

Local Government Reorganisation Proposal November 2025

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North East Lincolnshire Council

Local Government Reorganisation Proposal November 2025

Building a Stronger Economy and Stronger Communities

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Images of Family Hubs, Children's Services staff, wind turbine, Cleethorpes Pier

Foreword

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Foreword

- Cllr Philip Jackson, Conservative Leader of North East Lincolnshire Council
- Cllr Emma Clough, Labour Group Leader
- Cllr Steve Holland, Leader of the North East Lincolnshire Independents Group
- Cllr Nicola Aisthorpe, Liberal Democrats Group Leader

Government has confirmed a commitment to creating strong, sustainable unitary councils that represent their communities, deliver vital public services, and improve outcomes for residents. We agree and this is what we are doing here in North East Lincolnshire. Our borough is an area of opportunity and challenge, and we are making huge strides towards our ambition to build a 'stronger economy and stronger communities'.

Momentum is growing in our place as we look at regeneration, economic activity and improving lives for all. We sit on the cusp of real change, and we ask for longevity as a unitary authority to complete that change – providing security, stability, and growth across the borough. We propose that we remain as an existing high performing unitary council, within our existing borough boundaries. This will undoubtedly support the wider Greater Lincolnshire and Humber areas as well as contributing to a successful UK economy.

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Such work has been enabled thanks to the close relationships we have with those around us – relationships that are built both locally, regionally and nationally due to the commitment, passion and drive instilled amongst key partners across the borough.

What we are achieving is possible thanks to this unitary authority's size, flexibility, and personnel. Indeed, we believe that success should not be defined by size, but by having a thorough understanding of how to respond to unique challenges and need – thereby creating opportunities. That will be achieved here if we are able to retain and grow what we have. Change in North East Lincolnshire at this moment in our journey would risk delaying or even derailing all the work carried out, and the investment made so far in our place and its people.

What we say in our proposal is only a snapshot of how far we have come. However, we hope it demonstrates our desire and need to continue – creating a transformational working model that could well inspire, encourage, and support others in the future

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Images of children and young people, Children's Services staff, people on the bus, Grimsby Town Centre

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Executive summary

For our borough to grow, and for our people, especially our children and young people, to reach their full potential, we continue to prioritise inward investment, skills, innovation, and inclusive job growth. This has provided true and real hope for the future.

We have used our unique position as a place with a distinct population, sectors, and geography to build close relationships. It is the ability to build those strong partnerships that has, in turn, enabled us to pilot new approaches. Great 'people' examples include our unique arrangements for Adult Social Care, and our real sense of purpose and focus to achieve rapid and transformational improvements across Children's Services.

Turning to our 'place' - we have identified the levers of change to bring about economic growth, using this knowledge to produce deliverable plans for our town centres and industrial growth. The benefit of our strong place partnership and clear economic plans is demonstrated when you see the level of grant-funding secured for our urban and coastal areas. Indeed, we have been a trailblazer for the first Town Deal and the Deep Dive pilot. As a result, our economic prospects have gradually transformed from being behind the curve of economic indicators, to being ahead in the regional landscape. We are proud of our achievements and the transformational journey we are still on, especially with our Humber partners.

We have and will continue to achieve the above, and more, with a solid track record of financial prudence, operational resilience, and strategic foresight, which demonstrates that our current size does not represent a financial risk. We have a stable and adaptable platform from which to continue delivering for residents and contributing to wider regional ambitions. And we won't stop. To improve the health and wellbeing of our people, our approach continues with our new commitment to being a Marmot Place.

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We are not complacent. We know that we are not perfect, but we have well thought through plans, have a track record of delivery and further ambitions for our people for the future.

With a wish to outline to government why remaining within our existing boundaries is the right thing to do, this proposal demonstrates both our previous delivery and our future priorities, not just for North East Lincolnshire, but for the growth and prosperity of the Greater Lincolnshire region and the economic fortunes around the Humber. We did not want to remain silent; we want to highlight our good work and our important plans to demonstrate why we are already uniquely placed to perform the tasks of a unitary council in Greater Lincolnshire.

Our commitment to driving economic growth is deeply rooted in our collaborative work across the Humber – the UK's Energy Estuary. This region is a nationally critical hub for trade, logistics, and globally significant natural capital. With over £15 billion of private sector investment interest poised to be unlocked in new energy, advanced manufacturing, and port-related development, the Humber stands at the forefront of transformative growth.

Preserving the existing boundary is essential to sustaining the momentum we've built and avoiding disruption to the progress already underway. We place immense value on our partnerships across the Humber. The newly established Humber Estuary Growth Board provides a powerful platform for collaboration between Local Authorities.

Mayoral Combined Authorities, the Humber Freeport, the Humber Energy Board, and key industry stakeholders. This structure is already delivering tangible economic opportunities, driven by strong partnerships with areas that share a common economic profile and sectoral strengths.

North and North East Lincolnshire are two established and successful unitary councils, each serving distinct communities but sharing a strong sense of place and public purpose. We have very distinct populations and communities. Both authorities already demonstrate the benefits of shared working without the cost and disruption of structural change. We are proposing that we continue to work for our distinct communities in cooperation rather than through any type of merger, as outlined above this would also support our economic ambition. We also want to work directly with a newly formed unitary council across the current Lincolnshire County Council boundary.

We offer our proposal as part of a strong three unitary option. Our proposal takes on board our commitment to local people and, whilst standing on its own, it aligns with the proposals put forward by both North Lincolnshire unitary authority and Lincolnshire County Council. We collectively believe this to be the most effective and efficient option for Greater Lincolnshire.

All three councils have undertaken detailed analysis of the potential costs, benefits and implications of local government reorganisation across Lincolnshire. Although the scope and methodology of the assessments differed, the conclusion was consistent, the cost and disruption required to create a single unitary authority for northern Lincolnshire would outweigh any potential benefits, both in the short and longer term. The analysis indicates that the transitional costs are likely to be significant, with realistic estimates ranging from £34–47million. The scope for additional efficiency savings is limited and estimated to be less than 1% of the combined existing net revenue budget of the two councils. Because of our unique circumstances, payback will only occur between 7 and 12 years.

For the existing county council footprint, we believe that there is a strong case for merging the county and district services together to form one unitary council. We offer a solution to government for one collective proposal across Greater Lincolnshire, which we feel creates a strong case for reorganisation and change without destabilising existing good practice.

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Building a Stronger Economy & Stronger Communities

Key achievements

- Stronger Economy: Grimsby's seafood cluster is one of the largest in the northern hemisphere, employing over 6,000 directly in seafood and fish processing and another 10,000 in the supply chain. It is unique and processes approximately 70% of the UK's seafood, contributing more than £1.5 billion to our regional economy. The cluster is closely supported by the Council both in our role of Economic Growth and as the Port Health and Food Authority.
- Stronger Economy: The Port of Grimsby is the place of choice for the world's two largest offshore wind asset owners' Operations and Maintenance (O&M) hubs.
- Orsted has invested £14m here – creating its largest offshore wind UK Operations & Maintenance Hub, with 74% of its 600-plus workforce living locally. RWE (renewable energy) has recently extended its facility and monitors all its UK assets from Grimsby. With its latest hub now opened, it has committed a long-term future here. Our council has a strong relationship with both organisations from both a skills and growth perspective. The two companies also support many community groups and organisations in the borough.
- Stronger Economy: More than 90% of businesses in the borough are classed as 'small' and thriving with a strong support network, which includes the economic development team at North East Lincolnshire Council. The team's work has enabled growth and innovation.
- Stronger Economy: The purchase of Grimsby's Freshney Place shopping centre by the council has saved our town centre, and protected 1,700 jobs, reduced shop vacancy rates and provided a cost neutral business model to support further town centre investment.
- Stronger Economy: Our priority place partnership with Homes England will see a brownfield site in the heart of the town centre transformed for good quality urban living. This partnership has been developed over a number of years and is set to grow.
- Stronger Communities: UK Shared Prosperity Funding was used to support people and skills initiatives, which reached 1,147 local people via 15 partner organisations. All projects aimed to support people to overcome barriers to employment and training.

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- Stronger Communities: Our council has confirmed its commitment to becoming a Marmot Place, which reflects the borough's ambition to reduce health inequalities and improve the wellbeing of all residents and future generations.
- Stronger Communities: Our Adult Social Care partnership with NHS colleagues is unique and effective.
- Stronger Communities: A full inspection of Local Authority Children's Services took place in July 2025, which culminated in NELC Children's Services being rated by His Majesty's Inspectors to be 'Good' with one 'Outstanding' element. As at the time of publishing (September 2025), and in the context of the new inspection framework, the progress that NELC Children's Services have made, from our starting point, is the fastest transformation of all local authorities in the country.

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- Stronger Communities: 90% of North East Lincolnshire schools are judged by Ofsted as good or outstanding and all 7 of our Children's Homes judged by Ofsted to be good.
- Stronger Communities: Since the inception of our Foster Friendly initiative in March 2024, over 200 businesses have joined as members of our innovative, bespoke foster friendly business scheme. This awareness raising and support has contributed significantly to improved recruitment and retention of foster carers. It also shows the strength of partnerships this council has with local businesses and organisations.
- Stronger Communities: The council used grant funding to support a new multi- million-pound Youth Zone. Located in the heart of Grimsby, developed from previously derelict buildings, Horizon will be a safe and inspiring place for young people. Youth Zones are brand new, purpose-built spaces fizzing with energy, and crammed with incredible facilities. They offer 20 activities each night ranging from football, climbing and media to DJ-ing, drama and employability training.
- Stronger Communities: Our close partnership with the Police, and mental health and wellbeing organisations has led to direct action to tackle issues in Grimsby Town Centre. This has seen a reduction in overall anti-social behaviour of 14% with alcohol related anti-social behaviour down by 51%. Policing minister Dame Diana Johnson visited in July and praised the partners for working together.

North East Lincolnshire has over the past 10 years demonstrated how effective place partnerships, town centre regeneration, and economic development strategies can transform the outcomes. Our progression on this journey can be evidenced by real change in recognised national data indications including a 10.4% increase in GVA, against an average of 6.1% across Greater Lincolnshire, and a 9.1% increase in average salary, along with improved attainment with more people gaining qualifications.

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Building a Stronger Economy & Stronger Communities

Our place

North East Lincolnshire's coastal location has shaped our place throughout history, from past prosperity as a fishing and food processing area (the latter remains a vital employer with thousands of jobs directly and in support industries), to new opportunities as the maintenance hub for the world's largest offshore wind development.

- Greener Future: Attracting green investment and supporting industrial decarbonisation is at the heart of our partnership and growth agendas and is mirrored by our organisational ambition to reach net zero by 2030.
- Greener Future: Our Natural Asset Strategy further sets out our aspiration to balance growth with nature protection, which is at the core of our South Humber Industrial Investment Programme - an award-winning, nationally recognised ecological mitigation scheme which has underpinned industrial growth along the banks for the Humber.
- Stronger Economy: The ports of Grimsby and Immingham support employment sectors which are historically different in range and nature to the rurality of Lincolnshire and North Lincolnshire. In Grimsby, food processing and the use of the fishing industry infrastructure to grow offshore wind operations has created significant economic activity and has seen Orsted and RWE locating their operations bases here. These two organisations alone have created

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hundreds of jobs many for local people and both have made substantial contributions to our communities. Immingham, the largest port in the UK by tonnage, handles 46 million tonnes of cargo every year: an unparalleled gateway for trade connecting businesses across the UK, Europe, and beyond. The port is a critical part of the supply chain for sustainable electricity generation and other energy production, helping power the nation and to cement the Humber as 'the UK's Energy Estuary'.

- **Stronger Economy:** The resort of Cleethorpes has a vibrant future ahead and the next three years will see more positive change, thanks to the awarding of £18.4m of Levelling Up Fund (LUF) monies. The successful Levelling Up Award for Grimsby of £20m and the 10-year Long Term Plan for Town endowment of £20m, will build on the ambition of the Town Deal and deliver significant improvements to the prosperity of Grimsby Town Centre.

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- **Stronger Communities:** We have challenging and very specific health inequalities. Five of our 15 wards are recognised as major outliers for health inequality and there is concern about declining healthy life expectancy over the last decade. Around 10% of our population live in the most deprived 1% of communities in England. Many people in these communities are old before their time, with much higher rates of cardiovascular, respiratory, and musculoskeletal disease amongst people in their fifties and even younger. The challenges faced by coastal communities has been well documented and evidenced by the Chief Medical Officer and we have positive, and seismic plans to turn this tide through our partnership with University College London and our journey to become a Marmot Place. To achieve success and enable us to move faster and further, this work needs a real focus on our specific areas of concern within North East Lincolnshire and the unique public health challenges some of our residents are facing.
- **Stronger Communities:** Our borough is based around the Grimsby and Cleethorpes conjoined urban centre, making it the largest urban settlement in Greater Lincolnshire. Our pattern of self-contained and stable populations is further supported by data relating to household movements/migration between the two recent census periods. Most of our population moves are within the existing area, which provides a level of consistency in provision of services, from education, health, and social care. In relation to travel to work, daily commuter flow shows a similar limited pattern, with most people living in, and working in this area.
- **Effective and Engaging Council:** Since 1974, our area has been aligned directly with both the north and south banks of the Humber. North East Lincolnshire was established as a unitary council in 1996 and remains part of the Yorkshire and Humber wider region. Whilst the borough is a constituent part of the GLCCA, along with North Lincolnshire and Lincolnshire County, there are legacy issues from the previous reorganisation in 2003, which sees police and fire services provided across the Humber. This is the same for our integrated care system – making us separate and distinct from those public organisations that serve the rest of Lincolnshire. The exception is the Greater Lincolnshire Combined County Authority (GLCCA), of which we are an active member.

As part of our engagement process one member of the public said: "We have a good council, it's under 30 years old."

Our plans focus on our priorities with a clear agenda to protect our children and young people, improve the lives of all our residents, aspire to provide a sound economy where aspirations are nurtured, and people can live better lives. We remain committed to our vision for 'stronger economy, stronger communities'.

Page 12**Section 1:****Building a stronger economy****Our growth achievement**

One of the most ambitious strategic industrial projects in our history, is the South Humber Industrial Investment programme (SHIIP), including the construction of a new strategic link road, unlocking development land to improve movement between the Ports of Grimsby and Immingham, and an award-winning ecological mitigation programme which unlocks barriers to investment. This is a 15-year programme of activities, aimed at unlocking 195ha of developable land, and attracting international business development to create 3000+ high quality jobs and opportunities for local people.

We form part of the Humber Freeport, a collaboration between North and North East Lincolnshire, Hull and East Riding Councils, and other key private sector landowners and stakeholders. The Humber Freeport is delivering significant economic and strategic benefits for the region and the UK. It has already attracted major investment at sites like Hull East and Goole, helping to grow a green industrial cluster and unlocking up to £7 billion across the value chain. With £650 million in direct investment and a further £25 million in seed capital funding, £15m of which is supporting three initiatives in North East Lincolnshire which will drive growth, support supply chain activities, and provide an industrial decarbonisation facility. The Freeport is enhancing port infrastructure, boosting logistics competitiveness, and supporting job creation and innovation. Utilising Future Humber, the Freeport puts the Humber Energy Estuary on the national and international stage.

Immingham is the UK's largest port by tonnage, handling 46 million tonnes of cargo every year, it is a critical part of the UK's supply chain for energy, construction, automotive, and container imports. The inclusion of the ports of Immingham and Grimsby in the Humber Freeport further raises the profile of the area and offers additional opportunities for investment. North East Lincolnshire has the largest number of Enterprise Zones surrounding the Port of Immingham, and this, coupled with the proximity to the Viking CCS carbon capture and storage project, supported by Government in Track 2, is attracting investment in green energy production.

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Taking advantage of the intrinsic former fishing industry infrastructure and facilities, the Humber Offshore Wind Cluster has become the most established in the UK, with Grimsby docks home to the largest Offshore Wind Operations and Maintenance facilities, servicing eight offshore wind farms and 28% of all offshore turbines installed in the UK.

A longstanding business owner in our area says: "As a resident of the area and having lived and worked here for over 40 years, it's fair to say I have reasonable insight into the workings of NELC from a business perspective. Grimsby, in particular, has had to find the belief in itself again after the disappearance of its previous mainstay, the fishing industry. My family business was in the supply chain to that industry and suffered like many others did but thanks to the resilience, innovation, and hard graft of many in the area and with the support of NELC – we are still here and going strong."

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Another says: “One of the many things I admire about this organisation and particularly the people within it is their personal resilience, they carry a heavy weight of responsibility to families across the borough. But in my experience, they do this with class and a resolve that is indeed rare in today’s fractured world.....So, if it ain’t broke why fix it. Please don’t re-organise something that is already very well organised, well run and well delivered.”

Images of Grimsby Docks, wind turbine

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Compared to our rural neighbours, our employment sectors have historically evolved with our rural neighbours, our employment sectors have historically evolved with distinct diversity and structure, for example the food processing industry, cold storage and logistics network, a long history of engineering, and offshore wind operations and maintenance facilities.

North East Lincolnshire covers an area of 193km, and is home to 4,600 predominantly small businesses, with a strong economic focus on manufacture and port-related industries, around a centralised core (Grimsby) a heavy production focus in Immingham and a linked seaside resort (Cleethorpes). Current commuting trends reflect a functional economic market area (FEMA) with 81% of residents working locally. North East Lincolnshire has a population density of 829 people per km², reflecting a relatively compact and urbanised area. In contrast, neighbouring authorities have densities of 202 people per km² or less, indicating a more rural character. The inclusion of additional towns in these areas contributes to a more polycentric settlement pattern, which can dilute the focus of place-based interventions and strategic planning.

North East Lincolnshire has 94,800 working age residents, 70,700 are in employment. Of the 69,000 jobs (ONS: Business Register and Employment Survey 2021), over half of the employment base is in the three largest sectors of manufacturing, wholesale, and retail trade. The proportion of the jobs in manufacturing, wholesale and retail trades as well as the transport and storage sector are larger than the GB averages in terms of percentage of the total jobs share. In manufacturing that proportion is almost double the GB averages.

The success of our economic growth strategy is supported by up-to-date ONS data. Having historically lagged in measures such as mean average wage and productivity, three-year growth figures show North East Lincolnshire is now 7% more productive than nationally. This contrasts with the overall figures for Greater Lincolnshire where the productivity gap is narrowing, but still behind the national average with a gap of 21.5% in 2011, to 13% in 2019 to 8% in 2022. With a local median earning of £34,614 a year, the borough now has the highest median earning rate in the region, just below the national average, demonstrating the continuing growth in skilled employment in the area.

We have a strong and proven track record in navigating economic shocks - including financial downturns, the COVID-19 pandemic, the energy crisis, and the ongoing cost of living challenges. While some exposure to macroeconomic conditions and external factors is inevitable, we have robust local response plans in place. However, there is a risk that these plans could become less targeted and effective for our industries and communities if stretched across a broader and more diverse demographic.

Our approach to working with businesses is distinctive and deeply collaborative. At the heart of this is our long-established Development and Growth Board—a private sector-led panel of industry leaders representing a broad cross-section of our key sectors. This board plays a pivotal role in

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shaping and driving the ambitions set out in our Economic Strategy. Our forward-thinking model fosters strong, enduring relationships with the business community. Even our support network stands apart: we partner with a not-for-profit organisation to deliver tailored, specialist business support, ensuring our services are both responsive and rooted in real-world expertise.

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Images show housing, Wolds, person welding, Kennedy Way shopping centre

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We continue to shape and invest in our 'Place', with major regeneration projects underway in both Grimsby and Cleethorpes. These efforts have been accelerated through government funding, enabling initiatives and partnerships in Grimsby that are transforming initial investments into a broader mix of uses — including leisure, health, and housing. Community-led initiatives, supported by the High Streets Task Force, are placing local people at the heart of decision-making, helping to boost public perception and foster pride in the area.

Cleethorpes, a mature traditional tourist destination, connected to the east side of Grimsby, is in the process of reinventing itself by developing 21st century all year-round tourism offers, supported by significant heritage and levelling up funding streams.

Heritage and culture are central to our investment strategy, shaping not only what we invest in, but how we do it. We recognise the unique identity and historical significance of our towns, and we actively seek to preserve and celebrate these assets through regeneration. Whether it's restoring historic buildings, supporting cultural programming, or integrating local narratives into public spaces, our approach ensures that investment enhances the character of our place and strengthens community connection.

We have a legacy of poorer educational attainment and low skill levels, and this has been transformed over the years. Children leaving school are now better prepared. We have developed positive relationships with our education providers from primary through to Higher Education. We have worked closely with our providers at post 16 including CATCH, HETA, Franklin Sixth Form College and The TEC Partnership to develop specialist provision that is meeting the needs of our local employers. In 2023 our Skills Strategy and Action Plan was launched to tackle the demand from our growing sectors such as renewable energy, logistics, health and care, and engineering construction. Key successes include a UKSPF funded work ready programme that supports adults into entry level engineering construction roles and a National Citizenship Service funded project taking groups of young people to industry tasters in offshore wind, engineering, and the seafood sector. Representatives from across industry and education come together on our NEL Skills Board to monitor progress against our aims. The most recent ONS data shows improvement and that we are beginning to narrow the gap with national averages, reflecting the positive impact of our localised interventions. We have ambition for our residents and are already raising our profile by working across Greater Lincolnshire for the future delivery of adult skills funding.

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Images show an electrician, person stood next to wind turbines, myenergi, HETA,

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Our transformational ambitions

The economy

Retaining the existing boundary would support us to maintain the momentum already established, for the development of economic and housing growth, for the medium term. The Humber arrangements, including Humber Freeport, are already realising economic opportunities arising from stronger partnerships with geographic areas sharing a similar economy and sector. Whether local government reorganisation could bring additional benefits or detriment in this space on a longer-term perspective would require a complete economic case and additional expertise to fully determine impact.

Housing

A more balanced housing market is an ambition of ours. The housing market area has a relatively imbalanced housing stock, with a large private rented sector, dominance of aging terraced housing and limited stock of affordable housing. Plans are already in place through the newly launched Greater Lincolnshire Housing Strategy to work across 10 Local Authorities in a partnership convened by the Mayoral Combined Authority and Homes England.

There is a need for 5,614 homes each year across Greater Lincolnshire¹. The existing Local Plan shows a gap between the previous requirements and the new calculations. Current housing performance varies across the region with neighbouring authorities facing similar delivery challenges to NELC.

We accept that existing housing build numbers are not sufficient, which is why we feel that greater collaboration across the full geography of Greater Lincolnshire is needed to increase pace of delivery. The Greater Lincolnshire MCCA is emerging as a new collaborator in this space to strengthen partnerships across Planning Authorities and Homes England, which should bring benefits. We believe that to deliver housing at the scale required will require regional action and is not an issue that could be resolved by LGR.

North East Lincolnshire has a unique set of housing challenges for those requiring support from the local authority. 51% of people on the housing register are waiting for one bed properties with only 8.4% of the homes within North East Lincolnshire one-bedded. There are a large number of empty homes (2,819 - 2021 data). Only 9.1% stock has been built since 2000 and 60% of people who require accommodation support have multiple and complex needs, requiring a different support offer from the housing teams and partners.

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The authority area has low and static numbers of people who are rough sleeping. On average we have eight people rough sleeping per week and a target priority group that averages 21 people a month. North East Lincolnshire currently has three long-term rough sleepers, a reduction from nine since 2024. Support for people who are rough sleeping is provided by a multi-disciplinary team that

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includes housing specialists, a mental health worker and social worker. The council has developed a scheme that has 14 rough sleeping units and 13 move on accommodation units. This is a partnership with a local support provider.

We are like other local authorities in experiencing increased demand for people requiring temporary accommodation. Currently we have 67 households in temporary accommodation and are undertaking several key transformational activities to meet the needs of our community, through influencing and increasing supply, reducing need through upstream intervention, reviewing the housing front door and moving households towards independence.

North East Lincolnshire and North Lincolnshire have a shared Home Options service (Home Choice Lincs). This is well established and has been in place for a number of years. Currently both councils are undertaking a shared review to ensure that it meets the needs of both communities. Since 2020/2021, 6,526 households have been housed through this shared service arrangement.

We have one large social housing provider, but we are working in partnership with new providers that are wanting to establish themselves in North East Lincolnshire. These partnerships are critical in our ambition to maximise the affordable housing opportunities that current government policy is offering.

North East Lincolnshire Neighbourhood Plan for Towns includes a community-led group on safe and secure homes. Relationships with community providers are mature, well established and based on mutual trust. This group is working towards a plan (from the Strategic Framework) to complete a comprehensive 10-year housing blueprint addressing retrofit, new build, flood risk, and single-person accommodation, an Empty Homes Rehabilitation Programme, Single-Person Housing Solutions and Private Sector Partnership Models. All this work is underway and deeply embedded within our local community partnerships.

There is a need for 5,614 homes each year across Greater Lincolnshire¹. (The Standard Method need figure is calculated by the new PPG methodology, published alongside the NPPF in December 2024. This new method used housing stock (dwellings) as the starting point for calculating need before an affordability uplift is applied.

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Section 2:

Building stronger communities

The existing council footprint lends itself to close and effective community working. This is not just about engagement and consultation. Our model is genuinely about collaboration and co-production. Talking, listening and working together to focus on prevention and early help. We understand the strength of working with our communities. We achieve our ambitions together. Some examples that illustrate the extent of this mature partnership working relationship are:

- Since April 2025 the voluntary and community sector has supported 1,387 people following their discharge from hospital. Activities include, transport home, meals, wellbeing checks for up to two weeks, collection of prescriptions, support with heating and utilities, cleaning and referrals to other services.
- The voluntary and community sector supports up to 2,500 informal carers, provide lifeline services to over 3,000 people, and prevention services to over 4,000 older people.

Our achievements**Adult Social Care**

Adult social care has been delivered in an integrated model across several key partnerships for over 20 years. These arrangements are unique and not replicated across any other local authority in England. The adult social care and integrated care system 'Place' budgets are pooled under an extensive section 75 agreement (currently £210 million). The council commissions jointly with the NHS and the delivery of commissioning, contracts, and quality assurance is done through jointly funded posts with the integrated care system, which is the host employer. The introduction of the NHS 10 Year Plan means that the arrangements we have put in place are further ahead of other areas in the delivery of neighbourhood health. We are progressing an accountable care neighbourhood model, which would be based on the principles of one plan, one team, one budget. The adult social care budget, unlike most councils, has never been overspent and this has been done without significant year on year budget increases from the council. This has been achieved primarily because we have control of market unit costs because everything is jointly commissioned and there is less duplication, doing things once and pooling budgets.

Page 21**Children's Services**

Children's Services was subject to an inadequate Ofsted judgement in 2021. Since then, it has undergone a sustained transformation, significantly enhancing the lived experiences and outcomes for our children, young people, and families. This is rooted in our commitment to continuous listening, learning, reviewing, and adapting, which has enabled transformative progress to be achieved across the entire children's system, not just Children's Services. A full inspection of Local Authority Children's Services took place in July 2025. This culminated in NELC Children's Services being rated by His Majesty's Inspectors to be 'Good' with one 'Outstanding' element.

Key to the continued improvement is a place-based approach focusing on our ability to build strong partnerships and whole community working. We know our children and our communities well, and because of our simplified practice approach, and on integrated working, our relationships and partnerships are now built on trust, transparency, high support, and high challenge, with children, young people and families first, centre and last in all we do.

We have achieved workforce stability - promoting Children's Services and the wider Council as an employer of choice. This has been supported by investment in the Children's Services workforce and progress against our improvement plan. This effort is yielding rewards in terms of unparalleled recruitment increases and positive perceptions of the Council among the workforce and community.

The ever-improving sufficiency landscape is enabling stability and a continuing reduction in external placements, with more children returning to the Borough. While this remains a budget pressure, we have strengthened our oversight and system leadership, resulting in a significantly improved budget position over the past 18 months.

The landscape of schools across our borough is unique given that 90% of mainstream secondary and primary schools are academy trusts. This requires a nuanced approach in place based practice, and we have been focused on resetting and strengthening our relationships with our schools and settings

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over the last 18 months. While this is an ongoing journey, significant improvements have been made, and there is a greater degree of understanding, trust and transparency now.

As a result of our transformation journey, from our baseline in 2021/22, children and young people in North East Lincolnshire are now more likely to have their views considered, remain living with their families and have timely care and support. Children in care live with our own foster carers. Children have positive, inclusive school experiences.

Children's Services is still working hard and continued and further transformation will drive efficiency and continue to improve outcomes.

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Our transformational ambitions

Public health

We know our population and have the benefit of a sharp focus on the areas of the borough where change is most needed. Five of our 15 wards are recognised as major outliers for health inequality with concern about declining healthy life expectancy over the last decade.

Our area is a coastal community that is significantly impacted by poor health outcomes associated with longstanding urban deprivation in the Grimsby area but also impacted by challenges arising from an ageing population and the popularity of Cleethorpes as a retirement centre.

Its relative geographical isolation and complex secondary transport connections mean that it is difficult for people to access health services away from the area and brings challenges for recruiting into specialist healthcare positions within the area.

Around 10% of our population live in the most deprived 1% of communities in England and we know that addressing the wider determinants of health in these communities is absolutely critical to turning around health and wellbeing. Many people in these communities are old before their time, with much higher rates of cardiovascular, respiratory, and musculoskeletal disease amongst people in their fifties and even younger. Therefore, many people fall out of the labour market long before retirement age which is negatively impacting the potential for economic growth.

The urgent need for improvements in health and reductions in health inequalities has been recognised by the council with cross party support to become a Marmot Place. This will ensure that all council activities have a central focus on improving health outcomes and reducing health inequalities for residents now, and for future generations.

Our new health and wellbeing strategy is being built around Marmot principles with key clear priorities identified around employment, housing, education, skills, and the food environment.

We are also building community led health improvement plans in our most deprived communities, also driven by Marmot. A plan is in place to embed the Marmot principles not just within the council but across 'our place' with priorities in healthcare partnership, education and the voluntary sector becoming strategically aligned. We will be working closely with Professor Michael Marmot and University College London to ensure impetus is maintained over the next two years and will be hosting a system wide conference later this year.

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Images show person playing football, children exercising, a classroom, police van

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Section 3:

Our Strong Partnerships

Our public service partnerships have been aligned to the Humber since 1974, when Humberside County Council was established. With the dissolution of Humberside, four unitary authorities were formed in 1996. Public Services are run on a Humber footprint. Police and fire and rescue are delivered across the Humber. The integrated care system (although geographically larger) follows the same footprint. Effective Emergency Planning arrangements are carried out across the Humber footprint.

Chris Todd, the Chief Constable of Humberside Police has written to say: *“I am writing to express our full support for the proposal submitted by North Lincolnshire Council and North East Lincolnshire Council to remain as two distinct unitary authorities within their existing boundaries, as part of the local government reorganisation across Greater Lincolnshire. We remain committed to working closely with both councils to ensure the continued success of our shared objectives across the Humber region.”*

Our partners are honest with us, challenge us to change the status quo, but more importantly want to work with us to achieve a level of ambition that benefits all.

Our existing plans clearly state our ambitions, and our desire to work with businesses, partners, the Voluntary and Community Sector, community groups and residents across ‘our place’. We use the phrase ‘Team NEL’ to capture our pride and our ambition for the future.

We are ambitious for our place and people, and we want to celebrate our collective successes and share in the benefits from our opportunities for growth. The ethos of the partnership Talking, Listening, Working Together engagement strategy is strongly focused on working together and listening to communities and service users to drive effective and evidence-based change. This commitment has been instrumental in the development of many successful schemes.

Our supportive achievements

The size of our footprint lends itself to strong working partnerships and relationships with the voluntary and community sector (VCS) and other community groups through the Sustainable Communities Board, VCS alliance, VCS forum and community-based relationships developed through asset based and community led activity. The strength of these relationships was recognised in the LGA Peer Challenge report published in 2023. As part of our engagement process a member of the public commented that: ‘Local means accountable’.

The VCSE is vibrant and innovative and is a trusted and equal partner. It works alongside us delivering holistic and wrap around services in housing, health and care, children’s services, skills, finance, and

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debt and information advice. This support is also vital to ensuring that we effectively involve and engage all members of our communities as we change and develop services and solutions.

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We have a track record of working closely with government to pilot new ways to improve outcomes for disadvantaged towns and communities, through a focus on regeneration and growth. In 2018, a new Town Deal partnership was sealed, with several transformative projects for the Grimsby area. It was the first of its kind in the country and marked the beginning of a stronger relationship between central government and local partners to support the regeneration of Greater Grimsby.

The Great Grimsby Town Board was set up to offer strategic direction to the development of Grimsby. Since establishment, the Board has worked towards developing a sustainable, practical vision for the town through consultation with residents and stakeholders for the Grimsby Town Centre Masterplan. Town Deal funding, together with further success in grant funds such as the Future High Street Fund and the Levelling Up Fund, has led to council, community and business led regeneration projects now being in the delivery stage.

A great example of this work starting to come to fruition is the Horizon Youth Zone, due to complete late 2025. This is an independent charity with a private sector led board. Horizon Youth Zone is being delivered in partnership with OnSide, the council and is supported by several businesses and philanthropists. After completion, it is estimated that Horizon Youth Zone could benefit up to 4,000 young people each year. The project has seen the restoration and repurposing of the Grade II listed 19th century maltings and grain stores, as well as building a major new sports hall alongside a large outdoor multi-use games area (MUGA). Located in the heart of Grimsby, Horizon will be a safe and inspiring place for young people aged eight - 19, and up to 25 for those with additional needs, to enjoy their leisure time. Youth Zones are brand new, purpose-built spaces fizzing with energy, and crammed with incredible facilities. They offer 20 activities each night ranging from football, climbing and media to DJ-ing, drama and employability training with entry costing just 50p along with a £5 membership.

Page 26**Our transformational ambitions**

For many years this council has recognised the vital need to engage and build relationships with our communities to create lasting positive change for Grimsby. We have embraced community-led improvements and interventions, which has supported projects from the High Streets Task Force, to utilising the pilot High Street Accelerator Programme.

That ethos continues with the 'Plans for Neighbourhoods' grant award for Grimsby. The council, in partnership with Our Future, is working collaboratively with communities and businesses through workshops and surveys to set out a 10-year vision for the town and develop concepts and priorities that could accelerate change towards a better future.

The investment plan has been shaped by working groups representing all our key sectors, research, and community engagement. It reflects the hopes and aspirations of residents and businesses. A genuine pride in place, and a desire for a stronger connection to each other and our heritage is shining through this work. It highlights the vital importance for a small town like Grimsby, of being

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able to shape its own future. The connection to its community, on a footprint which residents know and understand, has helped shaped the ideas for this plan.

As part of our partnership approach to improving population health, the council, alongside its partners in the local health and care partnership, are supporting and funding the development of community led plans in four of our most deprived communities. To date, engagement with residents, businesses and community partners has identified priority themes and ideas and built on previous conversations in the first two wards. Community organisations have employed local people to deliver the engagement activity, which has been guided by residents and supported by council and health and care engagement staff. As they are finalised, the plans are being presented to both residents and partners to encourage shared action and drive community led changes in delivery and funding allocation.

The ideas featured in the East Marsh community plan, the most advanced of the two, are now being connected into key programme areas within the Council, Health and Care (including sport and physical activity, environment, primary care).

This work is also connected to the Plan for Neighbourhoods programme via key council and health representatives, to ensure that community ideas voiced through the face-to-face activity at ward level is used as the plan for the town is finalised.

The East Marsh Plan includes a participatory budgeting (PB) pilot. The learning from this will be used to develop PB initiatives in other wards, with an ambition to scale this up to 'place' level as an element of the Plan for Neighbourhoods solutions.

The 'community plan' model will be extended into two more wards in the 2025/2026 financial year.

In Immingham, one of the borough's three main towns, we are taking a similar approach to support the Town Council with its community engagement and research activity to inform a Town Plan. NELC has allocated a small budget and engagement staff to bring together community organisations, partners, listen to residents and deliver a plan which articulates the ambitions of Immingham, its town council, and its people. Good news for Immingham came in the autumn with the awarding of up to £20m 'Pride in Place' Programme funding and we will look to accelerate our work with our local partners to ensure the very best use is made of that investment.

The ambition is that this approach will be scaled up over coming years to drive community led change and decision making across the authority area. None of this work would be possible without the local knowledge, understanding and direct connection we and our teams have with local organisations and residents.

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Artwork of Freshney Place Leisure Scheme with Love Grimsby logo

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Section 4:

Building a strong financial position

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Our achievements

One of the key arguments advanced in favour of local government reorganisation is the need for councils to operate at a scale sufficient to absorb financial shocks and deliver sustainable services. We propose a compelling counterpoint to this assumption. Despite its relatively modest population, we have consistently demonstrated robust financial stewardship, organisational agility, and the capacity to manage complex challenges without compromising service delivery.

Over recent years, we have successfully delivered a balanced budget position year-on-year, even in the face of significant external pressures. These include the unprecedented demands of the COVID-19 pandemic, and the financial and operational challenges associated with an inadequate Ofsted judgement in children's services. In both cases, the council responded swiftly and effectively, deploying targeted interventions and maintaining service continuity while safeguarding its financial integrity.

The council continues to maintain a robust pension position, underpinned by a surplus within the East Riding Pension Fund that has created strategic opportunities for financial optimisation. Based on the latest actuarial valuation in 2025, the Council will be able to realise efficiency savings through reduced employer contributions into the scheme on an ongoing basis.

Importantly, the council's size does not in itself represent a financial risk under the local government funding model. The funding system is designed to ensure that councils are funded in line with their assessed needs, regardless of their ability to raise income locally. Where there is a gap between local revenue-raising capacity and assessed need, this is addressed through central government funding mechanisms such as Revenue Support Grant, Business Rates Retention, and other targeted grants.

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Images showing man on computer, Municipal Offices, Grimsby Town Hall

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As such, the council's smaller tax base does not inherently disadvantage it, nor does it compromise its ability to deliver statutory services or respond to emerging pressures. Our Council Tax has represented a significant proportion of our total funding for some time, however over recent years the reliance of this source of funding has reduced due to the increase of central government grants. Under the forthcoming funding reform, we expect this position to remain relatively stable. Nationally Council Tax is expected to be around 55% of total funding in 2025/26.

Graph showing Council Tax as a % of Total Funding

As part of the evolving landscape of local government reorganisation, there exists a potential across the wider Greater Lincolnshire area, to explore a pooled business rates arrangement. Such a mechanism could offer a strategic opportunity to demonstrate regional collaboration and economic coherence, particularly in alignment with the emerging Greater Lincolnshire Combined County Authority (GLCCA). Pooling business rates may enable shared benefit from growth hotspots, mitigate sector-specific risks, and support joint investment planning. While governance complexity and financial reform uncertainty present challenges, the development of a joint oversight board and

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financial scenario modelling could provide a robust framework for progressing this opportunity in a way that complements both local autonomy and regional ambition.

Budgeted Business Rates across Greater Lincolnshire for 2025/26 are as follows:

2025/26 Budgeted Business Rates	£M	% Share
North East Lincolnshire	56.4	20.5
North Lincolnshire	63.0	22.9
Lincolnshire	15.8	56.6
Total	275.2	100.0

The current unitary structure ensures that funding is directly aligned to local need and that decision-making remains close to communities. The council's medium-term financial strategy is underpinned by prudent borrowing, strong reserves management, and a clear focus on transformation and efficiency.

As of 2024/25, the council holds general reserves of £8.3 million and earmarked reserves totalling £34.5 million, providing a solid buffer against future volatility. The council's level of usable reserves is comparable to other similar sized organisations and reflects the current level of assessed risk.

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Graph showing North East Lincolnshire compared to All English single tier local authorities (2023/24)

The level of reserves is reviewed on an annual basis with planned top up of reserves, to support key issues such as transformation and social care, built into the current medium term financial plan (MTFP). Transformation reserves support a culture of continuous improvement, with ongoing investment in digital transformation, property rationalisation, and workforce development to enhance long-term financial sustainability.

The council's strategic alignment with regional priorities - such as the Greater Lincolnshire devolution deal - and its active participation in sector-led improvement initiatives through the Local Government Association reinforce its capacity to operate effectively within the current footprint. The existing economic footprint and partnering across the Humber make this a sensible option despite the smaller size.

Aside from the previously identified 'inadequate' rating for Children's Services - which has since been addressed - our external auditors, Forvis Mazars, have consistently found no significant weaknesses in the council's arrangements for securing economy, efficiency, and effectiveness. These arrangements consider financial sustainability, performance and service delivery and governance and decision making.

Page 32**Our financial opportunities**

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We have been actively addressing value for money issues through various initiatives and reports. LG Inform key financial indicators provide a balanced view of our financial position and performance relative to peers, highlighting a limited number of areas where improvements can be made. Key opportunities for cost savings and performance improvements in areas such as Children's Services, people with special educational needs and disabilities (SEND), working-age adults, waste, and housing are understood. These efforts form part of our broader strategy to enhance our financial efficiency and ensure that resources are allocated effectively to meet the needs of the community. In relation to central services costs, the council regularly reviews its position and is comparable with its peers despite its relative size. Furthermore, the council is committed to embracing new technology through its refreshed digital strategy which will reduce its administrative costs.

We have a strong track record of delivering improved value for money by working in partnership with neighbouring authorities and regional bodies. These collaborations have enabled the council to access economies of scale, specialist expertise, and innovative delivery models that would not be achievable in isolation. Examples include:

Waste Disposal Partnership with North Lincolnshire Council

Joint management of the waste disposal contract with North Lincolnshire Council is a prime example of how shared procurement and contract management can drive efficiencies. By pooling resources and aligning service standards, both councils have been able to secure better terms, reduce duplication, and ensure consistent service delivery across the sub-region.

Leveraging the Lincolnshire County Council Highways Framework

NELC has tapped into the strategic highway's framework established by Lincolnshire County Council, enabling access to a broader range of suppliers and technical expertise. This partnership has facilitated the delivery of complex infrastructure projects and supported the council's ambitions for decarbonisation and sustainable transport. By participating in the county-wide framework, NELC benefits from competitive pricing, robust contract management, and the ability to respond flexibly to changing local needs.

Shared Financial Systems and Governance

NELC and North Lincolnshire Council have a history of working together as part of a shared service arrangement, currently operating a joint financial system. This integration has streamlined financial processes, reduced administrative overheads, and supported the delivery of robust financial governance. The approach is being extended to support the Greater Lincolnshire Combined County Authority (GLCCA), where shared systems and harmonised financial regulations underpin good governance and value for money. The GLCCA's assurance framework, developed with input from NELC, ensures alignment with national standards and supports the delivery of transformational investment across the region.

In line with our transformational ambitions, particularly our commitment to becoming a Marmot Place, we recognise that future delivery will carry financial implications. While some programmes are currently supported by integrated care funding, further expansion of community-led health improvement plans and strategic activities will require additional investment.

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A Commercial and Productivity Oversight Board has been established to provide strategic oversight, challenge, and assurance on all commercial and productivity-related activities across the council. Its primary aim is to ensure that these activities contribute effectively to the delivery of the council's MTFP, supporting financial sustainability through economy, efficiency, and effectiveness. The more commercial approach will feature as part of a refreshed financial strategy.

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Section 5:

Our proposal

We have tested our proposal against the criteria set out by government and are satisfied that we comply with the spirit of the requirements. Whilst the benefits of our proposal in relation to the economy, housing and community engagement are articulated above, in this section we address the rest of the established criteria.

Our council boundaries

Our proposal is one that preserves local identity, enhances democratic legitimacy, and delivers the efficiencies and engagement outcomes sought. We believe that this model provides a blueprint for sustainable, community-led governance in smaller unitary authorities.

The council proposes to retain its current unitary footprint. This position reflects our strong financial resilience, operational maturity, and strategic alignment with regional priorities, including the Greater Lincolnshire Combined County Authority (GLCCA) and pan-Humber collaboration. We innovate and engage. This has led to impressive delivery, through innovations like the Freeport, our unique partnership with the NHS for adult social care and our effective community delivery. Our plans are specific to our area because we know our people well. We do not want to dilute planned work around priorities like health inequalities and our Marmot Place, for example.

"We (Lincolnshire) are a large County, our town's location is fairly isolated, yet unique as we are also a resort. We need local knowledge and understanding. I am concerned we would not benefit from becoming part of a much larger demographic. Our uniqueness is our strength" – the view of a member of the public who took part in our engagement process.

Local government reorganisation could destabilise long-established strong and effective partnership working across and within the Humber region. Significantly, agreed investment and long-term financial stability are predicated on remaining a viable 'Humber' partner organisation and being an intrinsic part of pan-Humber initiatives. We will continue to also work closely with new unitaries formed across Lincolnshire.

Our reorganisation proposal does not stop us making governance changes. The Boundary Commission for England recommendations have been put on hold, but we would revisit them with a willingness to streamline our democratic landscape. There is an expectation that this will reduce our Wards from 15 to 14, subject to a recalibration of two polling districts.

We recognise the Government's ambition to simplify and strengthen local governance. In response, we would propose a suite of democratic and governance reforms that deliver the spirit of reorganisation – those being efficiency, accountability, and community empowerment - without structural merger or boundary expansion. We would look to continue to invest and support

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community engagement, improve our services through further use of technology and artificial intelligence and tackle system-wide 'wicked' issues with our new unitary councils and wider partnerships.

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Map showing Local Government boundaries

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Our proposal with the rest of Lincolnshire

Our proposal is directly aligned to those of North Lincolnshire Council and Lincolnshire County Council. We propose a three unitary model across the greater Lincolnshire footprint. This proposal includes the existing unitary status and footprint for the south bank of the Humber, protecting existing police and fire and rescue service boundaries and already excellent relationships. Emergency planning will remain effective. It allows for the more effective delivery of the NHS 10 year plan and is in line with the existing integrated care system boundaries. Relationships with our Lincolnshire colleagues has been strengthened by our work on devolution and we are already actively working across this footprint on cross cutting 'wicked' issues we all have in common, including things like affordable rents, hospital discharge, road safety and community safety.

Our councils collaborate where it makes sense to do so, and we will continue to seek out development opportunities. We are innovative and bold in our continuous improvement approach and have already piloted a Greater Lincolnshire public health system, where all three public health teams came together under one Director of Public Health. The intention to succeed was there, but the uniqueness of place and the challenges they face resulted in an early termination of the pilot. We recognise when things aren't working and take swift action to address them.

We believe that both the Humber and Greater Lincolnshire are key to the future health, wellbeing and prosperity of the local population.

What people have said

We asked people who live and work in the area what they thought about local government reorganisation and the proposals. We provided an engaging video, web-based information, leaflets and posters. We circulated the engagement material widely through councillors, our community partners and local business forums. We engaged on social media. We purposefully created a balanced set of questions. The results from the 1,400 people who engaged directly with the survey showed an overwhelming desire to remain with our existing size of council.

The vast majority of people who responded to our engagement, live in the area (88%). 94% of people said that it was important/very important that council decisions that affect residents and services are made as locally as possible. 78% want the council to continue to cover the same area as now, with only 16% saying that they would prefer a bigger area. When asked what the most important things were for any council for the area then "Has a strong connection with local communities and understands their issues" topped the vote.

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There have been letters of support from partners. There are extracts from them below, and you can find the letters in full within our separate Bank of Evidence. Everyone who has written has confirmed that our existing boundaries are suited to their needs and indeed vital to maintain the good work being undertaken in most instances.

Navigo, our health and social care delivery partners, said *“we believe, and evidence confirms that this delivers well for the people of North East Lincolnshire. We feel that a reorganisation of Local Authority boundaries at this point could potentially destabilise these services and impact on the quality of care we are able to deliver to our residents.”*

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The Care Plus Group (our community health care partner) say *“We, therefore, urge for careful consideration over the potential impact of reorganisation and to continue supporting the existing arrangements, which have proven to be both effective and resilient..... We value our relationshiphighly and remain committed to working together in the best interests of our communities.”*

E-Factor Group Ltd, one of our closest business facilitation partners, state that they *“recognise the need for efficiency and certainly anticipate our local authority working together with its neighbours more and more in the future, but more than ever, North East Lincolnshire needs to keep a focus on its growth plans, stay close to the 4500+ businesses that operate in the area, and retain a local authority committed to that endeavour.”*

The Carers' Support Service say *“North East Lincolnshire Council's scale and focus allow it to remain connected to carers, families, and communities while driving forward improvements in health, wellbeing, skills, and employment. Retaining the current authority structure gives the best chance of continuing to strengthen local networks of support for carers, tackling issues such as loneliness, isolation, and inequalities, and enabling carers to live healthier, more fulfilling lives.”*

Our Horizon Youth Zone partners have said *“As a local organisation, we have witnessed the council's deep-rooted commitment to its communities, particularly in its work with children, young people, and families. The development of the Grimsby Youth Zone (named by young people locally as Horizon) is a shining example of this commitment, a transformational project that will provide a safe, inspiring space for young people to thrive, build confidence, and access opportunities that shape their futures. In our view, a larger, more centralised authority may risk diluting the strong local focus and community ties that currently exist. We believe that retaining North East Lincolnshire Council as a smaller, locally based unitary authority is the best way to ensure continued progress, responsiveness, and meaningful engagement with the people and businesses it serves, especially our children and young people, who deserve to grow up in a place that puts them first.”*

CATCH tell us *“We have a long history of support from the council, having been instrumental in setting up Humber Chemical Focus over 25 years ago – now operating as CATCH UK. Only this year our continued collaboration meant that we received Humber Freeport investment to expand our head office to include state of the art conference facilities, an AR/VR training capability and an inward investment suite which demonstrates how a local, agile council can deliver real outcomes that benefit employers, learners, and the wider community.”*

Franklin Sixth Form College says: *“As the only Ofsted Outstanding designated Sixth Form College, Franklin has always valued the local support and accessibility of the Council, and we firmly believe*

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that our College vision 'to provide the best possible life chances for our community' is shared by NE Lincs Council."

Our Future's view: *"Many of your team and senior leadership at NELC are from and live within the council area. Their proximity to citizens and their understanding of the opportunities and challenges in the region enables them to build deep and longstanding partnerships with the community."*

Stephen Ryder is MD of Creating Positive Opportunities and Chair of the VCSE Forum and Alliance. He said: *"As Vice Chair of the VCSE Forum and Alliance I feel we have enjoyed a sustained period of dialogue, debate and recognition between statutory sectors and the VCSE. NELC knows our local communities, and we are secure in the knowledge that communities know them. This has led to both better working arrangements in the VCSE Sector as a whole. I know this isn't always the case with our neighbouring authorities."*

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Chris Todd, the Chief Constable of Humberside Police has written to say: *"I am writing to express our full support for the proposal submitted by North Lincolnshire Council and North East Lincolnshire Council to remain as two distinct unitary authorities within their existing boundaries, as part of the local government reorganisation across Greater Lincolnshire. We remain committed to working closely with both councils to ensure the continued success of our shared objectives across the Humber region."*

And the Humber Health Partnership adds: *"As a group organisation spanning the Humber region, we place a high value on our partnerships with key strategic partners on both banks of the Humber estuary. We value the strong and productive relationships we have in place with our local authority partners in North East Lincolnshire."*

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Unitary council engagement going forward

At the heart of our ambition is achieving our steadfast commitment to 'Talking, Listening, and Working Together' with residents, VCSE organisations, local and regional partners. We place the voices of residents, organisations, and partners at the centre of everything we do:

- We believe in making evidence-driven decisions that reflect the real needs and aspirations of our residents, communities, and our place.
- We will continue to build on our approach to community led planning, collaborating with and supporting residents and partners at ward and/parish level wherever possible. This will ensure that new 'hyper-local', ideas, initiatives and interventions are collaborative and reflective of the community's needs and driven by their insights and contributions. We will continue to foster an inclusive environment focussed on equalities, encouraging active participation, involvement, and leadership from all our diverse communities to address the unique challenges and opportunities they face.
- We strive to bring democracy into the everyday lives of our residents, making it a tangible and impactful part of their daily experiences. Our current and planned initiatives, like Plan for Neighbourhoods and our community plans, have given us a solid base for a more

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participatory future. Together, we are already building opportunities for local people to shape the community they live in, fostering a sense of ownership and pride.

- We know that North East Lincolnshire is already an exemplar of how local relationships and passion to work together can create a movement for positive change, empower local leadership and improve outcomes. We know that this can only continue to grow if we become even more connected to our communities, partners, and place.

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Combined Authority engagement going forward

We have always supported the development of a Greater Lincolnshire County Combined Authority, playing an active role in establishment and delivery. The current constitution already includes North East Lincolnshire as a voting member, with all decisions being made on a consent basis. We would suggest that this continue if our three unitary model is accepted.

We intend to continue to pursue proactive and strategic engagement within the GLCCA, through:

- Active participation in thematic groups such as Transport.
- Leveraging existing Humber partnerships for public service delivery and emergency planning.
- Maintaining visibility and leadership in cross-authority working groups and programme boards.

We are signed up to the Greater Lincolnshire Housing Strategy, a partnership convened by the Combined Authority and Homes England and are also interested in exploring enhanced partnership working across Housing Authorities and GLCCA in Greater Lincolnshire to ensure everyone has access to a stable, affordable home, with a particular focus on increasing availability of affordable rent across Greater Lincolnshire.

In the future, the introduction of Integrated Settlements for Mayoral County Authorities represents a significant evolution in local government, moving towards streamlined funding and enhanced devolution for authorities demonstrating strong governance and delivery capacity. The GLCCA Assurance Framework ensures collective agreement on non-mayoral functions, underscoring the importance of maintaining strong political and officer level engagement.

Governance and timelines

Our governance framework is robust, with a well-established three-lines-of-assurance model and a strong track record of compliance with the Local Code of Corporate Governance. We are committed to resuming the paused Boundary Commission review to ensure electoral arrangements remain fit for purpose. We will align our governance model with the evolving GLCCA framework, ensuring seamless integration with devolution structures.

This round of local government reorganisation is scheduled for a vesting day for new unitaries in April 2028. If government agree with us that remaining within our existing boundaries is the best solution for local people, then we will commit now to work directly with the newly formed unitaries to ensure that they get as seamless a start as possible. We will share expertise and knowledge around what it is like to function as an existing unitary council. We will share governance arrangements and service specific strategies to help our new unitary colleagues who may not have experienced working in a combined organisation before.

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Images of police car, Humber Bridge, TransPennine Express train

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Section 6:

The cost of reorganisation

While some reorganisation proposals suggest that our scale may limit resilience, this view overlooks the advantages of our existing unitary status. Unlike more complex merger scenarios, we would not incur significant transition costs or face the disruption of disaggregating services and systems. This is undoubtedly true.

There is no financial case for a merger.

We want to make government colleagues aware of the significant financial risks associated with any decision to merge the council with others.

Based upon independent financial analysis, the financial case for the creation of a larger Northern Lincolnshire authority covering the existing geographies of North East Lincolnshire and North Lincolnshire is weak. The analysis indicates that the transitional costs are likely to be significant, with realistic estimates ranging from £35-£47 million dependent on future configuration and policy decisions. Furthermore, the scope for additional efficiency savings is limited, and estimated to be less than 1% of the combined existing net revenue budget of the two councils. This partly reflects the fact that both councils have already realised financial benefits through existing collaboration, shared systems, and joint procurement frameworks. Critically, the payback period for any new authority would be a minimum of 7–12 years, with no prospect of net financial benefit within five years. Any proposed reorganisation would impose substantial upfront costs, deliver only marginal further efficiencies, and risk destabilising two well-performing councils and the communities they serve.

- Costs associated with a new unitary across a unitary, county and district footprint. If the new unitary was an amalgamation of previous unitary, district and county services, whilst many of the activities would be the same, the scale and overall reorganisation complexity would be significantly more costly. Matching ICT systems, contracting arrangements and budgets for some four or five councils would likely cost millions over a long period of time. Some new unitaries that were previously in this situation have never completed this task. Creating effective delivery from merged services would take significant leadership, alignment, system, contract and procedural changes. This would be paid for, in part, by the people of North East Lincolnshire.
- If a different social care model of service provision is suggested through other Lincolnshire proposals - a county-wide trust, for example - then the adult social care difficulties and costs would be exacerbated by the need to organise new trust and governance arrangements at the same time as breaking up our existing section 75 arrangements with the NHS for adult services.

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Images of housing

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- A current suggested proposal that splits the Greater Lincolnshire area in half would create a new northern unitary authority (North Lincolnshire, North East Lincolnshire, West Lindsey and the City of Lincoln and part of Lincolnshire County – is one such suggestion). Using this scenario as an example, that would mean that the northern unitary would include two unitary Children's Services and two 7th of the current county service. For Adult Social Care there is an additional complication because of the unique partnership status of North East Lincolnshire's Adult's Services being run jointly with the NHS, which would need to be unpicked too.
- For every service currently run by a district council there would be four services to merge (two districts and two unitaries), four sets of data, possibly 100 technology systems to amalgamate, new terms and conditions across the piece, new contracts to be let, multiple properties to be assessed and the design of new customer services to create a smooth customer interface from day one. This would be a very complicated reorganisation, vastly expensive and take an estimate of 10 years to finish. We do not believe this to be a safe and viable option. Whilst this complexity would be for a new organisation to manage the cost of such a huge reorganisation would fall partly to our local communities to pay for. We do not believe that future savings (over any timescale) would compensate, potentially putting the new organisation at financial risk immediately.

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Section 7:

Our dissolution costs

If we were to be merged with others or our services be disaggregated across new boundaries, the council would need to prepare for dissolution and the transition to a new unitary. Whilst significant additional costs will be associated with the establishment of that new organisation, only our council costs are articulated here. These are just our costs, other public sector partners would have costs associated with the dissolution too. Most notably, the NHS, police, fire and rescue and the port health authority. Some of the costs can't be determined at this stage but the type of activity required is understood.

Most importantly, experience tells us that most things other than minimum statutory service provision would stop. The greatest cost would be in the reduction of the delivery of effective service provision for communities, residents, and businesses. There will be several causes: staff anxiety, loss of experienced managers, loss of organisational knowledge, distraction from day-to-day operations, disorientation amongst service users, delays to important strategic decisions and a tendency to rush spending decisions before merger. As our teams depart to new organisations or leave the sector entirely, the loss of organisational memory will be a big risk. We will lose some of the many strong partnership relationships, built up over many years. We understand local need, and this will be lost with the departure of key staff.

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There is the potential for a reduction in the effectiveness of local democracy. International research shows that amalgamation tends to reduce voter turnout, decreases the number of candidates standing for election and weakens residents' sense of political influence and community identity. This would be exacerbated by the significantly reduced number of councillors for a new, larger unitary organisation. There would be a small financial gain, through the reduction in councillor costs, but this would be negated by the reduction in democratic accountability.

Page 46**Adult social care**

The potential disaggregation or significant changes to our arrangements would be both disruptive to service delivery but also financially costly. Our adult social care provision has complex governance. The delivery of adult social care is delegated to three community interest companies; this means that all the council's statutory Care Act duties are delivered by other organisations. Because of this truly combined partnership working, any disaggregation or even a merger would likely mean the dissemblance of some 20 years of effective running. Our current arrangements mean we are further advanced in the delivery of the government's policy focus on neighbourhood health and integrated health and community services outlined in the NHS 10 Year Plan, with innovative approaches to integrated working and management of budgets. Moving away from the established partnership working would further exacerbate the health inequality gap that we currently have and has the potential to significantly change and disrupt services for our communities.

Whilst there are areas of the section 75 that could remain as part of reorganisation the delivery of core Care Act Duties and commissioning arrangements would need to change. This would cost significant money in posts and time in disaggregating budgets and finding the additional budget to cover the gap that would be left by not working in a fully integrated system. The current arrangements (unless mutually agreed) require a 12-month notice period to exit. There would be a likely requirement for the dissolution of the community interest company who solely delivers Care Act Duties.

Adult social care funding remains a significant risk to the council, and it is fair to say that the Adult Social Care Precept has not raised the same level of funding as areas with a higher tax base. The Government has recognised this within its latest consultation on local government funding and look to be moving towards a grant funding solution for adult social care. As part of the health and care integration we have a well-established Health and Care Partnership that involves all partners in the system. With 4 priorities: the first 1001 days of life, young people's resilience, health inequalities and frailty led by different system leaders including the VCSE, there is a commitment and focus on the specific needs of our population, which risks being diluted in any future reorganisation.

Now all core health and care providers are using a single care record. It is highly unlikely that in the event of reorganisation this would be the system that would be used. The benefit that people have because all health and care professionals are using the one record would be lost.

We are part of Humber and North Yorkshire integrated care system, and even through further clustering there is no suggestion that our area would move into the Lincolnshire partnership instead. Any merger or disaggregation of health and care services would mean providing services across two very different integrated care systems.

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Image of a man on his computer

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- Our workforce has clearly articulated that they have chosen to work in a smaller local authority and specifically for North East Lincolnshire Council. Any changing landscape would likely destabilise the workforce and be detrimental to the impact on service users' lives.
- There is a major risk that reorganisation could significantly derail some of our Marmot Place plans as there would inevitably be a shift in focus over the years leading up to reform. This would be a missed opportunity at a time when we have such a strong consensus for transformational change.
- There is a risk of disrupting a coherent and functional economic area, characterised by limited but focused labour market interactions. If the area were to incorporate two or more distinct Functional Economic Market Areas (FEMAs) or become part of a broader network of disparate centres, it could undermine strategic alignment and reduce the effectiveness of place-based economic interventions.
- There is a risk of undermining the carefully built trust between the local authority and businesses - relationships that have taken significant time and effort to establish.
- Expanding the scope of interventions across a larger and more diverse area could dilute the effectiveness of community-driven approaches, making it more challenging to maintain meaningful engagement and deliver locally responsive outcomes.
- North East Lincolnshire Council is unique across Greater Lincolnshire, in our position as an integrated Port Health and Food Authority, handling both imports, exports and most of the UK's approved Seafood premises. With nearly 80% of the UK's seafood entering Grimsby at some point through its life cycle, we have worked closely with DEFRA and the National Seafood Association to set up working arrangements supporting the Seafood cluster post Brexit.
- With the North Lincolnshire Council geography being encapsulated in the historic statute, which created Hull and Goole Port Health Authority, any LGR proposals considering a merge of the two Authorities would introduce the risk of disassembling Port Health Authorities across the Humber Estuary, which could have significant impact on the UK seafood sector.
- There is a risk that reorganisation into a larger footprint could dilute the specific needs of our communities within a broader geography. Funding allocations in a merged authority may be spread across a wider area, potentially diverting resources away from the borough's most pressing priorities.
- The council's current financial resilience, built on a modest but stable population base, could be diluted if reserves are redistributed across a wider footprint. This may reduce the council's ability to respond to localised financial shocks. Similarly, the council's current level of external borrowing is set within the context of the MTFP and closely aligned to capital investment priorities. Current levels of borrowing are considered to be affordable, prudent and sustainable and any aggregation of debt across a wider geography could have a destabilising effect.
- Devising and delivering any dissolution - the CEO would lead the work; a programme director and programme managers would be sourced internally. In some instances, specialist advice would need to be sourced externally.

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- Technology and contract amalgamation - There would need to be a review of all technology provision and a review of all contracts to understand synergies, opportunities and risks. This would be done 'in house' at the detriment of other important improvements. Experience suggests that on day one of the new council you go with the greatest used IT systems but with inevitable future procurement of the best systems for the new organisation. These double costs would still sit with our residents but would be funded by the new council.
- Partnership disaggregation - A review would need to be undertaken with partners, to see how the council disaggregates any existing services that are run across a different footprint, especially those that are delivered Humber-wide, the Freeport and Port Health are two obvious examples. Any possible option to disaggregate Northern Lincolnshire from the current integrated care system footprint would be catastrophic for health as well as local government.
- Large service disaggregation - The cost of delivering seamless 'safe and legal' Adult Social Care and Children's Services from day one is unknown but likely substantial. Children's Services remains subject to a statutory direction – unique to us. It will be difficult to maintain improvement momentum with any form of service merger/disaggregation required. The potential costs associated with any future change of Adult Social Care services arrangements would necessitate a TUPE transfer of significant numbers of staff along with the need to harmonise terms and conditions. This will run into the millions.
- A communication and engagement campaign for the public, members, staff and partners equating to approximately £50,000.
- Specialist consultancy advice - this is likely to be in the form of management consultants, financial specialists, pensions advisors, legal advice and employment support for people made redundant. Specialist advice would cost in the region of £300,000.
- Dual running - There would be the distraction of dual running, in shadow format for at least a year. This would be alongside the possibility that our senior staff might be successfully appointed to the new organisation and thus running two sets of services at once. This will create additional cost for us. There will need to be backfill, interim or acting arrangements put in place. If the CEO and Statutory Officers were all successful, we could struggle for capacity for over a year before vesting in 2028. Backfill arrangements will be a significant cost, likely for the year prior to formation.
- Secondments - we would expect to have to second head of service level post for all the major service areas and especially Children's and Adult Social Care. This could realistically be five posts to backfill. A current head of service post ranges from £85k to £100k. In some instances, significant amounts of time would be required from our Assistant Director and Director level posts, to manage some of the more strategic issues associated with the safe move across of services. Again, costs would be associated.

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- Redundancy costs – any option that merges services will need less senior management roles and fewer of the very specialised roles across the organisation. This will create the need for redundancies and the costs associated. The council has a redundancy cap of £30,000. A worst-case scenario would include significant numbers of staff being made redundant. If, for example, two unitary councils were dissolved and senior management costs halved, even based on our capped redundancy costs, this would equate to some £450,000.

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- Pension 'strain' costs – these will be significant. Strain costs are specific to the individual and can vary from £0 - £300,000, dependent on age, length of service and salary. As an example, for a 57-year-old with 30 years' service we could be looking at strain costs in excess of £200,000. While there is some suggestion that pension strain costs could be offset by existing surpluses within the Local Government Pension Scheme, the financial impacts remain material and would need to be managed alongside other transformation pressures.
- Equal pay - When considering a merger between authorities, it is essential to acknowledge the potential risks associated with equal pay. Legacy issues may exist within each organisation, including unresolved claims or disparities that have not yet been identified. These risks can be inherited post-merger, potentially leading to significant financial liabilities and reputational damage. The cost of resolving such issues - whether through legal proceedings, settlements, or pay harmonisation - can be substantial and difficult to predict. Additionally, the application of TUPE (Transfer of Undertakings (Protection of Employment)) regulations can complicate matters further. While TUPE protects employees' existing terms and conditions, it may inadvertently preserve unequal pay structures, making it more challenging to address discrepancies post-transfer.

Our conclusions

We are an established, high performing unitary council and wish to remain so. We have a track record of innovation, with ambitious plans for the future. We have deeply embedded economic delivery and plans with Humber partners, and we have close and effective relationships with our public service colleagues, particularly the Integrated Care Partnership, in relation to our groundbreaking adult social care delivery model. We want to work across Greater Lincolnshire with existing and new unitary colleagues and alongside the Greater Lincolnshire County Combined Authority to create wide and lasting systemic change for our communities. Analysis concludes that there is no financial case for any sort of merger.

We hope that our proposal evidences these views. If you require more detail, our Evidence Bank is provided. It contains information of our engagement, more detailed financial analysis and letters of support, should you need it.

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Image of Grimsby

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