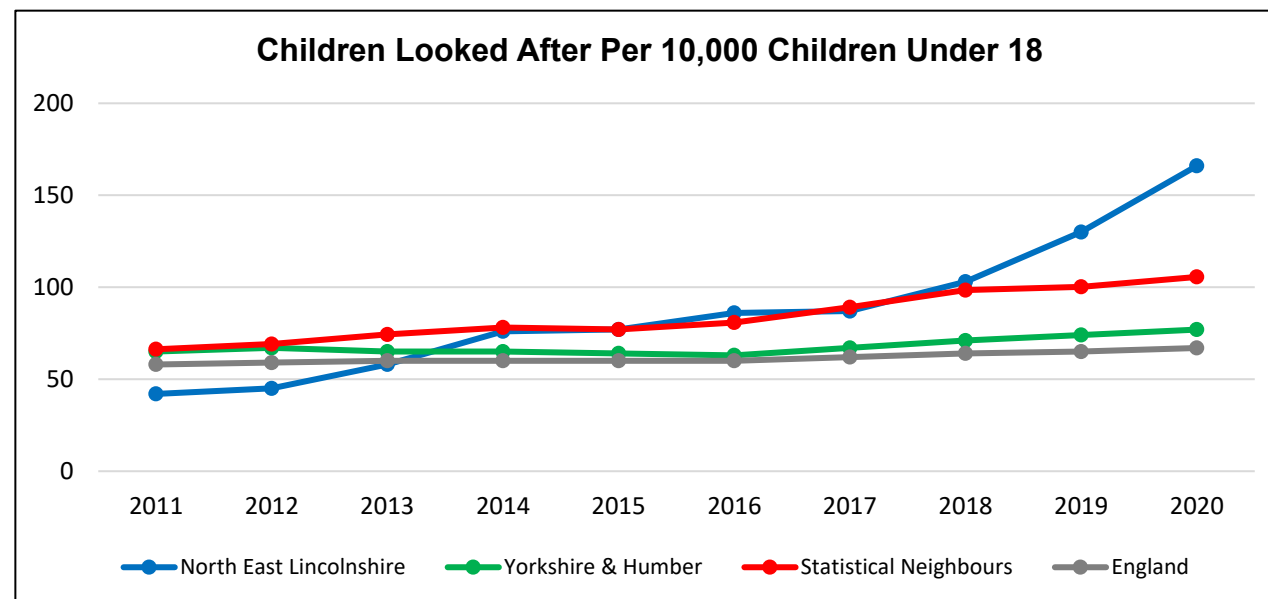
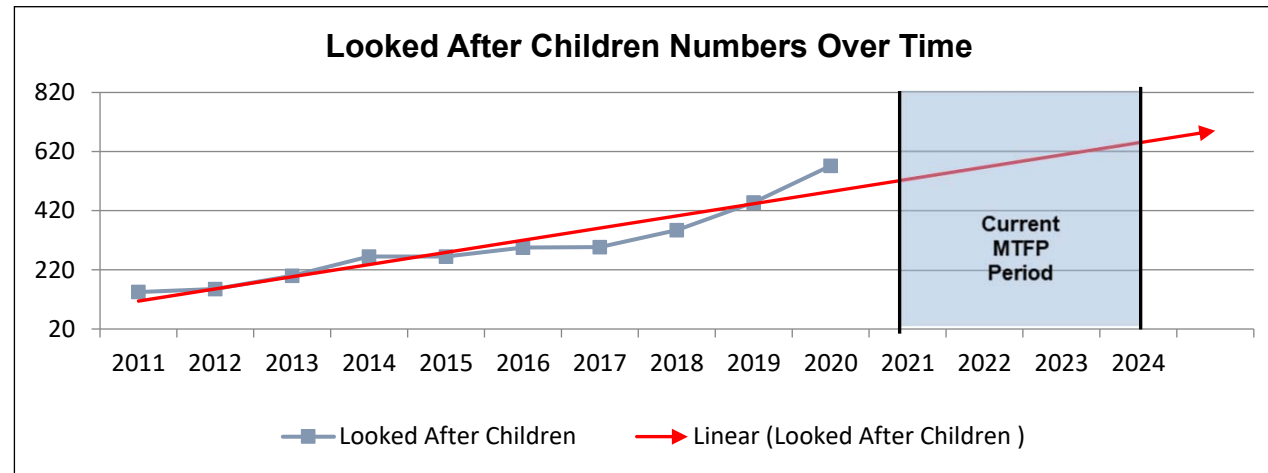
CLA numbers risen by 427 since 2010. This is a key challenge for the Council.

The number of looked after children shown per 10,000 of the under 18 population shows the increasing gap between our statistical neighbours and Yorkshire & Humber region.

The chart opposite demonstrates the increased pressure faced by the authority, and further investigation is required in order to ascertain the reasoning behind this disproportional increase.

Financial Resilience - Demand

Children Looked After numbers continue to place funding pressures on the Council. We have seen numbers grow by 307 children between 2014 and 2020



Annex 7

Flexible Use of Capital Receipts

Flexible Use of Capital Receipts

Introduction

The Government's 2016/20 Local Government financial settlement provided local authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. This opportunity will ultimately result in a lower cost base for the Council. This flexibility now runs until 2022.

Statutory Guidance

The definition of transformation costs is as follows:

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

The Council's Strategy

The Council intends to make use of this flexibility for 2021/22. It is assumed this flexibility will continue into future planning years..

The Council can only use capital receipts from the disposal of property, plant and equipment received in the year in which this flexibility is offered. The Council cannot use existing capital receipts to finance the revenue costs of reform.

This strategy outlines the projects which plan to make use of the capital receipt flexibility and provides details of the expected savings/service transformation on a scheme by scheme basis. The strategy can be replaced at any point during the financial year with a revised strategy outlining an up to date position.

Council approval for the use of this flexibility is required on an annual basis, with plans published on the Council's website and notification of planned use sent to the Ministry of Housing, Communities & Local Government (MHCLG)

Flexible Use of Capital Receipts

Summary of planned receipts

The Council is anticipating the following capital receipts over the strategy period. These are outlined within the 2021/22 MTFP. It is assumed the Direction allowing Flexible use of Capital Receipts will be extended into 2022/23 onwards.

	2021/22 £000's	2022/23 £000's	2023/24 £000's
Anticipated Receipts	476	500	500

Summary of planned use and savings

The Council intends to use capital receipt to fund the following transformation projects.

	Actual 2019/20 £000's	Planned 2021/21 £000's	Planned 2021/22 £000's
Energy Project	37	30	10
Environment	57	-	40
ICT Projects/ Systems	289	220	350
Childrens	209	-	-
Total	592	250	400

Anticipated revenue savings will be detailed within individual business cases with future savings incorporated within future budget reports. Application will be reported through to MHCLG and publicised in accordance with guidance.

Impact on prudential indicators

The prudential indicators that will be impacted by this strategy are set out below:

- Estimates of Capital Expenditure Indicator increased by £0.4m
- Capital Financing Requirement increased by £0.4m as these capital receipts were intended to support schemes within the existing programme that will now be financed by prudential borrowing.
- Financing costs as a percentage of net revenue stream (%), noting that the savings generated from these projects will meet the debt financing costs arising from the additional borrowing.
- The Prudential Indicators show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.