

CABINET

DATE	18 th February 2026
REPORT OF	Councillor Stephen Harness - Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Guy Lonsdale – Interim Section 151 Officer
SUBJECT	Budget and Medium-Term Financial Plan 2026/27 – 2028/29
STATUS	Open
FORWARD PLAN REF NO.	CB 02/26/01

CONTRIBUTION TO OUR AIMS

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

EXECUTIVE SUMMARY

The Budget, Finance and Business Plan outlines how the Council plans to deliver its agreed financial strategy over the coming three-year period. The document focuses on the delivery of core services and outlines how the Council are investing for the future.

RECOMMENDATIONS

That Cabinet recommends to Full Council, approval of:

- a. the 2026/27 Budget and summary 2026/27 – 2028/29 Medium Term Financial Plan ('MTFP') contained within Appendix 1 (Annex 4).
- b. an increase in Council Tax and Adult Social Care precept which the supporting papers suggest indicative levels of:
 - i. 2.99% increase in Council Tax in 2026/27
 - ii. the application of a 2% Adult Social Care precept in 2026/27
- c. the business plans contained within Appendix 1 (Annex 1).
- d. the Capital Investment Strategy included within Appendix 1 (Annex 3).
- e. the 2026/27 - 2028/29 Capital Programme set out in Appendix 1 (Annex 2)
- f. The Flexible Use of Capital Receipts Policy included within Appendix 1 (Annex 7).

REASONS FOR DECISION

The Council must determine how it is to operate within the forecast financial resources over the medium term. To comply with its legal obligations, the Council must set a balanced budget for 2026/27 and provide a realistic financial forecast for the medium-term financial planning period.

1. BACKGROUND AND ISSUES

- 1.1 This Budget, Finance and Business Plan sets out how the Council will deliver its strategic outcomes and priorities, as defined in the Council Plan approved by Full Council in December 2024. Recognising the ongoing uncertainties that may arise throughout the year, the Plan is subject to regular review to ensure it remains responsive and effective, a draft refresh is currently being considered. Central to this approach is the Council's commitment to transformation and the pursuit of long-term financial sustainability.
- 1.2 In recent years, the Council has faced considerable challenges around high demands within children's services. Working collaboratively with partners, the Commissioner, and the Department for Education, the Council has implemented a comprehensive improvement programme focused on whole-system change. Key initiatives including restructuring staffing, introducing a renewed sufficiency strategy to reduce reliance on high-cost external placements, and deploying a new case management system. These efforts were reflected in the July 2025 ILACS inspection, where children's services were graded as Good, with Outstanding leadership. Building on this success, a revised improvement plan has been developed to target priority areas for ongoing transformation, further strengthening financial sustainability. In addition, as we transition to a reformed SEND system, government have announced a High Needs Stability Grant to support Local Authorities in managing their High Needs Dedicated Schools Grant (DSG) deficit
- 1.3 Continued transformation and targeted change will be essential to ensure the Council achieves the right outcomes and maintains financial sustainability over the medium term, particularly in Adult Social Care, where both demand and complexity are increasing. The business plans within this document reflect a sustained focus on transformation, with key priorities designed to cut across services and enable effective responses to demand and service pressures. Where appropriate, capital receipts will be utilised to support the broader transformation programme.
- 1.4 The Council is also adopting a more commercial approach through its capital programme, with investments aligned to the strategic objective of fostering a strong and sustainable local economy. Major projects, including the redevelopment of Freshney Place and the Cleethorpes LUF Schemes are progressing, and will provide vital support to the Borough during economic challenges. The capital programme is kept under regular review to ensure alignment with current priorities and the ongoing viability of projects, particularly in relation to corporate financing costs. This disciplined approach helps ensure that external borrowing remains affordable, sustainable, and prudent.
- 1.5 Despite a range of social, economic, and demand-related challenges, the Administration remains focused on achieving financial sustainability by harnessing the area's economic potential, expanding the local tax base, and delivering efficient, affordable public services.

- 1.6 The Final Local Government Financial Settlement, published in February 2026, has delivered a 6.1% increase in funding for councils in cash terms, reflecting additional tax-raising powers. The settlement sets a council tax referendum limit of 3%, alongside the flexibility to apply a further 2% Social Care Precept to address rising costs and demand-led pressures.
- 1.7 The settlement introduces a three-year financial framework following the Fair Funding Review (FFR) conducted during 2025/26. The FFR has updated relative needs formulas, taking into account factors such as demographics, deprivation, demand, and cost variations in determining local authority funding requirements. However, the full benefit of the FFR will be phased in over the settlement period, with approximately one third of the increased funding allocated each year until the full amount is received in 2028/29. While the funding uplift is positive, the Council continues to face challenges including an ageing population, increasing complexity and demand in social care, and persistent health inequalities. The Council's financial planning also reflects the broader impacts of the increasing cost of living on local communities.
- 1.8 In addition to the FFR, 2026/27 will bring significant changes to the Business Rates Retention scheme. This includes the regular three-yearly revaluation of business rateable values and the introduction of new multipliers for Retail, Hospitality & Leisure (RHL) and high-value properties (over £500k), which will replace previous reliefs in the RHL sector. The business rates baseline for local authorities will also be reset from 2026/27, with overall baseline funding levels determined as part of the wider Fair Funding Review.
- 1.9 The establishment of the Greater Lincolnshire County Combined Authority will now provide local leaders with more sustainable funding and greater autonomy in decision-making for vital community services.
- 1.10 The Medium-Term Financial Plan (MTFP) set out in this report incorporates the outcomes of the provisional settlement, updated priorities, and a comprehensive analysis of risks and opportunities. Both the 2026/27 budget and future years are balanced, but this position is not without risk and is dependant on the successful delivery of ambitious business and transformation plans to secure long-term financial sustainability
- 1.11 To ensure resilience, the Council maintains strategic reserves, which are regularly reviewed as part of the financial planning and budget monitoring process. The proposed increase in net contributions to reserves for 2026/27 reflects the current period of transformation and ongoing uncertainty. As in 2025/26, the Council intends to utilise the Government's flexibility to apply capital receipts towards funding the revenue costs of transformation and change. Full details are provided in the relevant annex of this report.

2. RISKS AND OPPORTUNITIES

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

3. OTHER OPTIONS CONSIDERED

- 3.1 Option appraisals have been undertaken in setting the budget.
- 3.2 A range of options have been considered when considering service delivery within defined financial resources to support the delivery of the Council's outcomes.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

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

5. FINANCIAL CONSIDERATIONS

As set out in the report.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1 The Council continues is continuing with its transformation journey within children's services.
- 6.2 The Council is working with partners to deliver a programme of work designed to address identified areas for improvement the system. This will improve outcomes for children and reduce financial pressures over time.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 Ultimately, all resourcing decisions taken by the Council impact upon the environment. Therefore, the Council takes climate change and environmental issues into account in the establishment of the plan.
- 7.2 The Council's budget process looks towards consuming resources more

efficiently, eliminating waste and supporting and developing the green economy and infrastructure, reinforcing the Council's 2030 net zero ambition and the implementation of the Council's Carbon Roadmap.

- 7.3 This includes recognising and realising the economic and social benefits of a high-quality environment. By working towards a low carbon economy, the area will be prepared for, and resilient to, the impacts of climate change.
- 7.4 Budget consultation arrangements form part of the process of identifying and capturing environmental implications. Environmental impact assessments will be undertaken for individual budget proposals.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

The Council has committed to adopting Marmot principles and considering the impact of its activities on health inequalities. The refreshed Council Plan, due for consideration by Council in February 2026, embeds these principles throughout. Services will reflect the Marmot approach when delivering the business plans included within this report.

9. CONSULTATION WITH SCRUTINY

- 9.1 The proposed budget and business plans were shared with councillors as part of established consultation arrangements during December 2025 and January 2026.
- 9.2 Following confirmation of the Local Government financial settlement and consultation processes, the medium-term financial plan has been updated. This Budget, Finance and Business Plan and supporting annexes is subject to Full Council approval in February 2026.

10. FINANCIAL IMPLICATIONS

As set out in the report

11. LEGAL IMPLICATIONS

- 11.1 The Council must set a balanced budget at the start of every year for the coming financial year. It is unlawful for the Council to spend more money than it has available. Section 114(3) of the Local Government Finance Act 1988 explains the consequences if it appears that the Council's expenditure in any particular financial year will exceed available resources.
- 11.2 The Council is under a number of duties in connection with how it carries out its functions which have to be balanced. These include the following duties of particular relevance to this report:
- The fiduciary duty to establish and maintain a balanced budget;
 - The duty for continuous improvement in the delivery of its functions having regard to strategic effectiveness, service quality and availability, fairness, sustainability, efficiency and innovation; and
 - The duty when making decisions to have due regard to the need to (1)

eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics.

- 11.3 The above report contains authoritative advice and guidance from the s151 officer. Members are required to have regard to this advice when making their decisions.

12. HUMAN RESOURCES IMPLICATIONS

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

13. WARD IMPLICATIONS

All wards affected

14. BACKGROUND PAPERS

Council Plan

<https://www.nelincs.gov.uk/your-council/council-plan-our-vision-and-aims/>

Budget, Finance and Business Plan 2025/26-2027/28

[4.-Budget-and-Medium-Term-Financial-Plan-Feb-25-1.pdf](#)

Council Tax Base Report 2026/27

[10.-Council-Tax-Base.pdf](#)

15. CONTACT OFFICER(S)

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COUNCILLOR STEPHEN HARNESS

PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND ASSETS

Appendix 1

Budget, Finance and Business Plan

2026/27 –
2028/29



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

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Overview

This Budget, Finance and Business Plan sets out how the Council will deliver its strategic outcomes and priorities, as defined in the Council Plan approved by Full Council in December 2024. Recognising the ongoing uncertainties that may arise throughout the year, the Plan is subject to regular review to ensure it remains responsive and effective, a draft refresh is currently being considered. Central to this approach is the Council's commitment to transformation and the pursuit of long-term financial sustainability.

In recent years, the Council has faced considerable challenges around high demands within children's services. Working collaboratively with partners, the Commissioner, and the Department for Education, the Council has implemented a comprehensive improvement programme focused on whole-system change. Key initiatives including restructuring staffing, introducing a renewed sufficiency strategy to reduce reliance on high-cost external placements, and deploying a new case management system. These efforts were reflected in the July 2025 ILACS inspection, where children's services were graded as Good, with Outstanding leadership. Building on this success, a revised improvement plan has been developed to target priority areas for ongoing transformation, further strengthening financial sustainability. In addition, as we transition to a reformed SEND system, government have announced a High Needs Stability Grant to support Local Authorities in managing their High Needs Dedicated Schools Grant (DSG) deficit.

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Despite a range of social, economic, and demand-related challenges, the Administration remains focused on achieving financial sustainability by harnessing the area's economic potential, expanding the local tax base, and delivering efficient, affordable public services

Financial Outlook

The Final Local Government Financial Settlement, published in February 2026, has delivered a 6.1% increase in funding for councils in cash terms, reflecting additional tax-raising powers. The settlement sets a council tax referendum limit of 3%, alongside the flexibility to apply a further 2% Social Care Precept to address rising costs and demand-led pressures.

The settlement introduces a three-year financial framework following the Fair Funding Review (FFR) conducted during 2025/26. The FFR has updated relative needs formulas, taking into account factors such as demographics, deprivation, demand, and cost variations in determining local authority funding requirements. However, the full benefit of the FFR will be phased in over the settlement period, with approximately one third of the increased funding allocated each year until the full amount is received in 2028/29. While the funding uplift is positive, the Council continues to face challenges including an ageing population, increasing complexity and demand in social care, and persistent health inequalities. The Council's financial planning also reflects the broader impacts of the increasing cost of living on local communities.

In addition to the FFR, 2026/27 will bring significant changes to the Business Rates Retention scheme. This includes the regular three-yearly revaluation of business rateable values and the introduction of new multipliers for Retail, Hospitality & Leisure (RHL) and high-value properties (over £500k), which will replace previous reliefs in the RHL sector. The business rates baseline for local authorities will also be reset from 2026/27, with overall baseline funding levels determined as part of the wider Fair Funding Review.

The establishment of the Greater Lincolnshire County Combined Authority will now provide local leaders with more sustainable funding and greater autonomy in decision-making for vital community services.

The Medium-Term Financial Plan (MTFP) set out in this report incorporates the outcomes of the final settlement, updated priorities, and a comprehensive analysis of risks and opportunities. Both the 2026/27 budget and future years are balanced, but this position is not without risk and is dependant on the successful delivery of ambitious business and transformation plans to secure long-term financial sustainability.

To ensure resilience, the Council maintains strategic reserves, which are regularly reviewed as part of the financial planning and budget monitoring process. The proposed increase in net contributions to reserves for 2026/27 reflects the current period of transformation and ongoing uncertainty. As in 2025/26, the Council intends to utilise the Government's flexibility to apply capital receipts towards funding the revenue costs of transformation and change. Full details are provided in the relevant annex of this report.

Context

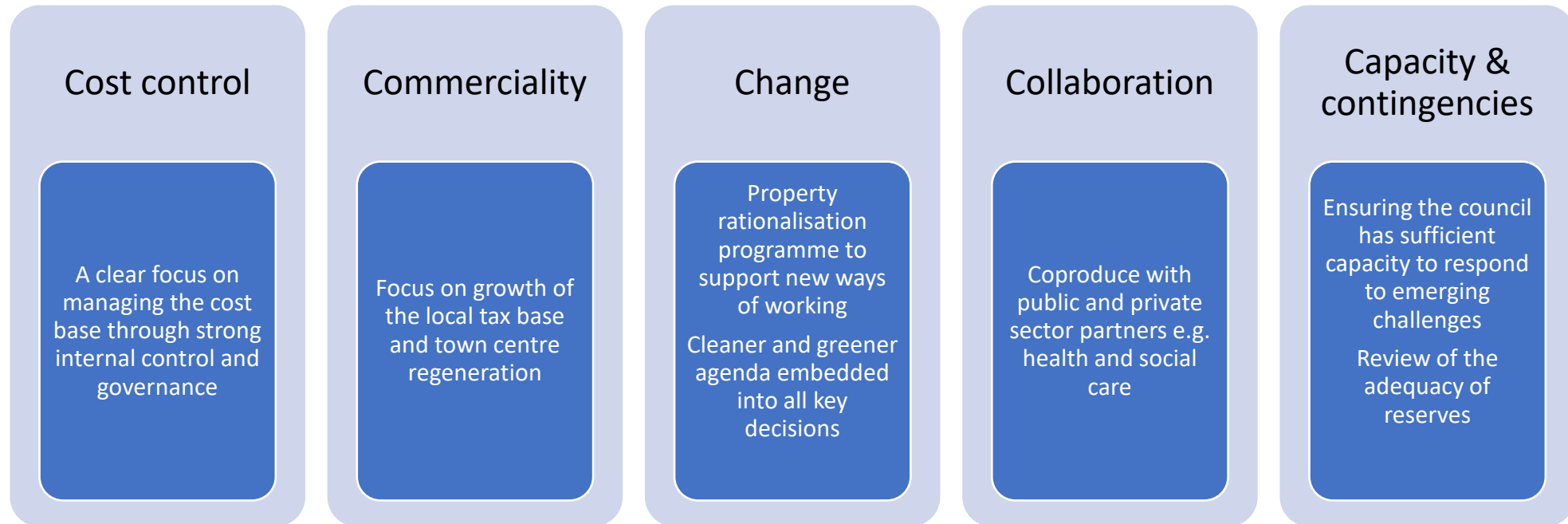
This financial plan is set within the context of significant change and challenge for the organisation. There are a wide range of issues, both local and national, that have been considered when developing the plan.

Updated Council Plan, priorities and ambition for the Borough	Regeneration and a focus on growth of the local tax base	Economic Instability, and the general Cost of Living	Children's & Family Services Improvement and management of associated demand.
Health and Social care integration and overall market sustainability locally	Greater Lincolnshire Devolution and development of Mayoral Combined Authority	Pay pressures and the increase in the National Minimum Wage	Central Government Policy and Local Government Funding Reform
Net Zero ambition and local response to climate change challenges	Dedicated Schools Grant (DSG) and high needs funding pressures	Further investment and development of the Humber Freeport	Government Waste strategy and changes to recycling funding and environmental responsibilities

Financial Strategy

Despite the challenging financial and economic conditions and increasing demand within social care, the Administration remains committed to the achievement of long-term financial sustainability by embracing the area's economic potential and by growing its local tax base.

The Financial Strategy is closely aligned to the Council Plan, Local Plan, Economic strategy and housing delivery plan and has five key strands.



Budget Approach

North East Lincolnshire's Place Partnership, of which the Council is one stakeholder, has agreed an Outcomes Framework which outlines our approach to achieving our priorities for the Borough – Stronger Economy and Stronger Communities. Underpinning the Outcomes Framework, a Council Plan has been developed that states the intended aims of North East Lincolnshire Council that support the agreed Place outcomes.

The Business Plans included in Annex 1 provide more detail about the activity that will support delivery of the newly updated Council Plan within agreed budget envelopes, enabling the Council to decide how best to use the total resources available to achieve our outcomes in the most efficient, effective, equitable and sustainable way.

The Outcomes Framework for North East Lincolnshire has five key priorities, and those are that our people should:

- Reach their full potential through skills and learning;
- Benefit from a green economy and a high-quality environment;
- Enjoy good health and wellbeing;
- Benefit from a strong local economy;
- Live in a safe environment, can have their say about things that are important to them and participate fully in their communities

The model is essentially about evidence-based decision making, based on good quality data and insight driven intelligence that enables the Council to deliver the right outcomes at the right cost. It is an ongoing and inclusive process of strategic activities which determine where and how best to deploy the resources available.

The Council is continuing to develop and refine its approach to commissioning, particularly in terms of bringing together resources and capability to make best use of data and insights, working more closely with our partners to co-produce solutions and understanding where it makes sense for the Council to enable others to deliver services in a more cost effective and responsive way.

Final Local Government Finance Settlement

The Final Local Government Finance Settlement, announced in February 2026, confirms a national increase of 6.1% in core spending on local services, reflecting additional tax-raising powers. The settlement sets a council tax referendum limit of 3%, with the flexibility to apply a further 2% Social Care Precept to address rising costs and demand-led pressures.

This settlement introduces a three-year financial framework following the Fair Funding Review (FFR) undertaken during 2025/26. The FFR has updated relative needs formulas, considering factors such as demographics, deprivation, demand, and cost variations in determining local authority funding requirements. The full benefit of the FFR will be phased in over the settlement period, with approximately one third of the increased funding allocated each year until the full amount is received in 2028/29.

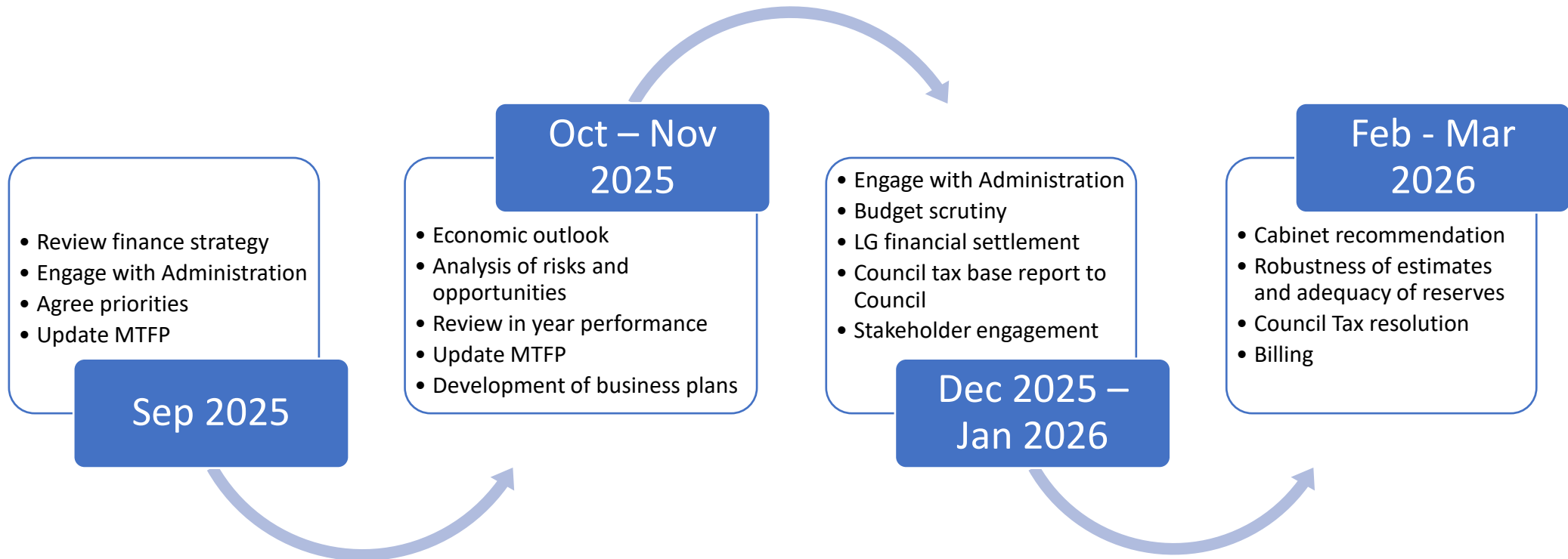
Despite the funding uplift, increasing complexity and demand within both Adults and Children's social care remain significant risks for the Council, requiring ongoing close monitoring throughout 2026/27 and the medium-term financial planning period.

Key Headlines:

- Three-year settlement covering 2026/27 to 2028/29.
- Introduction of High Needs Stability Grant to support Local Authorities with DSG deficits during the transition to a reformed SEND system.
- Revenue Support Grant (RSG) updated to reflect the new formulas and a simplification of grant funding streams, consolidating several key grants previously part of Core Spending Power (CSP) into the RSG, including Social Care Support, Adult Social Care Market Sustainability and Employer's NIC Funding.
- Additional consolidation of some Housing and Children's service grants into the RSG, as well as the establishment of the Homelessness, Rough Sleeping, and Domestic Abuse Grants, and Children's & Families Grants, now included within CSP rather than individual service grants.
- The Children's Social Care Prevention Grant (£1.7M) continues at 2025/26 levels and is incorporated into the wider Children's & Families Grant.
- Additional Children's Social Care Reform funding (£0.4M) will be received as part of Core Spending Power in 2026/27 and 2027/28. This is also consolidated into the Children's & Families Grant.
- The Better Care Fund continues at 2025/26 levels for 2026/27, future funding levels are still to be determined.
- Recovery Grant (£5.4M) continue at 2025/26 levels.
- Extended Producer Responsibility funding (£3.5M)

Timeline

The whole process of agreeing and approving the Budget, Finance and Business Plan is a process over many months. The key stages in the budget setting process are detailed below.



Medium Term Financial Plan

The medium-term financial plan (MTFP) reflects the outcome of the financial settlement, updated priorities and an analysis of risk and opportunities. The three-year funding allocation arising from the government settlement has now been fully reflected.

The Council holds strategic reserves to ensure it has the capacity to respond to emerging risks, policy change, or transformational initiatives which may arise. The level of these reserves is also reviewed as part of the planning process and reported on through the budget monitoring process to ensure they remain adequate.

The table summarises the MTFP for 2026/27 to 2028/29. The balanced position is reliant upon delivery of the service business plans set out in Annex 1, in addition to general productivity savings of £0.7M included within 2027/28 and 2028/29 to drive financial sustainability. These will be reviewed and reported on as part of the in-year resources monitoring process.

MTFP POSITION			
	2026/27 £000	2027/28 £000	2028/29 £000
FUNDING			
Revenue Support Grant	46,067	59,909	64,007
Business Rates Retention	54,588	55,841	56,967
Council Tax Income	80,213	83,936	87,874
Cumulative ASC Precept	16,550	18,672	20,931
Improved Better Care Fund	9,942	0	0
Extended Producer Responsibility (pEPR)	3,508	3,585	3,657
Recovery Grant	5,432	5,432	5,432
Homelessness, Rough Sleeping & Domestic Abuse Grant Stream	1,867	1,879	1,885
Childrens & Families Grant Stream	3,194	3,194	2,757
TOTAL FUNDING	221,360	232,447	243,510
Budget Envelopes	197,839	203,838	209,403
Borrowing Costs & Charges	10,196	11,708	11,708
Minimum Revenue Payments (MRP)	8,885	10,815	11,735
Investment Income	(336)	(342)	(342)
Levies	1,039	1,069	1,101
Other Budgets	344	1,956	6,493
TOTAL REVENUE SPEND	217,967	229,044	240,098
Net Contributions to Earmarked Reserves	3,393	3,403	3,413
TOTAL BUDGET REQUIREMENT	221,360	232,447	243,511
Balance of funding available / (Savings Required)	0	0	(0)

Medium Term Financial Plan

Budget envelopes define the level of investment across each core area of Council activity. Envelopes have been established by considering the forecast funding projections, current expenditure levels, service plans and strategic priorities.

There has been significant work undertaken to review the level of investment required across budget envelopes including intelligence from budget monitoring information. Ongoing risks in strategic demand sensitive areas will need to be mitigated through transformational activity and investment.

The table shows the proposed budget envelopes for each service area.

Service Budget Envelopes		2026/27							
Services	Opening Cash Envelope	In year Virement	Service Moves/Relinks	MTFP Grant Adjustments	Pressures	Savings	Closing Cash Envelope	Non Cash Budgets	Overall Budget
Resources	24,550	2,703	1,012		2,319	(1,100)	29,484	(16,179)	13,305
Environment	14,829	1,318	(1,810)		744	(2,650)	12,431	5,743	18,174
Regeneration	2,356	1,248	120		410	0	4,134	2,178	6,312
Infrastructure	19,896	(5,303)	(1,437)		500	(50)	13,606	6,098	19,704
Safer Communities	207	1,207	(246)		400	0	1,568	449	2,017
PMO Team	131	0	(131)		0	0	0	0	0
Children and Family Services	50,262	865	(120)	1,828	2,745	(217)	55,363	12,532	67,895
Public Health and Wellbeing	779	4	0		0	0	783	1,335	2,118
Adult Services	74,166	75	0		2,373	(600)	76,014	170	76,184
Housing	0	584	2,612	1,500	0	(240)	4,456	757	5,213
Total	187,176	2,701	0	3,328	9,491	(4,857)	197,839	13,083	210,922

Non-cash budgets reflect the internal support and management recharges.

The following link provides access to Council's funding and spend: [Budgets and finance strategy | NELC](#)

Funding – Retained Business Rates

Under the current Business Rates Retention (BRR) scheme, the Council retains 49% of income collected locally, adjusted for write offs, bad debts and appeals. In addition, we receive a top up grant from Government which recognises we do not have the ability to raise sufficient funding locally to support our baseline need.

2026/27 will see significant changes within the BRR scheme. In addition to the 3 yearly cycle of updating the ratable value of businesses, new multipliers will also be established for Retail, Hospitality & Leisure (RHL) and High-value properties (>£500k) replacing previous reliefs in the areas of RHL. In addition, the business rates baseline for local authorities will be reset from 2026/27 and overall baseline funding levels set as part of the wider Fair Funding Review.

Growth and Outlook

The Council is continuing to drive and support economic and housing growth which in turn will deliver improved levels of local taxation. Business Rates growth is planned over the MTFP period in line with central government expectations. There are several key schemes in the Borough that are expected to contribute to this growth:-

- Freshney Place Leisure development
- Towns Fund Investments in Grimsby Town Centre (St James House, Riverhead, Garth Lane)
- Levelling up investment / Cleethorpes Masterplan (Sea Road, Pier Gardens)
- South Humber Infrastructure and Investment Programme (SHIIP)
- Creation of Greater Lincolnshire combined authority
- The establishment of the Humber Freeport to stimulate growth across the Humber and Greater Lincolnshire areas

Collection Rates

Collection performance for Business Rates was slightly reduced against previous years as at the mid-point of 2025/26. This position is considered when assessing the levels of bad debt provision required as part of the NNDR return which will be submitted in January 2026 to central government. Forecasting the overall collection rate is particularly challenging in the current economic environment and is dependent upon a range of factors, including the level of business rate reliefs available to local business. For this reason, the Council maintains a Business Rates Reserve to smooth income.

Funding – Retained Business Rates

Collection Rates

Collection performance for Business Rates was slightly reduced against previous years as at the mid-point of 2025/26. This position is considered when assessing the levels of bad debt provision required as part of the NNDR return which was submitted in January 2026 to central government. Forecasting the overall collection rate is particularly challenging in the current economic environment, with increasing costs for businesses having significant impact on some sectors, and particularly on smaller businesses. Collection rates are dependent upon a range of factors, including the level of business rate reliefs available to local business. Further to the initial Budget announcements on new business rates multipliers and transitional reliefs, the government has confirmed an additional 15% business rates relief for eligible pubs and live music venues. For these reasons, the Council maintains a Business Rates Reserve to smooth income.

Business rates are a key source of income for the Council with approximately £54.6M estimated for 2026/27

Ratings List

A new business rateable value list will come into effect on 1st April 2026. The impact from the changes to individual business ratings bills is being managed through transitional reliefs.

Collection Fund Deficits

The collection fund forecast will be finalised as part of the NNDR1 process and any projected surplus / deficit for the Council will be repaid to the Collection Fund as part of the 2026/27 budget. Fluctuations in business rates are managed through the Business Rates Reserve where funds are available, in line with the reserve forecasts this deficit will be funded in such a manner.

Funding – Council Tax

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

Council Tax Base

The CTB report, set the tax base for 2026/27. The increase in the tax base to 47,214.4 from the 2025/26 position of 47,205.5 equates to an additional 8.9 Band D equivalent properties. This delivers an extra £17k at the current North East Lincolnshire Council average band D level of tax. This is built into the Council's medium-term financial plan on an ongoing basis.

Council Tax Support

The current year cost of the Council Tax support discount is £12.4m of which 42.6% or £5.28 million is mandatory and relates to pensioners (as at 01/11/25). The current discretionary element of the scheme relates to the working age population entitled to CTS including those who are disabled, this relates to 57.4% of the caseload and currently costs £7.12 million. We have seen an increase in applicants through the scheme from working age residents. This increase has been led by a number of factors, including the scheme being more accessible to residents, local support organisations have prioritised applications for financial support for service users and closer links with Universal Credit. The effect of the discount is a reduction to the Council Tax base and therefore the amount of Council Tax the area can raise. To allow a period of stability there is no intention to change the qualifying criteria of the council tax support scheme for 2026/2027.

Collection

Judgement has been applied in estimating the Council Tax collection rate. For 2026/2027 it is considered prudent to assume a 98.2% collection rate, based on current collection rates and future trends in line with the Council's policy framework and application of discounts. The overall level of anticipated collection remains the same as 2025/26. However, this will be kept under review due to national issues around cost of living.

Funding – Council Tax

Empty Properties

In accordance with Government flexibilities, North East Lincolnshire continues to implement all additional premiums for empty properties within the area. Premiums are an additional 100% charge for properties empty over 12 months, 200% for properties empty over 5 years and an additional 300% charge for properties empty over 10 years. In November 2025 there were 554 properties which have the additional empty property premium attached to their account, this accounts overall for £0.8M of Council Tax billing. This is the additional billing in place as at 03 November 2025, this figure is taken at a point in time, as such the volume and value is subject to change as properties go on and off the additional premium.

Single Person Discount

As outlined in the 2025/2026 Taxbase report a complete review of all recipients of the Single Person Discount was undertaken during the 2024/25 financial year. This involved asking all residents who receive the discount to confirm the reduction is still appropriate to their circumstances. For Council Tax support customers, a desk based review was completed using information held within the Local Taxation and Benefits Service.

Funding – Council Tax

Council Tax is the most significant source of income for the Council with approximately £80.2M (excluding adult social care precept) forecast for 2026/27. This represents around 36% of total funding.

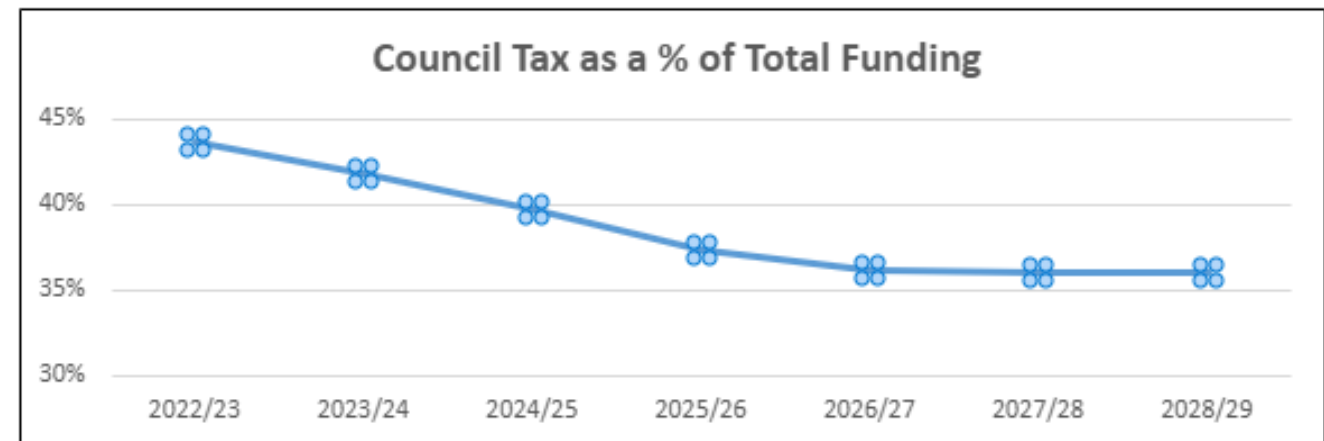
The core referendum limit for council tax remains at 3%. This financial plan has utilised a 2.99% increase to Council Tax for 2026/27. Planning assumptions for 2027/28 and 2028/29 is a continued increase of 2.99%.

In addition, a 2% Adult Social Care (ASC) precept is factored into the MTFP in line with this latest legislation. The ASC precept will raise a total of £16.6M in 2026/276 which will mitigate increased social care demand pressures. The table shows historical and forecast levels of Council Tax and associated tax base levels, this excludes the ASC precept.

The planned Council Tax increase is to allow the Council to create sustainable recurrent income to fund frontline services, where central funding isn't necessarily available.

The implementation of the new funding reform has altered the distribution of resources, resulting in Council Tax comprising a lower proportion of the Council's overall funding envelope

Council Tax	2025/26	2026/27	2027/28	2028/29
Base	47,205.5	47,214.4	47,686.5	48,163.4
Price Increase	1.98%	2.99%	2.99%	2.99%
Funding	£77.4m	£80.2m	£83.9m	£87.9m



Funding - Other Funding

The Council has received notification of a range of other grant funding for the MTFP Period.

Revenue Support Grant - Revenue Support Grant (RSG) is updated to reflect the new relative need formulas and a simplification of grant funding streams, consolidating several key grants previously part of Core Spending Power (CSP) into the RSG, including Social Care Support, Adult Social Care Market Sustainability and Employer's NIC Funding. In addition there are some grants relating to Housing and Children's which were previously service based, now rolled into RSG. Approximately one third of the increased funding requirement assessed as part of the FFR will be allocated each year until the full amount is received in 2028/29. To ensure appropriate allocation of funding to Adult Social Care guidance on Adult Social Care indicative budgets are expected to be received before the final settlement.

The Local Authority Better Care Grant (iBCF) - Allocations for 2026/27 have remained at 2025/26 levels at £9.9M. With future year funding being consolidated with the Revenue Support Grant. The Council works closely with the Health and Wellbeing Board to ensure the funds are targeted effectively to meet Adult Social Care needs.

Recovery Grant – This grant is targeted towards areas with greater need and demand for services (as proxied by deprivation), and less ability to raise income locally (specifically, council tax). The final NELC allocation is £5.4M in 2026/27 which is aligned with the allocation in 2025/26.

Childrens Social Care Prevention Grant – This grant is distributed using an interim children's relative needs-based formula, which allocates funding based on estimated need for children's social care services, varying cost of delivering children and young people's services and an authority's relative ability to raise council tax. The final NELC allocation is £1.7M in 2026/27 aligned with the allocation from 2025/26. The distribution of the grant will be consolidated within the Children's and Families Grant.

Extended Producer Responsibility – This grant aims to compensate local authorities for the waste disposal cost of packaging. The provisional NELC allocation is £3.5M for 2026/27. This is expected to be confirmed during 2026/27.

Funding - Other Funding

The Council has received notification of a range of consolidated grant funding for the next financial year.

Homelessness Rough Sleeping & Domestic Abuse Grant - Allocation of £1.9M, this incorporates the previous service-based grants of Homelessness Prevention Grant; Rough Sleeping Accommodation Programme, Rough Sleeping Prevention & Recovery Grant, plus the previous CSP grant of Domestic Abuse Safe Accommodation Grant. The final settlement announced the further roll in of the Supported Housing Services Grant and the Renters' Right Act Homelessness New Burdens Funding. Funding values across the MTFP reflect those included in the revised Core Spending Power.

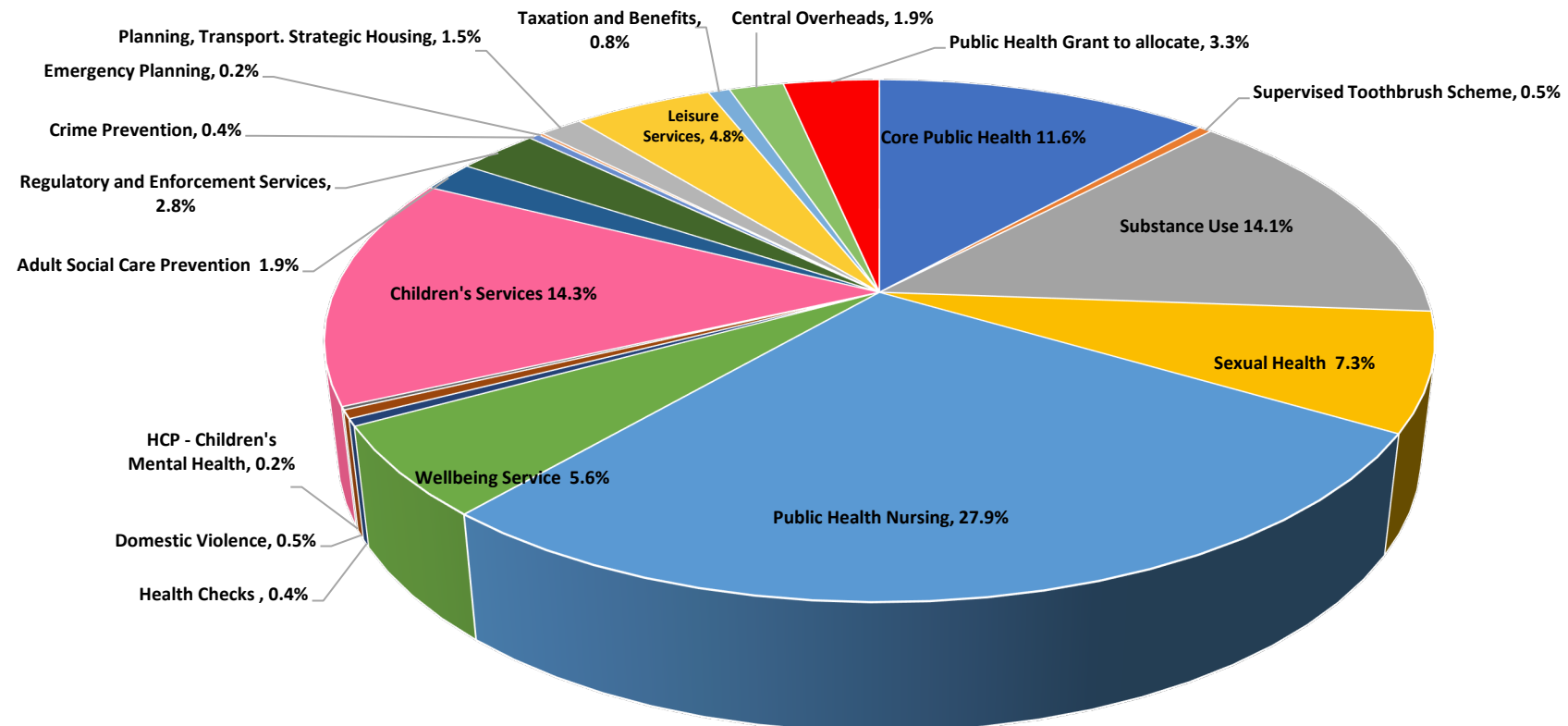
Childrens & Families Grant – Allocation of £3.2M, this incorporates the £1.7M Children's Social Care Prevention Grant (as detailed on the previous slide). The remaining funding of £1.5M reflects the previous service-based grant for supporting families (£1.1M) and a new allocation for Children's Social Care Reform (£0.4M). Funding values for previous grants have been maintained at 2025/26 levels throughout the MTFP period, the additional reform funding is included in 2026/27 and 2027/28 only and remains at the same level over both years.

Crisis & Resilience Fund (CRF) – Provisional allocation of £3.0M across each year of the MTFP. This fund will bring together two existing funding streams, Household Support Fund and Discretionary Housing Payments, into a single consolidated grant. This ringfenced grant (not included in CSP) will support local authorities to provide preventative support to communities and assist people when faced with financial crisis. The objective of this fund is to both provide a safety net for those on low incomes who encounter a financial shock, and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term.

Local Outcomes Framework (LOF) –alongside the financial settlement, the government published the first edition of the LOF. Greater funding certainty, enabled by the return to multi-year settlements and wider funding reform, allows the LOF to create a shared focus on the outcomes that matter most to both central and local government. Its purpose is to improve living standards across England and compliments the council's own outcomes framework. By introducing outcomes-based performance measures, aligned to national objectives and delivered locally, the LOF strengthens how government supports, challenges, and holds councils to account for improving results. Publishing all outcomes data in one place will also increase transparency for residents and ensure central and local government assess progress consistently. The framework recognises the need for strong, empowered local councils that can drive economic growth, improve public services, and support communities. Full details can be found here: [Local Outcomes Framework - GOV.UK](https://www.gov.uk/government/publications/local-outcomes-framework)

Funding – Other Funding

During 2025/26 £13.4M of Public Health Funding was received, with spend allocation as detailed in the graph below:



Funding – Other Funding

These sources of external funding are reflected within business plans and cover areas of both revenue and capital expenditure. In terms of future opportunities, the Council is continuing to be proactive in identifying further external funding opportunities. These are reflected within the medium-term financial plan as the funding is secured. During 2025/26, the following material capital grants have been received:-

£6.7M allocation to support additional school places
--

£3.4M Local Transport Plan

£4.0M Disabled Facilities Grant

£2.5M SEND Provision

£8.7M Towns Fund

£2.0M Bus Service Improvement Plan

£1.8M Cleethorpes Levelling Up

£9.1M Freshney Place levelling up

£4.6M GLCCA Local Transport Grant

Other Budgets and Issues

In addition to service plans and issues covered within the commissioning plans, there are some general corporate type issues to be considered

Fees and Charges

The Council will undertake an annual review of all fees and charges to ensure value for money when delivering services is being achieved. In line with established policy, an uplift in line with an estimated CPI rate for the March preceding the MTFP period will be applied, unless an alternative specific methodology or approach is deemed to be necessary for that service area. The forecast rate uplift at March 2026 is 3% (based upon November CPI Forecast).

Vacancy Management

The Council is to maintain a vacancy factor of 5% over the financial planning period, which is effectively an efficiency target to achieve staff cost savings and to maximise the benefits from turnover of staff and utilising the remaining workforce.

Discretionary Expenditure

Controls to reduce discretionary expenditure will continue into 2026/27, this is in line with the financial strategy. It remains a budget manager's responsibility to limit this type of expenditure and to ensure governance and internal controls are implemented and adhered to. This type of expenditure will be closely monitored and challenged where necessary.

Children's Services

Significant improvements have been seen within Children's Services over recent years, with the 2025 Ofsted inspection rating the service as Good. The Council is committed to continue working with partners and on the improvement programme to improve outcomes for Children and families and reduce the financial pressures within the system.

Other Budgets and Issues

The Dedicated Schools Grant (DSG) - a ring-fenced grant to provided for specific education related costs. This is split into four funding blocks: The Schools Block, Central Block, Early Years Block and High Needs Block. The 2026/27 allocations were announced in December 2025 and allocated funding for NELC is shown in the table below, this is pre-recoupment for academy schools.:

	2026/27 £M
Schools Block	144.6
Central Block	1.3
High Needs Block	35.7
Early Years Block	25.4

Schools Block is used to fund schools within the borough through a locally set formula. The Schools Forum, through a working party, have proposed unit values for elements of the formula for 2026/27 after consideration of costing scenarios. This has seen a move away from some recommended National Funding Formula (NFF) rates in order to set a balanced position. A £0.1M transfer from the Early Years Block has been supported.

Central Block is used to support statutory and regulatory duties for our remaining maintained schools, of which there are currently 4 primary and 2 nursery schools.

Early Years Block is ringfenced to fund early education including free entitlements and central support services. This has increased significantly due to childcare policy changes in relation to the expansion of early years entitlements.

Other Budgets and Issues

High Needs Block funds education provision for children and young people with special education needs (SEND) and those requiring alternative provision (AP). Due to increasing demand for this type of support, locally and nationally, there are significant financial pressures related to this activity.

As a result of demand and activity the high needs block is currently in deficit with a forecast cumulative deficit of around £27.5M at the end of 2025/26 and this is expected to continue to increase over the short to medium term. There is a temporary financial measure in place which allows local authorities to separate any DSG deficit from main accounts to prevent it from impacting the wider financial position. This is known as the Statutory Override and is set to expire at the end of March 2028.

The final settlement announced in February 2026, includes detail of a High Needs Stability Grant, which will cover 90% of the eligible DSG High Needs deficit at the end of the 2025/26 financial year, subject to completion, submission and acceptance of a SEND reform plan. It is expected that a similar approach will be taken in respect of deficits incurred during FY 2026/27 and 2027/28, however confirmation of the percentage covered by the grant in those years has not been received.

The 2026 SEND reforms will drive early intervention, strengthen local provision, and ensure fair funding through evidence-based practices and closer collaboration across education, health, and care services. From 2028/29 central government will take over the full cost of SEND provision from departmental budgets moving the financial risk away from local government.

Other Budgets and Issues

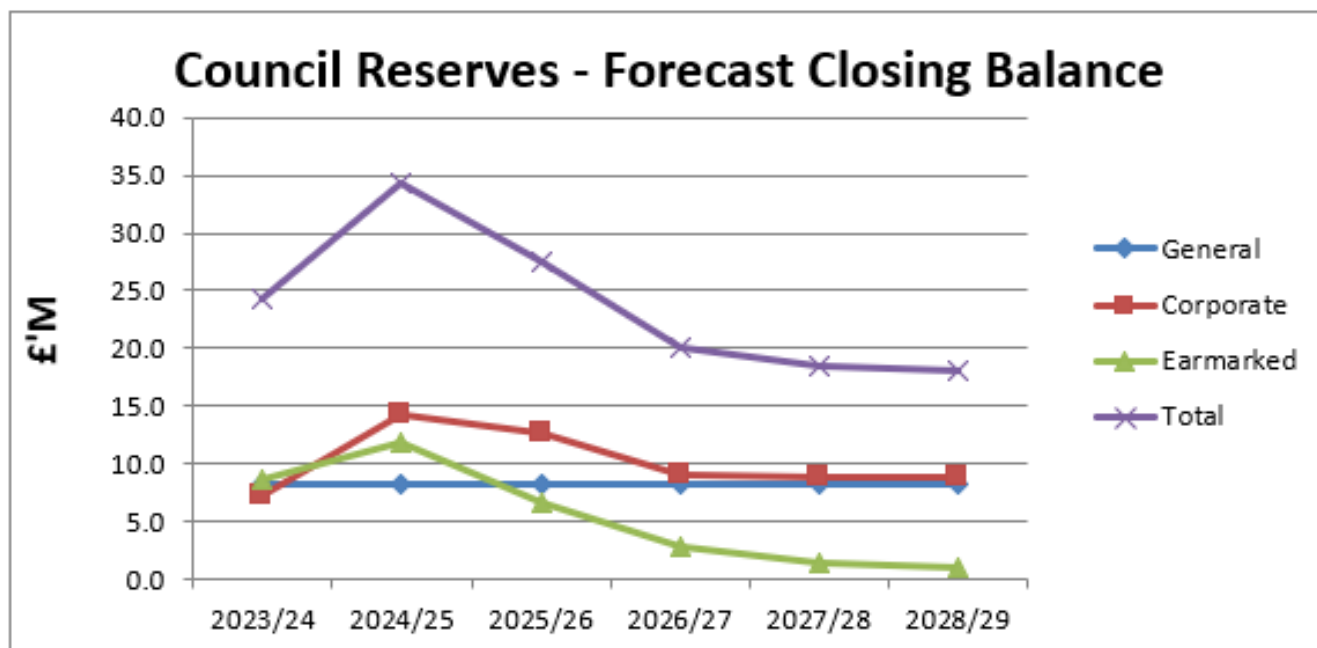
Use of Capital Receipts

The Council has been successful in generating capital receipts through the disposal of assets as part of the wider property rationalisation programme. As a result, the Council will maintain its flexible use of capital receipts plans in support of the Medium Term Financial Plan and to fund transformation activity towards the achievement of longer-term financial sustainability. Further details will be provided within the policy statement in the budget and council tax setting report, but a summary table is provided below of planned usage.

Flexible use plans	2026/27	2027/28	2028/29
Utilisation on transformational activity (See Annex 7)	£3.4M	£2.9M	£2.2M

Reserves

As part of the financial planning process all reserves, general and earmarked, are reviewed in detail. The graph below shows the current forecast closing balance in each year of the financial plan. Whilst service reserves are being utilised in line with plans, the overall capacity within reserves is expected to reduce. In the current economic environment, it is essential that the Council continues to review corporate and technical reserves.



General

- Retained to deal with unexpected events. The level is reviewed annually as part of budget setting to ensure it is adequate and appropriate. Currently approximately 3% of annual net current expenditure. This is comparable to other authorities.

Partner & service

- Held for specific purposes relating to delivery. These are held in addition to defined budget envelope and used to support clearly defined activity and outcomes over and above business as usual.

Corporate and technical

- Used to smooth the Council's financial position. These include reserves to support strategic change and transformation.

Reserves

The ongoing risk and uncertainty around the economy, service demand and transformational activity may mean the Council incurs additional expenditure over the period of the MTFP, where this is currently unknown. It is important to ensure that our reserves remain robust to be able to respond to such calls on expenditure, whilst being able to minimise the impact on planned service delivery.

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

Corporate Reserves		Forecast Closing Balance	
		2025/26	2026/27
		£'000	£'000
Debt Financing	To be utilised if cost of debt rises	2,200	2,200
Transformation	To support costs of key transformation	1,259	1,227
Business Rates Equalisation	To mitigate fluctuation in business rates income	3,957	2,457
Management of Change	To fund the costs of change	2,204	1,704
Major Contracts	To support ongoing change in major contracts	512	0
Medium Term Financial Plan	To support ongoing change in demands / pressures within the	1,000	1,000
Council Tax Hardship	To support council tax hardship claims	15	40
Social Care Volatility Reserve	To cover demand variations in social care	1,400	400
Total		12,547	9,028

** Please note that closing balances exclude any drawdowns over the MTFP period at this stage which are TBC*

Reserves

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

Earmarked Reserves	Forecast Closing	
	2025/26	2026/27
	£'000	£'000
Resources	0	0
Economy & Growth	737	147
Environment	374	371
Public Health	2,706	1,358
Adult Services & Housing	1,121	188
Childrens Services	399	1
Partner Reserves	1,023	469
Technical Reserves	255	255
	6,615	2,789

** Please note that closing balances exclude any drawdowns at this stage which are TBC*

Capital and Long-Term Investment

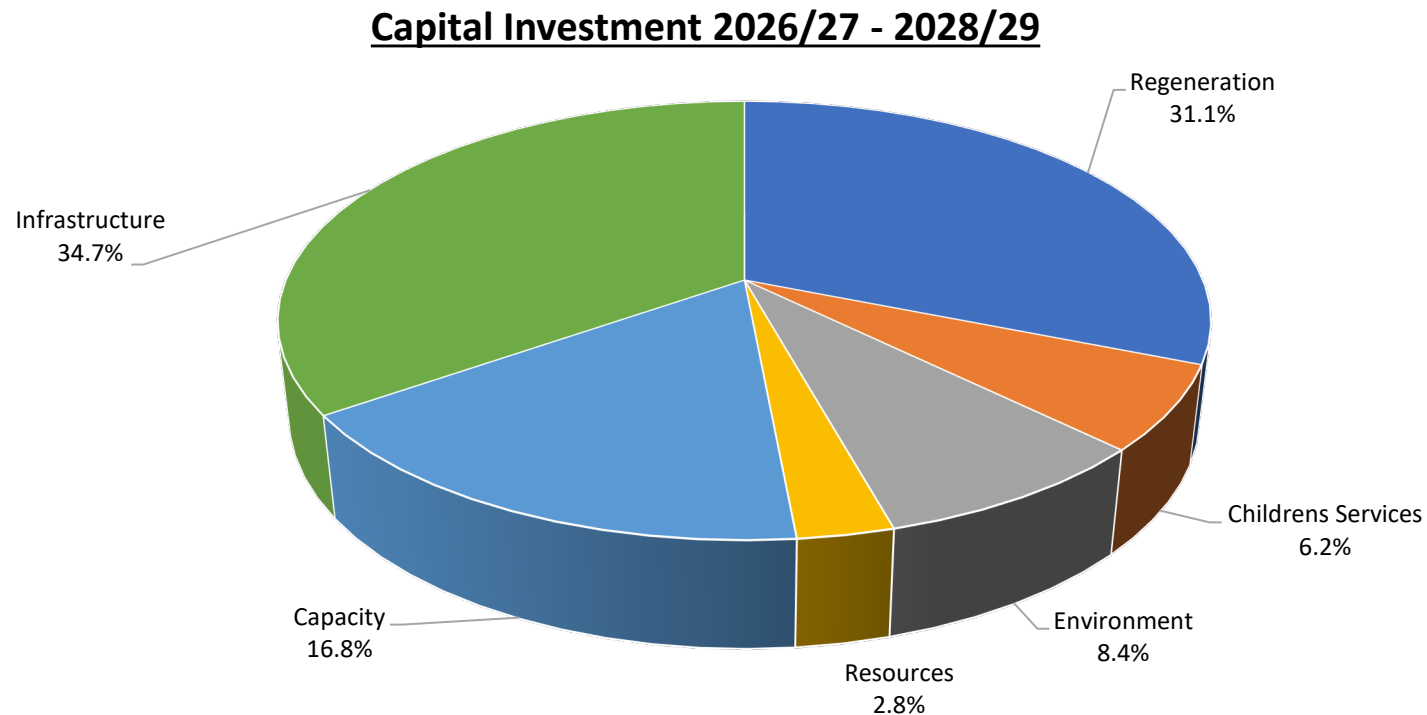
Capital and long-term investment has both legal and regulatory requirements which sets out the powers the Council has and the frameworks it must comply with and operate within for capital investments. The Council is guided by the Local Government Finance Act, MHCLG guidance and CIPFA Codes of Practice, including CIPFA's revised Prudential Code of Practice 2021 that brought in new restrictions on borrowing which are focused on investments that are made 'primarily for financial return', including commercial property. The Capital Investment Strategy is the umbrella document that covers both the Service Delivery and Commercial Return elements of the Council's investments.

	The underlying principles of the capital strategy follow the financial strategy -
Commissioning	Aligning capital investment to support priorities that contribute to the outcomes framework
Regeneration and Growth	Stimulate regeneration and economic growth through local investment
Cost Control	Supporting the economic and efficient delivery of core services

The Prudential Code requires Local Authorities to ensure Capital investment -
Links to Strategic Planning
Ensures effective Asset Management
Delivers Value for Money
Is prudent and sustainable
Is subject to an affordability assessment
Can be delivered practically

Capital and Long-Term Investment

The Capital Investment Strategy will drive the long-term focus of the capital programme. Significant investment will focus on sustainable business growth, skills and place making. The Capital Programme is undergoing a process of review and reprofile in line with the priorities set out. Below is the investment planned across service and priority areas



Member Scrutiny and Consultation

The role of scrutiny in the budget setting process is key to ensure sufficient challenge and governance is in place to support the robustness of the Budget, Finance and Commissioning Plan. Informal briefing sessions have been held with members in December 2025 and formal briefing sessions in January 2026.

Members Overview & Scrutiny	Budget scrutiny informal workshop to consider the initial outlook during December 2025.
	Post Provisional Finance settlement, formal scrutiny of business plans during January 2026
	All member briefing prior to budget council
Political Groups	Targeted Budget Setting Meetings held between Finance and Service areas to discuss budget detail Political group briefing
Engagement Events with Other Stakeholder Groups	Budget issues and surveys to be publicised via local and social media channels
	Engagement with public organisations, partners and local businesses
	Information provided with Council Tax bills
Cabinet & Council Meetings	Council December 2025 Council Tax Base (Inc. Support Scheme)
	Cabinet February 2026 - Final Budget
	Council February 2026 - Final Budget

Robustness of Estimates and Adequacy of Reserves

Underlying budget assumptions

Business plans outlining the approach to delivery within budget envelopes have been prepared and are included within the Financial Plan for 2026/27. Budget envelopes reflect council priorities, forecast funding projections, the economic environment, anticipated demand, and regulatory changes.

The reasonableness of underlying budget assumptions is challenged throughout the budget-setting process. Considerations include current financial performance, inflationary pressures, demand trends, income targets, and alignment with service priorities.

The overall level of risk within the 2026/27 budget and Medium-Term Financial Plan (MTFP) remains high but manageable, provided key decisions are taken and alternative savings are identified if required. Significant challenges remain for the longer-term planning period, including the cost of living, economic stability, health and social care reform, and rising demand.

Established governance arrangements ensure ongoing monitoring of budget delivery and service priorities, including Scrutiny Panels, Cabinet and Council meetings, Leadership Team, and special purpose boards.

Continued uncertainty in the public sector and wider economy brings both risks and opportunities. The Council will regularly revisit its financial plans and manage risks through the risk and opportunity management framework.

Robustness of Estimates and Adequacy of Reserves

The 2026/27 Budget is set within the context of ongoing economic challenges, including inflation, energy costs, interest rates, and national pay awards.

Major financial risks are outlined in detail below.

Local Government Financial Model

The Fair Funding Review undertaken by the Government in 2025/26 has provided a multi-year settlement for 2026/27 to 2028/29. These reforms have significantly impacted the Council's funding profile over the forthcoming MTFP period, including updates to the relative needs formula, consolidation of grant streams, and a business rates reset. Phasing of new funding will be gradual, one third per year over the MTFP.

Children's Services

The Council continues its transformation and improvement journey in Children's Services. Safeguarding referrals and contacts for family help have stabilised, and the number of children in care and those placed externally continues to reduce, though numbers remain higher than comparable areas.

Placement demand and limited local provision have increased costs, but there is now a greater focus on outcomes and value for money. Reliance on agency social workers has reduced, with a competitive offer and clear progression criteria supporting a sustainable workforce.

Robustness of Estimates and Adequacy of Reserves

Adult Social Care

Demand and complexity in adult service provision continue to rise against a backdrop of financial constraint. The Adult Social Care Precept, Better Care Fund, and social care funding allocations support sustainable service delivery. The Council monitors social care pressures and is committed to mitigating increasing demands through efficiencies and transformation. Additional social care grant received in 2026/27 will support transformation activities.

Housing

The cost of temporary housing and demand from both adult and children's services, as well as increased staffing in the homeless service, remain challenges. A full review of housing service provision is underway, with a focus on structured service offerings and stabilising spending. Housing provision, extra care housing, children's residential, and care leaver accommodation are all part of medium-term transformational activities.

High needs

High needs continue to present significant financial pressures, causing ongoing overspends against the Dedicated Schools Grant High Needs Block. The Council is currently benefiting from a statutory override that allows Dedicated Schools Grant (DSG) deficits, primarily arising from high needs block spend relating to Special Educational Needs and Disabilities (SEND) provision, to be excluded from the General Fund. The final settlement announced in February 2026, includes detail of a High Needs Stability Grant, which will cover 90% of the eligible DSG High Needs deficit at the end of the 2025/26 financial year, subject to completion, submission and acceptance of a SEND reform plan. It is expected that a similar approach will be taken in respect of deficits incurred during FY 2026/27 and 2027/28, however confirmation of the percentage covered by the grant in those years has not been received. This override will end in March 2028 and at that point, any residual DSG deficit will need to be absorbed into the council's usable reserves unless alternative provisions are announced. Future MTFPs will need to incorporate potential repayment plans or risk mitigation strategies, however the affordability of this within the overall budget planning process would need to be considered.

Robustness of Estimates and Adequacy of Reserves

Economic Environment

The Council continues to operate in a challenging financial and economic environment, impacting individuals, businesses, and communities. Assumptions within the MTFP will be updated to reflect macro-economic impacts. Despite these challenges, the Council remains committed to long-term growth and financial sustainability, demonstrated by continued growth in the council tax base. Capital investment within the MTFP is expected to contribute significantly to the Council's strategic objective of enabling a strong and sustainable local economy.

Capital and Long-Term Investment

Capital investment is necessary to deliver Council priorities. The programme is reviewed annually to ensure alignment with current priorities and viability. The Council operates within its approved Treasury Strategy, ensuring borrowing remains affordable, sustainable, and prudent. The updated Capital Investment Strategy includes details of material non-financial investments. Debt as a proportion is slightly lower than sector average.

Treasury Management

The Council follows the CIPFA Code of Practice for Treasury Management, prioritising security to mitigate market instability. Risk is managed through effective procedures, scrutiny by the Audit & Governance Committee, external advisors, and monthly review by the S151 Officer.

Local Government Reform (LGR)

Independent analysis highlights that the financial benefits of structural change may be modest compared to the risks of destabilising well-performing councils and existing community partnerships. NELC's preferred approach is to build on its current unitary status, deepen collaboration—particularly in areas like procurement, digital integration, and workforce resilience—and ensure that any reorganisation protects local accountability and delivers tangible benefits for residents.

Robustness of Estimates and Adequacy of Reserves

Performance Management and Reporting Arrangements

The Council has well-established financial performance reporting arrangements, reviewed annually in line with national guidance and audit feedback. Financial and performance data are integrated in quarterly resource monitoring reports. Budget monitoring requires services to prepare action plans for spending variations.

The capital programme is monitored quarterly, with specific reports to the leadership team and active management of reprofiling and scheme decommissioning. Capital challenge meetings and oversight of major projects occur monthly.

The Council continues to test performance in terms of economy, efficiency, and effectiveness, with arrangements built into key contracts and partnerships.

Key Accountabilities

Budget holders are accountable for managing and reporting service or contract performance, ensuring data robustness, and reporting at appropriate frequency. They must ensure spend is targeted at desired outcomes, compliant with policy and procedures, and that services operate to agreed standards.

Robustness of Estimates and Adequacy of Reserves

Key Accountabilities (continued)

- Managing resources in line with Council procedures, including HR policies and project management guidance.
- Complying with Contract Procedure Rules and Financial Regulations, including assurance through review and testing.
- Ensuring financial transactions are properly authorised and coded, and reporting any control breaches.
- Delivering value for money through continuous improvement and reporting on efficiency gains and improved outcomes.
- Working closely with Resources to ensure timely, risk-assessed decisions based on robust information.

Partnership Governance

The Council has numerous partnership agreements with significant contractual budgets. Strategic and operational governance ensures risks are identified and mitigated. Key partnerships are subject to regular review throughout the MTFP period.

Robustness of Estimates and Adequacy of Reserves

Financial Resilience Assessment

Local context is considered in assessing financial resilience, including future demand, performance, long-term revenues and expenditure, and key risks.

A resilient financial plan is built on a strong local taxation base, reduced reliance on government grants, defined service expenditure, and adequate reserves. For North East Lincolnshire Council, local taxation remains the majority of funding, with Council Tax providing local determination.

Key conclusions from the financial resilience assessment:

- Local taxation as a proportion of total funding has risen but recently reduced with additional social care grant funding.
- The General Fund as a percentage of net current expenditure is consistent with the unitary council average. While earmarked reserves are reducing, the General Fund provides resilience.
- Significant and complex capital schemes require robust project management and have long-term delivery profiles.
- The population of older people is growing, with local trends mirroring regional and national patterns.
- Corporate reserves have decreased since 2020/21, with a risk that balances may be insufficient for in-year pressures. Service-specific reserves remain low and are largely committed.
- Overall borrowing levels (debt:income ratio) are lower than sector average.

Robustness of Estimates and Adequacy of Reserves

Adequacy and Availability of Reserves

The Council holds reserves for three purposes:

- General reserves for unexpected events and cash flow smoothing.
- Corporate and technical reserves to stabilise the Council's financial position.
- Partner and service reserves for specific service delivery purposes.

The prudent General Fund reserve is maintained at £8.3 million for 2026/27, reflecting current risk levels. This will be reviewed during the year, considering the adequacy of reserves and the latest financial position.

Corporate reserves stabilised in 2025/26 after previous reductions. Service-specific reserves are limited and largely committed. Planned top-ups in 2026/27 will provide resilience against specific risks and support ongoing change.

The Council's reserves support transformational change, business rates fluctuations, and borrowing costs.

Current reserves are in line with sector norms based upon CIPFA Financial Resilience Index.

Flexible Use of Capital Receipts

The Council continues to generate significant capital receipts from asset disposals, supporting regeneration and property rationalisation.

Flexible use of capital receipts will support the MTFP and fund transformation towards long-term sustainability. Key assumptions are included in the Capital Investment Programme and asset disposal plans for 2026/27–2028/29.

Further details are provided in Annex 7.

Robustness of Estimates and Adequacy of Reserves

Conclusion

In my professional opinion, the estimates used in the preparation of the 2026/27 budget are robust, and the level of reserves is adequate to meet the Council's known financial risks and uncertainties. However, the financial environment remains challenging, and it is essential that the Council continues to monitor its financial position closely, deliver planned savings and transformation, and maintain flexibility to respond to emerging risks.

Members are advised to have due regard to this statement in approving the budget and council tax for 2026/27.

Guy Lonsdale

Section 151 Officer

Impact Assessment

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

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

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

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

The decision making process

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

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

The full Council meeting in February 2026 will make decisions on the Council's Budget for 2026/29 based on recommendations from Cabinet

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

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

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

Impact Assessment

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

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

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

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

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

Financial decisions

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

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

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

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

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Resources

Engaging and Effective Council

As we work with our partners, our people and our colleagues, we must ensure that we provide services that are effective, value for money and deliver what our residents want, and what is best for our borough. We can only do this if we get the very best from our employees and use all that is available to us to take North East Lincolnshire forward.



Resources Service Areas

Key areas of activity include:-

Legal services

Governance (democracy, registrars, elections, coroners, civic)

Strategy, Policy and Performance

Communication and Customer

Audit and Assurance

Local Taxation and Benefits *

Finance

ICT & Digital

People and Culture

Business Support

Print & Design

* Shared service with North Lincolnshire Council

Resources

Summary of delivery against 2025/26 business plan (1)

Business support redesign

Vacancy Management & Workforce Development

Vacancies arising from the change management process have been filled through natural turnover during the year, ensuring continuity and minimising disruption. Secondment opportunities are actively encouraged, supporting internal development both within Business Support and across NELC. This approach helps retain talent and supports career progression.

Process Mapping & Digital Focus

In 2025/2026, we undertook comprehensive process mapping across all Business Support functions. The aim is to streamline operations and prioritise digital solutions from January 2026 onwards. Initiatives include piloting digital tools such as Nelson forms and exploring the ethical use of AI, with oversight from the NELC AI Group.

AI-Driven Efficiency

A targeted AI pilot for minute taking has demonstrated potential to improve efficiency, accuracy, and support for Business Support colleagues. Following positive results, additional licences are being rolled out from December 2025, with a focus on ethical deployment and staff support.

Career Pathways & Learning

A key focus of the redesign is to enhance career progression and create clear pathways for development. We are collaborating with the Learning and Development Team to formalise and promote these pathways, integrating them into Business Support inductions and ongoing training. This ensures all colleagues have access to growth opportunities and the skills needed for future success whilst also embracing new technology

Academy NEL

AcademyNEL is the organisational learning and development offer, provisioning learning programmes, career development and Pathway opportunities, accessible to our members and teams at every level. The Academy also includes access to e-learning that supports our organisational compliance. The ongoing development of AcademyNEL continues to progress, with the site and AcademyNEL now fully launched and under continuous improvement. The Aspire Programme, which is CPD accredited, is thriving and the first cohort of the Achieve programme is experiencing significant personal development and growth across various political and leadership topics. Two key organisational projects, Values and Health Focused Council, are currently in full discovery. Several new courses are now in full delivery, including Prince 2 Project Management, Performance Coaching, Safer Recruitment, Wellbeing, and Stress Management. Additionally, Agile Project Management is in its pilot delivery phase. Our Children's Services Induction, Foundations in Practice and Safeguarding Children's Partnership curriculums have been developed in collaboration with the Children's Workforce Team and other contributors and are fully integrated into the AcademyNEL offer. Furthermore, our offerings have been extended to the Voluntary Sector.

Resources

Summary of delivery against 2025/26 business plan (2)

Agency Framework	Completed - To build on the success of the well utilised model, further work will focus on strengthening governance arrangements to ensure tighter control over recruitment, compliance, and financial management. A structured reporting process will also be introduced, with monthly data on Business-As-Usual (BAU) agency usage provided to ADs to highlight area of concerns. This will enhance transparency, support informed decision-making, and embed accountability across the Council. The aim would be to decrease off contract agency spend and further challenge on the continual long-term use of consultants outside of the agreed platform.
Planning and implementation of the Procurement Act 2023	The Procurement Act went live in February 2025. Relevant amendments to the Contract Procedure Rules have been made, we have developed an e-learning package which is mandatory for managers and other staff undertaking procurements. All templates and development of new processes were completed on-time.
External legal fees	The improvement in Children's Services has had a positive impact on spend on external legal fees in 25/26, due to the reduction of formal public proceedings. This will remain a focus and priority for 26/27.
Capitalisation of salary costs	The budget for the capitalisation of salary costs (£0.8m) is forecast to be delivered in accordance with accounting standards.
Local Taxation & Benefits	Processing of Housing Benefit cases has maintained a high level of performance throughout the year in line with DWP funding. Due to external factors volumes of general new cases is reducing but supported housing continues to be an expanding priority. Council Tax collection continues to reduce slightly, reflecting the national situation however all available recovery options are being implemented. The Council Tax Single Person Discount review was completed in 24/25 and resulted in approximately £1m additional Council Tax billed.
Cyber	Our Cyber Security Strategy has been launched, training and engagement has taken place with both officers and members. We continue to take a robust approach to cyber security including engagement in the government's Cyber Assessment Framework ready support programme.

Resources – Financial Data

Current resources

Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000
Assistant Director People & Organisation	8,663
Deputy s151	3,352
Law and Governance	6,288
Policy, Strategy and Resources	9,962
Total	28,265

Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	24,550	29,484
2027/28	24,586	29,789
2028/29	24,586	29,795

Key planning assumptions

Funding of ICT costs to deliver strategic strategy, application strategy and licensing.

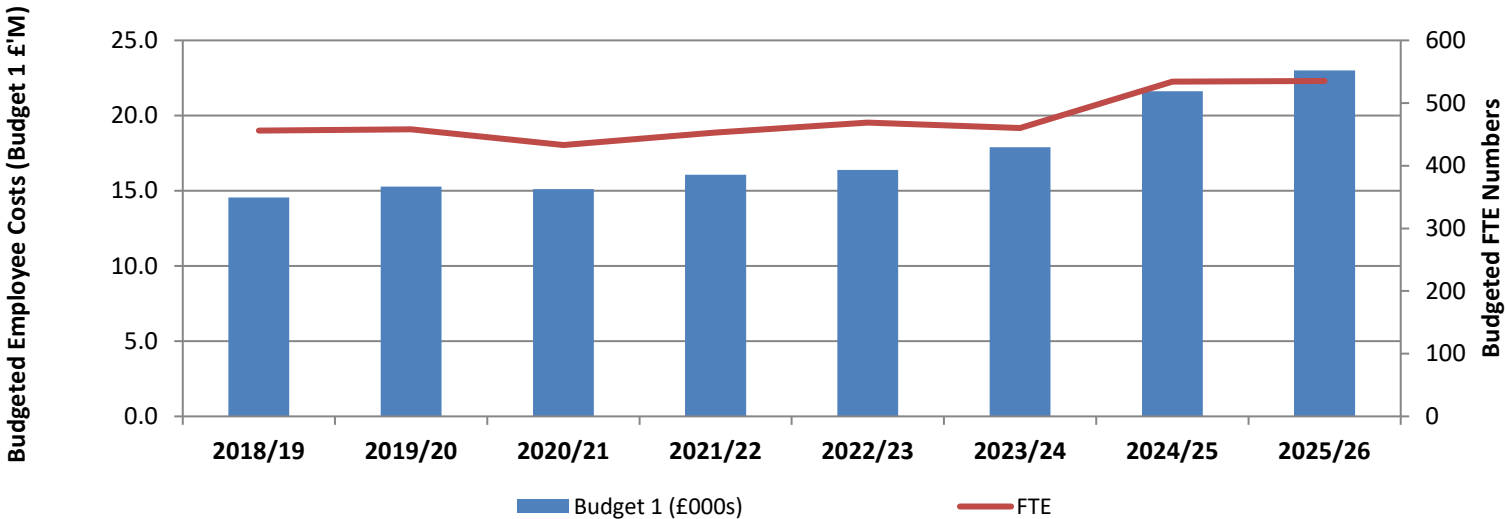
Funding of Housing Benefits Subsidy pressures due to subsidy classification.

Inclusion of additional funding to reflect the increasing cost of Apprenticeship levy

Continuation of focus to capitalise salary costs in line with accounting standards.

95% occupancy of staff vacancies is maintained within the budget envelope.

Resources Employee Cost



Resources

Overview, challenges and opportunities (1)

Overview	Resources cover a wide range of support services that facilitate and enable delivery of the Council's priorities.
Key challenges and opportunities	<p>Challenges</p> <p>There are continued capacity challenges across the service area that are being managed in order to provide the necessary support to ongoing major transformational activity and significant investment programmes across the organisation, for example, the ongoing children's services improvement plans, housing services improvements, transformation of the former Equans services, food waste collection, Adult Services planning and improvement, preparation for changes as a result of Local Government Reorganisation . We continue to face challenges in terms of recruitment and retention in professional roles as we compete with other sectors for specialist skills.</p> <p>Opportunities</p> <p>People strategy refresh - delivery of the refreshed People Strategy and key activities is ongoing with clear service priorities and governance arrangements in place to track and manage progress.</p> <p>ICT and Digital – A strong emphasis on maximising digital opportunities, particularly through automation, digitalisation, and system enhancements, ensuring that all services are aware of and engaging with developing and emerging technology such as AI.</p> <p>AcademyNEL programme is set to continue growing, providing structured development pathways for graduates, apprentices, and employees at all levels. This supports succession planning, talent management and mitigates the challenges around recruitment and retention highlighted above.</p> <p>The OD Academy is a dedicated organisational wide programme that grows leadership capability across all services through an Organisational Development Model. In addition to the overarching programme of transformation, the OD Academy provisions access to practical learning and tools to help leaders and teams drive cultural change, improve performance, and deliver strategic priorities aligned with AcademyNEL through effective OD practices.</p> <p>Customer Experience – we are aiming to improve our communication with residents and members when they raise issues through the further development of our website, aligned with a review of 'back office' processes in services that have high volumes of interactions with the public, supported by our Customer Services team.</p>

Resources

Overview, challenges and opportunities (2)

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

Financial sustainability within Resources is predominantly driven by activity across the rest of the organisation, as this is an area that is highly responsive to organisational demand. We will continue to focus on driving efficiencies through new ways of working and maximising digital opportunities through automation, digitalisation and system enhancements.

The key opportunities for Resources relate to digital technology, particularly AI development; the on-going drive to maximise the taxbase; and the on-going improvements to our recruitment, learning and development offers aimed at making NELC an employer of choice and improving recruitment and retention.

Ensuring that resources has the capacity to support the significant change and transformation programmes across all service areas will remain a priority.

Resources

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
RESOURCES				
Deputy S151				
Capital Receipt Flexibility	2,150	3,350	2,850	2,170
Policy, Strategy and Resources				
ICT Refresh	928	965	639	1,406
M365 Transformation Programme	196	258	199	-
Childrens Services Platform	837	1,000	804	-
Digital Platform	125	300	-	-
Cleethorpes Town Hall Audio Visual	66	-	-	-

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
Capital Capacity				
Capital Investment Capacity	4,918	6,966	12,928	13,164

Capital Investment Capacity

Represents corporate funding which will be utilised to fund new or emerging capital investments within each financial year.

Environment & Regulatory Services

Greener Future

Never has there been a more important time to look at our plans for a greener future for all. North East Lincolnshire is benefitting from the renewable energy sector which is positive. But we must also consider how we develop greener hearts and minds across our borough.



Environment & Regulatory Service Areas

Key areas of activity include:-

Street Scene:

- Street Cleansing
- Fleet & Vehicle Maintenance
- Waste & Recycling Collection

Regulation and Sustainability:

REGULATION & ENFORCEMENT

- Trading Standards
- Environmental Health & Housing
- Parking & Civil Enforcement
- Pollution Control
- Licencing
- Food, Safety and Port Health

ENVIRONMENTAL SUSTAINABILITY

- Ecology
- Carbon Reduction and Energy
- Biodiversity and Natural Asset Management
- Waste Disposal Strategy

Open Spaces:

- Grounds Maintenance
- Bereavement Services
- Resort Team

Environment & Regulatory Services

Summary of delivery against 2025/26 business plan (1)

Doughty Road operational services consolidation	Work on the operational construction phase is nearing completion except for the electrical infrastructure switchover which must be completed by a third party prior to staff relocation. Heating and hot water in the office block is due to start in Q4 which is being delivered through the Salix Decarbonisation Grant. A project plan to support the move is in progress.
Plan the journey to net zero including opportunities to reduce energy consumption at Bereavement Services	Our Green Future combines the Waste Strategy, Carbon Roadmap and Natural Assets Plan. The plans include defined workstreams with quarterly progress updates provided to the Environment Board. NELC have secured several grants to support the work, which includes a decarbonisation grant for our estate. Priority is given to those buildings that emit the most carbon and have the highest energy costs. This includes Grimsby Crematorium.
Modernise waste services	Reviewing recycling performance data to target communication work to areas where an increase is likely. Integrated model of food waste collection approved by Cabinet in July 2025 and new vehicle fleet ordered in November 2025.
Review operational fleet	Fleet replacement programme approved including plans for additional electric vehicles. New waste collection fleet procured to support food waste collections.
Waste disposal options	Commenced discovery for future waste disposal options at the expiry of the current contract in 2029. Refreshed strategic waste function within Environmental Sustainability & Strategy team with new staff resource to be recruited in Q4.
Border Targeting Model	Enhanced checks at the port have increased significantly following New Border Target Operating Model (BTOM) implemented 30th April 2024. In September 2025 the Government announced there will be a new agreements between the UK and EU with implementation expected after 2027 and with the potential to further change border control arrangements

Environment & Regulatory Services

Summary of delivery against 2025/26 business plan (2)

Cleethorpes Resort	Awaiting completion of LUF schemes to determine future requirements. Interim funding to deploy a Resort Task Force in 25/26 to deliver enhanced street scene offer.
Cleethorpes Habitat Management Plan	Document approved by Cabinet in March 2025. Successful bid for £250K to Heritage Lottery to deliver DUNE project which complements the principles in the Cleethorpes Habitat Management Plan. Working on phase 2 of the bid.
Local Nature Recovery Strategy	Pre consultation draft of LNRS received November 2025. This is the first stage of formal consultation by the responsible authority (LCC) with NELC. LNRS aims to improve nature across Greater Lincolnshire, support planning and deliver BNG.

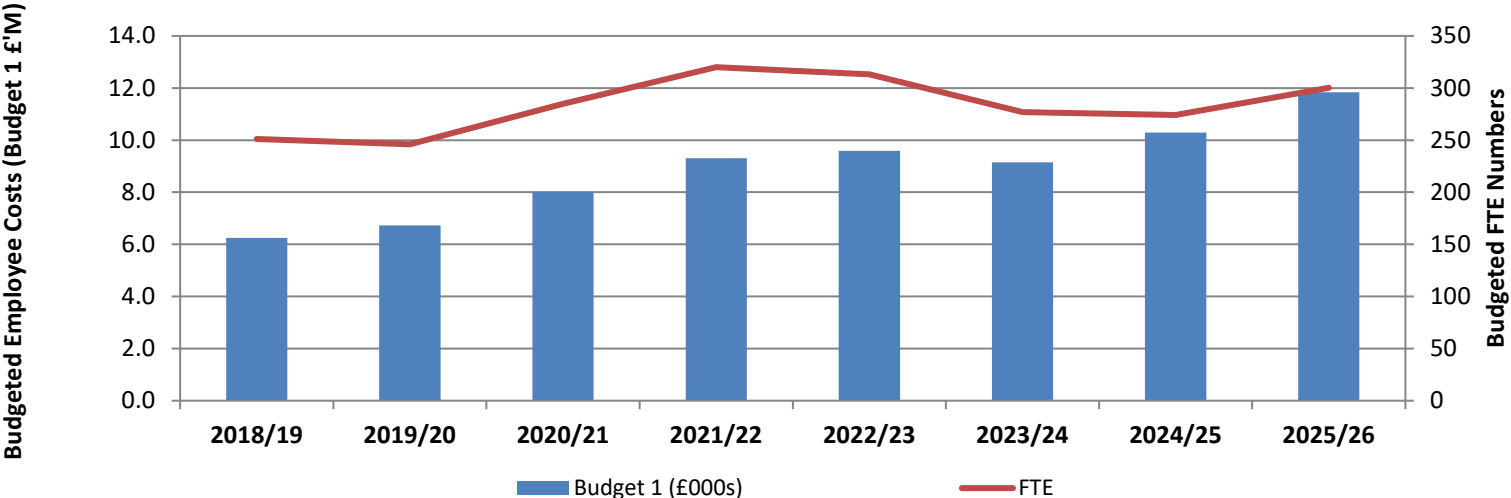
Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000	Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
Waste Services	2,857	2026/27	14,829	12,431
Waste Disposal And Strategy	9,342	2027/28	14,618	16,558
Street Cleansing	1,427	2028/29	16,618	17,540
Grounds & Bereavement Services	1,128			
Other Service Areas (inc. Regulatory Services / Neighbourhood Services Mgmt. / Enviro Sustainability)	-418			
Total	14,336			

Key planning assumptions

Clean & Green initiative proposed at Full Council for FY 25/26 will now be core funded throughout the MTFP period.

Funding provided for the implementation of the weekly food waste collection service. Expected start date January 2027.

Environment Employee Cost



Current waste contract assumptions around length, volumes and inflation are funded.

Alignment of Port Health service provision with the expected HMG Food Port Legislation changes.

95% occupancy of staff vacancies is maintained within the budget envelope.

Environment & Regulatory services

Overview, challenges and opportunities

Overview	The service employs a large and diverse workforce responsible for delivering a range of frontline operational and technical regulatory functions.
Key challenges and opportunities	<ul style="list-style-type: none">• Vacancy factor in front line operational services• Enforcement Income in Environmental Enforcement Team is too ambitious.• Emissions Trading Scheme (ETS) from 2028 will increase cost of waste disposal.• Uncertainty about future port operation and impacts.• Managing decarbonisation and service delivery at Grimsby Crematorium.• Recruitment of staff to deliver Renters Rights Act and Selective Licensing.• Management/supervisory capacity to deliver new, enhanced, transformational/ competing strategic priorities across diverse functional areas.• Recruitment/retention of staff during significant change, high workloads and other work opportunities across the profession.• Impact of external recycling commodity markets and partnerships on disposal prices.• One year funding opportunities impact on delivery of frontline services.• Review to Civil Enforcement/Parking Services to increase reach of patrols and enhance cost recovery.• Review of litter enforcement delivery model.• Investment in 'Grow your own' and service transformation to create resilient and technically competent teams.• Joining up service activities as part of depot move from Gilbey Road to Doughty Road.• Long term transformation of housing enforcement to utilise all available enforcement powers and shift the cost burden on to responsible person through use of Civil Penalty fines.• Ensure we continue to identify opportunities to recover costs and manage demand.
Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes	<p>Full Cost Recovery: Ensure services maximise cost recovery opportunities.</p> <p>Waste Collection and Disposal Options and EPR: Consider future waste disposal options post 2029, including potential risks following introduction of Emission Trading Scheme. Implement Food Waste collections.</p> <p>Depot Rationalisation: Contributes to a more efficient and integrated workforce.</p>

Environment and Regulatory Services

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
ENVIRONMENT				
Fleet Replacement Programme	2,138	7,315	1,693	6,278
Enhancement of Bereavement Services	12	-	-	-
Depot Rationalisation	2,328	-	-	-
Salix - Public Sector Decarbonisation Scheme	4,835	-	-	-
Mayoral Renewable Fund	226	-	-	-
Housing Assistance Grants and Loans	315	461	-	-
Warm Home Grants	125	380	375	-
Capital Office Recycling Project	47	-	-	-

Regeneration

Stronger Economy

Our ambition is to create a place where we attract and sustain businesses of all kinds, you will see how this vision runs alongside a determination to work within our communities and with all our partners. We aim to ensure that the residents of North East Lincolnshire have the skills and inspiration to support, work and enjoy all that we have here.



Economy (Regeneration) Service Areas

Key areas of activity are:-

Town Centre Regeneration

Strategic Planning, Development Control and Planning Enforcement

Inward Investment and Economic Development

Leisure centres, Libraries and Auditorium (Lincs Inspire)

Culture, Heritage and Sport

Tourism, Marketing and Promotion

Adult Skills and Careers

Contract Monitoring and Governance

Regeneration

Summary of delivery against 2025/26 business plan (1)

Devolution & Skills Action Plan	<ul style="list-style-type: none"> • Devolution skills workstreams handed over to the Greater Lincolnshire MCCA with plans to maintain collaborative working. • The Skills Strategy and Action Plan is almost at the end of delivering the medium term actions. Progress is reported quarterly to the NEL Skills Board and six-monthly to a joint scrutiny panel. <p>Key delivery includes:</p> <ul style="list-style-type: none"> • Greater Lincolnshire & Rutland Local Skills Improvement Plan completed with final report published in June 2025. • UKSPF People & Skills funding extended for 25/26 supporting 11 projects directly aligned to need in North East Lincolnshire. • Delivery of Skills and Careers Events: Community careers event at YMCA and in Freshney Place, Parents Careers Evening and Annual Skills Fair. • Skills Communication Plan in delivery – NELC Webpage updated and traffic monitored, Invest Skills pages created, themed social media campaigns promoting careers and adult learning and quarterly business newsletter. • Adult careers team exceeding their targets on the National Careers Service contract. • Adult careers team delivering a UKSPF project, Careershift, supporting 100 participants to overcome barriers to work and training. • In conjunction with Community Interest company, Target NEL, the adult careers team have created the 'Careers Café', a drop-in careers centre in Freshney Place.
Review Leisure Estate	<ul style="list-style-type: none"> • Delivery of hockey pitch refurbishment complete in partnership with Ormiston Maritime Academy and Sport England to protect hockey facilities in the borough for the future. • The development of a new Indoor Sports Facility Strategy is underway and is due to complete in Summer-26. The development of this strategy will inform the next steps of the leisure review including more detailed feasibility studies at Grimsby and Cleethorpes leisure sites. • The development of a new Playing Pitch Strategy is underway and due to complete in Summer-26.
Library and Archives Services	<ul style="list-style-type: none"> • Phase-2 of review is complete with results reported to Cabinet. Decision made to retain Cleethorpes and Waltham library, and in-principle Grimsby Central Library subject to understanding cost and options for refurbishment. • Library Select Committee in process which will form recommendations for consideration in developing our future library service strategy during 2026.

Regeneration

Summary of delivery against 2025/26 business plan (2)

Enterprise Zones & Industrial development	<ul style="list-style-type: none">• Planning permissions obtained by DFDS to develop c30,000 sq. ft office space, and Aegis Energy to build an electric fuelling station (non-EZ sites at Pioneer Park), and interest secured on the final EZ plot in NELC ownership on Pioneer park.• Freeport seed capital schemes progressing with the first phase of CATCH's ambitious expansion complete, an expansion to create an Industrial Decarbonisation Centre on track to complete in March 26, and reserved matters for ABP's 100,000sqft of industrial space at Pioneer Park EZ approved.
Grimsby Town Centre and Cleethorpes Masterplans	<ul style="list-style-type: none">• Demolition works for the Freshney Place leisure scheme is complete and construction started November 2025 marking a major milestone in the project.• St James House phase 1 development completed with all 18 offices pre-let.• Riverhead Square complete and Onside official opening scheduled for early 2026. Planning approval secured and developer appointed for Garth Lane housing project.• Increased positivity in the town centre, led by 2025 Group messaging and events as well as grant funded interventions through High Street Accelerator and Green Spaces Fund, improving the visual appearance, matched with Safer Streets initiatives to reduce crime.• Pier Gardens principal contractor and wider support procurement completed.• Under contract with a Pre-Construction Services Agreement for Sea Road development.• Procurement of a principal contractor for the Market Place development has commenced and Traffic Regulation Orders in the process of being implemented.

Regeneration

Summary of delivery against 2025/26 business plan (3)

Creative Placemaking

- Five major creative programming events being Our Future Starts Here, Festival of the Sea, Grim's Great Time Travellers, Sea Like a Mirror and Freedom Festival. Also, seven murals now delivered through paint the town programme.
- 39 successful funding bids and sponsorships with £2,914,179 investment levered in through arts, culture and heritage funding (2025).
- Cleethorpes Townscape Heritage scheme concluded supporting the heritage led regeneration of buildings including the Dolphin, Mermaid plus balconies on Alexandra Road.
- Horizon Onside Youth Centre and Our Big Picture opening in early 2026 following Heritage Fund investment.
- Unseen Arts secured £437,000 from Historic England's Heritage At Risk programme to redevelop their building at Grimsby Docks
- Spring out of area tourism marketing campaign completed in Q1 and Autumn campaign completed in Q3. DiscoverNEL social media statistics continue to increase.
- Year 3 of the Humber Museum Partnership activities progressing well including an exhibition 'Hometown Heroes' in Q2. School visits and visitor numbers have increased. Dynamic Collections Project progressing with a team of volunteers working through the museum's ephemera collection. Heritage Heroes group for adults with additional needs marked with the production and launch of a Silent Film 'Grimsby Red' at Parkway Cinema.
- 15 events held at the Meridian Showground between Q1 to Q3 giving more opportunities for local people to engage in events, and economic benefits for businesses and accommodation providers.

Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000
Leisure	3,211
Retained Function	722
Planning	368
Museums	257
Other Service Areas (inc. Freshney Place, Event Arena, Adult Skills)	-834
Total	3,724

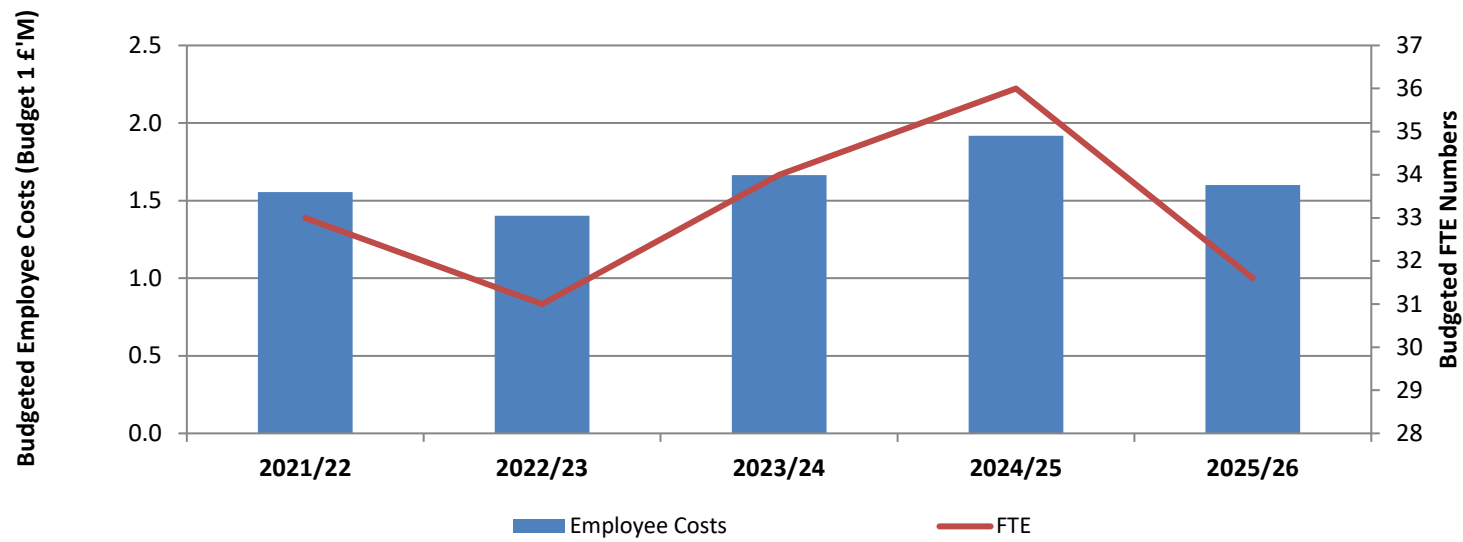
Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	2,356	4,134
2027/28	2,356	3,899
2028/29	2,356	3,899

Key planning assumptions

Budget movements from opening to revised reflect the Equans Staff being moved into this service area.

95% occupancy of staff vacancies is maintained within the budget envelope.

Regeneration Employee Cost



Regeneration

Overview, challenges and opportunities (1)

Overview	To promote our area as a great place to live, work, visit and stay, by revitalising our town centres, supporting the growth of existing businesses, and attracting investment. This will also provide opportunity and positive change for our young people.
Key challenges and opportunities	<p>Challenges:</p> <ul style="list-style-type: none">• Culture, Heritage, Leisure and Tourism functions heavily reliant in applying for and securing external grant funding to support core delivery which require match funding.• Cost increases have slowed but viability remains a significant challenge.• Risk of utilities availability for inward Investment projects remains an issue.• Reallocation of Freeport seed capital funds as one of the projects did not progress, slight risk to delivery but still on track to defray funds by the deadline of March 2026.• UK Shared Prosperity Fund has supported a range of business support measures. Continuing to resource business support to businesses will become a challenge when funding is no longer available post-March 2026.• Ongoing challenges in terms of developing a skilled workforce for industry• Awareness and take up of skills / development opportunities by adults is an ongoing challenge due to barriers to access.• Employer support for engagement with schools, colleges and adults furthest from the labour market is challenging with a high rate of micro businesses and SMEs in the area and competing priorities in time and cost.• Condition and backlog maintenance challenges across the services estate and historic vessels.• Revenue budget performance across Meridian Showground and Grimsby Fishing Heritage Centre may be impacted by cost-of-living challenges for service industry. <p>Opportunities:</p> <ul style="list-style-type: none">• NEL is a Heritage Place for Heritage Fund and Priority Place for Arts Council England which provides opportunities for investment in arts, heritage and culture.• Place Partnership with Sport England to explore opportunities' to support people to be more active, more often.• Focus on our relationship with Historic England to support culture & heritage regeneration within our place.• Area of enhanced support for Homes England.• Freeport tax site business rates which will be reinvested across the Humber to promote investment and trade.

Regeneration

Overview, challenges and opportunities (2)

Key challenges and opportunities

Opportunities (continued):

- Devolution of the Adult Skills Funding presents an opportunity for local skills provision.
- Through the Humber Museum Partnership grow visitor numbers and school visits to develop a better understanding of our heritage and increase income at Grimsby Fishing Heritage Centre.
- Greater Lincolnshire Devolution has the potential to increase both policy influence and access to regeneration funding in the future, along with supporting skills needs.
- Income development for Meridian Showground through increasing capacity and fee structure.
- Continue to develop our long-term approach to leisure and libraries service provision.

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

- Continuing to maximise the capitalisation of staff costs.
- Planning fee uplift in line with statutory increase.
- Review of fees and charges across the service in line with inflation as a minimum.
- Leisure estate review – progress to the next stage of the sport and leisure review.
- Library review – progress the development of future library service strategy.
- External funding - continue to explore external funding from a range of sources to maximise benefits.
- Meridian showground - capacity increase to attract larger events (subject to planning condition discharge).

Economy (Regeneration)

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
ECONOMY AND GROWTH				
Regeneration				
Clee HLF Townscape Heritage	1,009	-	-	-
Cleethorpes Public Art	24	-	-	-
Heritage Action Zone	213	400	-	-
Playing Pitch Reprovision	165	529	-	-
Tennis Court Refurbishment	25	-	-	-
Play Zone	37	297	-	-
SHIP Scheme	324	667	-	-
Town Deal Investment	840	-	-	-
UK Shared Prosperity Fund	319	-	-	-
Freshney Place Leisure Development	7,680	23,138	7,656	-
Freshney Place Car Park	2,643	-	-	-
Freshney Place RAAC	60	2,090	3,910	-
Freshney Place Landlord Works / Cap Cons	155	438	350	-
House of Fraser	250	2,600	1,000	-
Cleethorpes Masterplan - Market Place LUF Scheme	317	3,851	350	-
Cleethorpes Masterplan - Sea Road LUF Scheme	682	3,803	450	-
Cleethorpes Masterplan - Pier Gardens LUF Scheme	482	8,515	800	-
Cleethorpes Masterplan - LUF Wayfinding	90	-	-	-
Cleethorpes Masterplan - LUF Logistics	155	150	-	-
Towns Fund - St James House	329	-	-	-
Towns Fund - Activation Fund	89	221	-	-
Towns Fund - Riverhead Square	561	-	-	-
Towns Fund - Public Realm Connectivity	2,526	-	-	-
Grimsby Central Library Asbestos Removal	144	-	-	-

Infrastructure

Stronger Economy - Improving Our Journeys

We all need to move around our borough with safe and easy routes across North East Lincolnshire.



Economy (Infrastructure) Service Areas

Key areas of activity are:-

Highways & Transportation

- LTP & LTG Delivery
- Active Travel
- Highways Maintenance
- Flood Risk & Drainage

Estates Management

- Strategic Asset Review
- Disposal Programme
- Commercial Portfolio Review
- Annual Asset Valuation

Professional Services

- Highways Design
- Architects
- Disabled Facilities Grants
- Building Control

Property Services

- Corporate Landlord Strategy
- Allotments
- Facilities Management
- Business Centres and Markets

Infrastructure

Summary of delivery against 2025/26 business plan (1)

Highways and Transportation	<ul style="list-style-type: none">• Local Transport Plan (LTP) - The approved three-year programme provides the framework for highways and transportation delivery across the network. 2025-26 will see 47 schemes proposed with an overall value of £6.4M, currently the service has delivered 20 which equates to 43% of this year's programme (high confidence - the remaining 57% will be delivered within the budget and timeline that is within the agreed budget +5% threshold), with one scheme recently deferred and replaced with a new bridge, higher priority for replacement.• Local Transport Grant (LTG) - The LTG provides funding to support delivery of local transport priorities, including maintenance and improvements identified in the Local Transport Plan. Eight out of nine schemes are in progress to be completed by March 2026. The High-friction surfacing (HSF) is on hold due to delayed SCRIM data which identifies worn areas will not be available under January. After receiving the data, detailed design, traffic management and procurement are required, therefore funds will be re-allocated to 2026/27 for delivery in Summer 2026.• Bus Service Improvement Plan (BSIP) - The plan aims to transform local bus services in line with the Government's National Bus Strategy by making bus travel more reliable, accessible, and attractive, while supporting economic growth and sustainability. In 2025/2026 we have 25 schemes within our BSIP to the value of £7M (capital and revenue). Currently, the service has completed delivery of 15 schemes (60% of this year's programme). The BSIP also has 6 schemes (25% of the programme) which have started and are due to be completed by March 2026, such as bus priority. The Transport Team are currently in the process of preparing the 2026/2027 BSIP programme.
Estates and Assets	<ul style="list-style-type: none">• Disposal Programme – The purpose of the programme is to strategically review corporate operational and non-operational estate through releasing under-utilised assets to generate capital receipts to support council priorities. £2.685 million of capital receipts have been achieved so far in the current financial year, where the annual target for this financial year is to achieve £2.15 million.• Strategic Asset Review -A strategic review of the corporate operational and non-operational estate will ensure that we are confident that we are maximising the use of the estate, we have a robust plan for future service requirements, and provide assurance that we have a clear plan for non-operational land and buildings that may be surplus to requirements.

Infrastructure

Summary of delivery against 2025/26 business plan (2)

Facilities Management

- **Business Centres and Markets** – The service focus is the implementation of the communication plan, enhancing tenant engagement, monitoring performance, and reviewing rent and lease renewals across the property portfolio including business centres and the outdoor markets. Efforts are directed towards implementing accurate service charge calculations and maintaining rigorous monthly financial monitoring. These actions are designed to mitigate risks and ensure the service is fully prepared for the 2025/26 budget cycle.
- **Facilities Management** - The service focus for Facilities Management is centred on improving financial forecasting, ensuring effective cost recovery, and refining procurement processes for FM and DLO services. Work is underway to develop robust budgets, review software systems and allocation methods, and implement comprehensive risk assessments. These measures aim to align operations with NELC standards and deliver greater efficiency and compliance across the service.

Infrastructure – Financial Data

Current resources

Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000
Transport Policy	3,453
Highways & Traffic Mgmt.	2,744
Facilities Management	2,196
Street Lighting	2,032
Infrastructure	1,183
Other Service Areas (inc. Professional Services, Estates Team, Drainage and Coastal Defence)	1,548
Total	13,156

Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	19,896	13,606
2027/28	19,896	13,554
2028/29	19,896	13,529

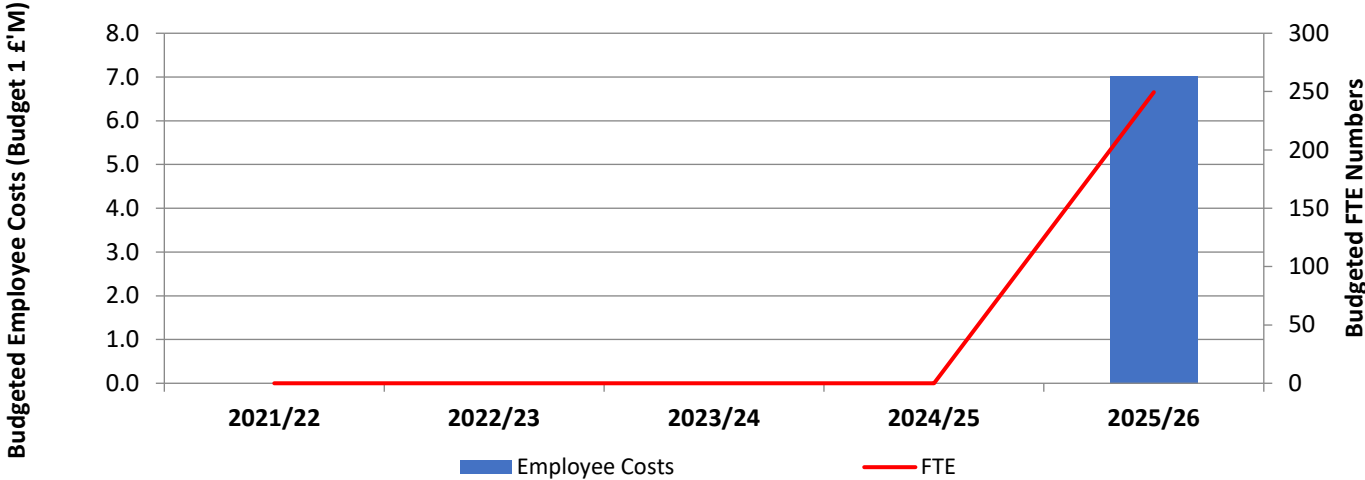
Key planning assumptions

Budget movements from opening to revised reflects the Equans contract, previously included totally within Infrastructure, being realigned to other service areas.

Future budgets reflect funding for historical pressures around Facilities Management arising from increased rates and utility costs.

95% occupancy of staff vacancies is maintained within the budget envelope.

Infrastructure Employee Cost



Change since last year due to removal of housing. 2025/26 increase due to Equans insourcing

Infrastructure

Overview, challenges and opportunities

Overview	This more commercial approach to how the council recovers costs for chargeable services has been a success and the council will continue to build on this established methodology, regularly reviewing charges and raising fees in line with inflation.
Key challenges and opportunities	<p>Capital Investment - Reviewing existing assets and the way we approach both maintenance and renewal offers us opportunities to make savings especially through capital investments to provide progressive in year savings. Investment in Street Lighting technology is one such example, however due to uncertainty over energy costs the business model for investment must rely on more than one component to produce savings.</p> <p>Cultural Transition - A key challenge is managing the cultural transition from the Equans operating model to NELC, ensuring staff are supported and encouraged to adopt innovative practices. This will require structured training and development programmes to embed new ways of working effectively. In addition, staffing resources and organisational structures are currently being reviewed across the three service areas ensure alignment with future service requirements.</p> <p>LTG Funding - Local Transport Grant (LTG) funding is £6.1M coordinating works over this financial year, alongside 2025-26 LTP commitments is proving very challenging due to limited resources and the onboarding of the highways and transportation staff, alongside design staff from Professional Services. However, external resource is enabling delivery of this years' programme with plans currently being formulated to deliver LTG funding across NEL over the next five years.</p>
Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes	<p>Fees & Charges - Fees and charges were reviewed across the service were implemented during the last financial year, annual monitoring against actual costs will be carried out with fees re-aligned to ensure full cost recovery. Due to the transfer of Equans staff, including functions within Highways, Transportation, Professional Services and Facilities Management. This more commercial approach to how the council recovers costs for chargeable services has been a success and the council will continue to build on this established methodology, regularly reviewing charges and raising fees in line with inflation.</p>

Infrastructure

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
Infrastructure				
Disabled Facilities Grants	5,130	-	-	-
Local Transport Plan Schemes	7,605	7,195	8,103	8,240
Immingham Lock Flood Def Gates	3	-	-	-
Corporation Rd Bridge Refurbishment*	-	-	-	-
Gy and Imm Flood Innov Funding	849	-	-	-
A180 Structures	1,048	2,825	-	-
Grimsby Surface Water Flood Alleviation	48	-	-	-
Bus Service Improvement Plan	1,043	3,011	-	-
Towns Fund - Garth Lane	2,866	3,500	-	-
Toll Bar Drop Off	198	-	-	-
Greater Lincs Groundwater Project	-	2,000	-	-
Car Park Schemes	774	325	-	-
Transport Hub	550	988	-	-
North Prom Footwash	18	-	-	-
Planned and Preventative Maintenance (PPM)	3,063	3,472	1,571	-
Property Rationalisation Programme	123	-	-	-
Business Centre Improvement	97	100	-	-
Heritage Assets at Risk	498	2,800	-	-
Motor Caravan Parking Scheme	17	-	-	-
Local Transport Grant	2,124	9,880	6,790	7,570

* Corporation Road Bridge Refurbishment costs are included (amongst others) in “Capital Investment Capacity”, reported within Resources, as cited in the “contingent liability” notes of the 24/25 final accounts of the Council. In the professional opinion of the Section 151 Officer, they are of a reasonable and appropriate level. For reasons of commercial sensitivity, acknowledging that further procurement works will be required, to reveal the extent of the available budget in public papers may disadvantage the Council in the marketplace at the time of any procurement and prejudice the Council being able to achieve its value for money objectives. Ongoing spend on this project is captured in the transparency data, published by the Council monthly

Safer Towns & Communities

Stronger Communities - Clean and Safe Streets and Open Spaces

Let's be proud of where we live and work and let's see 'our place' looking clean and feeling safe. We are doing lots of work and supporting others to take pride in their local areas. We value those people, community groups, partners and businesses who help us achieve this – and we must keep going.



Safer & Stronger Place

Key areas of activity include:-

CCTV & Security:

- Strategic CCTV arrangements
- CCTV Control Room
- Security Team

Crime and Anti-Social Behaviour:

- Community Safety Partnership arrangements
- Serious Violence Duty
- Violence Against and Girls
- Anti-Social Behaviour arrangements
- Public Space Protection Orders
- Modern Slavery

Counter Terrorism:

- Prevent Partnership arrangements
- Channel
- Protect & Prepare Partnership arrangements

Town Centres:

- Pride in Place Programme
- Grimsby Town Centre
- Cleethorpes Resort
- Placed Based Initiatives

Safer & Stronger Place

Summary of delivery against 2025/26 business plan (1)

Anti-Social Behaviour (ASB)	Tackling Anti-social behaviour remains a key priority for the Council and wider Community Safety Partnership. Recent data shows a clear downward trend ASB. In Quarter 2 of 2025/26, ASB incidents fell by 20% compared to the same period last year, dropping from 652 to 519 cases, with youth-related ASB also reducing by 10% (from 219 to 197).
Complex Lives Approach	Via the Community Safety Partnership, the Council and Humberside Police have successfully continued with Operation Luscombe. This collaborative approach brings together Local Community Policing, homelessness support services, and ASB-Community Safety teams to create a balanced model that prioritises support for individuals while ensuring appropriate enforcement measures are taken where necessary. This proactive initiative has already delivered tangible results, including a significant reduction in rough sleeping within the Town Centre.
Violence against women and girls (VAWG)	<p>Work continues to take a two-pronged approach to tackling violence against women and girls. Emphasis is placed on culture change to address misogyny through awareness raising, education and discussion. Sessions have been delivered to students on masculinity and femininity, role models, and when banter becomes sexual harassment. In addition, we have launched our 'Have You Ever... It's not okay' campaign to encourage men to consider their own attitudes and call out inappropriate behaviours in their friends. Finally, our high profile Reclaim These Streets walk attracted over 200 members of the public in March 2025 and will be repeated in March 2026.</p> <p>However, while incidents of VAWG are still occurring we are also implementing more immediate environmental improvements to improve safety and feelings of safety. This includes investment in CCTV and lighting, and VAWG Ambassadors who provide high visibility reassurance in Grimsby town centre. 'Lottie's Law' is currently being promoted to retailers to encourage considerations around lone working safely, and a collaboration has been established with Stagecoach and Strut Safe to enhance safe travel. Bystander intervention training has been delivered across Franklin College, GIFHE and HETA to equip young people with the knowledge and confidence to engage in positive action.</p> <p>Finally we are undertaking workforce development to build capacity within and outside of the workplace through our White Ribbon development plan whereby Council employees are encouraged to pledge to take a stand against violence against women and girls, supported by appropriate policies and action.</p>

Safer & Stronger Place

Summary of delivery against 2025/26 business plan (2)

Safer Streets (Town Centre)	The Safer Streets/Operation Mastery initiative continues to thrive and is highly valued by local retailers and businesses in the town centre. The project has achieved significant milestones, including the establishment of a dedicated Youth Hub, additional CCTV cameras, and expansion of CCTV operative capacity. Safer Street Ambassadors and increased enforcement patrols remain in place to uphold the Public Space Protection Order. The retailer radio network has been extended to include licensed premises, and multi-agency action days have continued. These combined efforts have contributed to a sustained reduction in crime and anti-social behaviour in the town centre.
Counter Terrorism Prevent & Protect	Arrangements remained strong to protect the area from Counter Terrorism threats during 2025 with the Local Authority receiving positive feedback from the Home Office following their annual benchmark assessment. Work has taken place to ensure regeneration projects consider counter terrorism measures as part of the design phase which has been incorporated into the Riverhead Square development and will also feature in both the Pier Gardens and Cleethorpes Market Place projects.
CCTV & Security	As part of the Council's preparations to bring services previously delivered by Equans back in-house, a proactive review of CCTV and Security was completed ahead of integration. The review confirmed that managing these services directly as a Council resource would deliver the greatest benefits moving forward. Since the successful integration, notable enhancements have included the addition of a new CCTV workstation and improvements to wider processes such as key control. Communication between Council departments has strengthened, and performance in CCTV and security outcomes has improved.
Pride In Place Programme	Following wide-ranging engagement and collaboration with local stakeholders the Grimsby Regeneration Plan and 10-year vision was submitted to central government in November which will see £20m of investment in Grimsby over the next 10 years. Work will continue to establish a new local entity which will be responsible for deciding how the investment is allocated. A recent announcement has also confirmed that Immingham & Highbrough will be included in the Pride in Place programme and will also receive £20m investment. Work will commence in 2026 to establish a Neighbourhood Board and undertake engagement ahead of submission of their Regeneration Plan by December 2026.

Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000
Safer Towns & Communities	1,168

Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	207	1,568
2027/28	207	1,568
2028/29	207	1,568

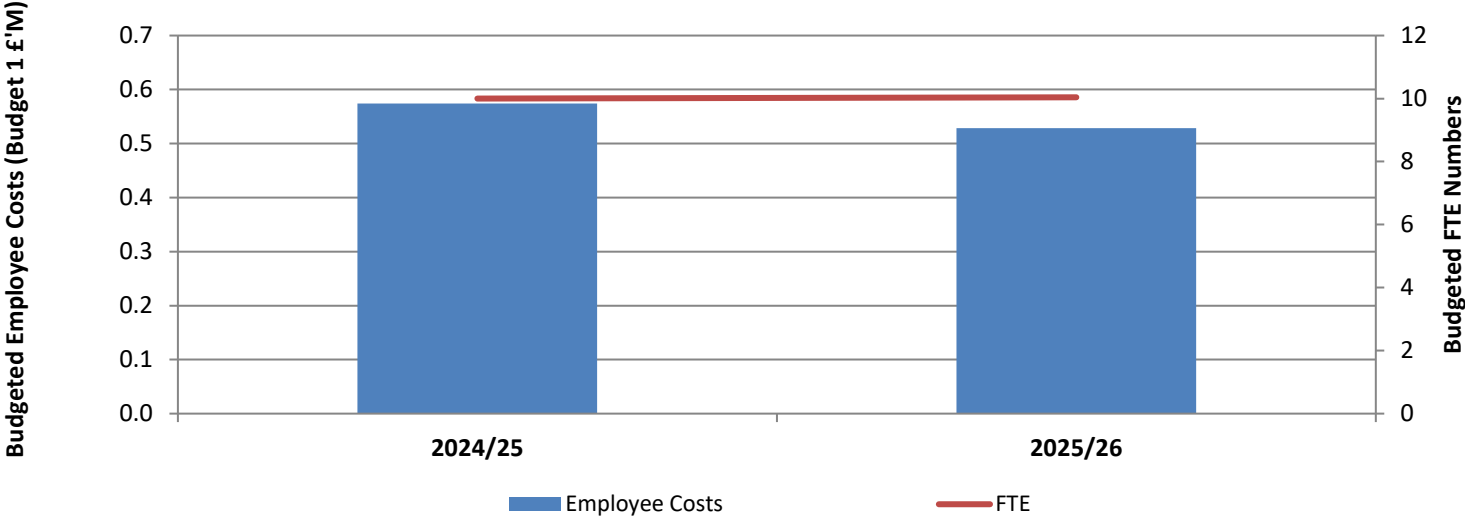
Key planning assumptions

Budget movements from opening to revised reflect the additional Equans FTE being moved into this service area.

Investment has been provided for Phase 1 of the Safer Review Project, incorporating a revised resort and events management function.

95% occupancy of staff vacancies is maintained within the budget envelope.

Safer Communities Employee Cost



Safer & Stronger Place

Overview, challenges and opportunities

Overview	Work will continue to create Safer Communities, Stronger Partnerships and Vibrant Space
Key challenges and opportunities	<p>Grimsby Town Centre: We will continue delivering a range of interventions to improve Grimsby town centre to enhance safety and security and reduce crime and anti-social behaviour. Whilst challenges remain around ensuring long-term sustainability of initiatives due to High Street Accelerator and Green Spaces external funding coming to an end, there remains opportunity to build on current progress during 2026/27 utilising small amounts of available funding whilst working alongside local stakeholders and businesses including the 2025 Group to determine a longer-term funding solution supported by the Pride in Place programme.</p> <p>Cleethorpes Resort: We are committed to delivering a revised beach safety provision that prioritises visitor safety while embracing a wider role in stakeholder collaboration, community safety, and resort regeneration. This approach will enhance the overall visitor experience through improved event management, physical upgrades to the resort, and collaborative efforts that support both safety and the long-term vibrancy of our resort.</p> <p>Pride in Place Programmes: The Pride in Place programmes for Grimsby and Immingham & Hough will create exciting opportunities to transform our communities. £40 million investment over the next decade will fund projects shaped by local Neighbourhood Boards. These initiatives will help revitalise town centres, strengthen community connections, and improve public spaces. To ensure these ambitions are delivered effectively, the Council will need to continue to provide the right resources and management capacity to oversee the programmes and keep progress on track.</p> <p>Crime & Anti-Social Behaviour: Continue working in partnership to reduce crime and anti-social behaviour across the borough remains paramount, focusing on the key priorities agreed through the Community Safety Partnership.</p> <p>Safer & Stronger Review –A comprehensive review and implementation of revised provision within the Safer & Stronger service will enable the Council to reinforce its place-based approach to safety and regeneration in our Town Centres and resort. The safer review will also encompass reviewing the Councils ASB provision, Community Safety Partnership arrangements and CCTV and security. Any new investment across the Safer & Stronger area will be directed toward delivering measurable community benefits, including improved public confidence, strengthened multi-agency working, and safer environments. These improvements will also contribute to broader positive outcomes such as enhanced visitor experience in our town centres and resort and supporting the long-term sustainability and attraction of regeneration initiatives.</p>

Safer & Stronger Place

Overview, challenges and opportunities

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

Safer & Stronger Review : Any additional budget requirements identified following the review of the Safer & Stronger service will be subject to formal approval through the appropriate leadership channels and wider Council budget setting processes

Safer & Stronger Place

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
SAFER TOWNS & COMMUNITIES				
HAS & Green Spaces	417	-	-	-

Whilst challenges remain around ensuring long-term sustainability of initiatives due to High Street Accelerator (HAS) and Green Spaces external funding coming to an end, there remains opportunity to build on current progress during 2026/27 utilising small amounts of available funding whilst working alongside local stakeholders and businesses including the 2025 Group to determine a longer-term funding solution supported by the Pride in Place programme.

Children and Family Services

Stronger Communities - Nurturing our Children and Building their Future

In the spirit of 'Our Children Our Future', children, young people and families are at the centre of all we do.



Children and Family Services areas

Key areas of activity include:-

Safeguarding, Youth Justice and Family Help

Regulated Services

Education and Inclusion

Children’s and Family Services – Financial Data

Current resources

Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000
AD Regulated Provision	31,285
Director Children's Services	-1,896
Education and Inclusion	7,995
Safeguarding, Youth Justice and Family Help	13,623
Total	51,007

Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	50,262	55,363
2027/28	49,494	53,858
2028/29	49,494	53,700

Key planning assumptions

Pressures including out of area placements and educational transport have been considered and funded at a level appropriate to the continuing transformation activities in these areas.

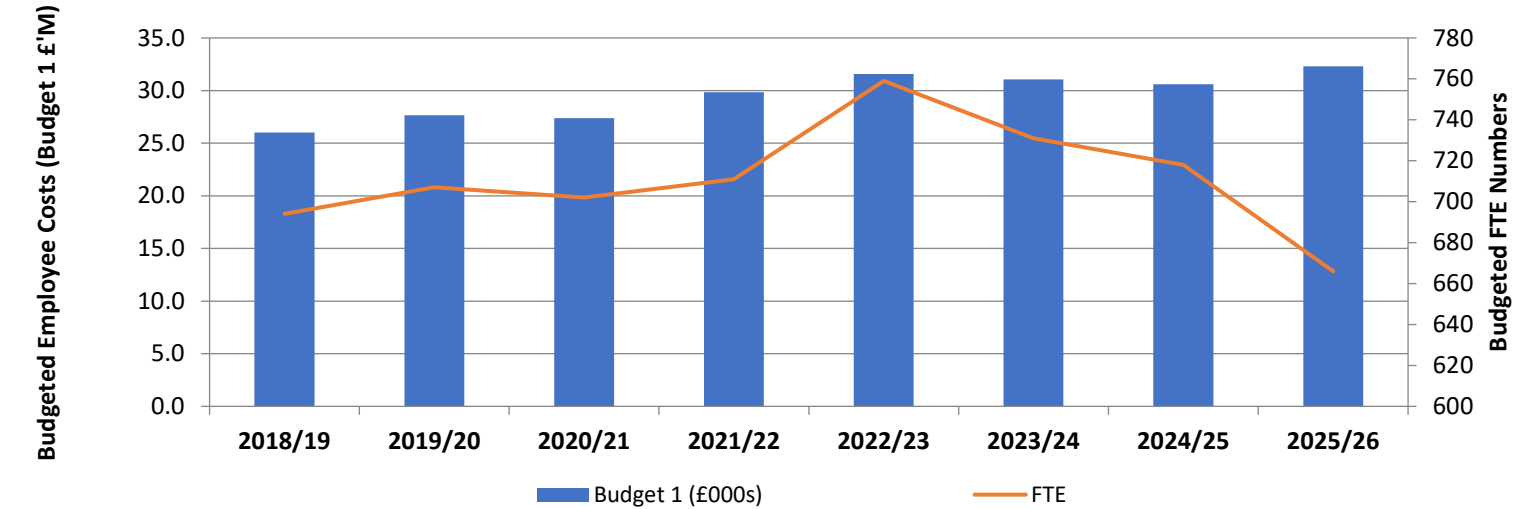
Funding reflects the expected savings from both the ongoing residential home review and fostering and in-house residential opportunities.

Budget envelopes from 2026/27 onwards reflects an uplift for grants which are being rolled into the central funding settlement.

95% occupancy of staff vacancies is maintained within the budget envelope.

Other risks to be managed within service.

Childrens Services Employee Cost



Children and Family Services

Summary of delivery against 2025/26 Business plan (1)

Overview of achievements	North East Lincolnshire Children Services continues the transformation journey to continually strengthen the outcomes for children and families at pace. The positive transformation for children and families was recognised in the ILACS inspection in July 2025 where children's services were Graded as Good with Outstanding leadership. Following this a revised improvement plan has been developed to focus priority areas of continued transformation and progress reported through relevant governance arrangements.
Improving Outcomes For Children	<ul style="list-style-type: none">• There continues to be a sharpened focus across the partnership in ensuring children's needs are met early at the lowest level and this has led to a continued steady and safe reduction in the number of referrals for children• The quality and impact of supervision and the recording of rational for decisions has improved considerably in line with a stable, permanent leadership team and focussed training. This is driving forward the practice developments and meaningful and purpose intervention and good quality partnership planning with children and families• Child Exploitation – We have amplified our strategic and operational responses to child exploitation across the workforce and wider partnership, informed by learning from the Casey review. This includes developing a more nuanced understanding of our local profile of victims, offenders, and locations enabling earlier identification of themes and trends and facilitating proactive, intelligence-led responses. We are developing the offer with the community and voluntary sector to raise awareness and understanding, improve proactive intelligence sharing, and a broaden the use of disruption tactics to safeguard children at risk.• Children with disability – There is a comprehensive plan to improve the practice and outcomes for children with a disability, There are dedicated leaders in place to drive the progress of this forward.• Public Law Outline – The tracking and assurance systems for pre-proceedings have been sharpened to ensure timely decision making for children. There are no longer any care proceedings that are over 100 weeks. The average number of weeks within proceedings have considerably reduced and are now in line with or better than others across the region and in line with the statutory timescale of 26 weeks.• Children in care and Care Leavers: We have continued to reduce the number of children in our care. The local offer to care leavers has been refreshed to deliver a robust, ambitious and effective partnership offer. d

Children and Family Services

Summary of delivery against 2025/26 Business plan (2)

Stable & Resilient Workforce	<p>Children's Vision: Building on collaborative working to date, a new vision of 'Our Children Our Future' has been developed and has continued to be rolled out and embedded across Children's Services, the Council and the wider partnership, and are referenced in and underpinned by strategic planning, governance and reporting processes.</p> <p>Children's Services Workforce: There is now a full permanent leadership team in place to drive forward practice developments and outcomes for children, including Director of Children's Services, Service Directors, Assistant Director, Deputy Service Directors, Service Leads and Practice Supervisors. There has been a sharpened focus on the recruitment of permanent social workers using a range of creative methods. This has led to a reduction in the use of agency staff from 74 agency workers in 2023 to 8 currently meaning children benefit from continued relationships</p>
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Children and Family Services

Overview, challenges and opportunities (1)

Overview	<p>North East Lincolnshire Children Services are continuing a significant period of change to ensure children and parents live in safe, supportive and loving families. This is in the context of being prepared for and developing services aligned with the forthcoming significant national social care reforms.</p> <p>North East Lincolnshire Children's Services have completed the first 2 years of the agreed improvement plan. Through considering the outcome of the Ofsted ILACS inspection, progress made and the next steps to continue the transformation journey, there is a refreshed and updated continuous transformation plan in place to build on and continue the progress made.</p> <p>Progress includes; establishing a full permanent managerial workforce across Children's Social Care, significantly reducing the number of agency workers through a relentless focus on recruitment and retention, reducing the number of children in care, creating a new offer for care experienced people, substantially increasing the number of enquiries to be foster carers through a new recruitment and retention strategy incorporating the Foster Friendly Business scheme, improving the quality of our children's homes, creating 2 new children's homes and re-shaping our services to enable children to remain within their families.</p>
Improving Outcomes For Children	<p>A key challenge continues to be the number of children placed in external provision, whilst this has reduced substantially, there is a continuing need for more NELC foster carers and further developed children's home provision – this will be improved further when the 2 new children's homes open in early 2026.</p> <p>Recruitment and retention of foster carers: There is a continued focus on reviewing and refining the foster carer offer recognising their skills the support needed. The strengthened focus on recruitment has resulted in a substantial increase in enquiries and foster carers progressing to assessment meaning we now have more children placed with NELC foster carers.</p> <p>Supervision: Continuing focus on both case supervision and oversight and staff development through a comprehensive training and development offer. Supervisions are completed timely and to a higher standard enabling a focus on impact and outcomes for children.</p> <p>Corporate and Community Parenting: Work continues to raise awareness of corporate and community parenting and further develop the offer across the Council and the wider partnership. The effectiveness of corporate and community parenting has been assessed annually with an updated delivery plan. This was supported by an LGA Peer review in January 2025. Corporate Parenting Fortnight took place for the second year in October/November.</p> <p>Family help has been re-shaped and development continues in line with the national social care reforms with a focus on early intervention and supporting children to remain within their family networks.</p>

Children and Family Services

Overview, challenges and opportunities(2)

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

Foster carers: Following the review and implementation of a revised foster carers offer including the revised allowance policy, there continues to be a focus on ensuring carers have the best support, a comprehensive training offer and additional offers through the foster friendly business scheme. This makes it attractive to be a carer for the Council and improves both recruitment and retention of carers.

This supports the key aim of reducing children placed in external provision and there are now significantly more children placed with NELC carers than external agencies, this is both the best outcome for children and reduced costs compared to private organisations.

Sufficiency: The sufficiency strategy for children in care and care leavers continues to achieve substantial changes. It is underpinned by a robust delivery plan and includes the development of the fostering offer, the improvement and expansion of children's home provision and the accommodation offer for care experienced people.

Enhancing and sustaining a robust sufficiency landscape enables children and young people to be in a family care setting and in our local community wherever possible this is both best for the children and young people but also brings significant financial savings. This continues to be a key focus for services.

Progress has also been made and work continues in relation to joint funding and support to those placed in externally commissioned provision with partners in the ICB to identify and agree a fair and appropriate funding model. This continues to be an important focus going forward as the financial landscape and arrangements with ICBs are refreshed.

Stable & Resilient Workforce - service structures have been reviewed and designed to ensure they are fit for purpose to both achieve the best outcomes for children and also provide an offer which makes this attractive across the region – thus reducing the reliance on agency staff and making significant savings. Building the 'grow our own' approach including a focus on social work students and apprentices has also shown success with a significant increase in permanent Social Workers recruited. This will continue to be a key focus going forward and the establishment of a local Social Work qualification course will help this progress.

Developing the workforce in line with the forthcoming national social care reforms will also be a key priority with a view to also continue the focus on retention and development of workers within new structures and ways of working.

Children and Family Services

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
CHILDRENS SERVICES				
AD Regulated				
Childrens Residential Transformation	1,530	70	-	-
Safeguarding & Youth Justice				
Youth Justice Grant	50	-	-	-

Education & Inclusion

Summary of delivery against 2025/26 business plan

SEMH Free School	Plans for the 150-place free school for children and young people with social, emotional and mental health (SEMH) needs is due to be heard at Cabinet in January 2026, however, there remains a level of uncertainty with the forthcoming SEND reforms due early 2026. Wellspring Trust has now been awarded the contract and there are monthly project meetings to ensure the project remains on track for a September 2028 full opening.
EHE	The numbers of Electively Home Educated (EHE) children in North East Lincolnshire has now stabilised. the EHE strategy has been developed in conjunction with partners to be approved by Cabinet in January 2026. EHE continues to have a significant impact on school budgets, however, the new Children's Bill, due for royal ascent in 2026, does require that where children are on a child protection plan, the family requires local authority approval for them to be EHE. The increased capacity to the EHE team has enabled an improved timely response to initial enquiries and annual reviews.
Timeliness of EHCP Assessments	The recruitment of a permanent Education Psychology team is a primary area of focus for Education and Inclusion; we have successfully recruited both a permanent Principal and Senior EP and plan to launch a campaign which replicates the successful children's permanent leadership team model. EHCP timeliness continues to remain above the DfE'S target because of clear delivery plans and increased EP resourcing.

Education & Inclusion

Overview, challenges and opportunities

Overview	
Key challenges and opportunities	<p>The DfE's SEMH free school is progressing as planned and is on track to open in September 2028. The forthcoming SEND reforms has led to some uncertainty about the DfE's priority areas of focus, and there is some indication there will be a change to SEND funding (DSG and High Needs Block).</p> <p>A joint review is currently underway with NELC and the DfE to become part of a model around a change to EHCP funding, potentially adopting a cluster model approach, with clusters of schools being responsible for the allocation of both resource and funding.</p>
Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes	<p>Delivery of the SENDAP strategies remains a key priority. Several resource specialist provisions have now opened, thereby reducing the need for costly specialist out of area placements. There are further RSPs in development and future plans will consider the wider DfE reforms. The planned free school opening will mitigate education transport costs. A key priority for 205-6 is to consider both satellite provisions and a specialist outreach offer from our local specialist SEND schools.</p> <p>A review of alternative provision has been completed, and there are plans to review the current commissioning arrangements for the three local providers, to ensure children at risk of permanent exclusion receive support at the earliest opportunity.</p> <p>Consideration is being made about participating in a DfE Cluster pilot model for allocation of funds for children with an EHCP, and the associated resource managed by a small cluster of schools.</p> <p>Education transport requests are carefully reviewed. All routes have been assessed, and a review is taking place of all solo travellers to ensure all children's needs are met and effectively supported.</p>

Education and Inclusion

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
Education and Inclusion				
Schools - Devolved Formula Cap Grant	73	150	150	-
Schools - Backlog Maintenance	274	250	250	-
Schools - Basic Need Sufficiency of Places	9,861	7,300	3,000	-
SEND Special Prov Fund	3,986	1,118	-	-
SEMH Free School	10	10	-	-
Wraparound Childcare Programme	65	-	-	-
TOTAL CAPITAL PROGRAMME	79,995	113,778	53,868	38,828

Adult Services

Stronger Communities - Supporting Our Adults

We have read about our journey to care for, and nurture, our children and young people. Remember, those young people will grow, and we need to prepare them for their young adult life – ensuring that adults of all ages live independent, healthy and fulfilling lives in North East Lincolnshire.



Adult Services Service Areas

Key areas of activity include:-

Single point of access (SPA)

Home based care and support (domiciliary care)

Residential care

Intermediate bed-based care

Extra care housing

Supported living

Rehabilitation and re-ablement

Aids, adaptations (assisted living) and telecare

Carers' support services

Mental health, connected mental health act functions and learning disability support,

Adult mental health practitioners, guardianship and appropriate adult functions

Disability residential, and day services

Social work statutory functions

Specialist community transport

Safeguarding

Charging functions

Deputyship

Mental Capacity Act/deprivation of liberty safeguards

Adult Services

Summary of delivery against 2025/26 business plan

Discharge	Discharge performance continues to be good.
MH Strategy	Strategy continues to be delivered against agreed objectives.
Reablement	Reablement and rehabilitation review programme continues with phase 1 now completed and phase 2 on track against the agreed plan.
CQC	Delivery of the improvement plan as a result of the CQC outcome.
S75 Implementation	The section 75 is in the process of being revised to reflect changes as a result of the NHS 10 Year Plan and the implementation of the ICB blueprint.
Practice framework & strengths based practice	The North East Lincolnshire Practice framework has been developed and launched which underpins a consistent approach to social work practice (strengths based) across the Health and Care Partnership. This stage of the work is now completed There was a delay in implementing the transformation programme due to the CQC assessment process. The programme starts in full in January 2026.

Main Budget Areas (Controllable Budgets)	Current Cash Budget £'000
Adult Services	387
ICB	73,854
Total	74,241

Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	74,166	76,014
2027/28	79,357	79,883
2028/29	79,357	84,623

Key planning assumptions

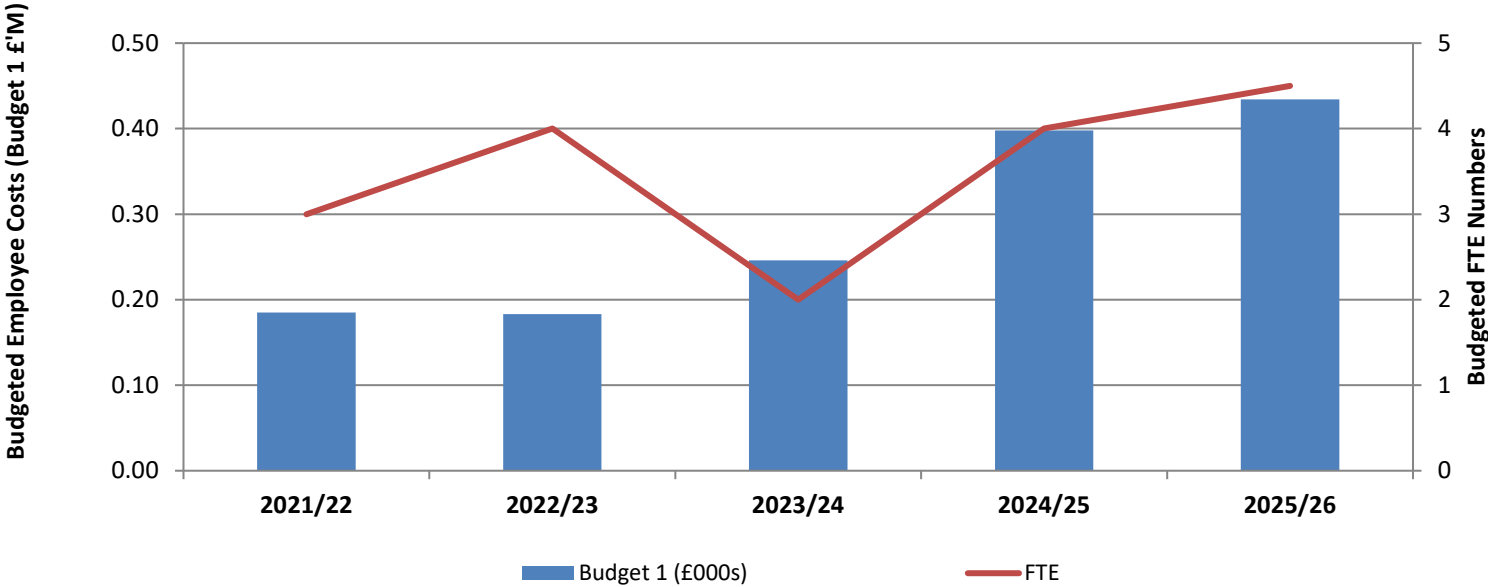
Additional funding is reflected in future budget envelopes in relation to ongoing social care pressures driven by demand and inflationary costs.

An Adult Social Care precept has been applied in 2026/27 to create additional funding to meet pressures.

Expectations remain that transformational activities are undertaken to minimise the impact of these above costs.

Opportunities to reduce Short Stay respite costs and high cost working age packages have been reflected.

Adult Services Employee Cost



Adult Services

Overview, challenges and opportunities (1)

Overview	<p>To ensure that NELC meets its statutory duties relating to adult social care within the context of rising demand and a challenging financial position. This will require innovation as well as ensuring that the approach to support people is strengths and asset based to support people to achieve better outcomes.</p>
Key challenges and opportunities	<p>Demand continues to rise in line with the growth in the number of older people in North East Lincolnshire which creates significant challenges for the 2026/27 and 2027/28 budget.</p> <p>The increase in the national minimum wage creates challenges for adult social care fees for 2026/7 based on the methodology used.</p> <p>There are key pieces of commissioning activity that have been undertaken during 2024/25 and 2025/26 which has further strengthened the social care market . During 2026/27 shared lives, Extra care and market shaping of bed-based services for older people will be completed further offering breadth of support options to people that draw on care and support.</p> <p>Increasing complexity of care and support needs for working aged adults continues to be a challenge as the over 65 population continues to grow in NEL. There is also increasing demand for social care support for people aged between 45-60</p> <p>The proposed changes to the HNY ICB at place create additional challenge. This is both a significant risk but also opportunity in light of the move to Neighbourhood Health particularly in the context that North East Lincolnshire is part of the national pilot programme</p> <p>Strengths based practice and a focus on progression continues to be a significant opportunity to enhance outcomes and further reduce reliance on care packages</p>

Adult Services

Overview, challenges and opportunities (2)

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

- Embedding strengths-based practice to manage demand. This moves to a preventative approach to supporting people to live more independently across North East Lincolnshire and supports the development of the practice framework agreed by all partners. This should be a key enabler for demand management. However, the risks around the demands for adult social care alongside the increased complexity of people's support needs remain a risk for short, medium and long term financial sustainability.
- Telecare/digital - the development of a health and social care digital roadmap to support neighbourhood health
- Ensuring cost recovery and charging is optimised in line with the council's policy and the requirements set out in Adult Social Care charging policy and guidance.
- Commissioning frameworks that ensure a continued stable market and meet the needs of the people of North East Lincolnshire over the next 5 years and beyond. This includes the start of marking shaping of older people's residential care services, commissioning new Extra Care Schemes, the introduction of shared lives and the continued embedding of the new community living framework.
- Day services – implement the review of the day service model for older people and working aged adults including transport..
- Completion and embedding of phase 2 of the reablement transformation programme
- Extra Care Housing- the commissioning of two new Extra Housing Schemes for commencement in 2027/2028

A photograph of a row of terraced houses in a residential area. The houses have red brick chimneys and tiled roofs. The houses are white with red brick accents. The roofs are covered in dark grey tiles. The houses are arranged in a row, and the chimneys are visible on the roofline. The sky is overcast.

Housing

Stronger Communities - Good and Sustainable Homes

Living a healthy life is what we want for our residents and ensuring access to good quality and affordable homes in the borough will contribute hugely towards that ambition.

Housing Service Areas

Key areas of activity include:-

Housing development and regeneration

Housing Strategy & Policy

Affordable Homes

Brownfield Development

Strategic Partnerships

Developer Engagement

Home Options

Homelessness

Housing Related Support

Home Choice Lincs

Private Sector Housing

Housing

Summary of delivery against 2025/26 business plan

Housing Service Provision Review	Two service reviews were completed (internal and external) which has formed the basis of the transformation programme started in 25/26 and continuing in 2026/27
Reduction in temporary accommodation	Demand for temporary accommodation continues to remain high. However, the subsidy pressure has been halved in year due to increase in housing application claims.
Customer facing delivery	The services has started to deliver front face housing advice and support in community settings
Home Choice Lincs	Review and consultation of Home Choice Lincs completed 31/3/26

Main Budget Areas (Controllable Budgets)	Current Cash Budget £'000
Housing	1,310
Supporting People	1,887
Total	3,197

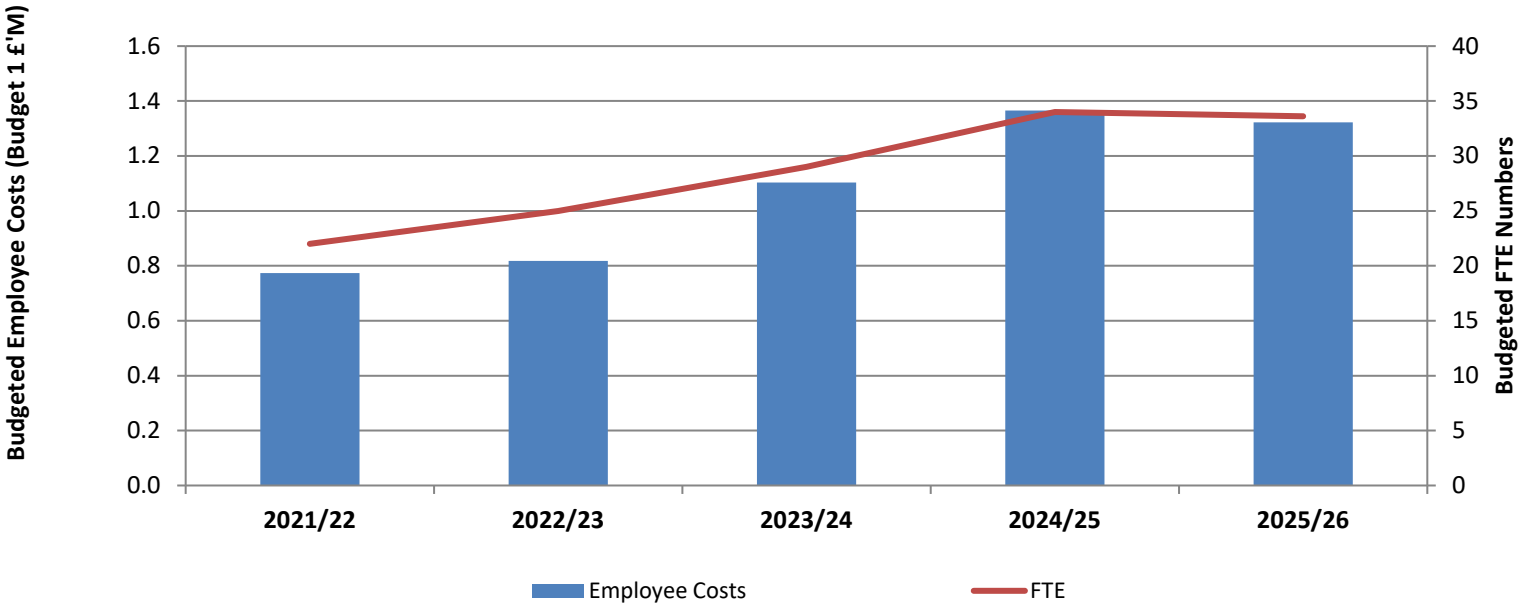
Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	0	4,456
2027/28	0	4,696
2028/29	0	4,696

Key planning assumptions

Budget movements from opening to revised reflect move of this service area out of Economy & Growth.

Ongoing transformation plan within service area including the review of non regulated supported accommodation to reduce pressures within the Housing Subsidy.

Housing Services Employee Cost



Housing

Overview, challenges and opportunities (1)

Overview	To ensure that NELC meets its statutory duties relating to housing.
Key challenges and opportunities	<p>Housing is a key delivery pillar of the council plan and there is significant transformation activity planned for 2026/27 to address current challenges and maximise opportunities.</p> <p>There continues to be increased demand for temporary accommodation. There is a transformation plan to support the management of demand including re introducing face to face support services in the community.</p> <p>Opportunity to develop a broader support offer through the Housing Related Support (HRS) recommissioning taking place in 2026/27. This will also reduce the housing subsidy that is currently a pressure for LTB.</p> <p>Challenges with engagement of the private sector will be improved by the development of a new private sector support offer.</p> <p>A new care leavers accommodation pathway will be implemented in conjunction with children's services during 2026/27.</p> <p>Home Choice Lincs review in partnership with North Lincolnshire Council will be implemented in Q1 of 2026/27. This includes changes to the allocation policy and the implementation of a new IT system to improve the management of the housing register</p> <p>The implementation of the Affordable Housing Strategy is a significant opportunity to ensure we maximise the funding available from central government to improve the number of affordable and social housing units in North East Lincolnshire. This will be enhanced by further development of strategic partnerships with social housing providers.</p> <p>The number of empty homes in North East Lincolnshire continues to present a challenge, There is an opportunity over the period of the MTFP to develop with partners an approach and strategy.</p>

Housing

Overview, challenges and opportunities (2)

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

- Programme of transformation activities including call before you serve and relocation of the front door into the community on a phased approach.
- Trial of Artificial Intelligence assistant to support with homelessness applications.
- Delivery of new Housing Related Support (HRS) framework to support with housing subsidy risk and to ensure the needs of the most complex people are supported
- Development of new offer for private sector landlords to incentivise collaboration with NELC.
- Home Choice Lincs review of allocations policy and the approach to managing the housing register by changing the criteria should in turn put less pressure on temporary accommodation.
- Development of new strategic partnerships for the delivery of affordable and social housing
- Implementation of new policies (Homelessness and rough sleeping, affordable housing)
- Development and strengthening of partnerships with social housing providers
- Strategy for empty homes to be developed over the period of the MTFP

Housing

Capital investment to support delivery of business plan

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
ADULTS & HOUSING				
Rough Sleeper Accom Grant	40	-	-	-
Local Authority Housing Fund 3 (LAHF3)	270	90	-	-

The Rough Sleeper Accommodation Grant is the remaining element of historical capital funding which hasn't been renewed for a number of years. We continue to pursue any central funding - capital or revenue - to support this service provision.

Public Health

Stronger Communities - Living a Healthy Life

In North East Lincolnshire we are all working together to understand how we can have a positive impact on health and wellbeing in our community, and to make a difference to the lives and living standards of all our residents, particularly those suffering from inequality and deprivation.



Public Health Services (1)

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

Public health mandated services include: -

Health Protection

Providing public health expertise and advice to NHS.

Open Access to Sexual Health Services

The National Child Measurement Programme

0-5 Healthy Child Programme

NHS health check assessment

Drug / Alcohol Services (condition of the Public Health Grant)

Oral health (oral health promotion and the epidemiology survey)

Public Health Services (2)

In addition to the mandated functions, there is a wide breadth of other responsibilities of the public health service, including (but not limited to):

Reducing Health Inequalities and improving health equity (Marmot Place)

Health Visiting Services (over and above the mandated 0-5 Healthy Child Programme)

School Nursing

Public Mental Health and Suicide Prevention

Public Health Children and Young People Agenda (Starting Well /Developing Well)

Tobacco and Smoking Cessation

Domestic Abuse Prevention

Healthy Weight

Public Health Older and Vulnerable People Agenda (frailty, end of life, no recourse to public funds)

Healthy Places and Wider Determinants of Health

Adult Wellbeing Service

Healthwatch and Patient Advocacy and Complaints Services

Refugee and Asylum Seeker Integration Service

Community Cohesion

Public Health

Summary of delivery against 2025/26 business plan (1)

Leadership and Strategy

Following the joint peer review led by the Association of Directors of Public Health, which assessed how well public health is embedded across the organisation and the wider place, and building upon the inaugural Northern Lincolnshire Director of Public Health Annual Report focusing on the social determinants of health, significant progress has been achieved during 2025/26.

The Council has formally signed up to being a Public Health Council, demonstrating its commitment to improving health outcomes and reducing inequalities. In addition, Full Council has endorsed an ambitious plan to achieve recognition as a Marmot Place by March 2027.

Marmot Place is an exciting initiative that acknowledges that health and health inequalities are largely shaped by social determinants such as education, housing, and employment. Our approach will be guided by the Marmot Principles:

- Giving every child the best start in life
- Enabling all people to maximise their capabilities and have control over their lives
- Creating fair employment and good work for all
- Developing healthy and sustainable places and communities
- Ensuring a healthy standard of living for all
- Strengthening the role and impact of ill health prevention

A formal contract is being drafted for collaboration with Sir Professor Michael Marmot and University College London's Institute of Health Equity. This partnership is scheduled to commence ahead of the 2026/27 financial year. This commitment will shape our strategic priorities and guide decision-making across all services, ensuring that health equity is embedded throughout the organisation, and more widely across partners, businesses, and communities.

Alongside these developments, the North East Lincolnshire Health and Wellbeing Board has undergone a full review, resulting in the publication of a refreshed Health and Wellbeing Strategy. This strategy is built around the eight key building blocks for health, which reflect the wider determinants that shape wellbeing across our communities:

- Good work
- Money and resources
- Housing
- Education and skills
- The food we eat
- Transport
- Our surroundings
- Friends, family, communities, and belonging

Public Health

Summary of delivery against 2025/26 business plan (2)

Leadership and Strategy	<p>Alongside our Marmot Place work, this strategy will guide collaborative action, across partners to improve health outcomes and reduce inequalities, ensuring that every decision made supports a healthier, fairer North East Lincolnshire.</p> <p>Throughout 2025/26, we have worked closely with our healthcare partners to deliver on their four priority areas for reducing health inequalities:</p> <ul style="list-style-type: none">• The first 1,001 days of life• Young people’s resilience and transitions• Support for adults facing health inequalities• Improved care for those with frailty or nearing end of life <p>In addition, we have continued to implement targeted programmes funded by Health Inequalities Funding, including Let’s Go Grimsby, which promotes healthy lifestyles for families, and a maternal wellbeing programme supporting new and expectant mothers. Significant progress has also been made in developing community-led plans. The East Marsh and West Marsh Community Plans have advanced, and early work has begun on similar plans for South and Sidney Sussex. Furthermore, ten local voluntary and community organisations received funding during 2025/26 to deliver resident-focused projects aimed at tackling health inequalities.</p>
Mandated Public Health Services	<p>The Northern Lincolnshire Integrated Sexual Health Service continues to promote positive sexual health across the area, with targeted support for those at higher risk of STIs, including young people. In August 2025, the substance use service was successfully re-commissioned and launched with a new provider, Turning Point. Alongside this, Recovery Town Grimsby has grown significantly as a bold initiative to raise awareness of recovery, reduce stigma, and improve access to support for individuals affected by substance use. More than a campaign, Recovery Town promotes recovery as a source of pride and community strength, challenging perceptions around addiction and fostering inclusion. The Healthwatch and Patient advocacy contracts have also been re-commissioned during 2025/26 taking into account the recent Government announcements regarding Healthwatch responsibilities. Current contracts with the GPs for delivering the NHS Health Checks have been extended until the end of the financial year. Health Protection arrangements have continued to focus on a Northern Lincolnshire footprint, with an emphasis on targeted screening for infectious diseases and improving vaccinations and identifying barriers to screening in areas with low uptake. We have also developed a regional outbreak management plan, ensuring clear roles, efficient response, and minimal duplication. The team have also been supporting a major national planning event, Exercise Pegasus, which is aiming to ensure the nation is better prepared for the next pandemic.</p>

Public Health

Summary of delivery against 2025/26 business plan (3)

Key Programmes and Projects

Progress has been made on all major programmes, projects and front line services. This includes notable developments in the Starting Well Programme, smoking cessation and tobacco control programmes, domestic abuse services, public health nursing, the wellbeing service and refugee integration support.

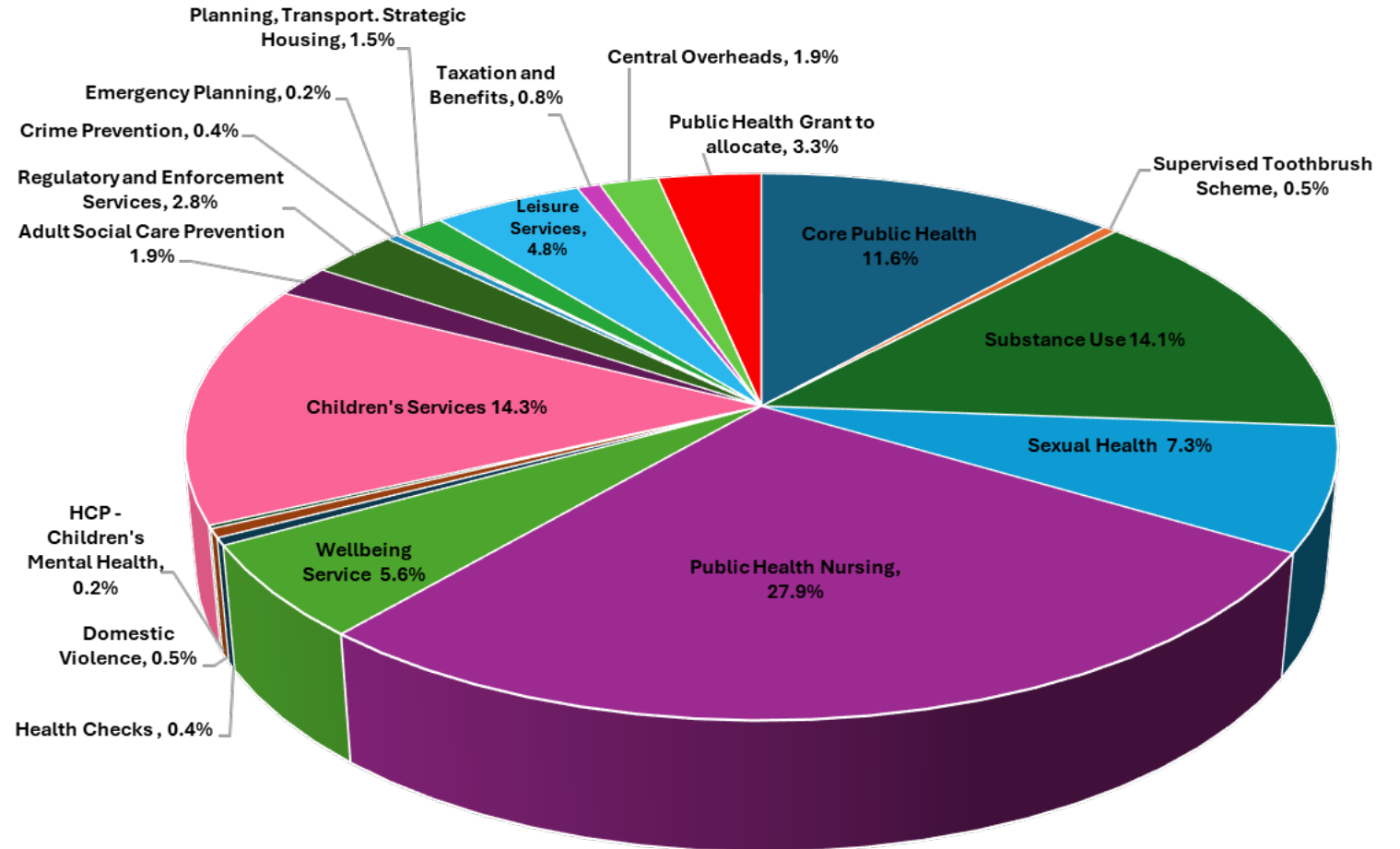
The Starting Well Programme has continued to progress well, delivering early childhood and family support initiatives including Parent and Infant Relationships (PaIRs), infant feeding, speech and language development, maternal wellbeing, and smoking in pregnancy. These are aligned with the Start for Life and Family Hubs programmes, ensuring efficient use of resources and a focus on school readiness.

Notable achievements in Public Health Nursing in 2025/26 include the successful award of the Health Visitor Pathfinder Programme contract by NHS England. This initiative integrates routine childhood immunisations into Health Visitor contacts, improving access and uptake among pre-school children and helping to reduce inequalities in early years health. The National Child Measurement Programme (NCMP) also had a strong start, with school nurses working closely with schools and families to support healthy growth and development. During the year, the service underwent an internal review to explore options for modernisation and transformation, ensuring long-term financial sustainability. The findings from this review and options appraisal are now informing the development of a new strategic plan for the service.

In 2025/26, the Council secured an additional £281,000 to strengthen smoking cessation initiatives. This funding supported the launch of the “Yes to Quit” campaign, which uses updated web content, enhanced social media engagement, and targeted messaging to encourage residents to quit smoking. It also enabled expanded access to nicotine replacement therapies (NRT) through the Wellbeing Service and online support, alongside the introduction of Varenicline as an alternative pharmaceutical option. The Wellbeing Service underwent a comprehensive review during 2025/26, with findings informing the development of a new strategy and action plan in 26/27. Over the past year, the service has prioritised smoking cessation, delivering a targeted marketing campaign for Stoptober in high-footfall and priority wards across North East Lincolnshire and expanding the Swap to Stop programme. A new supplier has been procured, and the vape offer within the core 12-week cessation programme has been enhanced to improve outcomes.

Public Health Allocation of Public Health Grant 2025/26

Public Health Grant Allocation 2025/26 - £13.4M



Public Health – Financial Data

Current resources

Main Budget Areas (Cash/Controllable Budgets)	Current Cash Budget £'000
Public Health – Core	292
Public Health Children, Domestic Abuse & Oral Health	491
Total	783

Year	Opening Cash Budget (£000)	Revised Cash Budget (£000)
2026/27	779	783
2027/28	629	783
2028/29	629	783

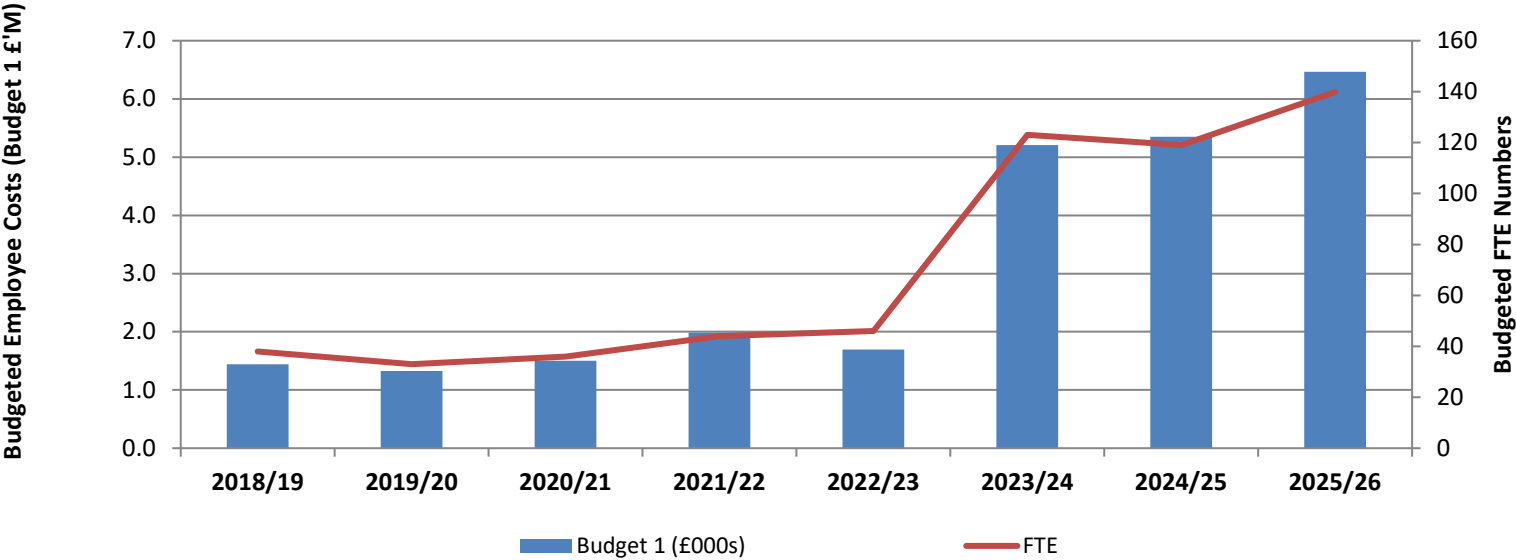
Key planning assumptions

These figures relate to core council funding only and not the public health grant, which is netted off for this purpose.

A dedicated funding pot has been set aside to support the development of a Marmot Place action plan.

Pressures in public health are fully funded through the ring-fenced grant, including management of pay awards, contract and cost inflation.

Public Health Employee Cost



Public Health

Overview, challenges and opportunities (1)

Overview	To bring innovative solutions to reducing health inequalities and improving health equity within a constrained budget envelope
Key challenges and opportunities	<p>Financial challenges inevitably include increases in contract costs for the mandated commissioned services (sexual health and substance use), increase in demand led services and significant new pressures around pharmaceutical costs. Once the reserve is spent, this will also pose a financial pressure for the service. A significant financial challenge is the service being able to continue to meet both NHS and NJC pay awards and increasing NI and pension costs within its own public health grant allocation. The NHS pay award and changes in NI for Public Health Nursing (Health Visiting / School Nursing) in particular poses a major sustainability risk. Although the Public Health Nursing service is currently carrying vacancies which reduces the imminent threat of those pressures, these vacancies are presenting a capacity issue in terms of delivering mandated and critical services for vulnerable families in our area. Other risks include sustainability of other grant funding into public health in addition to the public health grant including domestic abuse grants and refugee/asylum seeker support grants.</p> <p>Other risks are that health outcomes remain poor in North East Lincolnshire with some of the highest levels of health inequalities both when comparing NEL to other authorities and between our most and least deprived wards. These include our life expectancy and Healthy Life expectancy rates, smoking prevalence rates (in particular, smoking in pregnancy), obesity levels (including childhood obesity), premature birth rates, teenage pregnancy rates, under 25 repeat abortion rate, breastfeeding rates, admissions into hospital for alcohol related conditions and alcohol related mortality indicators.</p> <p>The key opportunities for meeting these challenges include:</p> <ul style="list-style-type: none">• Marmot Place designation - embedding the Marmot principles to tackle health inequalities through action on the wider determinants of health.• Implementation of the new Health and Wellbeing Strategy - driving a coordinated approach across partners to improve outcomes.• Effective and targeted use of reserves - building capacity and ensuring long-term sustainability of services and programmes.

Public Health

Overview, challenges and opportunities (2)

Plans to achieve long term financial sustainability and key risks to delivery within indicative budget envelopes

- Marmot Action Plan
- A continued focus on those corporate budgets which receive public health grant investment to ensure that they are effectively tackling health inequalities in NEL , with a particular focus on investment into leisure services.
- Implementing the recommendations following reviews of our front-line public health services (public health nursing / wellbeing service)
- Continue to lobby central government for the appropriate uplifts to meet NHS pay deals
- Continue to access other sources of funding (e.g. tobacco grants, health inequalities funding)
- Use of reserve as a contingency risk pot for any unforeseen pressures, so as to not to pose any risk to the corporate budget.

Key Pillars of the Medium- Term Financial Plan



Key Pillars of the Medium-Term Financial Plan

Focus on cross cutting transformational priorities, aiming to build overall financial resilience

People & Place

Commercial Council

Deliver a more commercial focus inc. Fees & Charges, Rental Income, Investment Properties

Housing

Priorities centred around housing inc. housing strategies; residential homes; extra care facilities; housing subsidies; housing standards inc. Renters Right Act 2025.

Digital & Technology

Provision of the latest technology to drive efficiency and improve delivery

Strategic Asset Management

Drive effective utilisation of current estate inc. property rationalisation; fleet management; utilisation of empty spaces.

Transport

Optimise the transport provisions inc. educational transport; adult transport; bus services; devolution

Productivity & Cost Effectiveness

Drive optimisation of our resources, to deliver best value inc. invest to save; restructuring; facilities management

Tackling the wider determinants of health

Priorities for 2026/27 included in the Medium-Term Financial Plan

Priority	Service Area	Priority Description (incorporating targets and outcomes)	Potential Opportunity 2026/27 (£M)	Recurrent Savings
Productivity & Cost Effectiveness	Adults	Short Stay / Respite Review	0.30	Yes
Productivity & Cost Effectiveness	Adults	Review of high cost working age packages	0.30	Yes
Productivity & Cost Effectiveness	Environment & Regulatory Services	Port Health transformation	2.65	No
Productivity & Cost Effectiveness	Housing	Review of full cost recovery in relation to housing benefit	0.24	Yes
Productivity & Cost Effectiveness	Resources / Housing	Review of temporary accommodation and housing providers to reduce pressure on unrecovered housing subsidy	0.85	Yes
Productivity & Cost Effectiveness	Infrastructure	Review of Street Works Income	0.05	Yes
Productivity & Cost Effectiveness	Adults	Savings target to reflect ongoing efficiency / transformation reviews	0.98	Yes
Productivity & Cost Effectiveness	Children's	Savings target to reflect continuing transformation	0.89	Yes
Total Opportunities			6.26	

Commercial Council

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Environment & Regulatory Services	Strategic approach to future waste collection and disposal, including impact of Emissions Trading Scheme (ETS), Extended Producer Responsibility (EPR) and Food waste.	✓	✓	
Environment & Regulatory Services	Review of business models for regulatory services to ensure cost is borne by those committing infringements.	✓	✓	
Economy & Growth: Regeneration	Enterprise Zones – continue to support development of these sites to deliver revenue income through 100% retained business rates to 2041.	✓		✓
Economy & Growth: Regeneration	Sport and Leisure <ul style="list-style-type: none"> - Delivery of sport & physical activity strategy through secured Sport England place partnership grant funding - Commitment to review the leisure estate to develop our long-term plan for leisure facilities 	✓	✓	✓
Infrastructure	Ongoing Income Review – Street Works income including and performance enhancements, to increase service cost recovery opportunities along with fee reviews within highway licencing ensuring full cost recovery.(skips, scaffolds etc)	✓		

Commercial Council

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Economy & Growth: Regeneration	<p>Culture, Heritage and Tourism</p> <ul style="list-style-type: none">- Deliver plan to increase the capacity at the Meridian Showground- Develop a library strategy based on findings of the libraries and archives review with due consideration to recommendations from the library service select committee- Promote NEL as a visitor destination locally and out of the area, to deliver the Tourism Action Plan.- Maximise the benefits of NEL as a Heritage Place (Heritage Fund) and Priority Place (Arts Council England).- Deliver Create NEL to support of the growth of culture and heritage activities to deliver the NEL Creativity Strategy.	✓	✓	✓

Productivity and Cost Effectiveness

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Resources: Business Support Re-design	<p>Integrate the Model Across Services In 2026, focus on integrating business support functions to ensure the model is consistently applied across the Council. Align resources to meet diverse service requirements and maintain agility in response to changing needs. <i>Outcome:</i> A unified, Council-wide approach that optimises resource allocation and enhances service delivery.</p> <p>Performance and Continuous Improvement: Building on successful quarterly Service Level Agreement reviews, strengthen a contract management approach to monitor performance and drive continuous improvement against agreed outcomes that is responsive to service needs. <i>Outcome:</i> Improved accountability, measurable service standards, and sustained quality.</p> <p>Workforce Development and Retention: Enhance the existing structure to create clear career pathways, support succession planning, and improved retention of critical knowledge and skills. <i>Outcome:</i> A skilled, motivated workforce with opportunities for progression and long-term stability.</p> <p>Digital Transformation and Efficiency: Drive operational efficiencies across Council services through digital solutions and automation. Initiatives will include piloting digital tools and exploring the ethical use of AI to improve performance and deliver financial savings. <i>Outcome:</i> Streamlined processes, reduced costs, and improved service responsiveness.</p>	✓	✓	

Productivity and Cost Effectiveness

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Resources: Capitalisation of salary costs	In line with the Council's significant ongoing capital investment programme, additional opportunities exist to capitalise professional and support staff salary costs where it is appropriate to do so. This approach will reduce pressure on revenue budgets, enable additional capacity to be brought in where appropriate.	✓		
Environment & Regulatory Services	Deliver new crematoria at Grimsby Crematorium whilst managing service delivery.		✓	✓
Infrastructure	Review of Street Lighting infrastructure and technology opportunities to increase energy efficiency and reduce energy consumption.	✓		
Children's Services	Identify any opportunities from the national review on potential profit caps for Children's Social Care providers	✓		
Resources: Transformation, ICT & Digital, Customer, Communications	Customer Experience – we are aiming to improve our communication with residents and members when they raise issues through the further development of our website, opportunities for using Artificial Intelligence (AI), and development of the reporting portals, aligned with a review of 'back office' processes in services that have high volumes of interactions with the public, supported by our Customer Services team.		✓	✓

Productivity and Cost Effectiveness

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Children's Services	Children in Care Sufficiency – capture needs, cost and outcomes of our children in care. This supports children to get the right support at the right time, ensuring they are supported at the lowest level need and therefore reducing reliance on high-cost placements.	✓	✓	✓
Children's Services	Build a stable, permanent, workforce to deliver high quality services to children. This will include a continuing redesign of the current structure to ensure this is fit for purpose with an offer which makes this attractive across the region alongside shaping the offer to 'grow our own' future workforce	✓	✓	✓
Adult Services	Embedding of strength's-based practice underpinned by the practice framework. This should be the foundation of managing demand and therefore delaying and avoiding the need for long term care packages.	✓	✓	✓
Adult Services	Commissioning of shared lives and the completion of the frameworks for support at home, supported living, shared lives, telecare and Extra Care. Development of complex services with lead providers for people transitioning from children's services	✓	✓	✓
Adult Services	Completion of the reablement review for pathway 2 (discharge to assess) will maximise the efficiency of the pathway ensuring people have the opportunity to be reabled reducing the need to long term care packages	✓	✓	✓

Productivity and Cost Effectiveness

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Resources: Academy NEL	<p>Attract, Retain and Progress Talent</p> <ul style="list-style-type: none"> Position AcademyNEL as a key enabler of our “Grow Your Own” strategy, ensuring a sustainable pipeline of skilled talent. Provide clear development pathways for Graduates, Apprentices and employees at all levels. <p>Develop Leadership Capability Across the Organisation</p> <ul style="list-style-type: none"> Deliver tiered leadership programmes (Aspire, Activate, Achieve, Accelerate) to build capability from emerging talent through to senior leadership. Embed leadership behaviours aligned with organisational values, behavioural competencies and succession planning. <p>Enable Continuous Learning and Agility</p> <ul style="list-style-type: none"> Offer responsive, “in-the-moment” learning through Access to address policy changes, legislative updates and evolving business needs. Promote business acumen and project management skills to strengthen organisational resilience. <p>Align Development with Performance and Succession</p> <ul style="list-style-type: none"> Integrate performance management with learning interventions to ensure the right development for the right person at the right time. Use insights from performance reviews to inform succession planning and talent identification. <p>Future Focus</p> <ul style="list-style-type: none"> Identify and implement a learning and Pathways offer for Place/NEL 	✓	✓	✓

Productivity and Cost Effectiveness

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Resources: Academy NEL	Outcomes <ul style="list-style-type: none"> • Enhanced Talent Pipeline: Graduates, Apprentices and internal talent progress through structured pathways, reducing reliance on external recruitment. • Future-Ready Leaders: Employees identified as potential leaders gain the skills, confidence and behaviours to step into management and senior roles. • Accelerated Leadership Growth: Bespoke programmes, including LGA training, prepare high-potential individuals for senior leadership positions. • Agile Workforce: Employees access timely learning to adapt to legislative changes, new processes and organisational priorities. • Integrated Development Approach: Continuous performance management ensures learning is targeted, succession plans are informed and organisational capability is strengthened. • Place based Approach: A clearly identified Learning and Pathway offer tailored to the needs of Place/North East Lincolnshire, ensuring local employers have access to relevant skills and knowledge that support local priorities, community engagement and integrated service delivery. 	✓	✓	✓

Productivity and Cost Effectiveness

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Resources - Reservist Model	<p>The proposed reservist model creates a consistent, centrally managed pool of casual staff, replacing ad-hoc WhatsApp scheduling with a structured, compliant, and data-driven system. Using MHR's Paid Time module, it streamlines rostering, improves oversight, reduces costs, and boosts staff experience.</p> <p>Expected Outcomes</p> <ul style="list-style-type: none"> • Safer, more compliant shift management • Better workforce planning and visibility • Lower costs and fewer inefficiencies • Improved satisfaction for managers and casual staff 	✓	✓	✓
Resources: Risk Management	<p>Following the approval of the risk policy the Council intends to move its risk maturity level from “defined” (where the risk management processed and documented) to “managed” (where risk managed embedded in governance and consistently applied”) and in particular, there is a consistent and comprehensive approach to operational risks. Although it will not directly lead to identified financial savings, it is intended that this will lead to the allocation of resources being more effective</p>		✓	✓

Digital and Technology

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Council Wide	The Council will focus on advancing our Artificial Intelligence and Automation capabilities to enhance public services and improve operational efficiency. By doing so the Council will create a smarter, more efficient, and responsive Council for the benefit of all our resident, businesses and visitors.	✓	✓	✓
Resources	Deliver Phase 2 and Phase 3 of the Information, Management and Resilience Project	✓	✓	
Resources	Improve the Council's data storage and reporting systems. This project aims to develop advanced technology for the Council's Data Warehouse, which is a central place where all important data is stored. By enhancing this technology, the Council will be able to manage and access data more efficiently and create better ways to generate reports that provide valuable insights and information to help the Council make informed decisions. Overall, these improvements will help the Council serve the community more effectively.		✓	✓
Resources	Further development and implementation of cyber arrangements to protect business critical systems, loss of confidential data, integrity, and availability of information through the delivery of the Cyber Strategy	✓	✓	

Digital and Technology

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Resources	To review procurement options relating to the Local Taxation and Benefits Service ICT systems.	✓	✓	
Children's Services	Case Management System – implement and further develop the new case management system by April 2026, ensuring that we redesign processes around to new operating model to ensure they are fit for purpose, efficient and support the practice model. Migration of education, health and care plans and early years data to the new system by 2026.		✓	✓
Children's Services	Review the effectiveness of the partnership model for the virtual school to ensure the children in our care and others with a social worker receive the timely support they need to thrive and succeed in education, with live, accurate data imports and efficient reporting systems		✓	✓
Environment / Infrastructure	Make improvements in Regulatory Services, Waste, and Highways by using digital technology. This will be done by enhancing the Customer Services Management Platform, further development of back-office systems, improving business systems and processes.		✓	✓

Strategic Asset Management Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Infrastructure	Continuation of the Council's property rationalisation programme. To become a modern and efficient Council, we will utilise our estate (building and assets) to maximum opportunity and value, reducing emissions, waste and unnecessary costs, whilst ensuring the workforce and its partners remain connected , having the ability to work together in-person, benefitting creativity, culture, improving the delivery of services. Capital receipts from the programme will be used to support other transformational activities.	✓	✓	✓
Infrastructure	A strategic review of the corporate operational and non-operational estate. This will ensure that we are confident that we are maximizing the use of the estate, we have a robust plan for future service requirements, and a plan for non-operational land and buildings that may be surplus to requirements.	✓	✓	✓
Infrastructure	Matthew Humberston, continue with the marketing and disposal of this land.	✓		
Children's Services	Optimisation of Family Hubs aligned to the social care reforms to deliver a partnership response across communities that provides help at the right time and reduces the populations requiring statutory services.	✓	✓	✓

Transport

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Children's Services	Review post 16 transport offer alongside wider transport review and forthcoming SEND Reforms, to ensure that a refreshed model enables young people to be sufficiently prepared for adulthood and accessing their local communities and education provision.	✓	✓	✓
Infrastructure	Devolution – maximising the benefits to be achieved via the Greater Lincolnshire Devolution Deal and transition towards a joint Transport Authority	✓	✓	✓
Adult Services	Day services review to incorporate a review of transport	✓		✓
Corporate Transport Policy	To review all corporate approaches to transport with a focus on pool cars		✓	

Housing

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Housing,	Housing Service transformation programme delivery- this covers temporary accommodation, Home Choice Lincs review, Private sector landlord scheme, Affordable Housing strategy and partnerships with social housing partners		✓	
Children's Services	Review and develop accommodation for Care Leavers and homeless young people – including developing new supported accommodation suitable to their needs		✓	✓
Adult Services	Extra Care - To finalise the commissioning arrangements and the delivery of two Extra Care Schemes (October 2025 for full delivery in October 2028)	✓	✓	✓
Adult Services	Housing with Care Strategy - To continue to deliver the requirements in the strategy. 2026/27 priorities include a review of bed based services and the introduction of shared lives	✓	✓	✓
Environment & Regulatory Services	Implement the requirements of the Renters Rights Act 2025 and Selective Licensing Scheme in parts of the East Marsh.			✓

Place

Medium Term Transformational Priorities

Service Area	Description	Financial benefit	Improved performance	Improved outcomes
Environment & Regulatory Services	Deliver Cleethorpes Habitat Management Plan within existing resources		✓	✓
Environment & Regulatory Services	Further develop the journey to Net Zero			✓
Environment & Regulatory Services	Work across Greater Lincolnshire to develop and implement a Local Nature Recovery Strategy and shape further partnerships which may arise from devolution.		✓	✓
Safer & Stronger Place	Work together with our partners to tackle crime and anti-social behaviour across the borough focusing on the priorities agreed through the Community Safety Partnership to deliver safer communities.		✓	✓
Safer & Stronger Place	Develop Pride in Place programmes for Grimsby and Immingham & Habrough based on the priorities of local people with a focus on the Programmes aims of Thriving Places, Stronger Communities and Taking Back Control	✓	✓	✓
Safer & Stronger Place	Develop place-based approaches that deliver a vibrant more attractive resort and safe town centres, creating a welcoming destination for residents and visitors.	✓	✓	✓

Place

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Economy & Growth: Regeneration	Delivery of Grimsby Town Centre Masterplan - supporting the transformation and regeneration of Grimsby Town Centre.			✓
Economy & Growth: Regeneration	Delivery of the Cleethorpes Masterplan - supporting the transformation and regeneration of Cleethorpes.			✓
Economy & Growth: Regeneration	Delivery of the Skills Action Plan to support adults and young people to access training and work that meets the needs of business		✓	✓
Economy & Growth: Regeneration	Maximise benefits of Devolution	✓	✓	✓
Economy & Growth: Regeneration	Maximise benefits of Freeport and industrial development	✓		✓

Place

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Economy & Growth: Regeneration	Develop a sustainable funding model to continue to support local SMEs to grow and create jobs.			✓
Economy & Growth: Regeneration	To continue the review of the NEL Local Plan to enable submission to Government by 31st December 2026 in accordance with agreed Local Development Scheme (LDS)		✓	✓

People

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Children's Services	Improving outcomes for children aligned to the transformation plan including to enhance the quality of practice, supervision and oversight.	✓	✓	✓
Children's Services	Using allocated capital funding, deliver on additional high needs places at key stage 1 and 2 for children with EHCPs. Further development of resource specialist provisions within mainstream schools to be scoped following the forthcoming SEND Reforms	✓		✓
Children's Services	Complete all EHCP requests within the 20-week timeframe to ensure children and young people have timely and impactful support to access high quality educational provision.		✓	✓
Children's Services	Work with children, young people, families and stakeholders to reduce the numbers of children becoming EHE, and where appropriate support EHE children back into education settings, including the formal approval of the place based EHE Strategy			✓

People

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Public Health	Development and Implementation of the Marmot Action Plan - focussing on reducing health inequalities and improving health equity (both between NELC and other areas and between wards within NEL)	✓	✓	✓
Public Health	Implementation of the new Health and Wellbeing Strategy	✓	✓	✓
Public Health	Continued implementation of the Starting Well Programme – with a focus on optimising a range of early years outcomes and overall improving the percentage of children who are achieving a good level of development at 2-2.5 years and school readiness, including associated inequalities.	✓	✓	✓
Public Health	Tobacco Control and Smoking Cessation – continued implemented of the tobacco control strategic framework	✓	✓	✓

People

Medium Term Transformational Priorities

Service Area	Priority Description (incorporating targets and outcomes)	Financial benefit	Improved performance	Improved outcomes
Public Health	Mental Health and Suicide Prevention – continued implementation of the Mental Health Strategic Framework and the Suicide Prevention Framework	✓	✓	✓
Public Health	Continued implementation of the 10 Year Drug Strategy for North East Lincolnshire	✓	✓	✓
Public Health	Implementation of the action plans following reviews of front-line services (Public Health Nursing and the Wellbeing Service)	✓	✓	✓
Public Health	Implementation of the recommendations from the Domestic Abuse arrangements review including commissioning of relevant services	✓	✓	✓
Public Health	A focus on community cohesion in all plans and services	✓	✓	✓

Annex 2

Capital Investment Programme



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

Capital and Long-term Investment

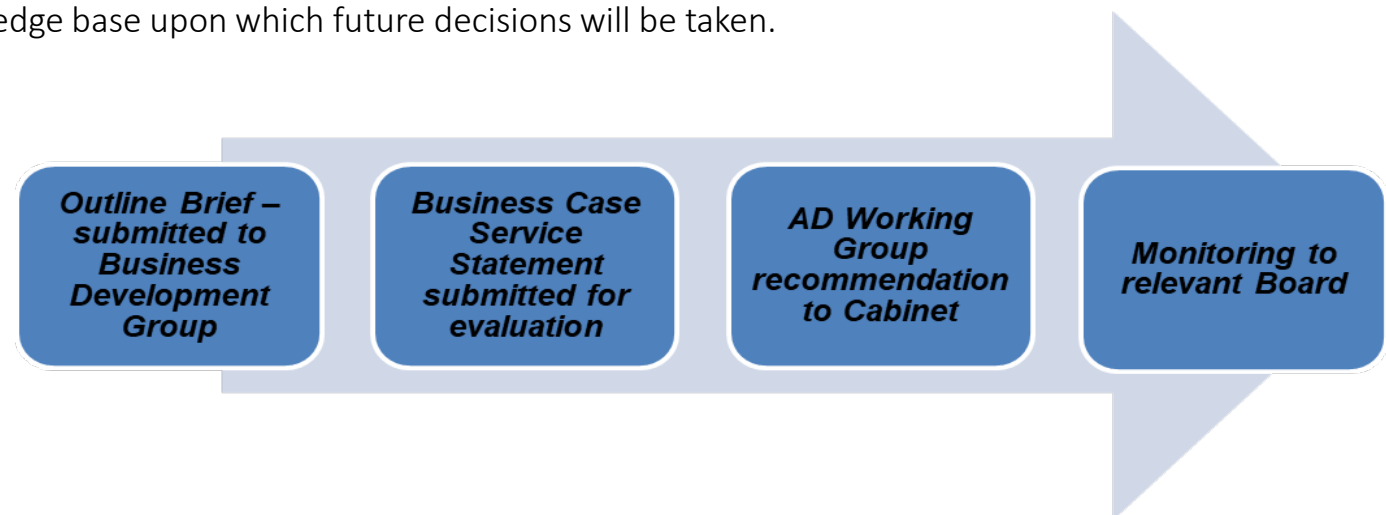
There is a robust Business Case Development Gateway Process for capital funding. The well-established capital governance framework was extended to cover all aspects of investment including non-treasury. It's built on the HM Treasury Five case evaluation model.

All investment decisions will be supported by a Business Case Service Statement. The Business Development Group is represented by officers from the Assets, Finance, Policy, Strategy and Performance, Audit, Procurement, Legal, ICT and Economic Regeneration teams and the group scores the proposals and makes recommendations to the Assistant Directors Working Group. Supported schemes that require Cabinet Approval then progress onwards to full Cabinet approval. All in year approved schemes are listed for approval in the quarterly budget monitoring reports.

The significant programmes have specific Boards in line with the Councils Project Management Framework that govern delivery and performance. The overall capital programme delivery is reported to the Assurance Board and through Council Plan Resources and Finance quarterly monitoring reports.

Evaluation is essential and requires management initiative and intensive monitoring. The thoroughness of an evaluation will depend upon the scale of the impact of a programme or scheme and will also be informed on the extent of public interest.

There may be a high level of media interest around a project which has required a significant degree of expenditure, or one which is highly complex, unusual, or represents a pilot for future large-scale programmes. Evaluation reports will be widely disseminated and published, where appropriate, to contribute to the knowledge base upon which future decisions will be taken.



Annex 2

Capital Investment Programme



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

Capital Investment Programme

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
ECONOMY AND GROWTH				
Regeneration				
Clee HLF Townscape Heritage	1,009	-	-	-
Cleethorpes Public Art	24	-	-	-
Heritage Action Zone	213	400	-	-
Playing Pitch Reprovision	165	529	-	-
Tennis Court Refurbishment	25	-	-	-
Play Zone	37	297	-	-
SHIP Scheme	324	667	-	-
Town Deal Investment	840	-	-	-
UK Shared Prosperity Fund	319	-	-	-
Freshney Place Leisure Development	7,680	23,138	7,656	-
Freshney Place Car Park	2,643	-	-	-
Freshney Place RAAC	60	2,090	3,910	-
Freshney Place Landlord Works / Cap Cons	155	438	350	-
House of Fraser	250	2,600	1,000	-
Cleethorpes Masterplan - Market Place LUF Scheme	317	3,851	350	-
Cleethorpes Masterplan - Sea Road LUF Scheme	682	3,803	450	-
Cleethorpes Masterplan - Pier Gardens LUF Scheme	482	8,515	800	-
Cleethorpes Masterplan - LUF Wayfinding	90	-	-	-
Cleethorpes Masterplan - LUF Logistics	155	150	-	-
Towns Fund - St James House	329	-	-	-
Towns Fund - Activation Fund	89	221	-	-
Towns Fund - Riverhead Square	561	-	-	-
Towns Fund - Public Realm Connectivity	2,526	-	-	-
Grimsby Central Library Asbestos Removal	144	-	-	-

Capital Investment Programme

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
Infrastructure				
Disabled Facilities Grants	5,130	-	-	-
Local Transport Plan Schemes	7,605	7,195	8,103	8,240
Immingham Lock Flood Def Gates	3	-	-	-
Corporation Rd Bridge Refurbishment*	-	-	-	-
Gy and Imm Flood Innov Funding	849	-	-	-
A180 Structures	1,048	2,825	-	-
Grimsby Surface Water Flood Alleviation	48	-	-	-
Bus Service Improvement Plan	1,043	3,011	-	-
Towns Fund - Garth Lane	2,866	3,500	-	-
Toll Bar Drop Off	198	-	-	-
Greater Lincs Groundwater Project	-	2,000	-	-
Car Park Schemes	774	325	-	-
Transport Hub	550	988	-	-
North Prom Footwash	18	-	-	-
Planned and Preventative Maintenance (PPM)	3,063	3,472	1,571	-
Property Rationalisation Programme	123	-	-	-
Business Centre Improvement	97	100	-	-
Heritage Assets at Risk	498	2,800	-	-
Motor Caravan Parking Scheme	17	-	-	-
Local Transport Grant	2,124	9,880	6,790	7,570
SAFER TOWNS & COMMUNITIES				
HAS & Green Spaces	417	-	-	-

* Corporation Road Bridge Refurbishment costs are included (amongst others) in "Capital Investment Capacity", as cited in the "contingent liability" notes of the 24/25 final accounts of the Council. In the professional opinion of the Section 151 Officer, they are of a reasonable and appropriate level. For reasons of commercial sensitivity, acknowledging that further procurement works will be required, to reveal the extent of the available budget in public papers may disadvantage the Council in the marketplace at the time of any procurement and prejudice the Council being able to achieve its value for money objectives. Ongoing spend on this project is captured in the transparency data, published by the Council monthly

Capital Investment Programme

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
RESOURCES				
Deputy S151				
Capital Receipt Flexibility	2,150	3,350	2,850	2,170
Policy, Strategy and Resources				
ICT Refresh	928	965	639	1,406
M365 Transformation Programme	196	258	199	-
Childrens Services Platform	837	1,000	804	-
Digital Platform	125	300	-	-
Cleethorpes Town Hall Audio Visual	66	-	-	-
ENVIRONMENT				
Fleet Replacement Programme	2,138	7,315	1,693	6,278
Enhancement of Bereavement Services	12	-	-	-
Depot Rationalisation	2,328	-	-	-
Salix - Public Sector Decarbonisation Scheme	4,835	-	-	-
Mayoral Renewable Fund	226	-	-	-
Housing Assistance Grants and Loans	315	461	-	-
Warm Home Grants	125	380	375	-
Capital Office Recycling Project	47	-	-	-
ADULTS & HOUSING				
Rough Sleeper Accom Grant	40	-	-	-
Local Authority Housing Fund 3 (LAHF3)	270	90	-	-

Capital Investment Programme

SCHEME	2025/26 Revised Capital Programme	2026/27 Revised Capital Programme	2027/28 Revised Capital Programme	2028/29 Revised Capital Programme
	£000	£000	£000	£000
CHILDRENS SERVICES				
AD Regulated				
Childrens Residential Transformation	1,530	70	-	-
Safeguarding & Youth Justice				
Youth Justice Grant	50	-	-	-
Education and Inclusion				
Schools - Devolved Formula Cap Grant	73	150	150	-
Schools - Backlog Maintenance	274	250	250	-
Schools - Basic Need Sufficiency of Places	9,861	7,300	3,000	-
SEND Special Prov Fund	3,986	1,118	-	-
SEMH Free School	10	10	-	-
Wraparound Childcare Programme	65	-	-	-
Capital Capacity				
Capital Investment Capacity	4,918	6,966	12,928	13,164
TOTAL CAPITAL PROGRAMME	80,995	112,778	53,868	38,828

Funding				
External Grants	51,514	58,742	18,268	15,410
Corporate Borrowing	27,297	50,642	32,750	21,248
Capital Receipts	2,150	3,350	2,850	2,170
Revenue Contributions	-	-	-	
Other Private inc S106	34	44	-	
TOTAL FUNDING	80,995	112,778	53,868	38,828

Capital Investment Capacity

Represents corporate funding which will be utilised to fund new or emerging capital investments within each financial year.

Denotes a Major Project

Denotes a Major Education Project

Annex 3

Capital Investment Strategy



Stronger Economy: Stronger Communities.
Together we can be stronger.

Our Council Plan pledges to work with partners to invest in our people and our place.

Context and Vision

North East Lincolnshire has a stable and resilient economy, that is now being fuelled by the renewable and low carbon energy sectors, alongside investment in ports and logistics and the flagship seafood sector.

All of this puts the area in a unique place to grow through inward investment, skills, innovation and job growth.

North East Lincolnshire is building a new economic future. Over the next decade and beyond, there are strong prospects for growth in offshore wind and the transition to a low cost, low carbon economy; and for improved productivity and export-led growth in port-related logistics and in advanced manufacturing, chemicals and food processing.

The creation of the Council's flagship South Humber Industrial Investment Programme (SHIIP), a long term multi-million-pound economic growth programme founded to develop up to 195 hectares of employment land across six Enterprise Zone sites has helped to unlock major new business investment for the area.

The Capital Investment Strategy will drive the long-term focus of the capital programme. Significant investment will focus on business growth, a green economy, skills and place making.

Context and Vision

	Some of the activities that will help achieve the Council's vision –
Local Plan	Maintaining an up to date and relevant Local Plan.
Grimsby Town Centre	A substantial investment in Grimsby Town Centre with re-purposed creative business space and family leisure activities.
Cleethorpes Town Centre	Investment in priority projects for Cleethorpes Town Centre and the resort to enhance the future tourism offer.
Humber Freeport	Freeport status – bringing increased trade and investment, innovation and the promise of high value jobs to the area.
Renewable Energy	Renewable energy – emerging technologies and opportunities through innovation for businesses and our workforce.
Industrial Development	A focus on industrial development to support our growing businesses and attract new investment.
Culture, Heritage, Leisure and Tourism	Activities to support greater engagement in culture, heritage, leisure and tourism through events and creative workspace as outlined in the Creativity Strategy.
Net Zero	The Government's Ten Point Plan for a Green Industrial Revolution and Energy White Paper entitled 'Powering our Net Zero Future' offers opportunity for investment across the borough and links in with our own Carbon Road Map.
Devolution	Improving the economic, social and environmental wellbeing of the people who live or work in our area through improved local transport and roads, the provision of good quality housing, boosting the economy by supporting local businesses to create new, high paid, high skilled jobs and improving training to ensure local people can take advantage of the new jobs

Context and Vision

	Notable capital investment schemes that are expected to incur spend over the medium- term financial plan period include:
Freshney Place Leisure Development	<p>The Council has secured significant grant monies for the transformation of the western end of Freshney Place. The leisure development will house a new cinema, with local and regional operator Parkway Entertainment Group coming in as an anchor tenant.</p> <p>The plans will also feature a remodelled entrance to the centre, which will be lined with units for leisure and eateries, and an entrance to a new and transformed Market Hall.</p> <p>Alongside these plans, the Council is aiming to improve the town centre street scene.</p>
Cleethorpes Regeneration	<p>The Council has secured more than £18.4m of Levelling Up grant for the resort. The key vision is to reintroduce the historic Market Square, creating a safe and flexible space that can accommodate markets, festivals and associated retail events, which will encourage outdoor dining, and provide a healthier, more pleasant environment.</p> <p>The funding will also support the redevelopment of the Sea Road site which received planning permission for a new building and is currently being marketed and there is also an opportunity to change Pier Gardens, retaining the Victorian heritage and feel, but making it more attractive</p>

Capital and Long-term Investment

Capital and long-term investment has both legal and regulatory requirements which sets out the powers the Council has and the frameworks it must comply with and operate within for capital investments.

The Council is guided by the Local Government Finance Act, MHCLG guidance and CIPFA Codes of Practice, including CIPFA's revised Prudential Code of Practice 2021 that brought in new restrictions on borrowing which are focused on investments that are made 'primarily for financial return', including commercial property.

The Capital Investment Strategy is the umbrella document that covers both the Service Delivery and Commercial Return elements of the Council's investments.

	The underlying principles of the capital strategy follow the financial strategy –
Commissioning	Aligning capital investment to support the outcomes framework
Regeneration & Growth	Stimulate regeneration and economic growth through local investment
Cost Control	Supporting the economic and efficient delivery of core services

The Prudential Code requires Local Authorities to ensure Capital investment –

- Links to Strategic Planning
- Ensures effective Asset Management
- Delivers Value for Money
- Is prudent and sustainable
- Is subject to an affordability assessment
- Can be delivered practically

See Investment Management Practices below for details on how the Council will manage these requirements

Funding Capital Investment

The funding of the capital investment programme is informed by prudential Indicators. These ensure that the plans of the Council are affordable, prudent and sustainable and that the requirements of the Prudential Code are met.

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

The Council is currently maintaining an under-borrowed position subject to a minimum investment balance of £6m. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used temporarily.

This has been a prudent approach as investment returns are generally lower than debt costs and counterparty risk always needs to be considered, however, this strategy only delays, rather than removes, the borrowing required to support our Capital plans. As at 31st December 2025 the Council has £173m of borrowing. With current capital investment plans the peak change in debt levels is estimated at £79m over the forecast period, during which time we also have £65m of debt maturities, resulting in £144m of new borrowing being required over the next 3 years.

As a net borrower with a borrowing requirement, debt finance features significantly in the financing plan although there are other sources of funding for the capital programme. Capital receipts generated from the disposal of assets and Housing grant repayments will be used to finance capital investment although where a surplus asset can be used to unlock development rather than generate a receipt this will be considered as part of the business case and options appraisal. Generating capital receipts reduces the need to borrow and therefore can reduce the debt financing costs of the Council. The Council also uses capital receipts to fund transformational revenue costs, which is detailed in the Flexible Use of Capital Receipts Policy within this Medium-Term Financial Plan (Annex 7).

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

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

Funding Capital Investment

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

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

Currently the Public Works Loan Board (PWLB) Certainty Rate is set at gilts + 80 basis points for borrowing.

PWLB has some restrictions on access to borrowing and, whilst we believe these will not be prohibitive for NELC, we continue to view other local authorities and alternative lenders as active options in meeting our overall borrowing requirement as cost effectively as possible.

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

Investment assets bought primarily for yield would have little or no direct social return or impact on the local economy and usually have one or more of the following characteristics:

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

Funding Capital Investment

Common across both financial and non- financial investments is the need for holistic council-wide planning, robust due diligence and formal oversight processes. Latest guidance suggests that an Authority's commercial 'risk appetite' is likely comparable to its Treasury Risk appetite. However, a holistic approach to risk could equally accept more risk to be taken proportionally on non-treasury Investments given that little risk (and therefore return) is created on the treasury side. NELC's overall risk appetite along with specific policies and arrangements for non-treasury investments is set out in this strategy.

Policy on Borrowing in Advance of Need

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

Borrowing for Commercial or Social Return

MHCLG and CIPFA extend the meaning of 'investments' to include both financial and non-financial investments. Financial investment is covered solely within the Treasury Management Strategy. Non-financial investments, essentially the purchase of income yielding assets, are covered by this Capital Strategy. This could include investments made for Service purposes where Non-financial 'social' returns are considered alongside pure financial gain. Such activity may include loans supporting service outcomes, investments in subsidiaries and investment in property portfolios where local tenant demand is not being met by private sector provision. Equally, non-financial investments could include Commercial investments made in other financial assets and property primarily for financial return. The Authority currently has no plans to acquire assets purely for their yield. To support frontline services, as central Government funding changes over time, Councils must consider how best they might deploy their resources, knowledge and borrowing capacity to replace lost income. The drivers, characteristics, available credit data and risks associated with such transactions will differ from one scheme to another as well as from general treasury activity. The Authority maintains a schedule setting out a summary of existing material non-treasury investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure. Material non-Treasury investments are listed on pages 22-24 of this Annex along with their objectives and specific Governance arrangements.

Risk

The Council's risk appetite defines the type of investment opportunities it is willing to consider and prioritise and will be expressed through its tolerance to risk in respect of capital security, meaningful liquidity and yield volatility.

	The Council is Exposed to a Range of Broad Risks:
Strategic	Key initiatives undertaken such as significant purchases, new ventures, and other areas of organisational change. Potential to misread the environment, economy, hinder competition or discourage private investment.
Financial	Exposure to market volatility, interest rate fluctuations, inflation impacts etc. The Council's Treasury Management Strategy defines the risk appetite in respect of delivery of Treasury Management Activity.
Macroeconomic	Growth or decline of the global, national and local economies, interest rates, inflation, demographic and wider geopolitical developments including trade policy.
Credit and counterparty	Failure of other parties to deliver on contracted obligations could result in financial loss to NELC.
Operational	Liquidity Risk: Assets may not be readily convertible into cash without loss. Capacity Risk: Operational exposures within NELC, its counterparties, partners and economic sensitive activities. Including risk of fraud, knowledge and ability gaps.
Environmental and social	Environmental & social impact of the Council's strategy and interests. Any negative impacts should be proportionate to benefits attained through schemes.
Reputational	Through its transactions, the impact of adverse outcomes on the Council's reputation, resources and public perception of a failure to properly assess.
Governance	Ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances. Compliance with legal and regulatory frameworks.

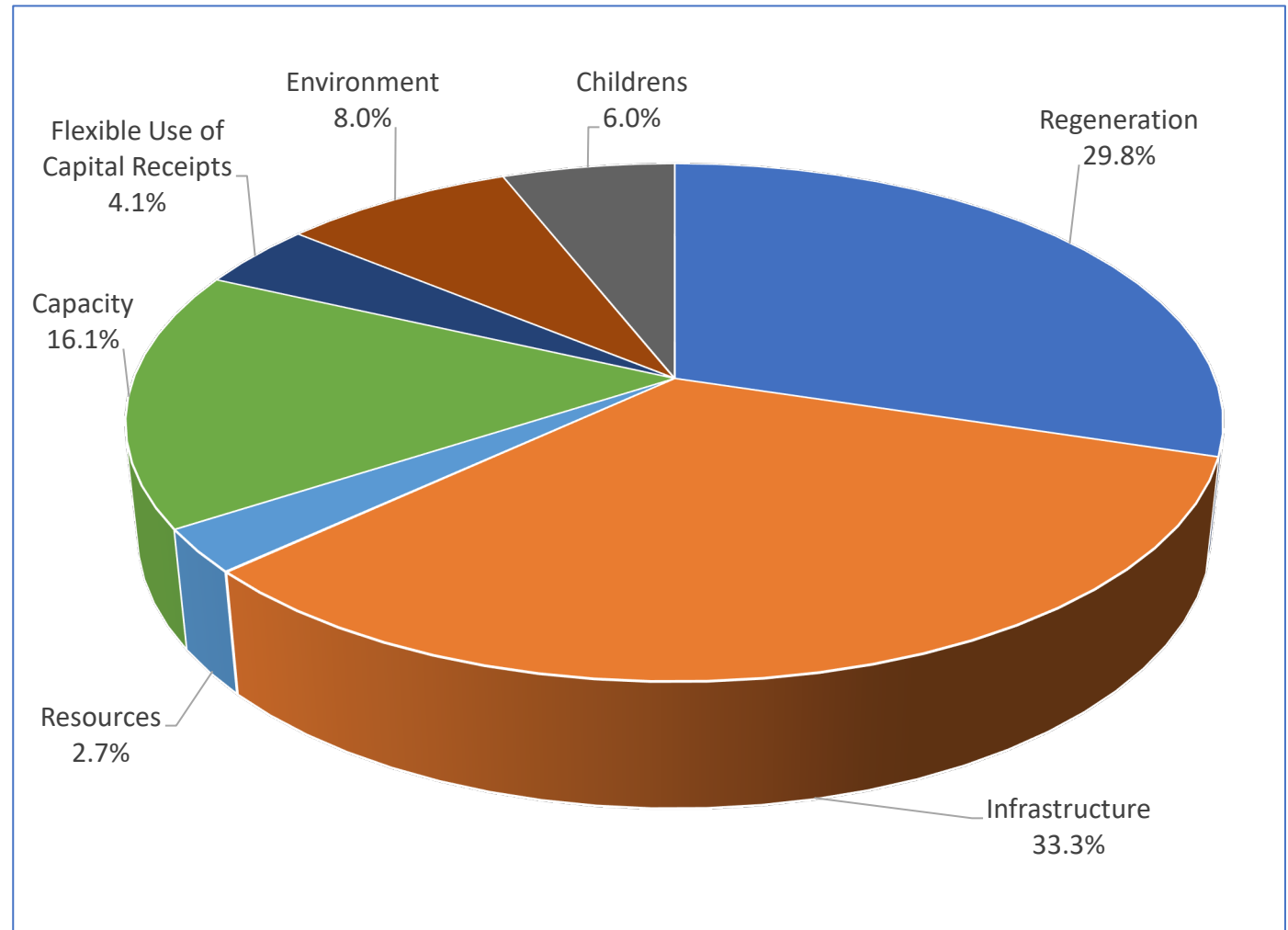
Risk

Understanding the Councils risk appetite shapes the capital investment strategy and the type of investment the council is willing to consider and undertake.

	The Council's Appetite to Risks:
Strategic	Medium appetite where there is a potential for gain to the Council's revenues, specifically local taxation streams, contributes directly to the Council's priorities or the ability to deliver its statutory duties more effectively.
Financial	Low appetite for a range of asset types, property and longer-term investments, subject to careful due diligence and an emphasis on security as well as proportionality within the approved capital investment plan.
Macroeconomic	High appetite for exposure to local economic growth. Low appetite for exposure to national and global growth, with No appetite for out of Borough investment. Low appetite for interest rate risk and inflation risk.
Credit and counterparty	Medium appetite for secured or diversified credit risk, as well as exposure to highly rated counterparties, partners and financial institutions with strong balance sheets. Low appetite for unsecured investments or lending.
Operational	High appetite for efficiency of council process. Low appetite for 'Business as Usual' operational risks such as pricing errors, errors in administration, IT, project management failure including use of external consultants.
Environmental and social	High appetite for environmentally sustainable investments, for social value and improving community and family outcomes, subject to careful due diligence of risk.
Reputational	Low appetite to undertake activity which will damage the Council's reputation or public perception
Governance	No appetite to compromise strong governance or internal control, including decision making, evaluation, monitoring and project management.

Capital and Long-term Investment

The Council's long term financial strategy remains focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. The Capital Programme for 2026/27 -2028/29 totals £206.5m and comprises the following:-



Governance

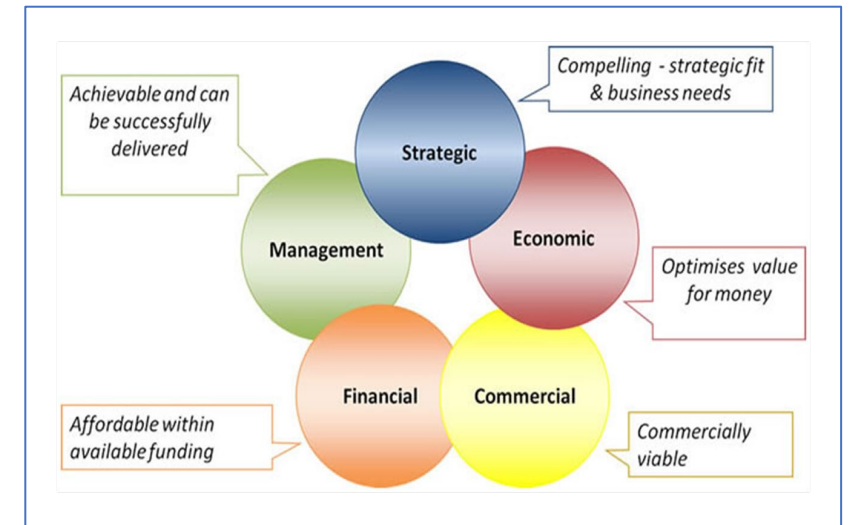
The significant programmes have specific Boards in line with the Councils Project Management Framework that govern delivery and performance. The overall capital programme delivery is reported through Council Plan Resources quarterly monitoring reports. In addition, large scale projects are reviewed monthly by the Major Project board to obtain assurance on project delivery.

Evaluation is essential and requires management initiative and intensive monitoring. The thoroughness of an evaluation will depend upon the scale of the impact of a programme or scheme and will also be informed on the extent of public interest.

There may be a high level of media interest around a project which has required a significant degree of expenditure, or one which is highly complex, unusual, or represents a pilot for future large-scale programmes. Evaluation reports will be widely disseminated and published, where appropriate, to contribute to the knowledge base upon which future decisions will be taken.

There is a robust Business Case Development Gateway Process for both revenue and capital funding. The well-established capital governance framework was extended to cover all aspects of investment including non-treasury. It's built on the HM Treasury Five case evaluation model.

All investment decisions will be supported by a Business Case Service Statement. The Business Development Group is represented by officers from the Assets, Finance, Policy, Strategy and Performance, Audit, Procurement, Legal, ICT and Economic Regeneration teams and the group scores the proposals and makes recommendations to Leadership Group. Supported schemes that require Cabinet Approval then progress onwards to full Cabinet approval. All in year approved schemes are listed for approval in the quarterly budget monitoring reports.



Governance – Prudential Indicators

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

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

The **Ratio of Financing Costs to Net Revenue Stream** indicates overall affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. This ratio is forecast to remain below 10% over the MTFP period.

The **Liability Benchmark** forecasts our need to borrow over a 50-year period. This aids decision making when it comes to the quantum and term to be chosen. It represents the level of our anticipated borrowing and in the ordinary course of business would not be expected to be exceeded. It therefore should closely mirror the Operational Boundary.

A further key prudential indicator the **Authorised Limit** represents a control on the **maximum level of borrowing**. This represents a legal limit beyond which external debt is prohibited and can only be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The **Operational Boundary for External Debt** is the limit beyond which external debt is not normally expected to exceed. (i.e. prudent but not worst case). It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key internal management tool for in-year monitoring.

Prudential Indicators

To demonstrate that the Authority has fulfilled the objectives it lays out, the Prudential Code requires the following indicators to be set and monitored each year.

Estimates of Capital Expenditure: The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital Expenditure and Financing	2025/26 Revised £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Total Expenditure	80.0	112.7	53.9	38.8
Capital Receipts	2.2	3.4	2.9	2.2
Government Grants	50.5	58.7	18.3	15.4
Ring-fenced External Funding	0.0	0.0	0.0	0.0
Borrowing	27.3	50.6	32.7	21.2
Total Financing	80.0	112.7	53.9	38.8

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.3.25 £m	31.3.26 £m	31.3.27 £m	31.3.28 £m	31.3.29 £m
Total CFR	232.5	251.7	292.2	311.9	318.1

Prudential Indicators

The peak change in debt levels is estimated at £79m over the forecast period during which we also have £62m of debt maturities. Total new borrowing required will therefore be around £141m (including a £6m minimum liquidity float and subject to capital spend being in line with forecast).

Gross Debt and the Capital Financing Requirement: To ensure that over the medium-term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

External Debt	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Debt at 1 April	160.2	188.9	185.8	226.4	246.0
Expected Change in Debt	15.1	-3.1	40.6	19.6	6.3
Other Long-term liabilities	7.0	7.0	7.0	7.0	7.0
Expected Change in Long-term Liabilities	0.0	0.0	0.0	0.0	0.0
Gross Debt at 31 March	188.9	185.8	226.4	246.0	252.3
Capital Financing Requirement	232.5	251.7	292.2	311.9	318.1
Under/(Over) Borrowing	43.6	65.9	65.8	65.9	65.8

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

Ratio of Non-Financial Investment to Net Revenue Stream: This is an indicator of reliance on non-financial investment income to support the net revenue budget. A low percentage demonstrates minimal risk from the reliance on this income.

	2024/25	2025/26	2026/27	2027/28	2028/29
Ratio of Financing Costs to Net Revenue Stream	6.70%	6.05%	8.47%	9.55%	9.85%
Ratio of Non-Financial Investment to Net Revenue Stream	0.66%	0.84%	0.71%	0.67%	0.65%

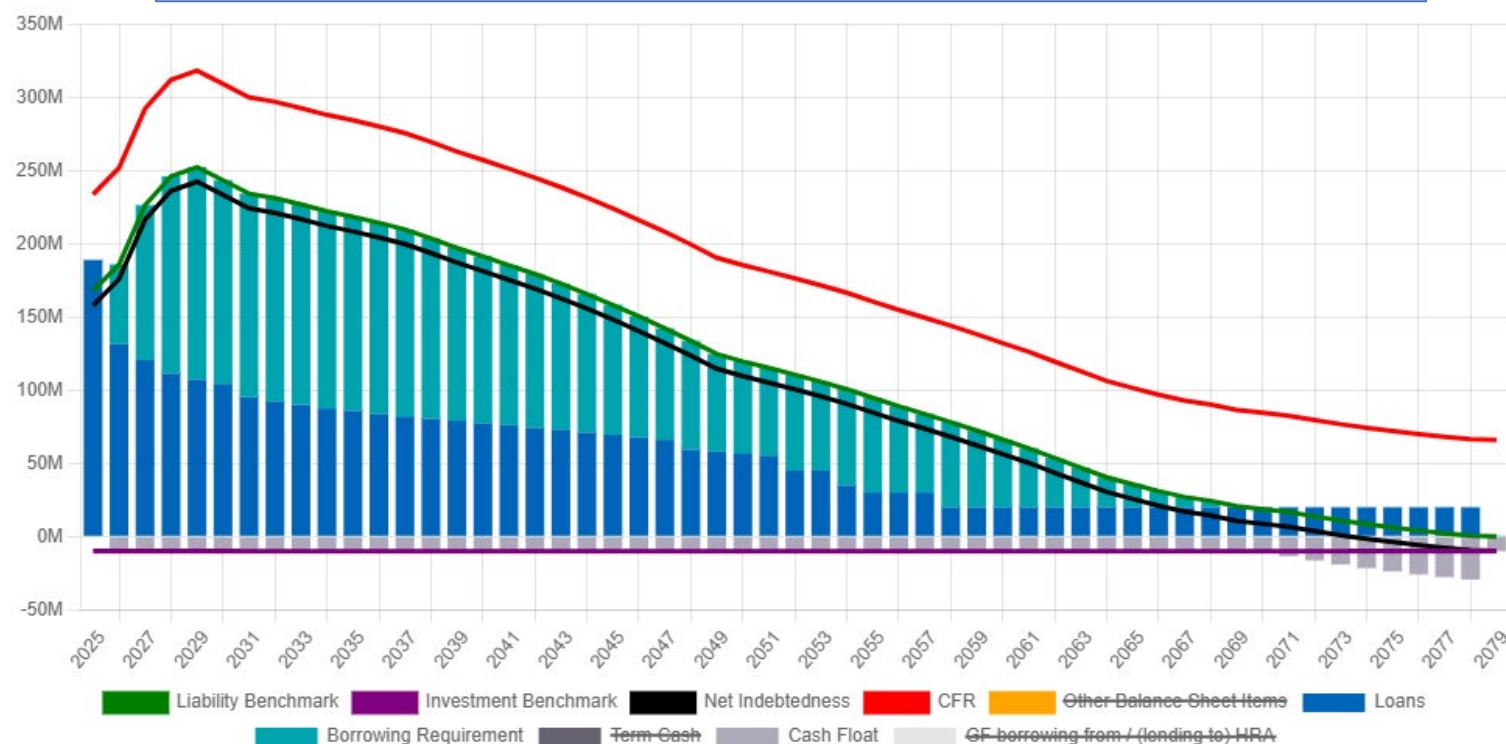
Prudential Indicators – The Liability Benchmark

The Benchmark forecasts our need to borrow over a 50-year period. This aids decision making when it comes to the quantum and term to be chosen, the aim being to avoid cost of carry revenue implications and avoid the trap of defaulting to ultra-long tenors just because the yield curve tail slopes downward. It represents the level of our anticipated borrowing and in the ordinary course of business would not be expected to be exceeded. It therefore should roughly align with the Operational Boundary.

The Benchmark (across) shows that after peaking in 2028/29 both the Capital Financing Requirement and borrowing are forecast to reduce steadily in the long-term. This is however subject to change dependent on the size of future Capital Programme borrowing levels.

The benchmark assumes:

- future capital expenditure beyond the current programme funded by borrowing of c£5m a year on average
- minimum revenue provision on new capital expenditure based on an annuity profile of c30 years average
- No changes to Reserves beyond the current MTFP period (3 years)
- existing borrowing (dark bars) is replaced as it matures.



Prudential Indicators

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition in February 2023.

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

Authorised Limit	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Borrowing	280	310	330	340
Other Long-term Liabilities	30	25	25	25
Total Financing	310	335	355	365

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

Authorised Limit	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Borrowing	250	270	280	290
Other Long-term Liabilities	20	20	20	20
Total Financing	270	290	300	310

Prudential Indicators – Non-financial Investments

In accordance with MHCLG statutory guidance the Council sets Limits and Indicators to quantify its risk appetite when making, adding and retaining investments. Limits are set for both Financial (Treasury) investments and non-financial investments. The 2026-27 Prudential Indicators for non-financial investments are listed below. Those for Treasury investments are listed elsewhere in this report and in the Treasury Management Strategy Statement for 2026-27. The Limit for non-financial investments held during 2026-27 will be £80m.

Authorised Limit for External Debt: This is a key prudential indicator that represents a control on the maximum level of borrowing. This is a legal limit beyond which external debt is prohibited and can only be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

Authorised Limit - Non-Treasury	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Borrowing	80	80	80	80
Other Long-term Liabilities	0	0	0	0
Total Financing	80	80	80	80

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

Operational Boundary - Non-Treasury	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Borrowing	60	60	60	60
Other Long-term Liabilities	0	0	0	0
Total Financing	60	60	60	60

Investment Management Practices

All investment activities present risk exposure for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of investment risk management activities. The Section 151 Officer will formulate suitable criteria for assessing and monitoring the financial and non-financial risks of investments. The criteria for investments will be agreed by Cabinet.

	The Council's General Risk Management Framework for Non-Financial Investments (IMP 1):
Strategic risks	Capital investment decisions must be aligned to the Council's Corporate Plan, be driven by Value For Money considerations, and support service objectives. The Leadership Team are responsible for implementing this strategic alignment. The Council will undertake an annual review of commercial and service investments (where existing) with a view to divestment, to avoid or minimise additional external borrowing, where value can no longer be demonstrated, or strategic objectives have changed.
Capacity To Deliver	Whilst funding availability is the critical limiting factor on the Council's capital investment plans, additional consideration will be given to the capacity and skills requirements for delivering funded schemes. This will include, technical knowledge, procurement expertise and project management capacity. The leadership Team are responsible for ensuring the Authority has the necessary capacity to deliver and maintain all capital schemes.
Financial risks	In considering the affordability of its capital plans, the Council will consider all the resources available on a forward basis, across the totality of its capital plans. Revenue income and expenditure forecasts for the forthcoming year and the two following years will be confirmed in the MTFP, with longer term impacts on the Authority assessed during the scheme approval process. The financial resilience of any tenant will be considered as part of the initial due diligence and before agreeing any subsequent lease.

Investment Management Practices

All investment activities present risk exposure for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of investment risk management activities. The Section 151 Officer will formulate suitable criteria for assessing and monitoring the financial and non-financial risks of investments. The criteria for investments will be agreed by Cabinet. The overall approach toward risk management of non-financial investments is set out in IMPs across.

	General Risk Management Framework for Non-Financial Investments (IMP 1):
Macroeconomic	There are many external market risks which can impact the delivery and/or success of capital investments but are beyond the Council's control. Associate Directors are responsible for monitoring and addressing these risks. Where feasible these risks will be transferred.
Credit and counterparty	Where income is derived from an asset, the creditworthiness of the counterparty will be assessed as part of initial due diligence before entering a commitment and regularly monitored throughout the duration of the arrangement.
Operational	Liquidity Risk – the S151 Officer will be responsible for monitoring the realisability of all non-financial investments and for factoring this into the annual retention reviews. Capacity Risk – Leadership Team will be responsible for ensuring resource and knowledge capabilities are sufficient to robustly manage risks presented by the Council's day-to-day activities and longer-term capital commitments.
Environmental and social	Consistent with the Council's Declaration of Climate Emergency all capital investment will have regard to the various policies maintained by the Authority. The policies can be viewed here .

Investment Management Practices

All investment activities present risk exposure for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of investment risk management activities. The Section 151 Officer will formulate suitable criteria for assessing and monitoring the financial and non-financial risks of investments. The criteria for investments will be agreed by Cabinet.

	The Council's General Risk Management Framework for Non-Financial Investments (IMP 1):
Governance	<p>All Non-Financial investment projects must initially be presented as a Business Case to the Business Development Group (BDG) before any commitment is made.</p> <p>In the case of Commercial Investments, the S151 Officer retains a final veto due to the potential implications for the Council's future access to borrowing.</p> <p>The Capital Programme is then approved quarterly by Cabinet, with Officers being responsible for the provision of robust evidence to support Members decision-making</p> <p>Progress against the agreed Capital Programme will be reported to Cabinet quarterly. NB Some larger schemes have additional reporting frameworks (see previous pages for further details)</p>
Reputational	<p>The Council will – as part of its due diligence – consider any potential reputational risk arising from investment in a non-financial asset. This will include potential issues arising from the activities of a tenant/counterparty. Whilst such activities could be hidden from the Council, all reasonable steps will be taken to ensure that all aspects of the investment are aligned with the Councils strategies and general ethos.</p>

Investment Management Practices

	Material Non-Financial Investment – Freshney Place Shopping Centre - Acquired 2022
Category of Non-Financial Investment	Service Related (not primarily for yield)
Objective	As a critical site within the Grimsby Town Centre Masterplan, the asset was acquired to protect the operation of the shopping centre (safeguarding 1700 local jobs) and its contribution to the town centre and wider North East Lincolnshire economy, whilst also retaining provision to develop the scheme that will support the wider transformation of the town centre. Close fit with Building The Economy We Need objective of the Local Plan.
Criteria	Place Making (Regeneration) Promotion of Business Growth (Economic Benefit) Given the strategic importance of the site to Grimsby town centre, the Council has a moderate-high risk tolerance on the project Target Net Income 2026/27 = £1.67M
Risk Management and Governance arrangements	Given the specialised nature of the asset, day to day operations are managed by Queensbury Retail and Savills Internal oversight is undertaken by Freshney Place Development Board Scrutiny is undertaken by a Cabinet Sub- Committee
Exit Plan	Continued ownership will be reviewed annually against prevailing market conditions, the Council's risk appetite and competing priorities. Given the leisure development is currently in progress the Council has determined it is preferable to retain ownership until this has been fully delivered, when a further detailed review of long-term strategic value can be undertaken.

Investment Management Practices

	Material Non-Financial Investment – Cartergate Office Building - Completed 2015
Category of Non-Financial Investment	Service Related (not primarily for yield)
Objective	Regeneration of the Cartergate area of the Town Centre Securing a key local employer's presence in the town that retains skilled jobs in the area in keeping with Building The Economy We Need section of the Local Plan
Criteria	Regeneration Skills Retention Promotion of Business Growth (Economic Benefit) Given the proximity of the site to Grimsby town centre, the Council has a moderate risk appetite toward the project Target Net Income 2026/27 = £0.35M
Risk Management and Governance arrangements	Day to day facility management is undertaken by NELC following the insourcing of EQUANS Internal oversight is undertaken by the Asset Management Team Scrutiny is undertaken by Audit & Governance Committee Borrowing for the development is linked to the associated lease cashflows so should the premises be vacated, there would be no ongoing revenue liability on taxpayers for any borrowing.
Exit Plan	A review of asset returns are undertaken as part of the ongoing monthly monitoring. Continued ownership is reviewed periodically in the light of the prevailing market conditions, the Council's risk appetite and competing priorities and will be reported to Cabinet as part of the annual budget setting process.

Investment Management Practices

	Material Non-Financial Investment – E-Factor Loan - Completed 2025/26
Category of Non-Financial Investment	Service Related (not primarily for yield)
Objective	To facilitate regeneration of St James House in a key area of the Town Centre already identified for development. Securing a local partner’s presence in the town that retains skilled jobs in the area in keeping with Building The Economy We Need section of the Local Plan
Criteria	Regeneration Skills Retention Promotion of Business Growth (Economic Benefit) Given the proximity of the site to Grimsby town centre, the Council has a moderate risk appetite toward the project Margin received over the life of the loan £0.49M
Risk Management and Governance arrangements	Day to day loan management is undertaken by the Economic Development team Internal oversight is undertaken by Finance and Legal Scrutiny is undertaken by Audit & Governance Committee Borrowing for the loan is linked to the associated repayment cashflows (which include a 1% uplift) so the associated risk on taxpayers reduces as the loan is repaid
Exit Plan	The loan is secured by property assets (with a margin) which could be recovered if the loan was defaulted upon. Repayments have been made as scheduled.

Annex 4

Medium Term Financial Plan



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

Medium-Term Financial Plan

2026/27 -
2028/29
Overview

MTFP POSITION			
	2026/27 £000	2027/28 £000	2028/29 £000
FUNDING			
Revenue Support Grant	46,067	59,909	64,007
Business Rates Retention	54,588	55,841	56,967
Council Tax Income	80,213	83,936	87,874
Cumulative ASC Precept	16,550	18,672	20,931
Improved Better Care Fund	9,942	0	0
Extended Producer Responsibility (pEPR)	3,508	3,585	3,657
Recovery Grant	5,432	5,432	5,432
Homelessness, Rough Sleeping & Domestic Abuse Grant Stream	1,867	1,879	1,885
Childrens & Families Grant Stream	3,194	3,194	2,757
TOTAL FUNDING	221,360	232,447	243,510
Budget Envelopes	197,839	203,838	209,403
Borrowing Costs & Charges	10,196	11,708	11,708
Minimum Revenue Payments (MRP)	8,885	10,815	11,735
Investment Income	(336)	(342)	(342)
Levies	1,039	1,069	1,101
Other Budgets	344	1,956	6,493
TOTAL REVENUE SPEND	217,967	229,044	240,098
Net Contributions to Earmarked Reserves	3,393	3,403	3,413
TOTAL BUDGET REQUIREMENT	221,360	232,447	243,511
Balance of funding available / (Savings Required)	0	0	(0)

Annex 5

Budget Engagement



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

Member Scrutiny and Consultation

The role of scrutiny in the budget setting process is key to ensure sufficient challenge and governance is in place to support the robustness of the Budget, Finance and Commissioning Plan.

Informal scrutiny sessions have been held with members in December 2025 and formal briefing sessions in January 2026.

Town and Parish Liaison Committee Budget Consultation

The Town and Parish Liaison Committee is a meeting of key stakeholders with the Borough. The Draft Budget, Finance and Business Plan raised at the Committee on 22nd January 2026. The minutes of this meeting can be found via the following link:

[Town and Parish Liaison Committee | Democracy \(nelincs.gov.uk\)](#)

Public Budget Consultation

A public budget consultation ran from 14th August 2025 to 11th October 2025. The consultation focused upon what the Council's priorities should be for the 2026/27 financial year. A survey asked about -

- How the Council could work more efficiently whilst still supporting those residents that need it and delivering our statutory obligations?
- Which outcomes should the Council prioritise when applying for specific funding?
- Which service was the most important to them?

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

Stakeholder Consultation

The Draft Budget, Finance and Business Plan has been shared with key stakeholders across the public, private and voluntary sector for comments and feedback.

Other

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

Budget Consultation - Summary

The Council's on-line consultation, giving residents, businesses and organisation a chance to have their say on our budget proposals for the next financial year, this year attracted 167 responses from across the Borough.

The consultation ran for eight weeks and was promoted widely through our *Have Your Say* webpage, all Council social media channels, our mailing list of more than **5,500 subscribers**, our partner networks, and local media outlets.

As part of the survey, respondents were asked to indicate how strongly they supported a range of Council functions. The results show that **Bins, Waste and Recycling** received the highest level of support, making it the most strongly supported service area. At the other end of the scale, **sexual health services** received the lowest level of support.

The next slide shows how these priorities have shifted compared to last year. The biggest drops in ranking were seen in **Neighbourhood Services** and **Tourism**, suggesting that place-based services are becoming less of a priority for residents at this time.

In contrast, **Economy and Regeneration, Family Hubs**, and **School Improvement Services** saw the largest increases in ranking. This indicates a growing emphasis on economic stability, education, and support for families and vulnerable groups.

The most stable priorities ranked in this survey are street & grounds cleaning and children's health which indicates that these services remain consistently valued by residents.

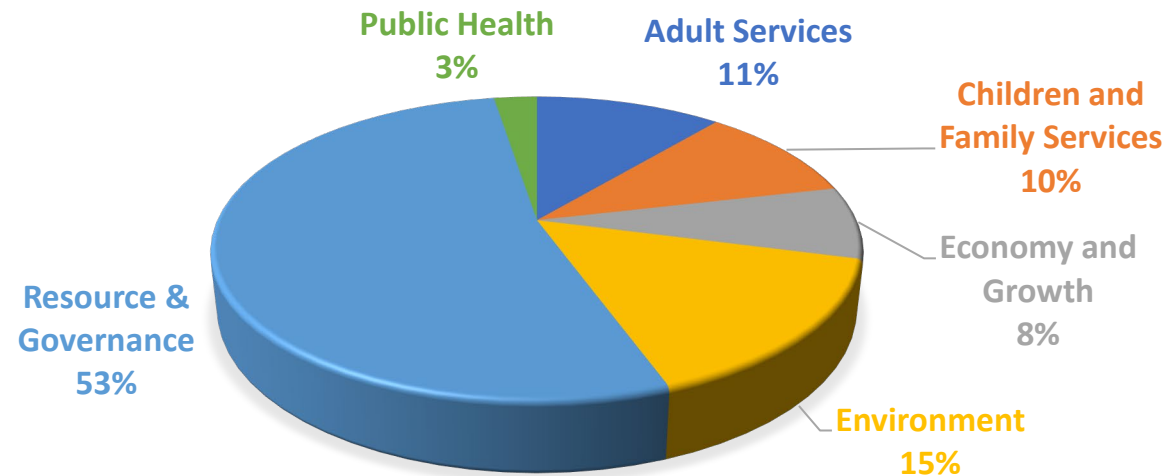
Budget Consultation – Summary

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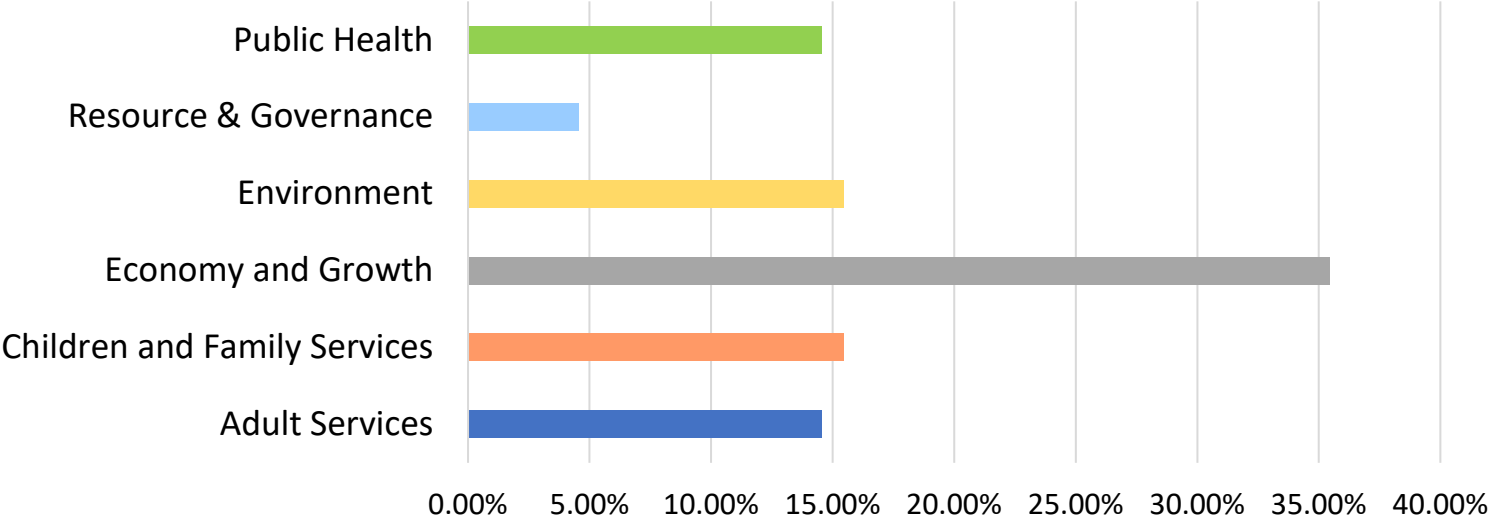
Service Area	2026	2026 Rank	2025	2025 Rank	Rise / Fall in Rank
Bins, Waste & Recycling	7.91	1	7.71	2	-1
Child Protection	7.71	2	7.84	1	1
Enforcement & Safer Communities	7.59	3	7.09	7	-4
Street & Grounds Cleaning	7.48	4	7.36	4	0
Prevention and Wellbeing Services	7.31	5	6.71	10	-5
Adult Social Care	7.28	6	7.70	3	3
Neighbourhood & Countryside Services	6.99	7	5.88	20	-13
Children's health	6.99	8	7.03	8	0
Safeguarding	6.87	9	7.20	6	3
Street Lighting and Safety	6.85	10		NA	NA
Libraries and Leisure	6.83	11	6.17	17	-6
Highways, Transport	6.80	12	7.01	9	3
Tourism	6.72	13	5.59	23	-10
Skills & Employment Initiatives	6.71	14		NA	NA
Special Educational Needs and Disability (SEND)	6.66	15	6.68	12	3
Through Care and Disability	6.64	16	6.70	11	5
Business Growth & Support	6.62	17		NA	NA
Economy and Regeneration Services	6.60	18	7.31	5	13
Home Options and Housing Related Support	6.59	19	5.75	21	-2
Young and Safe	6.58	20	6.52	13	7
Private Sector Housing	6.46	21	5.48	25	-4
Flooding	6.43	22	6.27	16	6
School improvement services	6.37	23	6.30	14	9
Family Hubs	6.28	24	6.29	15	9
Access and inclusion services	6.20	25	6.14	18	7
Core running costs	6.10	26	5.95	19	7
Housing	6.04	27		NA	NA
Cemeteries & Crematorium	5.87	28	5.74	22	6
Car Parks	5.43	29		NA	NA
Drug and Alcohol Recovery	5.42	30	5.55	24	6
Planning	5.24	31	5.12	27	4
Sexual Health	5.21	32	5.25	26	6
				Not previously in survey	

Budget Consultation – Summary

The consultation asked residents which areas they would be most willing to see reduced if the Council had to cut spending in order to protect essential services. Here are the results



Residents were also asked If more government funding became available which services area should benefit first. Here are the results



Annex 6

Financial Resilience

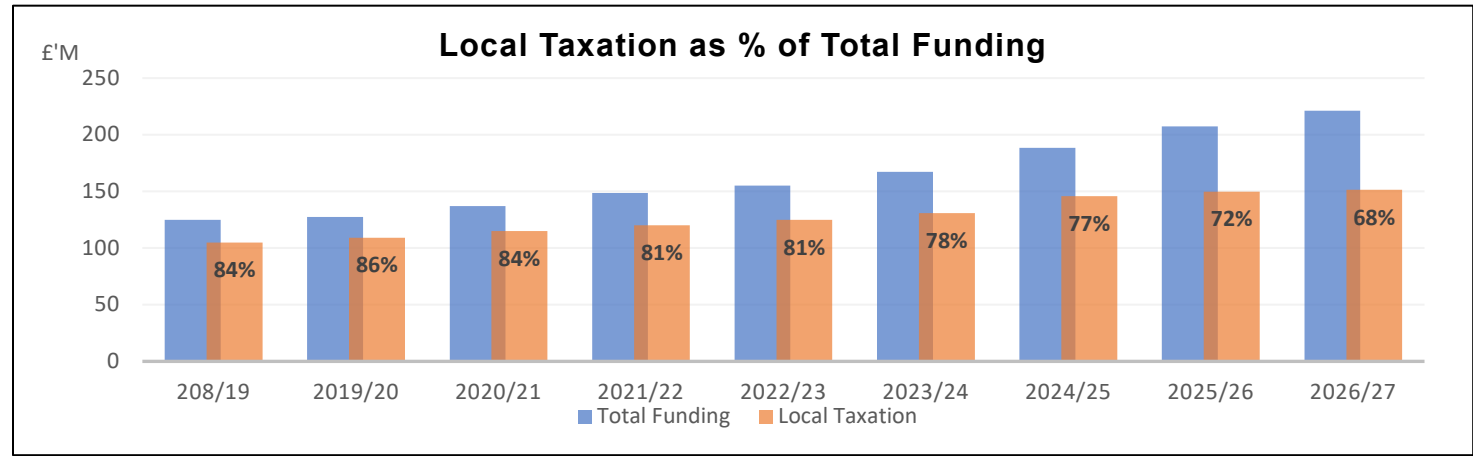


**Stronger Economy: Stronger Communities.
Together we can be stronger.**

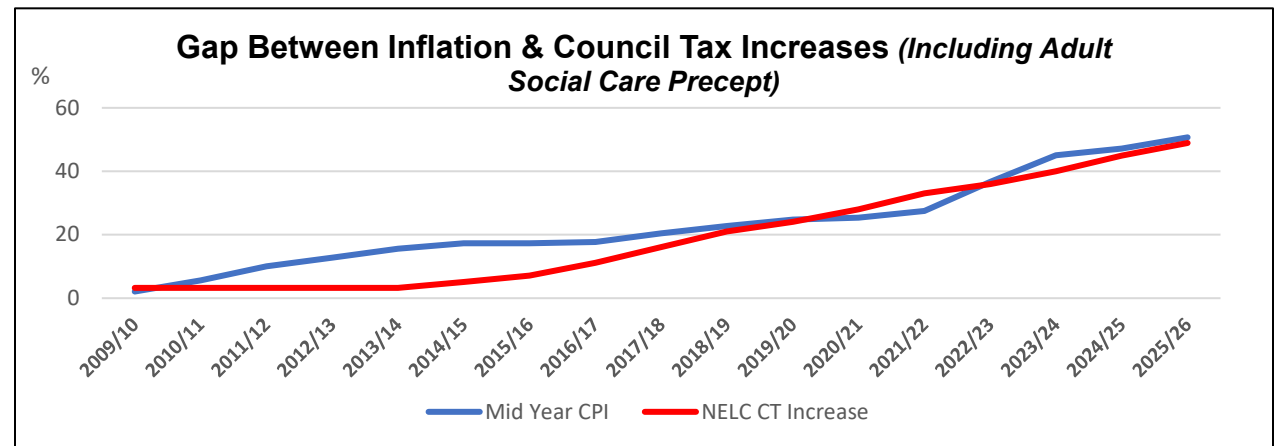
Our Council Plan pledges to work with partners to invest in our people and our place.

Financial Resilience - Funding

Historically the Council has been less reliant on Government grants as local businesses and residents provided an increasing proportion of overall funding. However, since 2022/23 this proportion started to reduce, due to the amount of social care specific grants. Following the implementation of the government's funding reform and the introduction of a revised funding formula, the share of total resources derived from local taxation has diminished



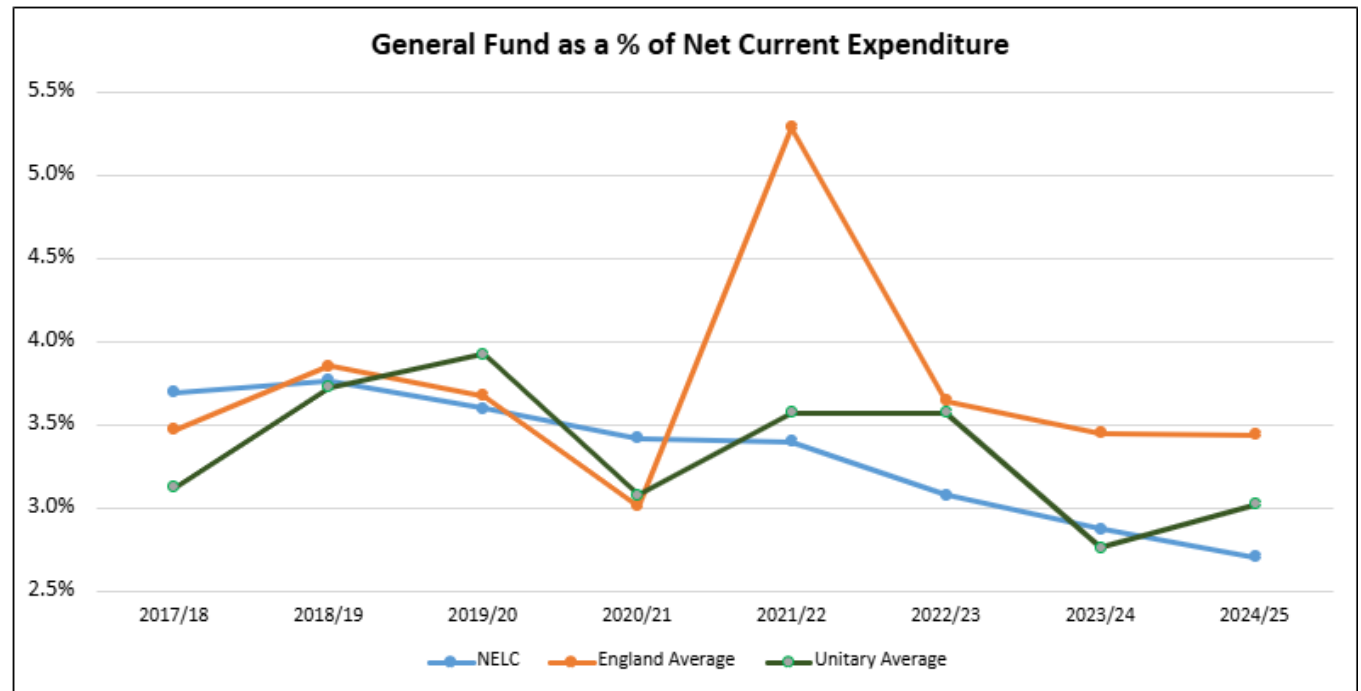
The cost of living increased sharply across the UK during 2021 and 2022. The annual rate of inflation reached 11.1% in October 2022, a 41-year high, before easing in subsequent months. Despite this council tax levels remain lower than if they had risen in line with inflation since 2009/10. We have seen a cumulative increase in Council Tax of 46% since 2009/10. This compares to an increase in the consumer price inflation (CPI) index of 45% since 2009.



Financial Resilience - Reserves

The Council's general fund balance is currently £8.3M. The general fund, as a percentage of net current expenditure was 2.70% on the 2024/25 outturn.

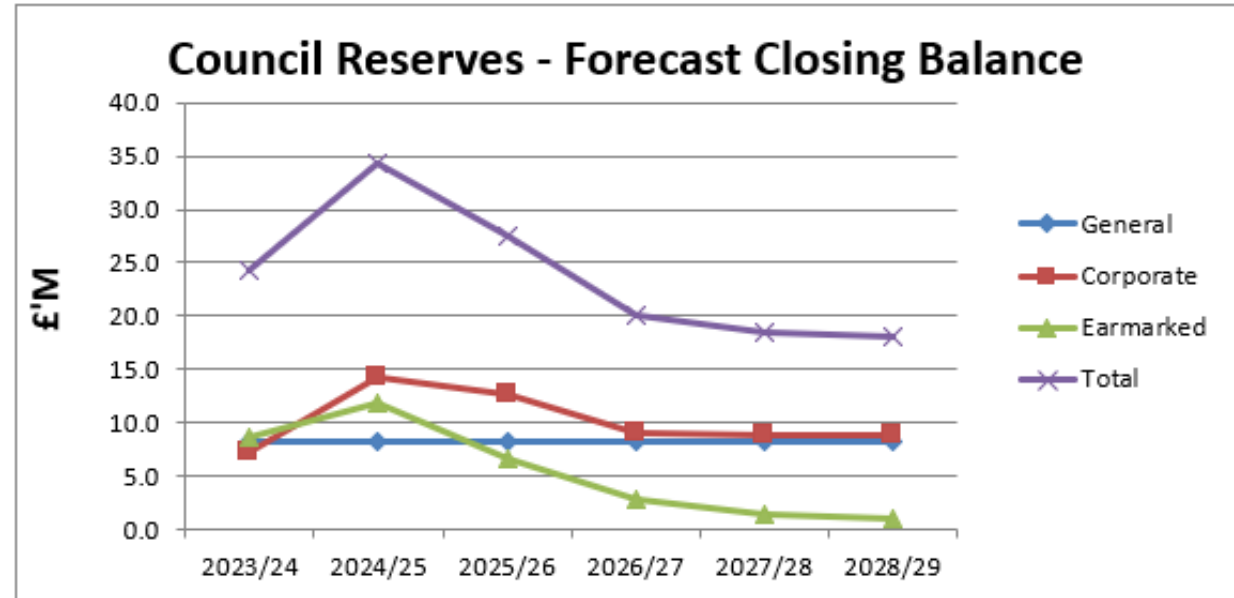
The chart below demonstrates that the Council's general reserves have remained roughly in line with the unitary council average over the past six years, however the England average saw a large peak in general reserve balances during 2021/22. This is due to the Covid, with a number of authorities carrying grant funding forward in unallocated reserves.



The general fund as a percentage of net current expenditure is in line with the unitary council average. While our earmarked reserves are more volatile, and more limited in their application, the general fund provides resilience at a time of reducing real terms funding for local government. The adequacy of Council reserves is assessed formally on an annual basis, as part of the budget setting process.

Financial Resilience – Reserves

Service specific reserves are largely fully committed and expected to decrease over time. General and corporate reserves are expected to be stable over the MTFP period.

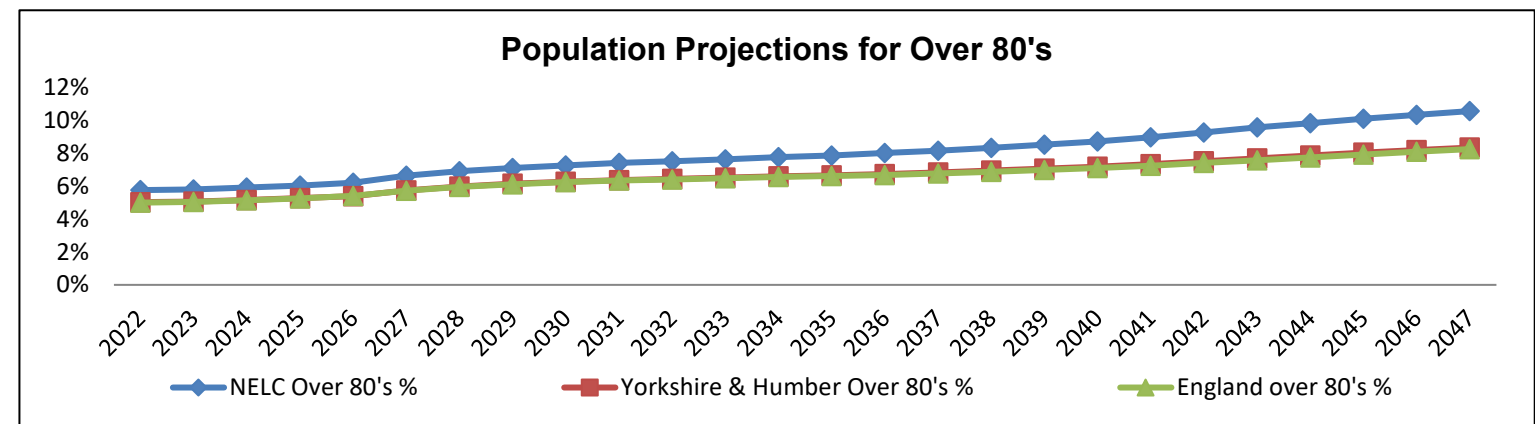
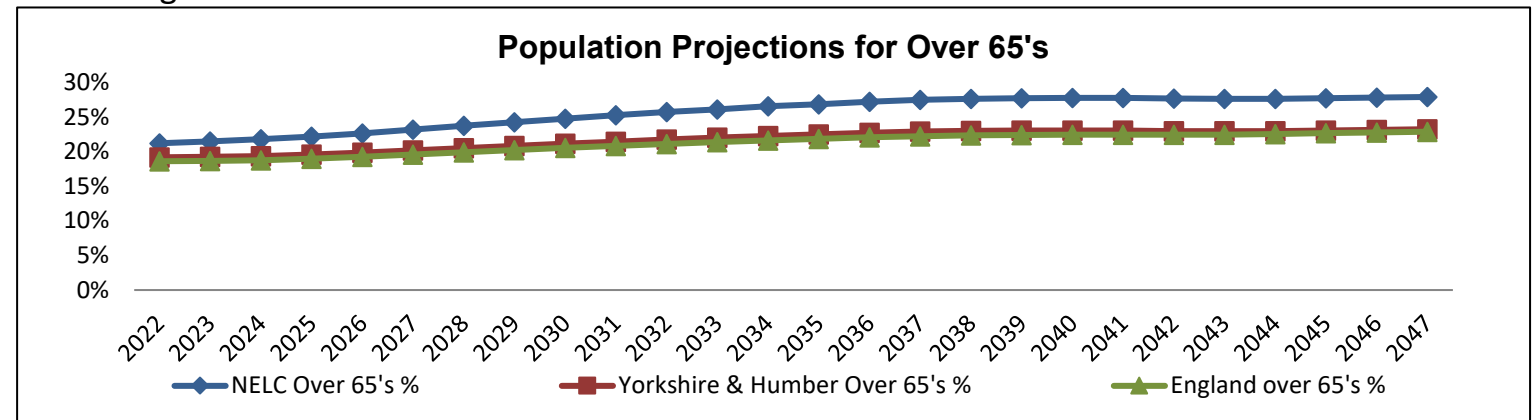


Planned top up of reserves in 2026/27 will provide additional resilience against specific risks and support ongoing change programme.

Financial Resilience - Demand

According to ONS estimates, North East Lincolnshire's 2026 total population stands at 157,904, of which 35,772 (22.66%) are of pensionable age. ONS projections suggest that by 2047, 155,431 people will be resident in North East Lincolnshire, of whom 43,355 (27.89%) will be of pensionable age. Indicating a growth of 5.24 percentage points to the proportion of persons of pensionable age in the 21 years between 2026 and 2047, despite a 1.6% reduction in total population numbers.

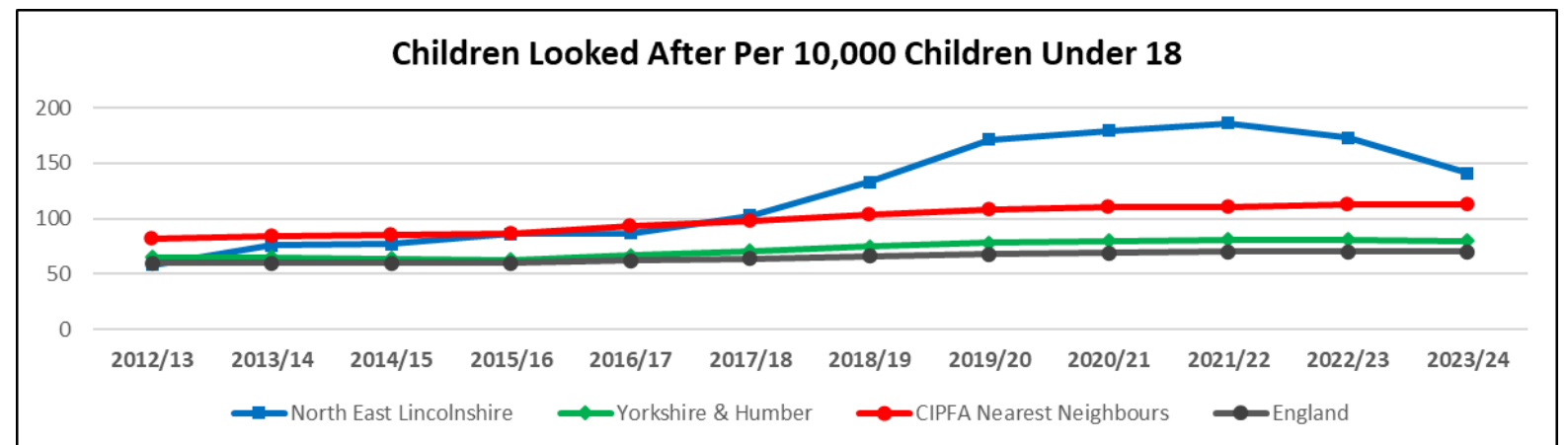
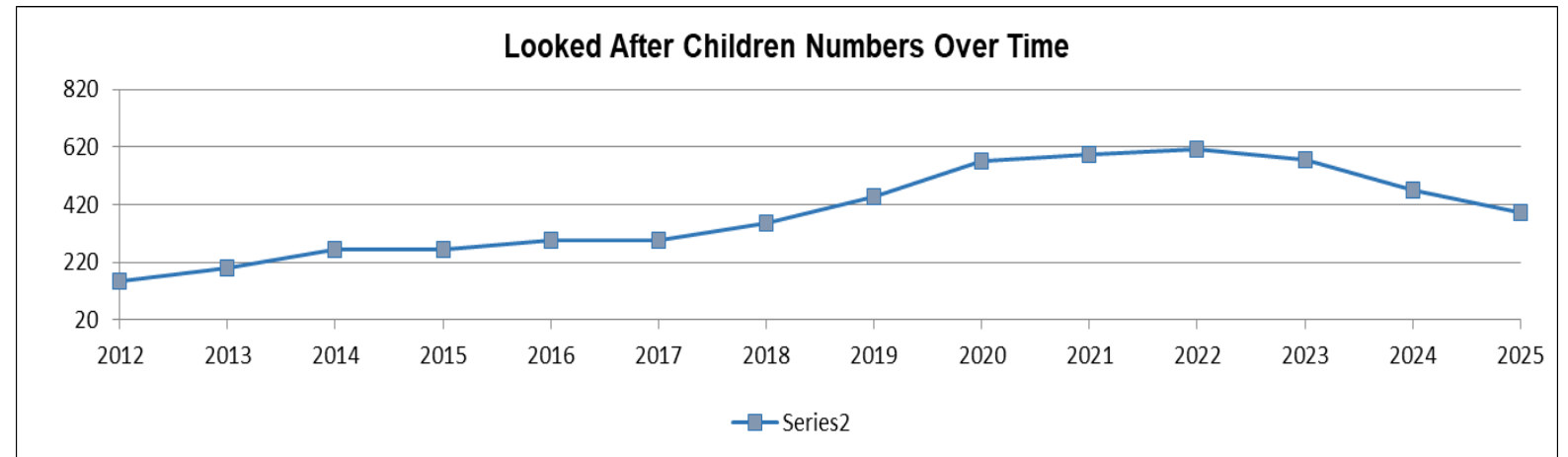
At the end of the latest MTFP period, projections show the over 65s to reach 24.25%, and 7.12% for the over 80s. The projections for NELC follow the same trend as both the Yorkshire and Humber and England, however our % of older people within our area remains higher than average for both and the gap continues to grow.



Financial Resilience - Demand

Children Looked After (CLA) numbers continue to place funding pressures on the Council. We have seen numbers more than double between 2017 and 2023. However, through continued transformational improvements we continue to see reductions in looked after of numbers. Our current number of looked after children as at December 2025 is 394. This is a reduction of 75 since the previous reporting period.

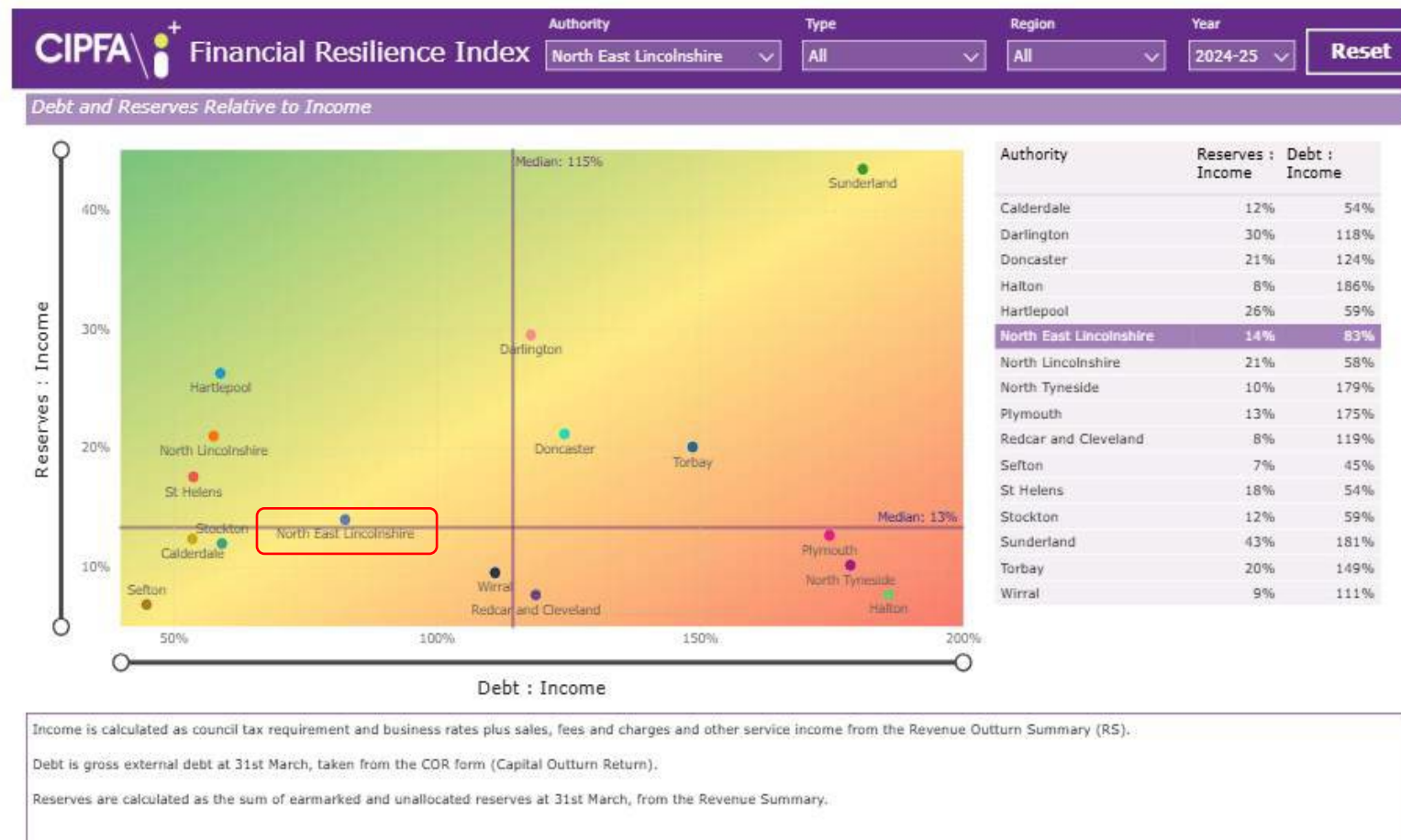
The graph of CLA numbers per 10,000 resident under-18s shows the increasing gap between NELC and our statistical neighbours slowly closing. The 2023/24 (last published) figures show that numbers have reduced by 32, which is only 28 above our CiPFA nearest neighbours.



Financial Resilience - CIPFA Financial Resilience Index

CIPFA Financial Resilience Index based upon 2024/25 financial outturn. Indicates that reserves as a proportion of income are in line with sector average. Debt as a proportion of income below sector average.

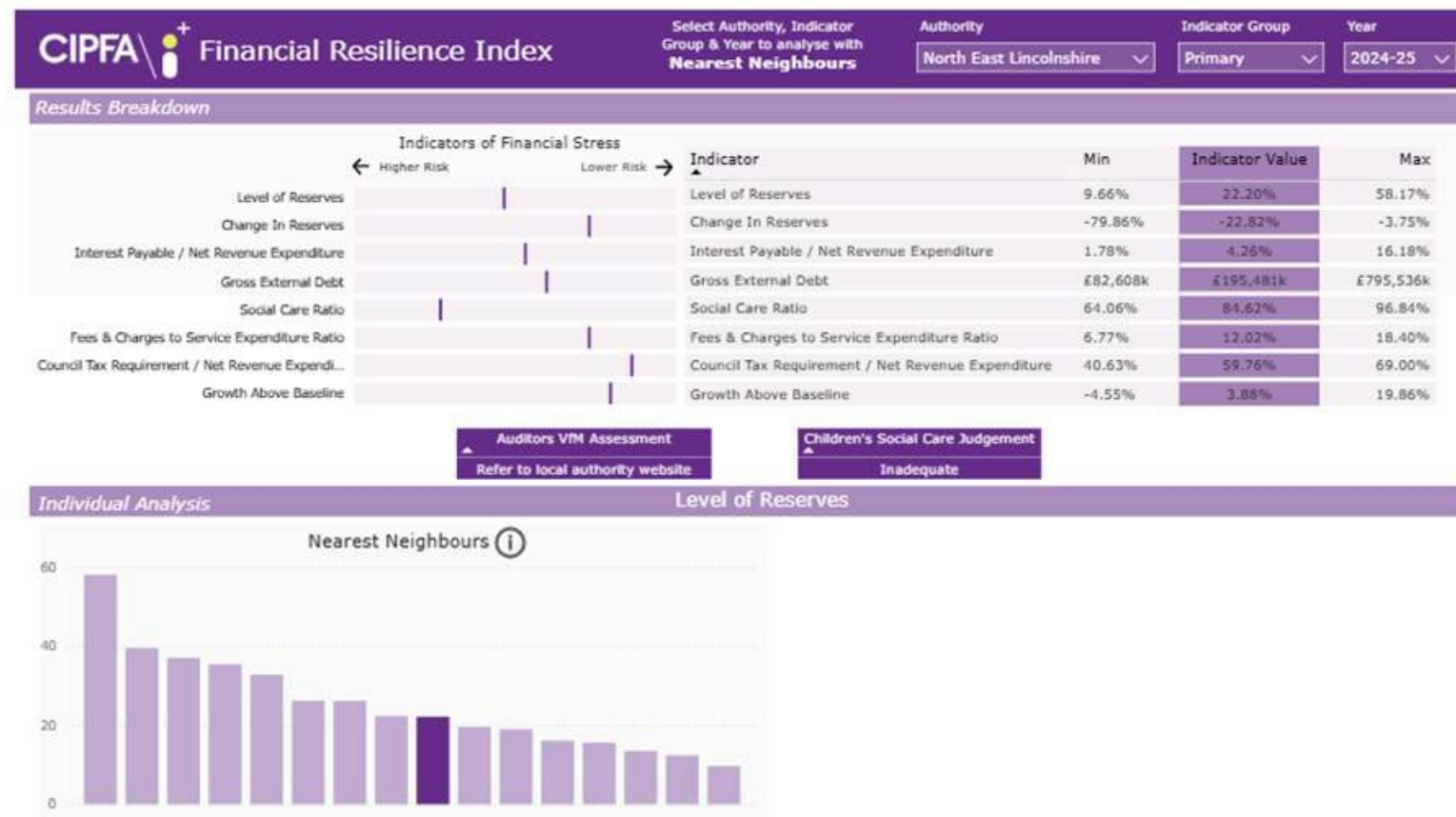
Use the Resilience Index



Financial Resilience - CIPFA Financial Resilience Index

Indicators of financial stress are generally towards lower end of the scale. Exception is social care ratio which shows proportion of spend on social care as high.

Use the Resilience Index



Annex 7

Flexible Use of Capital Receipts



**Stronger Economy: Stronger Communities.
Together we can be stronger.**

Our Council Plan pledges to work with partners to invest in our people and our place.

Introduction and context

The Government's 2016/20 Local Government financial settlement provided local authorities with the opportunity to use capital receipts to fund the revenue costs of transformation for the first time.

To take advantage of the flexibility, the Council must act in accordance with the Statutory Guidance issued by the Secretary of State.

This Guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy, with future Strategies included within future Annual Budget refreshes.

The Direction

The Direction issued by the Secretary of State under Sections 16(2)(b) of the Local Government Act specifies that Local Authorities can treat as capital expenditure, expenditure which:-

“is incurred by the Authority that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”

It is a condition of the Secretary of State's direction that the flexible use of capital receipts in accordance with the direction only applies to capital receipts which have been received in the years to which the direction applies.

The Government confirmed that it will continue to support projects that reduce costs and improve efficiency by extending the flexibility to use capital receipts to fund revenue costs of these projects to March 2030.

The Government have also engaged with the sector to explore additional capital flexibility options to enable invest-to-save and transformation initiatives.

Strategy and Governance

The Council intends to make use of the flexibility in the financial planning period 2026/27 – 2028/29 and this has been factored into the Capital Investment Programme and within asset disposal plans.

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

Governance and approval

The Council's flexible use of capital receipts to fund transformational activity will continue to be reviewed to ensure allocated expenditure demonstrates that: The initiative will transform service delivery.

- Generate on-going future savings or reduce future costs; and
- The costs being funded are implementation or set up costs and not ongoing operational costs.

Plans and actual spend and savings achieved will be reported to MHCLG and published in accordance with guidance. Any in-year updates or changes to the Strategy are required to follow the same governance.

Summary of planned receipts and application

The Council generates capital receipts predominantly from disposals in the following areas:-

- Operational estate (to support wider property rationalisation and efficiency plans and drive footfall within Town Centre)
- Former school playing fields (to support and enable housing development within the Borough)
- Commercial land (to accelerate economic development initiatives and inward investment).

It is estimated that the balance on the Capital Receipts Reserve at the end of the 2025/26 financial year will be £6.6M. The current balance on the Capital Receipts Reserve will be supplemented by further anticipated disposals in 2026/27.

These receipts are available for utilisation through the flexible use of capital receipts over the period of the MTFP.

The Council's current MTFP is currently assuming the application of the following capital receipts.

	2026/27 £M	2027/28 £M	2028/29 £M
Capital Receipts	3.4	2.9	2.2

It should be noted that figures for 2027/28 and 2028/29 are provisional at this stage and will be reviewed and updated as appropriate during the annual financial planning processes.

The Council intends to use capital receipts to fund transformation across a range of service. Further detail is set out below.

Area	Key Transformational Activities	Total Investment (£m)	Target Savings (£m)
Children's and Family	Ongoing transformation of the overall Children's and Family service provision, to align the costs with nearest statistical neighbours	2.0	0.9
Public Health	Transformation of Public Health service provision, including the establishment of Marmot Place	0.2	0.0
Resources	Transformation of organisational activities to drive efficiency within support functions	1.2	0.3
Total		3.4	1.2

Impact on prudential indicators

The prudential indicators impacted by the utilisation of flexible use opportunities are set out below:

- Estimates of capital expenditure indicator is forecast at £3.4m for FY 2026/27; £2.9m for FY 2027/28 and £2.2m for FY 2028/29. This reducing utilisation over the MTFP reflects the current period of transition for the local authority, as it moves to a revised fair funding model.
- The Capital Financing Requirement is not directly increased beyond the previous MTFP, as there is a plan to generate additional capital receipts to fund the transformational activity.
- Financing costs as a percentage of net revenue stream would also not increase beyond the previous MTFP due to the capital receipts to be generated to fund the activity.
- Furthermore, the longer-term revenue savings anticipated to be generated will help the Council achieve a balanced budget position.

The prudential indicators show that this strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.

Review of planned Flexible use of Capital Receipts in 2025/26

- During the financial year 2025/26 the Council intended to use capital receipts to fund transformation across a range of service.
- The value of the flexible use of capital receipts was expected to be £2.2m, with future savings to be realised of £0.7m.
- Full detail of these activities can be found below.
- Whilst the transformational activities invested in are still ongoing, savings and cost reductions have started to be realised in several areas. Most notably within Children's and Family services, which continue to forecast reductions in cash budget envelopes over the MTFP period.
- Subsequently, all savings realised from these transformation activities will be reflected in the forecast outturn for financial year 2025/26.
- The final value of the flexible use of capital receipts utilised in financial year 2025/26 will be included in the year end outturn report.

Area	Key Transformational Activities	Commentary
Children's and Family	Ongoing transformation of the overall Children's and Family service provision, to align the costs with nearest statistical neighbours	Continuing to strengthen the outcomes for children and families at pace. The positive transformation for children and families was recognised in the ILACS inspection in July 2025 where children's services were Graded as Good with Outstanding leadership.
Public Health	To support transformational projects in improving the public health service provision	Work has commenced towards the ambitious plan to achieve recognition as a Marmot Place.